



CLOSING DOCUMENTS

\$25,470,000

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL
FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY
TAX-EXEMPT REVENUE BONDS
(SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION/
UNIVERSITY FACILITIES INC. PROJECT)
SERIES 2010A

\$5,785,000

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL
FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY
TAXABLE REVENUE BONDS
(SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION/
UNIVERSITY FACILITIES, INC. PROJECT)
SERIES 2010B

Delivered: November 17, 2010

Jones, Walker, Waechter, Poitevent, Carrère & Denègre, LLP.

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**INDEX OF CLOSING DOCUMENTS
FOR AN ISSUE OF**

\$25,470,000

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FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY
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SERIES 2010B**

Delivered: November 17, 2010

KEY TO ABBREVIATIONS:

Bonds:	Above-captioned Bonds
Bond Counsel:	Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P.
Issuer:	Louisiana Local Government Environmental Facilities & Community Development Authority
Issuer Counsel:	Casten & Pearce, A Professional Law Corporation
Corporation:	University Facilities, Inc.
Corporation Counsel:	Seale & Ross, A Professional Law Corporation
Board:	Board of Supervisors for the University of Louisiana System
University:	Southeastern Louisiana University
Board Counsel:	DeCuir, Clark & Adams, L.L.P.
Underwriters:	Morgan Keegan & Company, Inc.
Underwriter Counsel:	McGlinchey Stafford PLLC
Trustee:	Regions Bank
Trustee Counsel:	Gregory A. Pletsch & Associates
Financial Advisor:	Sisung Securities Corporation
Bond Insurer:	Assured Guaranty Municipal Corp.
Rating Agencies:	Moody's Investor Service

BASIC FINANCING AND SALE DOCUMENTS

1. Transcript Certificate
2. Trust Indenture by and between the Issuer and the Trustee dated as of November 1, 2010
3. Loan and Assignment Agreement by and between the Issuer and the Corporation, dated as of November 1, 2010
4. (a) Ground Lease Agreement by and between the Board, as Lessor, and the Corporation, as Lessee, dated as of January 1, 2010
(b) Memorandum of Lease, as recorded
5. Agreement to Lease with Option to Purchase by and between the Corporation, as Lessor, and the Board, as Lessee, dated as of January 1, 2010, as amended by First Amendment to Agreement to Lease with Option to Purchase dated as of November 1, 2010
6. Act of Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement dated November 17, 2010, as recorded
7. (a) Preliminary Official Statement dated October 27, 2010
(b) 15c2-12 Certificates of the Issuer, the Corporation, and the Board
8. Bond Purchase Agreement by and among the Issuer, the Corporation, and the Underwriter, dated November 4, 2010
9. Official Statement dated November 4, 2010
10. Tax Regulatory Agreement and Arbitrage Certificate by and among the Issuer and the Trustee dated November 17, 2010 including the Corporation Certificate as **Exhibit A** thereto; executed by the Board and the Corporation.
11. Continuing Disclosure Certificate by the Board
12. [RESERVED]

ISSUER DOCUMENTS AND PROCEEDINGS

13. General Certificate of the Issuer
14. (a) Certified Copy of Resolution adopted by the Issuer on June 12, 2008, authorizing the issuance of the Bonds
(b) Affidavit of publication and tearsheet evidencing publication of (a) above

15. (a) Certified Copy of Resolution adopted by the Issuer on December 16, 2008, providing for the sale of the Bonds
 - (b) Affidavit of publication and tearsheet evidencing publication of (a) above
 - (c) Certified Copy of Resolution adopted by the Issuer on November 10, 2010, providing for Bank Qualified Bonds.
16. Order of Issuer Requesting the Trustee to authenticate and deliver the Bonds
17. (a) IRS Form 8038 regarding the Series 2010A Bonds
 - (b) Return Certificate
18. (a) Notice of Public Hearing (TEFRA Hearing)
 - (b) Approval of Attorney General of the State of Louisiana, including (i) the proceedings taken at the public hearing (“TEFRA Hearing”) held on November 5, 2008; and (ii) affidavits of publication of the Notice of Public Hearing in *The Advocate* and *The Daily Star*

LOUISIANA STATE BOND COMMISSION ITEMS

19. (a) Proceedings evidencing approval of the issuance of the Bonds by the State Bond Commission at its meeting of November 20, 2008
- (b) Acknowledgment of Receipt of Payment of Closing Fee

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20. (a) Minutes of the meeting of the Board held on October 24, 2008
 - (b) Resolution adopted by the Board on October 24, 2008
21. Proceedings of the Board of Regents on October 23, 2008 evidencing approval of the Lease

CORPORATION ITEMS

22. General Certificate of the Corporation with Exhibits:
 - (a) Certificate of Good Standing by the Secretary of State of the State of Louisiana;
 - (b) Certified copy of Articles of Incorporation;
 - (c) By-Laws;

- (d) IRS Determination Letter; and
- (e) Resolution of the Corporation dated November 7, 2008.

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- 23. Authentication, Signature Identification and General Certificate of the Trustee

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- 24. Opinion of Bond Counsel
- 25. Supplemental Opinion of Bond Counsel
- 26. Issuer Counsel Opinion
- 27. Corporation Counsel Opinion
- 28. Board Counsel Opinion
- 29. Trustee Counsel Opinion
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- 31. Bond Insurer Opinion

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- 32. Specimen Bond Insurance Policy
- 33. Trustee Receipt for Bond Insurance Policy

MISCELLANEOUS

- 34. Specimen Bonds
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- 36. Rating Letters of Moody's
 - (a) Insured
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- 37. UCC-1 Financing Statement

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- (b) Non-litigation Certificate, Clerk of Court, United States District Court, Eastern District of Louisiana for Corporation
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 - (b) Receipt of Underwriter
 - (c) Receipt of Trustee
42. Approval of Joint Legislative Committee on the Budget
43. Debt Service Schedules
44. Closing Memorandum

CERTIFICATE AS TO AUTHENTICITY OF
PROCEEDINGS, DOCUMENTS, INSTRUMENTS AND WRITINGS
CONTAINED IN THE TRANSCRIPT OF RECORD PERTAINING TO

\$25,470,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

\$5,785,000

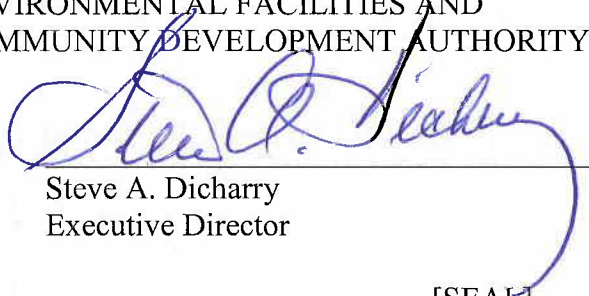
Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

I, the undersigned Executive Director of the Louisiana Local Government Environmental Facilities and Community Development Authority (the “*Issuer*”), do hereby certify that the proceedings, documents, instruments and writings hereinafter contained in this transcript of record are true and correct copies or duplicate originals and constitute all proceedings of the Issuer and other proofs in relation thereto with respect to the issuance, sale and delivery of the captioned bond issue.

The undersigned has hereunto set his signature and affixed the seal of the Issuer this 17th day of November, 2010.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

BY:


Steve A. Dicharry
Executive Director

[SEAL]

TRUST INDENTURE

by and between

Louisiana Local Government Environmental Facilities and
Community Development Authority

and

Regions Bank
(as Trustee)

Dated as of November 1, 2010

in connection with:

\$25,470,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

\$5,785,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

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TRUST INDENTURE

This TRUST INDENTURE dated as of November 1, 2010 (together with any amendments hereto, this "*Indenture*"), is between the LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY, a political subdivision of the State of Louisiana (the "*Issuer*"), and REGIONS BANK, an Alabama state banking corporation having a corporate trust office in the City of Baton Rouge, Louisiana and duly authorized to accept and execute trusts, as trustee (the "*Trustee*").

WITNESSETH:

WHEREAS, the Issuer is a political subdivision established for public purposes under and pursuant to the provisions of Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 to 4548.16, inclusive) (the "*Act*") and other constitutional and statutory authority;

WHEREAS, the Act empowers the Issuer to issue bonds to provide funds for and to fulfill and achieve its authorized public functions or corporate purposes as set forth in the Act;

WHEREAS, the Board of Supervisors for the University of Louisiana System (the "*Board*") is a body corporate created pursuant to the provisions of Article VIII, §6(A) of the Constitution of the State of Louisiana of 1974 and authorized pursuant to La. R.S. 17:3217;

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Issuer is authorized to issue revenue bonds and loan the funds derived from the sale thereof to the University Facilities, Inc. (the "*Corporation*"), a nonprofit corporation organized and existing under the laws of the State for the benefit of Southeastern Louisiana University (the "*University*"), for the purpose of providing financing to the Corporation for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food services areas, a bookstore and related facilities for students, faculty, staff and the general public, including all furnishings, fixtures and facilities incidental or necessary in connection therewith on the campus of the University (the "*Facilities*") in Tangipahoa Parish, Hammond, Louisiana;

WHEREAS, the Corporation is a nonprofit corporation organized and existing under the laws of the State of Louisiana (the "*State*") for the benefit of the University and is empowered to consummate the transactions contemplated hereunder and to do all acts and exercise all powers and assume all obligations necessary or incident thereto;

WHEREAS, the Corporation has requested that the Issuer issue \$25,470,000 aggregate principal amount of Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A (the "*Series 2010A Bonds*") and \$5,785,000 aggregate principal amount of Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B (the "*Series 2010B Bonds*") and, together with the Series 2010A Bonds, the "*Bonds*") the proceeds of the sale of such Bonds to be loaned to the Corporation pursuant to the Loan and Assignment Agreement dated as

of the date hereof (the “*Agreement*”) for the purpose of (a) demolishing certain existing facilities and renovating, developing and constructing the Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance (as defined herein) of the Bonds, including the premium for any bond insurance policy insuring the Bonds (the “*Project*”);

WHEREAS, the Issuer is authorized under the provisions of the Act and other constitutional and statutory authority to issue the Bonds for such purposes and the Issuer has determined that it is most advantageous to the Issuer and necessary for it to issue its revenue bonds as hereinafter provided for such purposes;

WHEREAS, pursuant to the Agreement, the Corporation will assign its rights under that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010 by and between the Board and the Corporation (the “*Original Facilities Lease*”) as supplemented and amended by that certain First Amendment to Facilities Lease dated as of November 1, 2010 by and between the Board and the Corporation (the “*Amendment to Facilities Lease*” and, together with the Original Facilities Lease, the “*Facilities Lease*”), pursuant to which the Corporation, as lessor, leases the Facilities to the Board, as Lessee, including its right to all Rental (as defined in the Facilities Lease) received thereunder, to the Issuer, and agrees to make payments in an amount sufficient to make timely payments of principal of, premium, if any, and interest on the Bonds and to pay such other amounts as are required by the Agreement;

WHEREAS, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (the “*Bond Insurer*”) will issue its municipal bond insurance policy unconditionally and irrevocably guaranteeing the full and complete payment of the principal of and interest on the Bonds as such payments shall become due but shall be unpaid;

WHEREAS, the fully registered Series 2010A Bonds and Series 2010B Bonds and the certificate of authentication by the Trustee to be endorsed thereon with respect to the Series 2010A Bonds and Series 2010B Bonds are to be in substantially the form attached as Exhibit A-1, and Exhibit A-2, respectively, hereto with all necessary and appropriate variations, omissions and insertions as permitted or required under this Indenture;

WHEREAS, the Series 2010A Bonds and the Series 2010B Bonds will bear interest at a fixed rate to the maturity thereof in accordance with the terms of this Indenture;

WHEREAS, all acts, conditions and things required by the laws of the State to happen, exist and be performed precedent to and in the execution and delivery of this Indenture have happened, exist and have been performed as so required in order to make this Indenture a valid and binding agreement in accordance with its terms;

WHEREAS, the execution and delivery of this Indenture have been duly authorized by the Issuer and the Trustee; and

WHEREAS, each of the parties hereto represents that it is fully authorized to enter into and perform and fulfill the obligations imposed upon it under this Indenture and the parties are now prepared to execute and deliver this Indenture.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Issuer and the Trustee hereby covenant and agree as follows:

ARTICLE 1
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. All capitalized terms not otherwise defined herein shall have the meanings assigned in the preamble hereto or in the Agreement. In addition to words and terms elsewhere defined in this Indenture, the following words and terms as used herein shall have the following meanings, unless some other meaning is plainly intended:

“*Accounts*” shall mean the accounts and subaccounts created pursuant to Article 4 hereof.

“*Act*” shall mean Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 to 4548.16, inclusive) and all future acts supplemental thereto and amendatory thereof.

“*Additional Debt*” means any obligation (whether present or future, contingent or otherwise, as principal or security or otherwise), that is secured by or payable from the Capital Funds and the Student Fees: (i) in respect of borrowed money, including without limitation, bonds, notes and similar obligations; or (ii) under a lease arrangement, installment sale agreement or other similar arrangement.

“*Additional Rental*” shall mean the amounts specified as such in Section 6(c) of the Facilities Lease.

“*Administrative Expenses*” means the necessary, reasonable and direct out-of-pocket expenses incurred by the Issuer or the Trustee pursuant to the Indenture and the Agreement, the compensation of the Trustee under the Indenture (including, but not limited to any annual administrative fee charged by the Trustee), the compensation of the Issuer, any amounts due to the Bond Insurer and the necessary, reasonable and direct out-of-pocket expenses of the Trustee incurred by the Trustee in the performance of its duties under the Indenture.

“*Agreement*” shall mean the Loan and Assignment Agreement dated as of November 1, 2010 between the Corporation and the Issuer, including any amendments and supplements thereof and thereto as permitted thereunder.

“*Annual Debt Service*” means, with respect to any series of Bonds, the amount required to pay all principal of and interest on such respective series of Bonds in any Fiscal Year.

“*Aramark*” means Aramark Educational Services, LLC, a Delaware limited liability company having its principal place of business Philadelphia, Pennsylvania

“*Authorized Corporation Representative*” means any person at the time designated to act on behalf of the Corporation by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Corporation by an officer of the Corporation. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“Authorized Denomination” shall mean \$5,000 or any integral multiple thereof.

“Authorized Issuer Representative” shall mean the person(s) at the time designated to act under the Agreement and this Indenture on behalf of the Issuer by a written certificate furnished to the Corporation and the Trustee containing the specimen signature of such person(s) and signed on behalf of the Issuer by the Chairman, Vice Chairman, Executive Director or Assistant Secretary of the Issuer. Such certificate may designate an alternate or alternates.

“Auxiliary Enterprises” means the fees, commissions and other revenues generated by the following University auxiliary enterprises as the same may be modified from time to time: (a) student service fees for operation of the University’s Text book rental, ID Card Services, Student Health Center and Student Union; (b) certain commissions received from Food Service contractors, Retail Bookstore operations and Vending Operations; and (c) the sales of copying services.

“Auxiliary Revenues” means the amount of all funds or revenues held by the University derived by Auxiliary Enterprises and any earnings thereof from self generated fees, rates charges or income received by students, faculty or the public in connection with the utilization or operation of Auxiliary Enterprises after payment of any Auxiliary Enterprise expenses. Auxiliary Revenues shall not include student fees specifically assessed by the University to service any outstanding obligations or any capital funds received by outside contractors required to make building improvements for their delivery of services.

“Base Rental” shall mean the amounts referred to as such in Section 6(b) of the Facilities Lease (as such amounts may be adjusted from time to time in accordance with the terms thereof) but does not include Additional Rental.

“Beneficial Owner” shall mean, so long as a book entry system of registration is in effect pursuant to Section 3.13 hereof, the actual purchaser of the Bonds.

“Board” shall mean the Board of Supervisors for the University of Louisiana System or its legal successor as the management board of the University, acting on behalf of the University and on its own behalf.

“Board Representative” means the Person or Persons designated by the Board in writing to serve as the Board’s representative(s) in exercising the Board’s rights and performing the Board’s obligations under the Facilities Lease; the Board Representative shall be the President of the Board of Supervisors for the University of Louisiana System, or his or her designee, the Assistant Vice President for Facilities Planning, or his or her designee, or any other representative designated by resolution of the Board, of whom the Corporation has been notified in writing.

“Bond Insurance Policy” shall mean the insurance policy issued by Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2010 Bonds when due.

“*Bond Insurer*”, if any, shall mean Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), a New York stock insurance company, or any successor thereto or assignee thereof.

“*Bond Insurer Amounts*” means all amounts payable to the Bond Insurer, if any, under the terms of the Agreement or the Indenture or any Facilities Documents whether in the form of a direct, reimbursement, or indemnity, payment obligation of the Corporation and including any amounts that become due during the Residual Payment Obligation Period.

“*Bond Proceeds Fund*” shall mean the fund of that name created under Section 4.1 of this Indenture.

“*Bond Purchase Agreement*” means the agreement by that name dated November __, 2010 entered into between the Issuer, the Underwriter and the Corporation providing for the purchase of the Bonds.

“*Bond Register*” shall mean, when used with respect to the Bonds, the registration books maintained by the Trustee pursuant to Section 3.8 of this Indenture.

“*Bondholder*” or “*owner*”, when used with reference to a Bond or Bonds, shall mean the registered owner of any Outstanding Bond or Bonds.

“*Bonds*” means, collectively, the Series 2010 Bonds and any Series 2010A Completion Bonds or Series 2010B Completion Bonds issued pursuant to a supplemental Indenture as authorized hereby.

“*Bookstore*” means the locations described as such on Exhibit A-2 to the Facilities Lease and any improvements thereon or placed thereon during the Term (as defined in the Facilities Lease) of the Facilities Lease.

“*Building Use Fee*” means one-half of the building use fee being assessed by the University on all students for the renovation, construction and development of on-campus facilities.

“*Business Day*” means any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York, or Baton Rouge, Louisiana, are authorized or required not to be open for the transaction of regular banking business, or (d) a day on which the New York Stock Exchange is closed.

“*Campus*” means the campus of the University.

“*Capital Funds*” means payments to the University, or to the Board on behalf of the University, for capital improvements and made in connection with the operation and/or management of the Food Service Areas whether pursuant to the Food Service Contract, the Facilities Lease or other lease, management agreement or operating agreement.

“*Closing Date*” shall mean the date on which the Bonds are delivered and payment therefor is received by the Issuer.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

“Completion Bonds” means bonds, if any, issued in one or more series on a parity with the Series 2010 Bonds pursuant to Article 5 of this Indenture.

“Construction Team” shall mean all construction professionals performing services under the Contract.

“Contract” shall mean those certain contracts between the Corporation and the Design Team and the Corporation and the Construction Team for the design and construction of the Facilities.

“Corporate Trust Office” shall mean initially II City Plaza, 400 Convention Street, 3rd Floor, Baton Rouge, Louisiana 70802, or such other location to be designated by the Trustee.

“Corporation” means University Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payment or provision for the payment of all of the Bonds.

“Costs of Issuance” shall mean all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of the Bonds, including publication costs, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any fiduciary, legal fees and charges, fees and disbursements of consultants and professionals, including financial advisors, costs of liquidity facilities, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of the Bonds, premiums for the Bond Insurance and any other cost, charge or fee paid by the Issuer in connection with the original issuance of the Bonds.

“Costs of Issuance Account” shall mean the account so designated that is established pursuant to this Indenture.

“Costs of the Facilities” shall mean those costs incurred by the Corporation in connection with the Facilities, as set forth in Section 4.14 of this Indenture.

“Debt Service Coverage Ratio” means, for any Fiscal Year, the ratio determined by the Vice-President for Administration and Finance of the University by dividing (a) the combined amount of (i) the Capital Funds for such Fiscal Year, (ii) the Student Fees for such Fiscal Year and (iii) earnings generated by the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement by (b) Annual Debt Service on the Bonds outstanding and on any Additional Debt issued and proposed to be issued for such Fiscal Year.

“Debt Service Fund” shall mean the fund of that name created under Section 4.1 of this Indenture.

“Debt Service Requirements” shall mean for any particular Fiscal Year an amount equal to the sum of (a) all interest payable during such Fiscal Year on all Outstanding Bonds, plus (b)

the Principal Installment of Outstanding Bonds falling due during such Fiscal Year. Such interest and Principal Installments for the Bonds shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof.

“*Debt Service Reserve Fund*” means the fund of that name created under the Indenture to be funded from Bond proceeds with respect to the Series 2010A Bonds Debt Service Reserve Account and to be funded with a Board contribution with respect to the Series 2010B Bonds Debt Service Reserve Account.

“*Debt Service Reserve Fund Requirement*” means with respect to the Series 2010 Bonds, and any Completion Bonds, at the time of determination, the least of (a) ten percent (10%) of the stated principal amount thereof (less any original issue discount that exceeds a *de minimis* amount), (b) one hundred twenty five percent (125%) of the average Annual Debt Service thereon from the date of calculation to the final maturity thereof, (c) the Maximum Annual Debt Service thereon, or (d) such lesser sum as shall be required by the Code and the Regulations to ensure the exclusion of the interest thereon from the gross income of the owners thereof for federal income tax purposes; provided, however, that the amount of principal due in any Bond Year shall be determined, in the case of Bonds subject to mandatory sinking fund redemption pursuant to the Indenture and similar provisions in any supplemental indenture, by the principal amount of Bonds to be redeemed by mandatory sinking fund redemption in such Bond Year.

“*Defeasance Obligations*” shall mean cash (insured at all times by the Federal Deposit Insurance Corporation) or direct obligations (including obligations issued or held in book entry form on the books of) the Department of Treasury of the United States of America, which obligations shall be non-callable and non-prepayable.

“*Design Team*” shall mean all design professionals performing services under the Contract.

“*DTC*” or “*Securities Depository*” shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depositories appointed pursuant to this Indenture.

“*Events of Default*” means those events of default described in Article 8 hereof.

“*Facilities*” means, collectively, the Series 2010A Facilities and the Series 2010B Facilities.

“*Facilities Documents*” shall mean collectively, the Agreement, the Ground Lease, the Facilities Lease, the Mortgage, the Plans and Specifications, the Contract and amendments thereto, other contract documents and agreements, and surety bonds and instruments pertaining to the Facilities.

“*Facilities Lease*” shall mean that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010 by and between the Board, as lessee, and the Corporation, as lessor, as supplemented and amended by that certain First Amendment to Facilities Lease dated as of November, 1, 2010 by and between the Board and the Corporation, whereby the Corporation has

leased the Facilities to the Board on behalf of the University, and any amendment or supplement thereto entered into from time to time in accordance with its terms.

“*Fiscal Year*” shall mean any period of twelve consecutive months adopted by the Corporation as its Fiscal Year for financial reporting purposes, currently the period beginning on July 1 and ending on June 30 of each year.

“*Food Service Areas*” means the locations described as such on Exhibit A-2 to the Facilities Lease and any improvements thereon or placed thereon during the Term of this Facilities Lease.

“*Food Service Contract*” means that certain Agreement dated July 1, 2010 by and between the Board and Aramark, as amended, modified, extended or replaced; provided the University will make its best efforts to require an annual payment of at least \$990,000 for capital improvements to the Food Service Areas in any such amended, modified, extended or replaced contract.

“*Funds*” shall mean the funds created pursuant to Article 4 hereof.

“*Ground Lease*” shall mean that certain Ground and Buildings Lease Agreement dated as of January 1, 2010 by and between the Board, as lessor on behalf of the University, and the Corporation, as lessee, and any amendment or supplement thereto entered into from time to time in accordance with the terms thereof.

“*Health Center Bond Fee*” means the health center bond fee being assessed by the University on all students for the use and availability of on-campus health center facilities.

“*Indenture*” shall mean this Trust Indenture dated as of November 1, 2010 between the Issuer and the Trustee, as it may be amended or supplemented from time to time by supplemental indentures in accordance with the provisions hereof.

“*Interest Payment Date*” or “*interest payment date*”, when used with respect to the Bonds, means each April 1 and October 1, commencing April 1, 2011.

“*Issuer*” shall mean the Louisiana Local Government Environmental Facilities and Community Development Authority, a political subdivision of the State of Louisiana, created by the provisions of the Act, or any agency, board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Issuer by said provisions shall be given by law.

“*Land*” means the real property more particularly described on Exhibit A attached to the Ground Lease upon which certain existing facilities are to be demolished and upon which the Facilities are to be renovated, constructed and located.

“*Letter of Representations*” shall mean the Blanket Letter of Representations from the Issuer to DTC or any agreement between the Issuer, the Trustee and a successor securities depository appointed pursuant to Section 3.13 hereof, as such may be amended from time to time.

“*Maximum Annual Debt Service*”, with respect to each series of Bonds issued under the Indenture, means the maximum Annual Debt Service thereon in the then current Fiscal Year or in any future Fiscal Year, whether at maturity or subject to mandatory sinking fund redemption.

“*Maximum Annual Debt Service Requirement*”, with respect to each series of Bonds issued under the Indenture, means the maximum Annual Debt Service thereon in the then current Fiscal Year or in any future Fiscal Year, whether at maturity or subject to mandatory sinking fund redemption.

“*Moody’s*” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall for any reason no longer perform the functions of a securities rating agency, “*Moody’s*” shall be deemed to refer to any other nationally recognized securities rating agency or service designated by the Issuer and approved by the Corporation and the Bond Insurer, if any. Whenever rating categories of Moody’s are specified in this Indenture, such categories shall be irrespective of gradations within a category.

“*Mortgage*” shall mean the Act of Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement dated November 1, 2010, by the Corporation in favor of the Trustee, mortgaging the Corporation’s leasehold interest pursuant to the Ground Lease.

“*Mortgaged Property*” shall mean all the Property (as defined in the Mortgage) mortgaged, granted, conveyed, assigned and pledged to the Trustee by the Corporation pursuant to the Mortgage in order to secure the full and punctual payment and performance of the Secured Obligations (as defined in the Mortgage).

“*Outstanding*” or “*outstanding*”, when used with reference to Bonds, shall mean all Bonds that have been authenticated and issued under this Indenture (including, without limitation, Bonds Outstanding pursuant to Section 12.1(c) hereof) except:

- (a) Bonds canceled by the Trustee pursuant to this Indenture;
- (b) Bonds for which moneys or Defeasance Obligations shall be held in trust for their payment by the Trustee as provided in the defeasance provisions of this Indenture;
- (c) Bonds that have been duly called for redemption and for which the redemption price thereof is held in trust by the Trustee as provided in this Indenture;
- (d) Bonds in exchange for which other Bonds shall have been authenticated and delivered by the Trustee as provided in this Indenture; and
- (e) for all purposes regarding consents and approvals or directions of Bondholders under the Agreement or this Indenture, Bonds held by or for the Issuer, the Corporation or any person controlling, controlled by or under common control with either of them.

“*Participant*” shall mean any broker dealer, bank and other financial institution from time to time for which DTC holds Bonds as securities depository.

“*Payments*” shall mean the amounts of repayments under the Agreement with respect to the Bonds to be made by the Corporation as provided in Article 4 of the Agreement.

“*Permitted Investments*” means the following securities:

To the extent permitted by State law, the Bond Insurer, if any, will allow the following obligations to be used as permitted investments for all purposes, including defeasance investments in refunding escrow accounts:

(a) Cash deposits (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in the next paragraph).

(b) Direct obligations of (including obligations issued or held in book entry form on the books of the Department of Treasury) the United States of America. In the event these securities are used for defeasance, they shall be non-callable and non-prepayable.

(c) Obligations of the following federal agencies so long as such obligations are backed by the full faith and credit of the United States of America (in the event these securities are used for defeasance, they shall be non-callable and non-prepayable):

- (i) U.S. Export-Import Bank (Eximbank);
- (ii) Rural Economic Community Development Administration;
- (iii) Federal Financing Bank;
- (iv) U.S. Maritime Administration;
- (v) U.S. Department of Housing and Urban Development (PHAs);
- (vi) General Services Administration;
- (vii) Small Business Administration;
- (viii) Government National Mortgage Association (GNMA);
- (ix) Federal Housing Administration; and
- (x) Farm Credit System Financial Assistance Corporation.

To the extent permitted by law, Bond Insurer, if any, will allow the following obligations to be used as permitted investments for all purposes other than defeasance investments in refunding escrow accounts:

(a) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

(i) Senior debt obligations rated in the highest long-term rating category by at least two nationally recognized rating agencies issued by Fannie Mae (FNMA) or Freddie Mac (FHLMC).

(ii) Senior debt obligations of the Federal Home Loan Bank System.

(iii) Senior debt obligations of other Government Sponsored Agencies approved by Bond Insurer, if any.

(b) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which either (i) have a rating on their short-term certificates of deposit on the date of purchase in the highest short-term rating category of at least two nationally recognized rating agencies, (ii) are insured at all times by the Federal Deposit Insurance Corporation, or (iii) are collateralized with direct obligations of the United States of America at one hundred two percent (102%) valued daily. All such certificates must mature no more than three hundred sixty (360) days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank).

(c) Commercial paper which is rated at the time of purchase in the highest short-term rating category of at least two (2) nationally recognized rating agencies and which matures not more than two hundred seventy (270) days after the date of purchase.

(d) Investments in (i) money market funds subject to SEC Rule 2a-7 and rated in the highest short-term rating category of at least two nationally recognized rating agencies and (ii) public sector investment pools operated pursuant to SEC Rule 2a-7 in which the Issuer's deposit shall not exceed 5% of the aggregate pool balance at any time and such pool is rated in one of the two highest short-term rating categories of at least two nationally recognized rating agencies.

(e) Pre-refunded municipal obligations defined as follows: (i) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and, a. which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest long-term rating category of at least two (2) nationally recognized rating agencies; or (ii) (A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or direct obligations of the United States of America, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

(f) Bonds, debentures, notes, or other evidence of indebtedness issued by the state of Louisiana or any of its political subdivisions; however:

(i) No political subdivision may purchase its own indebtedness.

(ii) The indebtedness shall have a minimum investment grade rating of Baa3 or higher by Moody's, a rating of BBB- or higher by the S&P or a rating of BBB- or higher by Fitch, Inc. and have a final maturity of no more than three years, except that such three year limitation shall not apply to (A) funds held by a trustee, escrow agent, paying agent, or other third party custodian in connection with a bond issue or (B) investment of funds held by either a hospital service district, a governmental 501(c)(3), or a public trust authority.

(g) Bonds, debentures, notes, or other indebtedness issued by a state of the United States of America other than Louisiana or any such state's political subdivisions provided that all of the following conditions are met:

(i) The indebtedness has a minimum rating of A3 or higher by Moody's or a rating of A- or higher by S&P a rating of A- or higher by Fitch, Inc.

(ii) The indebtedness has a final maturity of no more than three years, except that such three-year limitation shall not apply to funds held by a trustee, escrow agent, paying agent, or other third-party custodian in connection with a bond issue nor to investment of funds held by either a hospital service district, a governmental 501(c)(3) organization, or a public trust authority;

(iii) Prior to purchase of any such indebtedness and at all times during which such indebtedness is owned, the purchasing Louisiana political subdivision retains the services of an investment advisor registered with the United States Securities and Exchange Commission.

(h) Investment agreements approved in writing by Bond Insurer, if any, (and supported by appropriate opinions of counsel).

(i) Other forms of investments (including repurchase agreements) approved in writing by Bond Insurer, if any, (and supported by appropriate opinions of counsel).

The value of the above investments, other than cash, shall be determined as follows:

"Value", which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(a) As to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) As to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such price at such time of determination for such investments by any two nationally recognized

government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(c) As to certificates of deposit and bankers acceptances, the face amount thereof, plus accrued interest; and

(d) As to any investment not specified above, the value thereof established by prior agreement among the Issuer, the Trustee and Bond Insurer, if any.

“*Plans and Specifications*” means the plans and specifications for the construction of the Facilities, as implemented and detailed from time to time, as the same may be revised from time to time prior to the completion of the Facilities in accordance with the Agreement and the Ground Lease.

“*Principal Installment*” shall mean, for any Fiscal Year, as of any date of calculation, the Principal amount of Outstanding Bonds coming due in that Fiscal Year.

“*Principal Payment Date*” or “*principal payment date*”, when used with respect to the Bonds, means each October 1, commencing October 1, 2011.

“*Project Fund*” shall mean the fund of that name created under Section 4.1 of this Indenture.

“*Rating Agency*”, at any point in time, means any nationally recognized securities rating agency or service then rating the Bonds (collectively, the “*Rating Agencies*”).

“*Record Date*” shall mean with respect to an Interest Payment Date, the close of business on the fifteenth (15th) day of the calendar month, immediately preceding an Interest Payment Date, whether or not a Business Day.

“*Rental*” shall mean and includes the Base Rental and Additional Rental.

“*Residual Payment Obligation Period*” means the time during which the Bond Insurer, if any, remains contingently liable for a preference payment under the Bankruptcy Code, as described in the Bond Insurance Policy.

“*S&P*” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, a limited liability company organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer with the approval of the Corporation and the Bond Insurer, if any.

“*Series 2010 Bonds*” shall mean the Series 2010A Bonds and the Series 2010B Bonds.

“*Series 2010 Bonds Replacement Fund*” shall mean the Fund established pursuant to Section 4.1 of this Indenture.

“*Series 2010 Bonds Replacement Fund Requirement*” shall mean:

(a) if completely funded when the Series 2010 Bonds are issued, an amount required to be deposited into the Replacement Fund in accordance with Section 4.21 hereof and equal to approximately ten percent (10%) of the hard construction costs (not including professional services and fees) payable from Rental or any lesser amount approved by the staff of the Board of Regents of the State of Louisiana, the Board and the Bond Insurer, if any; or

(b) if funded in annual installments, an amount required to be deposited into the Replacement Fund in accordance with Section 4.21 hereof and equal to one and one-half percent (1.5%) of the hard construction costs (not including professional services and fees) payable from Rental or any lesser amount approved by the staff of the Board of Regents of the State of Louisiana, the Board and the Bond Insurer, if any.

“*Series 2010A Bonds*” means the Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A, authorized to be issued by the Issuer in the aggregate principal amount of \$25,470,000, including such Series 2010A Bonds issued in exchange for other such Series 2010A Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Series 2010A Bonds pursuant to this Indenture.

“*Series 2010A Bonds Rebate Fund*” shall mean the Fund of that name created under Section 4.1 of this Indenture.

“*Series 2010A Completion Bonds*” means bonds, if any, issued in one or more series on parity with the Series 2010A Bonds for completion of the Series 2010A Facilities.

“*Series 2010A Facilities*” means the Student Union, the Center for Student Excellence and related facilities described in Exhibit A-1 attached to the Facilities Lease, as amended and supplemented from time to time, which are to be renovated and/or constructed with the proceeds of the Series 2010A Bonds and any Completion Bonds.

“*Series 2010B Bonds*” means the Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B, authorized to be issued by the Issuer in the aggregate principal amount of \$5,785,000, including such Series 2010B Bonds issued in exchange for other such Series 2010B Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Series 2010B Bonds pursuant to this Indenture.

“*Series 2010B Completion Bonds*” means bonds, if any, issued in one or more series on parity with the Series 2010B Bonds for completion of the Series 2010B Facilities.

“*Series 2010B Facilities*” means the Food Service Areas, the Bookstore and related facilities described in Exhibit A-2 attached to the Facilities Lease, as amended and supplemented from time to time, which are to be renovated and/or constructed with the proceeds of the Series 2010B Bonds and any Series 2010B Completion Bonds.

“*State*” shall mean the State of Louisiana.

“*Student Fees*” means, collectively, (a) the Building Use Fee, (b) the Health Center Bond Fee, (c) the Student Union Bond Fee and (d) the Student Union Expansion Fee.

“*Student Union Bond Fee*” means the student union bond fee being assessed by the University on all students for the use and availability of the Student Union.

“*Student Union Expansion Fee*” means the student union fee being assessed by the University on all students for the planning, development, construction and equipping of the Student Union

“*Tax Regulatory Agreement*” shall mean the Tax Regulatory Agreement and Arbitrage Certificate dated the Closing Date, among the Corporation, the Trustee, the Board and the Issuer.

“*Trust Estate*” shall mean all the property mortgaged, pledged, transferred and assigned to the Trustee by the Issuer pursuant to this Indenture and by the Corporation pursuant to the Mortgage as security for the Bonds.

“*Trustee*” means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Bonds issued and secured under the terms of this Indenture, initially Regions Bank.

“*Underwriter*” means Morgan Keegan & Company, Inc.

“*University*” means Southeastern Louisiana University in Hammond, Louisiana.

“*University Representative*” means the Person or Persons designated by the University in writing to serve as the University’s representative hereunder; the University Representative shall be the Vice President for Administration and Finance of the University, or any other representative designated by the President of the University, of whom the Issuer and the Trustee have been notified in writing.

“*Weighted Average Maturity*” means the dollar-weighted average length of time until bonds held by the portfolio reach maturity and are repaid.

Section 1.2 Rules of Construction.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) Unless the context shall otherwise indicate, the word “person” shall include the plural as well as the singular number, and “person” shall mean any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

(c) Provisions calling for the redemption of Bonds or the calling of Bonds for

redemption do not mean or include the payment of Bonds at their stated maturity or maturities.

(d) All references in this Indenture to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Indenture. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(e) Unless otherwise expressly provided herein, any transfer of moneys from a Series 2010A Bonds account shall only be transferred to another Series 2010A Bonds account and vice versa with respect to transfer from a Series 2010B Bonds account to another Series 2010B Bonds account.

ARTICLE 2 GRANTING CLAUSES AND PLEDGES

Section 2.1 Granting Clauses. In consideration of the acceptance by the Trustee of the trusts and duties set forth in this Indenture on behalf of the owners of all Bonds issued and secured hereunder; of the purchase and acceptance of the Bonds issued and secured by this Indenture by the owners thereof; of the payment of the purchase price of the Bonds to the Trustee for application as provided hereinafter; and in order to secure the payment of any and all Bonds at any time outstanding hereunder, according to the tenor and effect thereof and the premium and interest thereon, the payment of all costs, fees and charges specified herein, and the payment of all other sums if any, from time to time due to the owners of all Bonds secured hereunder, to the Trustee or its successors and assigns, and to the Bond Insurer, if any, or to others, according to the intent and meaning of all such Bonds and this Indenture, up to a maximum principal amount of \$32,000,000, and for the purpose of securing the performance and observance by the Issuer of all the covenants and conditions herein contained, the Issuer does hereby TRANSFER, ASSIGN AND DELIVER TO AND IN FAVOR OF the Trustee, and its successor or successors in trust, for the benefit of the owners of all Bonds secured hereunder, its interest in the following described properties, rights, interests and benefits which, together with the Mortgaged Property, are collectively called the “*Trust Estate*”:

All right, title and interest of the Issuer in, to and under the Agreement (except for rights of the Issuer relating to exculpation, indemnification and payment of fees and expenses thereunder), all payments, proceeds, revenues, income, receipts, issues, benefits and other moneys received or derived by the Issuer under the Agreement including, without limitation, the Payments to be paid by the Corporation to the Trustee pursuant to Section 4.2 of the Agreement.

All right, title and interest of the Issuer in, to and under the Facilities Lease assigned by the Corporation to the Issuer under the Agreement and all proceeds of insurance received or receivable by the Corporation, as a result of any damage to or destruction of the Facilities, or any part thereof, all amounts received or receivable by the Corporation, as compensation for the taking or transfer of the Facilities, or any part thereof, in lieu of a taking or use of the Facilities, under the powers of eminent domain, all amounts received or receivable by the Corporation, from the sale of the Facilities, or any part thereof, all amounts collected under payment and performance bonds, if any, maintained with respect to the Facilities, and any and all additional revenues, income, receipts and other payments (including, without limitation, grants, donations,

gifts and appropriations received from any private or public source) that hereafter are received by the Corporation, for or relating to the Facilities or that hereafter may be assigned by the Corporation pursuant to the Mortgage or by the Issuer hereunder, which receipt shall not affect the tax-exempt status of the Series 2010A Bonds;

All cash, moneys, securities and investments and earnings thereon that may at any time and from time to time, pursuant to the provisions of this Indenture, be paid to the Trustee or be held by the Trustee in the Funds created under this Indenture, except as the interest of said Trustee in such cash, moneys, securities and investments may otherwise appear in this Indenture, provided, however, that nothing in this Indenture shall be construed to affect any property held by the Trustee in any capacity other than as Trustee hereunder; and

All cash, moneys, securities and investments that may at any time and from time to time be held by the Trustee as Mortgagee under the Mortgage; and

To the extent not covered by the clauses above, all proceeds of any and all of the foregoing.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successor or successors and assigns forever; in trust, nevertheless subject to the terms and conditions and trusts herein set forth, for the equal benefit, security and protection of all and singular the present and future owners of all of the Bonds issued under and secured by this Indenture, without preference, priority or distinction as to lien or otherwise, except as may otherwise be provided herein, of any one Bond over any other Bond or of principal over interest or interest over principal, all as herein provided, and for the uses and purposes, and upon the terms, agreements and conditions set forth herein.

The Trust Estate assigned hereunder is also assigned to secure the payment of any and all sums that the Trustee or the Bond Insurer, if any, may expend or become obligated to expend (including but not limited to court costs and attorneys' fees) to preserve and protect any of the Trust Estate or to cure any default of the Corporation under the Agreement or the Facilities Documents or arising out of any such default or incident of delay in payment of sums and the performance of obligations thereunder, or in pursuing or exercising any right, rights, remedy or remedies consequent upon the default of the Corporation thereunder.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or provide for the payment pursuant to the provisions of this Indenture, the principal of the Bonds, premium, if any, and the interest due or to become due thereon, at the times and in the manner set forth in the Bonds and this Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and agreements as provided in and pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, and shall pay or cause to be paid to the Bond Insurer, if any, all Bond Insurer Amounts, then upon such performance and payments this Indenture and the rights created hereby shall cease, terminate and be void as provided in Article 12 hereof; otherwise this Indenture shall be and remain in full force and effect.

The Issuer hereby covenants and agrees with, and does hereby covenant unto the Trustee, that it has good right and lawful authority to transfer and assign the Trust Estate to the extent and in the manner herein provided; that the Issuer will not create or suffer to exist any lien or encumbrance upon the Trust Estate, or any part thereof, or do or suffer any act or thing whereby the security hereof may be diminished or impaired; and the Issuer further does covenant, and by these presents hereby covenants and agrees to defend or cause to be defended forever the title to each and every part of said Trust Estate against the claims and demands of all persons whomsoever.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of said Trust Estate hereby conveyed, transferred, assigned, confirmed, pledged and encumbered is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective owners, from time to time, of the Bonds (including the Bond Insurer, if any), or any part thereof as follows:

ARTICLE 3
AUTHORIZATION, TERMS AND CONDITIONS OF BONDS

Section 3.1 Bonds Issuable Under this Article Only. No Bonds may be issued under the provisions of this Indenture except in accordance with the provisions of this Article.

Section 3.2 Authorization of Bonds.

(a) There is hereby authorized and issued under this Indenture \$25,470,000 aggregate principal amount of bonds to be known as “Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A” and \$5,785,000 aggregate principal amount of bonds to be known as “Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B” to be issued for the purpose of (i) demolishing certain existing facilities and renovating, developing and constructing the Facilities, (ii) funding a deposit to the Debt Service Reserve Fund (iii) paying the Costs of Issuance of the Bonds, including the premium for any bond insurance policy insuring the Bonds. Upon issuance, the proceeds of the Bonds shall be deposited as directed in Section 4.2 herein.

(b) The Bonds are issuable as fully registered Bonds, without coupons, in Authorized Denominations. The Series 2010A Bonds shall be numbered from No. RA-1 upwards and the Series 2010B Bonds shall be numbered from No. RB-1 upwards. The Bonds shall be dated the date of delivery, shall mature (subject to prior redemption as hereinafter set forth) on October 1 of the years and in the principal amounts and shall bear interest from the date thereof, payable on April 1 and October 1 of each year, commencing April 1, 2011, at the rates per annum (using a year of 360 days comprised of twelve 30 day months) as follows:

SERIES 2010A BONDS

<u>Date</u> (<u>October 1</u>)	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2020	\$670,000	3.61%
2021	795,000	3.79%
2022	825,000	3.90%
2023	855,000	4.00%
2024	890,000	4.10%
2025	930,000	4.16%
2026	965,000	4.20%
2031	5,520,000	4.62%
2040	14,020,000	4.88%

SERIES 2010B BONDS

<u>Date</u> (<u>October 1</u>)	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2011	\$440,000	0.80%
2012	600,000	1.40%
2013	610,000	1.60%
2014	625,000	2.20%
2015	640,000	2.60%
2016	655,000	3.15%
2017	680,000	3.55%
2018	705,000	4.10%
2019	735,000	4.40%
2020	95,000	4.60%

(c) The principal of, and premium, if any, of the Bonds shall be payable to the registered owners thereof upon surrender of the Bonds at the principal corporate trust office of the Trustee. The interest on the Bonds, when due and payable, shall be paid by check or draft mailed by the Trustee on such due date to each person in whose name a Bond is registered, at the address(es) as they appear on the Bond Register maintained by the Trustee at the close of business on the applicable Record Date irrespective of any transfer or exchange of the Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the Issuer shall default in payment of interest due on such Interest Payment Date, provided that the owners of \$1,000,000 or more in aggregate principal amount of Bonds may request payment by wire transfer if such owners have requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of any such default, such defaulted interest shall be payable on a payment date established by the Trustee to the

persons in whose names the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of the Bonds not fewer than fifteen (15) days preceding such special record date. Payment as aforesaid shall be made in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts.

Section 3.3 Form of Bonds. The Bonds issued under this Indenture shall be substantially in the form set forth in Exhibit A-1 and Exhibit A-2 attached hereto and made a part hereof with such appropriate variations, additions, omissions and insertions as are permitted or required by this Indenture. All Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Bonds may be listed or any usage or requirement of law with respect thereto. All Bonds may bear identifying CUSIP numbers, but any failure to include such numbers or any error in any CUSIP number so included shall not in any way affect the validity of the Bonds.

Section 3.4 Redemption of Bonds.

(a) Optional Redemption.

(i) The Series 2010B Bonds are not subject to optional redemption prior to maturity.

(ii) The Series 2010A Bonds maturing October 1, 2021 and thereafter are subject to redemption prior to maturity at the option of the Corporation, upon written direction to the Issuer, on or after October 1, 2020 as a whole at any time, or in part on any Interest Payment Date, the maturity of said Series 2010A Bonds to be redeemed to be designated by the Corporation and selected within a maturity by the Trustee in such manner as the Trustee may determine, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

(iii) During the terms of the Ground Lease and the Facilities Lease, consent of the Board is required for optional redemption. To exercise such option, the Corporation shall give written notice to the Issuer, the Trustee and the Bond Insurer, if any, and shall specify therein the date of such prepayment, which prepayment date shall not be fewer than thirty-five (35) days from the date such notice is received by the Trustee. The Issuer and the Trustee shall make all necessary arrangements satisfactory to the Trustee for the redemption of Series 2010A Bonds to be redeemed under this Indenture in accordance with the provisions hereof.

(b) Mandatory Redemption.

(i) The Series 2010B Bonds are not subject to mandatory redemption prior to maturity.

(ii) The Series 2010A Bonds shall be redeemed as a whole on the Interest Payment Date on or after October 1, 2020, on or after which the Board exercises its

option to purchase the Corporation's interest in the Facilities pursuant to Section 23 of the Facilities Lease, at a price equal to the then Outstanding principal amount of the Series 2010A Bonds plus accrued and unpaid interest to the date of redemption.

(c) Extraordinary Redemption.

(i) The Bonds are subject to redemption in part at the option of the Corporation, upon written direction to the Issuer, on any Interest Payment Date from amounts transferred by the Trustee from the Project Fund to the respective account of the Debt Service Fund upon completion of construction of the Facilities in accordance with Section 4.17 hereof. The Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine, at a price equal to the principal of the Bonds so redeemed plus accrued and unpaid interest to the date of redemption.

(ii) Bonds shall be redeemed as a whole or in part (in an integral multiple of \$5,000) on the first Interest Payment Date at least thirty (30) days after the Trustee receives notice from the Corporation that any insurance proceeds, condemnation award or payment in lieu of condemnation with respect to the Facilities will not be applied to the restoration, repair or reconstruction of the Facilities, and subject to the prior written consent of the Bond Insurer, if any, at a price equal to the principal amount of the Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not used for restoration, repair or reconstruction. If in part, the Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine. If the amount of any insurance proceeds, condemnation award or payment in lieu of condemnation to be applied in redemption of the Bonds is not an integral multiple of \$5,000, the principal amount of Bonds to be redeemed pursuant to this subparagraph (ii) shall be decreased to the next lower multiple of \$5,000.

(d) Mandatory Sinking Fund Redemption. Those Series 2010A Bonds maturing on the dates set forth below, shall be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

Series 2010A Bonds
due October 1, 2031

<u>Redemption Date</u>	<u>Principal Amount</u>
2027	\$1,005,000
2028	1,055,000
2029	1,100,000
2030	1,155,000
2031	1,205,000

Series 2010A Bonds
due October 1, 2040

<u>Redemption Date</u>	<u>Principal Amount</u>
2032	\$1,265,000
2033	1,330,000
2034	1,400,000
2035	1,470,000
2036	1,545,000
2037	1,625,000
2038	1,705,000
2039	1,795,000
2040	1,885,000

(e) Any Completion Bonds issued under the provisions of Article 5 of this Indenture may be made subject to redemption, either in whole or in part and at such times and prices, as may be provided in the resolution or resolutions of the Issuer authorizing the issuance of such Completion Bonds.

(f) Unless otherwise specified above, if fewer than all of the Bonds of any Series shall be called for redemption, the Bonds to be redeemed shall be in inverse order of their maturity, and selected by the Trustee within a maturity in such manner as the Trustee may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of an Authorized Denomination. If a portion of any Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

(g) At least thirty (30) days before the redemption date of any Bonds redeemed other than by mandatory sinking fund redemption, the Trustee shall cause a notice of any such redemption, signed by an authorized officer of the Trustee to be mailed, postage prepaid, to all Bondholders of record owning Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set

forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds then outstanding shall be called for redemption, the numbers of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond will be issued.

(h) On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided and money for payment of the redemption price being held in the Debt Service Fund in trust for the owners of the Bonds or portions thereof to be redeemed, the Bonds or portions of Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds or portions of Bonds shall cease to be entitled to any benefit or security under this Indenture, and the owners of such Bonds or portions of Bonds shall not have rights in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the next paragraph, to receive Bonds for any unredeemed portions of Bonds.

(i) In case part, but not all, of an outstanding Bond shall be selected for redemption, the registered owner thereof or his legal representative shall present and surrender such Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the Trustee shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a new Bond.

(j) Bonds and portions of Bonds which have been duly called for redemption under the provisions of this Article, or with respect to which irrevocable instructions to call for redemption have been given to the Trustee in form satisfactory to it, and for the payment of the redemption price for which moneys, or Defeasance Obligations, shall be held by the Trustee in a segregated account in trust for the owners of the Bonds or portions thereof to be redeemed, shall not thereafter be deemed to be outstanding under the provisions of this Indenture and shall cease to be entitled to any security or benefit under this Indenture other than the right to receive payment from such moneys.

Section 3.5 Execution; Limitation of Liability.

(a) The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signatures of the Chairman or Vice Chairman and the Secretary, an Assistant Secretary or the Executive Director of the Issuer, and shall have impressed or imprinted thereon the official seal of the Issuer or a facsimile thereof. The Bonds, together with interest thereon, shall not constitute a debt of the State or any political subdivision thereof. The Bonds, together with interest thereon, shall be limited and special obligations of the Issuer and shall be secured by and payable solely out of revenues derived from the Payments made pursuant to the Agreement and the Trust Estate pledged hereunder. The Issuer shall not be obligated to pay the principal of the Bonds or the interest thereon or other costs incidental thereto except from payments made pursuant to the Agreement. In case any officer of the Issuer whose signature or whose facsimile

signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

(b) THE BONDS AND THE INTEREST THEREON ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OF THE ISSUER OR THE CORPORATION AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE STATE, THE BOARD, THE UNIVERSITY, THE ISSUER OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BOARD HAS AGREED, PURSUANT TO THE FACILITIES LEASE, TO MAKE PAYMENTS OF RENTAL TO THE CORPORATION ON BEHALF OF THE UNIVERSITY, UNDER THE TERMS AND CONDITIONS SET FORTH IN THE FACILITIES LEASE. THE PAYMENTS TO BE RECEIVED BY THE ISSUER FROM THE CORPORATION UNDER THE AGREEMENT ARE LIMITED TO THE AMOUNT OF RENTAL RECEIVED BY THE CORPORATION FROM THE BOARD. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF LOUISIANA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAXES OR TO MAKE ANY APPROPRIATION OF THEIR PAYMENT. THE ISSUER HAS NO POWER TO TAX.

Section 3.6 Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until a certificate of authentication substantially in the form set forth in Exhibit A-1 and Exhibit A-2 attached hereto and made a part hereof shall have been duly executed by a duly authorized representative of the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized representative of the Trustee, but it shall not be necessary that the same representative sign the certificate of authentication on all of the Bonds issued hereunder.

Section 3.7 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any outstanding Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Issuer may execute and, upon its request, the Trustee may authenticate a new Bond of the same principal amount and of like tenor as the mutilated, lost or stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Issuer and the Trustee evidence of such loss, theft or destruction in form satisfactory to the Issuer and the Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a substitute Bond the Issuer may authorize the payment of the same. The Issuer and the Trustee may charge the Corporation or the owner of such Bond with their reasonable fees and expenses in this connection. Any Bond issued under the provisions of this Section 3.7 in lieu of any Bond alleged to be destroyed, lost or stolen shall constitute an original additional contractual obligation on the part of the Issuer, whether or not the Bond so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture together with all other Bonds in substitution for which such Bonds were issued.

Section 3.8 Registration of Bonds.

(a) The Trustee shall be the bond registrar for the Bonds. So long as any of the Bonds shall remain outstanding, there shall be maintained and kept for the Issuer, at the principal corporate trust office of the Trustee, the Bond Register for the registration and transfer of the Bonds and, upon presentation thereof for such purpose at said office, the Trustee shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bond.

(b) Each Bond shall be transferable only upon the Bond Register at the principal corporate trust office of the Trustee at the written request of the registered owner thereof or his legal representative duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his legal representative duly authorized in writing. Upon the transfer of any such Bond, the Trustee shall issue in the name of the transferee, in Authorized Denominations, one or more Bonds of the same aggregate principal amount as the surrendered Bonds.

Section 3.9 Persons Treated as Owners.

(a) The Issuer and the Trustee may, for the purpose of receiving payment of, or on account of, the principal of and interest on any Bond and for all other purposes, deem and treat the person in whose name such Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether or not such Bond is overdue, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

(b) Payment made to the person deemed to be the owner of any Bond for the purpose of such payment in accordance with the provisions of this Section 3.9 shall be valid and effectual, to the extent of the sum or sums so paid, to satisfy and discharge the liability upon such Bond in respect of which such payment was made.

Section 3.10 Exchange and Transfer of Bonds.

(a) As long as any of the Bonds remain outstanding, there shall be permitted the exchange of Bonds at the principal corporate trust office of the Trustee. Any Bond or Bonds upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in Authorized Denominations.

(b) For every such exchange or transfer of Bonds, the Issuer or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(c) The Trustee shall not be required to register the transfer or exchange of (i) any Bonds during the fifteen (15) day period next preceding the selection of Bonds to be

redeemed and thereafter until the date of the mailing of a notice of redemption of Bonds selected for redemption, or (ii) any Bonds selected, called or being called for redemption in whole or in part, except in the case of any Bond to be redeemed in part, the portion thereof not so to be redeemed.

Section 3.11 Cancellation and Destruction of Surrendered Bonds. Upon the surrender to the Trustee of any temporary or mutilated Bonds, or Bonds transferred or exchanged for other Bonds, or Bonds paid at maturity by the Issuer, the same shall forthwith be canceled and destroyed by the Trustee, and the Trustee, upon the request of the Issuer, shall deliver its certificate of such destruction to the Issuer.

Section 3.12 Delivery of the Bonds.

(a) Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to the purchasers thereof as shall be directed by the Issuer as hereinafter in this Section provided.

(b) Prior to or simultaneously with the delivery by the Trustee of the Bonds there shall be filed with the Trustee:

(i) A copy, duly certified by the Secretary or an Assistant Secretary of the Issuer, of the resolution or resolutions adopted by the Issuer authorizing the execution and delivery of this Indenture and the Agreement, and all other instruments contemplated thereby and the authorization, issuance, sale and delivery of the Bonds;

(ii) copy, duly certified by an Authorized Corporation Representative, of the resolution or resolutions of the Corporation authorizing the execution and delivery of the Agreement, the Facilities Documents, the Mortgage and all other instruments contemplated thereby and approving this Indenture and the authorization, issuance, sale and delivery of the Bonds;

(iii) Original executed counterparts of this Indenture, the Agreement, the Bond Insurance Policy, the Ground Lease, the Mortgage, the Facilities Lease, the Bond Purchase Agreement and the Tax Regulatory Agreement (collectively, the "*Bond Documents*");

(iv) Copies of the Plans and Specifications (as defined in the Ground Lease) and all land surveys and other documents relating to the design, construction and renovation of the Facilities;

(v) Signed copies of all opinions of counsel required in connection with the issuance of the Bonds and the transactions contemplated thereby, in form and substance satisfactory to the Underwriter and the Bond Insurer, if any;

(vi) A request and authorization to the Trustee on behalf of the Issuer and signed by its Chairman, Vice Chairman, Secretary, Treasurer, Assistant Secretary or Executive Director to authenticate and deliver the Bonds to the purchasers thereof and specifying the amounts to be deposited in the Bond Proceeds Fund and Cost of Issuance Account, the

Project Fund, the Series 2010 Bonds Replacement Fund, the Debt Service Fund and the Debt Service Reserve Fund; and

(vii) A signed copy of the legal opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Bond Counsel, addressed to the Trustee and to the Bond Insurer, if any, (A) opining that the Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (B) authorizing each of the Trustee and the Bond Insurer, if any, to rely upon Bond Counsel's approving opinion as if it were addressed to such person.

(c) The Issuer hereby authorizes and directs the Trustee to execute and deliver the Tax Regulatory Agreement and the Mortgage.

Section 3.13 Book Entry Registration of Bonds.

(a) The Bonds shall be initially issued in the name of Cede & Co., as nominee for DTC, as registered owner of the Bonds, and held in the custody of DTC (or the Trustee as the agent of DTC under the F.A.S.T. delivery system). The Issuer and the Trustee acknowledge that the Issuer has executed and delivered a Blanket Letter of Representations with DTC and that the terms and provisions of said Letter of Representations shall govern in the event of any inconsistency between the provisions of this Indenture and said Letter of Representations. A single bond certificate for each maturity of Bonds will be issued and delivered to DTC. The Beneficial Owners will not receive physical delivery of Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Bond acquired. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interest will be made by book entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond certificate.

(b) For every transfer and exchange of the Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner's allocable share of any tax, fee or other governmental charge that may be imposed in relation thereto.

(c) The Issuer, the Corporation and the Trustee will recognize DTC or its nominee as the Bondholder for all purposes, including notices and voting.

(d) None of the Issuer, the Trustee, the Corporation nor the Board is responsible for the performance by DTC of any of its obligations, including, without limitation, the payment of moneys received by DTC, the forwarding of notices received by DTC or the giving of any consent or proxy in lieu of consent.

(e) Whenever during the term of the Bonds the beneficial ownership thereof is determined by a book entry at DTC, the requirements of this Indenture of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate person to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

(f) DTC may determine to discontinue providing its services with respect to

the Bonds at any time by giving notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(g) The Issuer, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Issuer determines that (a) DTC is unable to discharge its responsibilities with respect to the Bonds, or (b) a continuation of the requirement that all of the outstanding Bonds be registered on the registration books kept by the Trustee in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of the Bonds.

(h) Upon the termination of the services of DTC with respect to the Bonds pursuant to the above two paragraphs, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Issuer is willing and able to undertake such functions upon reasonable and customary terms, the Issuer is obligated to deliver Bonds to the owner, at the expense of the said owner as described in this Indenture, and the Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names holders transferring or exchanging Bonds shall designate in accordance with the provisions of this Indenture.

(i) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Blanket Letter of Representations of the Issuer dated November 17, 1998 and delivered to DTC.

(j) If at any time DTC ceases to hold the Bonds, all references herein to DTC shall be of no further force or effect.

Section 3.14 Provisions relating to Bond Insurer. Notwithstanding anything to the contrary set forth in this Indenture, the following provisions required by or related to the Bond Insurance Policy shall be applicable:

(a) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund, if any. Notwithstanding anything to the contrary set forth in this Indenture, amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Bonds.

(b) The Bond Insurer shall be deemed to be the sole holder of the Bonds it insures for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to this Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. All remedies granted to the Bondholders shall include mandamus.

(c) The security for the Bonds shall include a pledge of any agreement with any underlying obligor that is a source of payment for the Bonds and a default under any such

agreement shall constitute an Event of Default under this Indenture.

(d) The maturity of Bonds insured by the Bond Insurer shall not be accelerated without the consent of the Bond Insurer and in the event the maturity of the Bonds is accelerated, the Bond Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Bond Insurance Policy with respect to such Bonds shall be fully discharged.

(e) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Bond Insurer. No grace period shall be permitted for payment defaults.

(f) The Bond Insurer shall be included as a third party beneficiary to this Indenture.

(g) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of the Bond Insurer. The exercise of any provision of this Indenture which permits the purchase of Bonds in lieu of redemption shall require the prior written approval of the Bond Insurer if any Bond so purchased is not cancelled upon purchase.

(h) Any amendment, supplement, modification to, or waiver of, this Indenture, the Loan Agreement, the Facilities Lease, the Mortgage or any other transaction document, including any underlying security agreement (each a "*Related Document*"), that requires the consent of Bondholders or adversely affects the rights and interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.

(i) Unless the Bond Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Project Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Bonds.

(j) The rights granted to the Bond Insurer under this Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Bondholders or any other person is required in addition to the consent of the Bond Insurer.

(k) Only (i) cash, (ii) non-callable direct obligations of the United States of America ("*Treasuries*"), (iii) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and

individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (iv) subject to the prior written consent of the Bond Insurer, pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively, or (v) subject to the prior written consent of the Bond Insurer, securities eligible for “AAA” defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the Bonds unless the Bond Insurer otherwise approves.

(l) To accomplish defeasance, the Issuer shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Bond Insurer (“*Accountant*”) verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date (“*Verification*”), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Bond Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer “Outstanding” under this Indenture and (iv) a certificate of discharge of the Trustee with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, Trustee and Bond Insurer. The Bond Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow. Bonds shall be deemed “Outstanding” under this Indenture unless and until they are in fact paid and retired or the above criteria are met.

(m) Amounts paid by the Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of this Indenture and the Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with this Indenture. This Indenture shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

(n) Each of the Issuer and Trustee covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.

(o) Claims Upon the Bond Insurance Policy and Payments by and to the Bond Insurer.

(i) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“*Payment Date*”) there is not on deposit with the Trustee, after making all transfers and deposits required under this Indenture, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the “*Bond Insurer’s Fiscal Agent*”) by telephone or teletype of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Bond Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the

amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Bond Insurer and the Bond Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

(ii) The Trustee shall designate any portion of payment of principal on Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Bond Insurer, registered in the name of Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Bond Insurer.

(iii) The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(iv) Upon payment of a claim under the Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "*Policy Payments Account*" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Issuer agrees to pay, or cause the Corporation and/or the Board to pay, to the Bond Insurer (A) a sum equal to the total of all amounts paid by the Bond Insurer under the Bond Insurance Policy (the "*Bond Insurer Advances*"); and (B) interest on such Bond Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, the "*Bond Insurer Reimbursement Amounts*"). "*Late Payment Rate*" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Issuer hereby covenants and agrees, or shall cause the Corporation and/or the Board to covenant and agree, that the Bond Insurer Reimbursement Amounts are secured by a lien on and

pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Bonds.

(v) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Bond Insurer.

(p) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy. Each obligation of the Issuer, the Corporation or the Board to the Bond Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(q) The Issuer shall pay or reimburse, or cause the Corporation and/or the Board to pay or reimburse, the Bond Insurer any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under this Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, this Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with this Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Indenture or any other Related Document.

(r) Subject to the provisions of Sections 9.2 and 9.4 hereof and after payment of reasonable costs and expenses of the Trustee incurred in proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

(s) The Bond Insurer shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with this Indenture, whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.

(t) The Bond Insurer shall be provided with the following information by the Issuer, the Corporation, the Board or the Trustee, as the case may be:

(i) Annual audited financial statements within 180 days after the end of the Corporation's fiscal year (together with a certification of the Corporation that it is not

aware of any default or Event of Default under this Indenture), and the Corporation's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Bond Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of Bonds;

(iii) Notice of any default known to the Trustee, the Board or the Issuer within five Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any proceeding by or against the Issuer or Corporation commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "*Insolvency Proceeding*");

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(ix) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Related Documents.

(u) In addition, to the extent that the Issuer, the Board or the Corporation has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Bonds, all information furnished pursuant to such agreements shall also be provided to the Bond Insurer, simultaneously with the furnishing of such information.

(v) The Bond Insurer shall have the right to receive such additional information as it may reasonably request.

(w) The Issuer, the Board and the Corporation will permit the Bond Insurer to discuss the affairs, finances and accounts of the Issuer, the Board and the Corporation or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Issuer, the Board and the Corporation and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the Issuer and the Corporation on any business day upon reasonable prior notice.

(x) The Trustee shall notify the Bond Insurer of any failure of the Issuer or the Corporation to provide notices, certificates and other information under the transaction documents promptly upon the Trustee having actual knowledge of any such failure.

(y) Notwithstanding satisfaction of the other conditions to the issuance of Completion Bonds set forth in this Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Debt Service Reserve Fund is fully funded at the Debt Service Reserve Requirement (including the proposed issue) upon the issuance of such Completion Bonds, in either case unless otherwise permitted by the Bond Insurer.

(z) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Indenture would adversely affect the security for the Bonds or the rights of the Bondholders, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Bond Insurance Policy.

(aa) No contract shall be entered into or any action taken by which the rights of the Bond Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

(bb) If the Bonds are issued for refunding purposes, there shall be delivered an opinion of Bond Counsel addressed to the Bond Insurer (or a reliance letter relating thereto), or a certificate of discharge of the trustee for the Refunded Bonds, to the effect that, upon the making of the required deposit to the escrow, the legal defeasance of the Refunded Bonds shall have occurred. If the Refunded Bonds are insured by Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), at least three business days prior to the proposed date for delivery of the Policy with respect to the Refunding Bonds, the Bond Insurer shall also receive (i) the verification letter, of which the Bond Insurer shall be an addressee, by an independent firm of certified public accountants which is either nationally recognized or otherwise acceptable to the Bond Insurer, of the adequacy of the escrow established to provide for the payment of the Refunded Bonds in accordance with the terms and provisions of the Escrow Deposit Agreement, and (ii) the form of an opinion of Bond Counsel addressed to the Bond Insurer (or a reliance letter relating thereto) to the effect that the Escrow Deposit Agreement is a valid and binding obligation of the parties thereto, enforceable in accordance with its terms (such Escrow Deposit Agreement shall provide that no amendments are permitted without the prior written consent of the Bond Insurer). An executed copy of each of such opinion and reliance letter, if applicable, or Trustee's discharge certificate, as the case may be, shall be forwarded to the Bond Insurer prior to delivery of the Bonds.

(cc) Any interest rate exchange agreement ("*Swap Agreement*") entered into by the Corporation or the Board and secured on parity with the Bonds shall meet the following conditions, so long as any Insured Bonds are outstanding: (i) the Swap Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (iii) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Swap Agreement shall not contain any leverage element or multiplier

component greater than 1.0x unless there is a matching hedge arrangement which effectively offsets the exposure from any such element or component. Unless otherwise consented to in writing by the Bond Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Bonds and on any debt on parity with the Bonds. The Corporation or the Board shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the Bond Insurer prior to the payment of any such termination amount that such payment will not cause the Corporation or the Board to be in default under the Related Documents, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Swap Agreement must have a rating of at least "A-" and "A3" by S&P and Moody's. If the counterparty or guarantor's rating falls below "A-" or "A3" by either S&P or Moody's, the counterparty or guarantor shall execute a credit support annex to the Swap Agreement, which credit support annex shall be acceptable to the Bond Insurer. If the counterparty or the guarantor's long term unsecured rating falls below "Baa1" or "BBB+" by either Moody's or S&P, a replacement counterparty or guarantor, acceptable to the Bond Insurer, shall be required.

(dd) All provisions of this Indenture regarding consents, approvals, appointments or requests by the Bond Insurer shall be deemed to not require or permit such consents, approvals, directions, appointments or requests by the Bond Insurer and shall be read as if the Bond Insurer were not mentioned therein at any time in which (i) the Bond Insurer is in default in its obligation to make payment under the Bond Insurance Policy or (ii) a final, nonappealable order of a court having competent jurisdiction in the premises shall be entered declaring the Bond Insurance Policy at any time, for any reason, invalid and not binding on the Bond Insurer or declaring the Bond Insurance Policy null and void.

ARTICLE 4
FUNDS AND ACCOUNTS; FLOW OF FUNDS;
INVESTMENTS; DEPOSITS; ARBITRAGE;
PAYMENTS ON BOND INSURANCE POLICY

Section 4.1 Creation and Use of Funds and Accounts.

(a) Upon delivery of and payment for the Bonds, the following special trust Funds and Accounts (except as qualified in this Section 4.1) shall be established and maintained with the Trustee so long as any Bonds issued under this Indenture are outstanding:

- (i) Bond Proceeds Fund and a Costs of Issuance Sub-Account therein:
 - (A) Series 2010A Bonds Proceeds Account
 - (1) Series 2010A Bonds Costs of Issuance Sub-Account
 - (B) Series 2010B Bonds Proceeds Account
 - (1) Series 2010B Bonds Costs of Issuance Sub-Account
- (ii) Debt Service Fund, and the following accounts therein:

- (1) Series 2010A Bonds Debt Service Account
- (2) Series 2010B Bonds Debt Service Account
- (iii) Debt Service Reserve Fund;
 - (A) Series 2010A Bonds Debt Service Reserve Account
 - (B) Series 2010B Bonds Debt Service Reserve Account
- (iv) Project Fund;
 - (A) Series 2010A Bonds Project Account
 - (B) Series 2010B Bonds Project Account
- (v) Series 2010 Bonds Replacement Fund; and
- (vi) Series 2010A Bonds Rebate Fund.

(b) The Series 2010A Bonds Rebate Fund shall be held by the Trustee but shall not be a trust account within the Trust Estate pledged under this Indenture.

Section 4.2 Bond Proceeds Fund.

(a) The Bond Proceeds Fund shall be used to receive the proceeds of the Bonds. On the Closing Date, the Trustee shall disburse amounts held in the Bond Proceeds Fund as follows:

(i) to retain such sum in the Series 2010A Bonds Costs of Issuance Sub-Account and the Series 2010B Bonds Costs of Issuance Sub-Account of the Costs of Issuance Sub-Account as may be specified in the request and authorizations delivered pursuant to Section 3.12(b)(vi) hereof;

(ii) to the Series 2010A Bonds Debt Service Reserve Account and the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund an amount equal to the Debt Service Reserve Fund Requirement; and

(iii) to the Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund the balance of the proceeds of the Bonds.

(b) Amounts deposited on the Closing Date into the Costs of Issuance Sub-Account of the Bond Proceeds Fund shall be disbursed, pursuant to the written instructions of the Issuer, to pay Costs of Issuance. Any amounts remaining in the Costs of Issuance Sub-Account one hundred eighty (180) days after delivery of the Bonds shall be deposited into the Project Fund.

Section 4.3 Flow of Funds.

(a) All Payments under the Agreement are subject to the pledge of this Indenture, and, are payable solely from the Trust Estate.

(b) The principal and interest on the Bonds are payable solely from the Trust Estate and are not general obligations of the University, the Board, the State, the Issuer or any political subdivision thereof and the faith and credit of the State, the Issuer, the University or the Board is not pledged to the payment of the principal of or interest on the Bonds.

(c) The Issuer covenants and agrees to cause the Corporation to make Payments, which payments shall be made directly to the Trustee and applied by the Trustee in the following priority:

(i) At such time as may be required by the Tax Regulatory Agreement but not less often than annually, to the Series 2010A Bonds Rebate Fund the amount required to be deposited thereunder;

(ii) At such time as may be required by Section 4.4 herein, to the Debt Service Fund to make the payments set forth herein;

(iii) On the dates required in this Indenture, to the Trustee for deposit into the Debt Service Reserve Fund, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by this Indenture. Following any drawing on the Debt Service Reserve Fund in accordance with Section 8.5 hereof, to the Trustee for deposit into the Debt Service Reserve Fund: (A) in twenty-four (24) equal monthly installments beginning in the month following any withdrawal, or (B) in four (4) consecutive equal monthly installments beginning in the month following any calculation of the value of the Debt Service Reserve Fund at an amount less than the Debt Service Reserve Fund Requirement, an amount necessary to cause the amount on deposit in the Debt Service Reserve Fund to equal the Debt Service Reserve Fund Requirement; and

(iv) On the dates required in this Indenture, into the Series 2010 Bonds Replacement Fund, an amount sufficient to meet the requirements of Section 4.21 of this Indenture; and

(v) On the dates required in this Indenture, to the Trustee for deposit into the Series 2010 Bonds Replacement Fund, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund, to restore any loss from such fund, excluding losses resulting from payments made from such fund pursuant to Section 4.21(c) hereof, and any other payment required to be made to such fund by this Indenture.

Section 4.4 Debt Service Fund.

(i) Semiannually, on or before the fourth Business Day preceding each Interest Payment Date to the Series 2010A Bonds Debt Service Account and the Series 2010B Bonds Debt Service Account of the Debt Service Fund the Issuer shall transfer or cause to be transferred to the Trustee an amount equal to the interest due and payable on the respective Bonds on such Interest Payment Date;

(ii) Annually, on or before the fourth Business Day preceding each Principal Payment Date to the Series 2010A Bonds Debt Service Account and the Series 2010B Bond Debt Service Account of the Debt Service Fund the Issuer shall transfer or cause to be transferred to the Trustee an amount equal to the principal due and payable on the Bonds on such Principal Payment Date;

(iii) At the written request of the Corporation, all or any part of the moneys in the Debt Service Fund shall be invested in accordance with the provisions of the laws of the State of Louisiana in Permitted Investments, in which event all income derived from such investments shall be credited to the Debt Service Fund.

(iv) In the event of the refunding of the Bonds pursuant to Section 5.2 hereof, the Trustee will, if the Corporation so directs, withdraw from the appropriate account of the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service Requirements on the Bonds being refunded and deposit such amounts with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded; provided that such withdrawal will not be made unless immediately thereafter the Bonds being refunded will be deemed to have been paid pursuant to this Indenture and provided, further, that at the time of such withdrawal, there will exist no deficiency in any Fund or Account held under this Indenture and all Bond Insurer Amounts shall have been indefeasibly paid in full. In the event of such refunding, the Issuer, through the Corporation and the Board, may also direct the Trustee to withdraw from the appropriate account of the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service Requirements on the Bonds being refunded and deposit such amounts in any Fund or Account under the Indenture and all Bond Insurer Amounts shall have been indefeasibly paid in full.

Section 4.5 Project Fund. The Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund shall be maintained by the Trustee in trust and shall be used to receive the immediate transfer from the balance of the proceeds of the Bonds as provided in Section 4.2(a)(iii) hereof and from a capital contribution by the Board. Moneys in the Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund shall be applied to the payment of the Costs of the Facilities pursuant to the procedure established in Section 4.14 hereof and, pending such application, shall be subject to a lien and charge in favor of the Bondholders and the Bond Insurer, if any, for the further security of such Bondholders and the Bond Insurer, if any, until paid out or transferred as herein provided. Funds in the Series 2010A Bonds Project Account of the Project Fund shall not be transferred to the Series 2010B Bonds Project Account of the Project Fund, and vice versa, unless such transfer is approved by Bond Counsel.

Section 4.6 Debt Service Reserve Fund.

(a) On the date of issuance of the Bonds, the Trustee shall deposit from the proceeds of the Bonds into the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund an amount equal to \$1,578,568.55 and into the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund an amount equal to \$358,540.21. Monies in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve

Fund shall be used solely for transfer to the Series 2010A Bonds Debt Service Account of the Debt Service Fund in amounts required to prevent any default in the payment of the principal of and interest on the Bonds. Monies in the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund may be used for transfer to the Series 2010A Bonds Debt Service Account of the Debt Service Fund in the event that the transfer of monies from the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund to the Series 2010A Bonds Debt Service Account of the Debt Service Fund should prove insufficient to prevent any default in the payment of the principal of and interest on the Series 2010A Bonds. Monies in the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund shall be used for transfer to the Series 2010B Bonds Debt Service Account of the Debt Service Fund in amounts required to prevent any default in the payment of the principal of and interest on the Series 2010B Bonds. The Weighted Average Maturity of investments in the accounts of the Debt Service Reserve Fund shall not at any time exceed five (5) years.

(b) Whenever the amount in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund, together with the amount in the Series 2010A Bonds Debt Service Account of the Debt Service Fund is sufficient to pay in full all Series 2010A Bonds Outstanding in accordance with their terms (including principal and interest thereon), the funds on deposit in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund shall be transferred to the Series 2010A Bonds Debt Service Account of the Debt Service Fund and shall be available to pay all of the Series 2010A Bonds Outstanding. Prior to said transfer, all investments held in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund shall be liquidated to the extent necessary in order to provide for the timely payment of principal and interest on the Series 2010A Bonds. Funds in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund may be transferred only to the Series 2010A Bonds Debt Service Account of the Debt Service Fund, unless such transfer is approved by Bond Counsel and by the prior written consent of the Bond Insurer, if any.

(c) In lieu of the required deposits or transfers to the appropriate account of the Debt Service Reserve Fund or to provide for the removal of all or a portion of the amounts on deposit in the appropriate account of the Debt Service Reserve Fund, the Issuer may, with the prior written consent of the Bond Insurer, if any, cause to be deposited into the appropriate account of the Debt Service Reserve Fund a surety bond, letter of credit or an insurance policy satisfactory in form and substance to the Bond Insurer, if any, for the benefit of the owners of the Bonds in an amount equal to (i) the difference between the Debt Service Reserve Fund Requirement and the sums then on deposit in the appropriate account of the Debt Service Reserve Fund, if any, or (ii) the Debt Service Reserve Fund Requirement. The surety bond, insurance policy or letter of credit shall be payable (upon the giving of notice as required thereunder) on any due date on which monies will be required to be withdrawn from the appropriate account of the Debt Service Reserve Fund and applied to the payment of principal of or interest on any Bonds when such withdrawal cannot be met by amounts on deposit in the appropriate account of the Debt Service Reserve Fund or provided from any other Fund under this Indenture. The insurer providing such surety bond or insurance policy shall be an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in the highest rating category by the Rating Agency. The letter of credit issuer shall be a bank or trust company that is rated

not lower than the second highest rating category by the Rating Agency, and the letter of credit itself shall be rated in the highest rating category of either such rating agency. If a disbursement is made pursuant to a surety bond, an insurance policy or a letter of credit provided pursuant to this subsection, the Issuer shall be obligated, in accordance with Section 4.3(c)(iii) hereof, either (i) to reinstate the maximum limits of such surety bond, insurance policy or letter of credit or (ii) to deposit into the appropriate account of the Debt Service Reserve Fund, funds in the amount of the disbursement made under such surety bond, insurance policy or letter of credit, or a combination of such alternatives, as shall provide that the amount in the Debt Service Reserve Fund equals the Debt Service Reserve Fund Requirement. In connection with its obligation to provide for any reinstatement of amounts on deposit in the appropriate account of the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement, the Issuer may agree to provide the insurer or the issuer of such letter of credit a pledge of the amounts to be deposited in the appropriate account of the Debt Service Reserve Fund to provide for such reinstatement provided, however, such obligation shall be subject and subordinate to the pledge created by this Indenture as security for the Bonds and subject to the prior written consent of the , if any. Reimbursement of amounts paid by an insurer under a surety bond, insurance policy or letter of credit, including interest thereon, shall be made on a monthly basis commencing in the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/24th of the aggregate of such draw and the interest due thereon and shall be credited first to the principal due and then to interest due. In the event that the rating attributable to any insurer providing any surety bond or insurance policy or any bank or trust company providing any letter of credit held as above provided in the Debt Service Reserve Fund shall fall below that required as above provided, the Issuer shall use its best efforts to replace, as soon as possible, such surety bond, insurance policy or letter of credit with a surety bond, insurance policy or letter of credit which shall be satisfactory to the Bond Insurer, if any, and meet the above provided requirements.

(d) In the event that Completion Bonds are issued pursuant to Section 5.1 hereof, the Issuer shall at the time of issuance of such Completion Bonds deposit either cash, or a surety bond, insurance policy or letter of credit meeting the requirements of this Section, in the appropriate account of the Debt Service Reserve Fund in an amount sufficient to satisfy the necessary increase in the Debt Service Reserve Fund Requirement.

(e) In the event that the Debt Service Reserve Fund contains both cash and a surety bond, insurance policy or letter of credit and a disbursement from the Debt Service Reserve Fund is required hereunder, the Trustee shall draw such disbursement first from cash on hand in the Debt Service Reserve Fund until the cash is completely drawn down before making any draw on the surety bond, insurance policy or letter of credit.

(f) In the event that the Trustee makes a disbursement from any surety bond, insurance policy or letter of credit in the Debt Service Reserve Fund, the Issuer, at the direction of the Corporation, shall direct that any available funds first to reimburse the issuer of such surety bond, insurance policy or letter of credit prior to using such funds to replenish the Debt Service Reserve Fund with any cash necessary to meet the Debt Service Reserve Fund Requirement.

(g) In the event of the refunding of any Bonds, the Trustee shall, if the Issuer

so directs, withdraw from the appropriate account of the Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to the Bonds being refunded and deposit such amounts to be held for the payment of the principal or redemption premium, if applicable, and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless (i) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to Article 12 and (ii) the amount remaining in the appropriate account of the Debt Service Reserve Fund, after giving effect to the issuance of the Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the Debt Service Reserve Fund Requirement.

(h) Notwithstanding anything to the contrary herein, at the option of the Board, moneys in the Series 2010 Bonds Replacement Fund may be used to pay debt service on the Series 2010 Bonds in the event there are insufficient monies in the Debt Service Fund on the date such principal and/or interest is due, before moneys in the Debt Service Reserve Fund are expended for such purpose. Use of moneys in the Series 2010 Bonds Replacement Fund to pay debt service on the Series 2010 Bonds shall not be considered an Event of Default.

Section 4.7 Reserved.

Section 4.8 Series 2010A Bonds Rebate Fund. Moneys deposited and held in the Series 2010A Bonds Rebate Fund shall be used to make all rebate payments owed to the United States under the Code, and shall not be subject to the pledge of the Indenture. The Board shall comply and cause the Corporation to comply with the requirements of Section 148 of the Code and the regulations thereunder, and the Corporation, at its expense, shall make the calculation(s) required by the Code and the Tax Regulatory Agreement and Arbitrage Certificate and shall direct the Trustee to make deposits to and make disbursements from the Series 2010A Bonds Rebate Fund that the Corporation determines are in accordance therewith. The Tax Regulatory Agreement and any provisions of this Indenture governing deposits to the Series 2010A Bonds Rebate Fund may be superseded or amended by the Corporation (except the requirement of annual calculations and deposits to the Series 2010A Bonds Rebate Fund, if required) if accompanied by an opinion of Bond Counsel addressed to the Issuer, the Bond Insurer, if any, the Corporation and the Trustee to the effect that the use of the new Tax Regulatory Agreement will not cause the interest on the Series 2010A Bonds to become includable in gross income of the recipient thereof for federal tax purposes.

Section 4.9 Reserved.

Section 4.10 Investments.

(a) Moneys contained in the funds and accounts held by the Trustee shall be continuously invested and reinvested by the Trustee at the direction of the Corporation through and as advised by the Board, in Permitted Investments, that shall mature (or be readily convertible to cash), to the extent practicable, not later than the respective dates, as estimated by the Trustee, when the moneys in said Funds and Accounts shall be required for the purposes intended, and:

(i) No such investment shall be required to be made unless the cash at the time available therefor is at least equal to \$1,000;

(ii) The Trustee shall be authorized, to the extent necessary to enable the Trustee to discharge or perform its obligations hereunder, at any one or more times to sell any part or all of the investments whenever it may, for any reason or purpose whatsoever, deem any such sale to be desirable;

(iii) Any income derived from and any profit or loss on any such investment of moneys on deposit in any such fund or account shall be credited or debited, as the case may be, to the respective fund or account in which earned;

(iv) No Permitted Investments in any fund or account may mature beyond the latest maturity date of any Bonds outstanding at the time such Permitted Investments are deposited. For the purposes of this section, the maturity date of repurchase agreements for obligations is the maturity date of such repurchase agreements and not the maturity date of the underlying obligation except as otherwise permitted in writing by the Bond Insurer, if any; and

(v) No float forward or forward purchase agreement or other arrangement, agreement or financial product may be utilized in connection with the Debt Service Fund unless the Bond Insurer, if any, so permits and the terms thereof (including, without limitation, the parties thereto) are satisfactory to the Bond Insurer, if any, and, if satisfactory to the Bond Insurer, if any, such agreements will constitute Permitted Investments.

(b) An Authorized Corporation Representative shall give to the Trustee directions respecting the investment or liquidation of any money required to be invested hereunder, subject, however, to the provisions of this Article and Article 5 of the Agreement, and the Trustee shall then invest such money under this Section as so directed. The Trustee shall in no event have any liability for any loss resulting from the investment of moneys in accordance with the directions of the Authorized Corporation Representative. The Trustee shall furnish the Issuer annually with a written copy and the Corporation with a written copy for the Board, and, if requested, the Bond Insurer, if any, on at least a monthly basis, of the types, amounts, yield and maturities of all such investments.

(c) All investments, and the value of each fund and account hereunder, shall be valued by the Trustee pursuant to the definition of Permitted Investments herein as frequently as deemed necessary by the Bond Insurer, if any, but not less often than monthly. Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value shall be restored no later than the succeeding valuation date.

Section 4.11 Depository of Moneys and Security for Deposits. All of the funds and accounts established hereunder shall be special trust accounts held by the Trustee in trust for the benefit of the owners of the Bonds and shall not be subject to lien or attachment by any creditors of the Trustee, the Issuer, the Corporation, or the Board. Uninvested sums in these funds and accounts shall be continually secured as are deposits of uninvested sinking funds of political subdivisions of the State or in the manner prescribed by federal law for securing any federal trust funds as may be prescribed from time to time by the Comptroller of the Currency.

Section 4.12 Arbitrage. Notwithstanding any of the other provisions hereof, the Corporation shall not direct the investment of moneys in the various funds and accounts created hereunder in a manner which would result in the loss of exclusion from gross income of interest on the Series 2010A Bonds for federal income tax purposes or in such manner which would result in the Series 2010A Bonds becoming “arbitrage bonds” within the meaning of Section 148 of the Code.

Section 4.13 Payments From Project Fund.

(a) Payment of the Costs of the Facilities shall be made from the proceeds of the Bonds deposited into the appropriate account of the Project Fund; provided, however that interest earnings on the amounts deposited into that account of the Project Fund shall be transferred monthly to the corresponding account of the Debt Service Fund and used to make the next payment of interest on the corresponding series of Bonds. All payments from the Project Fund shall be subject to the provisions and restrictions set forth in this Article, and the Issuer covenants that it will not cause or permit to be paid from the Project Fund any sums except in accordance with such provisions and restrictions.

(b) Moneys in the Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund shall be used to pay the respective Costs of the Facilities; provided that if an Event of Default under the Agreement or Indenture has occurred and is continuing, the Trustee shall, at the direction of the Bond Insurer, if any, transfer moneys in the Project Fund to the appropriate account of the Debt Service Fund for the purpose of paying the principal of and interest on the Bonds.

Section 4.14 Costs of the Facilities. For the purpose of this Indenture, the Costs of the Facilities shall embrace such costs as are eligible costs within the purview of the Act and the Code and, without intending thereby to limit or restrict any proper definition of such costs, shall include the following:

(a) obligations incurred by the Corporation for the benefit of the Board with respect to the lease of the Land and the design, acquisition, construction and installation of the Facilities, for labor, materials and services provided by contractors, builders and others in connection with the construction and equipping of the Facilities, machinery and equipment, necessary water and sewer lines and connections, utilities and landscaping, the restoration or relocation of any property damaged or destroyed in connection with such construction, the removal, demolition or relocation of any structures, and the clearing of lands and the reasonably allocable expenses of the Corporation with respect to the Facilities;

(b) the cost of acquiring by purchase, if deemed expedient, or leasing such Land, rights, rights of way, servitudes, easements, franchises and other interests as may be deemed necessary or convenient by the Authorized Corporation Representative for the construction and equipping of the Facilities, the cost of options and partial payments thereon, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved and the amount of any damages incident to or consequent upon the construction of the Facilities;

(c) interest on the Bonds prior to the establishment of the completion date of the Facilities pursuant to Section 3.7 of the Agreement, and the reasonable fees and expenses, including counsel fees, of the Trustee for its services prior to and during construction, and premiums on insurance, if any, in connection with the Facilities and all Bond Insurer Amounts;

(d) the cost of borings and other preliminary investigations, if any, to determine foundation or other conditions, expenses necessary or incident to determining the feasibility or practicability of constructing the Facilities and fees and expenses of engineers, architects, management consultants for making studies, surveys and estimates of cost and of revenues and other estimates, costs of environmental surveys, reports and remediation, and fees and expenses of engineers and architects for preparing plans and specifications and supervising construction as well as for the performance of all other duties of engineers and architects set forth herein in relation to the acquisition and construction of the Facilities and the issuance of the Bonds therefor;

(e) other items of expense not elsewhere in this Section specified incident to the lease of the Land and the design, construction and equipping of the Facilities and the financing thereof, including professional fees, moving expenses, the acquisition of lands, property, rights, rights of way, easements, franchises and interest in or relating to lands, including title insurance, cost of demand surveys, other surveys and other expenses in connection with such acquisition, legal fees and expenses, and expenses of administration and overhead, all properly chargeable, in the opinion of the Authorized Corporation Representative, to the acquisition, construction and equipping of the Facilities; and

(f) any obligation or expense heretofore or hereafter incurred or paid by the Corporation for or in connection with any of the foregoing purposes, including general legal fees and expenses incurred in connection with the Project.

Section 4.15 Requisitions from the Project Fund.

(a) Payments from the Project Fund shall be made in accordance with the provisions of this Section. In connection with a payment from the Project Fund, there shall be filed with the Trustee a requisition, substantially in the form of Exhibit B-1 and Exhibit B-2 attached hereto and made a part hereof, signed by an Authorized Corporation Representative, stating:

- (i) the item number of each such payment;
- (ii) the name of the person, firm or corporation to whom each such payment is due, or, if such payment has been made by the Corporation, that the Trustee is to reimburse the Corporation directly for such payment;
- (iii) the respective amounts to be paid;
- (iv) the purpose by general classification for which each obligation to be paid was incurred;

(v) that obligations in the stated amounts have been incurred by the Corporation and are either (A) presently due and payable or (B) have been paid by the Corporation and that each item thereof is a proper charge against the Project Fund and has not been the subject of any prior requisition;

(vi) that such requisition contains no item representing payment on account of any retainage to which the Corporation is entitled at the date of such requisition; and

(vii) a certification that all work, materials, supplies and equipment that are the subject of such requisition have been performed or delivered and are in accordance with the description of the Facilities referred to above.

(b) Upon receipt of each requisition and accompanying certificate and information, the Trustee shall pay the obligations set forth in such requisition out of the money in the Project Fund, and each such obligation shall be paid by check signed by one or more officers or employees of the Trustee designated for such purpose by the Trustee or by wire transfer or credit to an account of the Corporation held by the Trustee or in such other manner as may be agreed on by the Corporation and the Trustee. In making such payments the Trustee may rely upon such requisitions. If for any reason the Corporation should decide prior to the payment of any item in a requisition not to pay such item, it shall give written notice of such decision to the Trustee and thereupon the Trustee shall not make such payment.

(c) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured or electronic methods, provided however, that (i) the Corporation, subsequent to such transmission of written instructions, shall provide the originally executed instructions or directions to the Trustee in a timely manner, (ii) such originally executed instructions or directions shall be signed by a person as may be designated and authorized to sign for the Corporation or in the name of the Corporation, by an authorized representative of the Corporation, and (iii) the Corporation shall provide to the Trustee an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict with or are inconsistent with a subsequent written instruction.

Section 4.16 Reliance upon Requisitions. All requisitions and opinions received by the Trustee as conditions of payment from the Project Fund may be relied upon by the Trustee and shall be retained by the Trustee, subject at all reasonable times to examination by the Issuer, the Board, the Bond Insurer, if any, and the Corporation.

Section 4.17 Completion of the Facilities and Disposition of Project Fund Balance.

(a) When the construction and renovation of the Facilities shall have been completed, which fact shall be evidenced to the Trustee by a certificate of an Authorized Corporation Representative delivered to the Trustee pursuant to Section 3.7 of the Agreement and to the Bond Insurer, if any, the balance in the Project Fund shall be transferred by the

Trustee to the corresponding account of the Debt Service Fund (subject to the provisions of Section 4.4 hereof) and applied to redeem the Bonds in accordance with the provisions of Section 3.4 hereof.

(b) With respect to the Series 2010B Facilities, any funds remaining in the Series 2010B Bonds Project Account of the Project Fund upon completion of construction and/or renovation (as evidenced pursuant to Section 3.7 of the Agreement), shall be, at the option of the Board, used to: (i) redeem the Series 2010B Bonds in accordance with the provisions of Section 3.4 hereof; or (ii) deposited in the Series 2010 Bonds Replacement Fund.

Section 4.18 Amounts Remaining in Funds; Releases. It is agreed by the parties hereto that any amounts remaining in the Funds and Accounts existing pursuant to this Indenture upon the expiration or sooner cancellation or termination of the Agreement, as provided therein, after payment in full of all Bonds then outstanding under this Indenture (or provisions for the payment thereof having been made in accordance with Article 12 of this Indenture), and the fees, charges and expenses of the Issuer, the Bond Insurer, if any, and the Trustee and all other amounts required to be paid under the Agreement and under this Indenture, other than amounts payable as arbitrage rebate under Section 148(f) of the Code, shall belong to and be paid to the Board.

Section 4.19 Reserved.

Section 4.20 Application of Insurance Proceeds; Condemnation Award.

(a) If all or any portion of the Facilities is damaged or destroyed by a Casualty (as defined in the Facilities Lease), or is taken by Expropriation (as defined in the Facilities Lease) proceedings, the Corporation shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof; provided, however that the Issuer shall in no way be liable for any costs of the repair, restoration or replacement of the Facilities in excess of the proceeds of any insurance or of any Expropriation award received because of such Casualty or Expropriation. The proceeds of any insurance, or of any Expropriation award or payment in lieu of Expropriation, received on account of any damage, destruction or taking of all or any portion of the Facilities shall be applied as follows: the net proceeds, including the proceeds of self-insurance through the Office of Risk Management, Division of Administration, State of Louisiana (“*ORM*”) shall be delivered to the Trustee and held by the Trustee in a special account to be established upon receipt of any such funds and held by the Trustee in trust, and shall be made available for, and to the extent necessary be applied to, such restoration, repair and replacement; provided, however, if the net proceeds are proceeds of self-insurance through *ORM*, such application shall be consistent with the Policy and Procedures Memorandum 10 (“*PPM-10*”) of *ORM*. Any amounts so held by the Trustee shall be disbursed to pay the costs of restoration, replacement and repair of the Facilities with respect to which they are held, in each case promptly after receipt of a written request of the Corporation stating that the amount to be disbursed pursuant to such request will be used to pay costs of replacing or repairing or restoring the Facilities and that no amount previously has been disbursed by the Trustee for payment of the costs to be so paid. In making such payments, the Trustee may conclusively rely upon such written requests and shall have no liability or responsibility to investigate any matter stated therein, or for any inaccuracy or misstatement therein. In no event shall the Trustee be responsible for the adequacy of the plans and

specifications or construction contract relating to the replacement, restoration, or repair of the Facilities, or for the improper use of moneys properly disbursed pursuant to request made under this Section. Any proceeds remaining on deposit with Trustee following completion of the repairs, restoration or replacement of the Facilities shall be paid by Trustee to the Corporation.

(b) In the event the Corporation decides not to repair, restore or replace the Facilities for any reason, all insurance proceeds received or payable as a result of such Casualty, or all proceeds received or payable as a result of Expropriation proceedings (including payments received or payable in lieu of Expropriation) shall be paid to the Trustee and applied to the redemption of the Bonds in accordance with Section 3.4 of this Indenture.

(c) Notwithstanding anything to the contrary and in the event the Facilities Lease is no longer in effect, if an Event of Default shall have occurred and be continuing, the application of all insurance proceeds received or payable as a result of a casualty or all proceeds received or payable as a result of Expropriation proceedings (including payments received or payable in lieu of Expropriation) shall be subject to the written approval of the Bond Insurer, if any.

Section 4.21 Application of Money in Series 2010 Bonds Replacement Fund.

(a) The Trustee shall, in accordance with Section 4.3 hereof, deposit an amount equal to the Series 2010 Bonds Replacement Fund Requirement into the Series 2010 Bonds Replacement Fund, beginning on the first full Fiscal Year of operation following the Fiscal Year in which the certificate of completion is received pursuant to Section 4.17 herein and annually on each July 15 thereafter. The Series 2010 Bonds Replacement Fund Requirement may be reduced with the approval of the staff of the Board of Regents of the State of Louisiana, the Board and with the written consent of the Bond Insurer, if any.

(b) As an alternative to annual payments into the Series 2010 Bonds Replacement Fund, the Corporation may direct the Trustee to make a one time deposit in an amount equal to the Series 2010 Bonds Replacement Fund Requirement into the Series 2010 Bonds Replacement Fund upon the date that the certificate of completion is received pursuant to Section 4.17 herein. In the event that the Corporation directs the Trustee to make a one time deposit of the Series 2010 Bonds Replacement Fund Requirement into the Series 2010 Bonds Replacement Fund, the Trustee shall not be required to make the annual deposits referenced in subsection (a) above.

(c) All moneys in the Series 2010 Bonds Replacement Fund shall be part of the Trust Estate subject to the lien of this Indenture and may be drawn on and used by the Board or the Corporation to (i) replace any worn out, obsolete, inadequate, unsuitable or undesirable property, furniture, equipment, fixtures and other property owned by the Board or the Corporation and located on the Facilities; and (ii) maintain the Facilities and to make all alterations, repairs, restorations and replacements to the Facilities as and when needed to preserve the Facilities in good working order, condition and repair, each as required by the Facilities Lease. Withdrawals from the Series 2010 Bonds Replacement Fund for the purposes set forth above shall be made by the Trustee upon its receipt of a requisition from the Board or the Corporation substantially in the form attached hereto as Exhibit C and shall not require

replenishment in accordance with Section 4.3(c)(v) herein. Moneys in the Series 2010 Bonds Replacement Fund may, with the consent of the Board and shall, at the direction of the Board or the Bond Insurer, if any, also be used to pay debt service on the Series 2010 Bonds in the event there are insufficient moneys in the Debt Service Fund therefor on the date such principal and/or interest is due. If moneys in the Series 2010 Bonds Replacement Fund are used to pay debt service, said deficiency shall be replenished in accordance with Section 4.3(c)(v) herein.

(d) Any funds remaining in the Series 2010 Bonds Replacement Fund at the time the Series 2010 Bonds are paid in full or provision for their payment is made in accordance with Article 12 hereof and the fees, charges and expenses of the Issuer, the Bond Insurer, if any, and the Trustee are paid in full shall be paid to the Board on behalf of the University.

Section 4.22 Application of Moneys in the Series 2010A Bonds Rebate Fund. Moneys in the 2010A Bonds Rebate Fund shall be used to make any rebate payments required to be made to the United States under the Code. The Series 2010A Bonds Rebate Fund shall be held for the sole benefit of the United States of America and is not pledged under this Indenture. Moneys required to be paid to the United States shall be deposited in the Series 2010A Bonds Rebate Fund by the Board as Base Rental under the Facilities Lease as required thereby and by this Indenture.

ARTICLE 5 COMPLETION BONDS

Section 5.1 Completion Bonds. Subject to the requirements of Section 5.4, Completion Bonds may be issued in one or more series by the Issuer on a parity with the Bonds at the request of the Corporation as advised by the Board, pursuant to a supplement to this Indenture to pay all or part of the additional Costs of the Facilities so long as no Event of Default or event which with notice or the lapse of time or both would constitute an Event of Default under this Indenture has occurred and is then continuing. Such series of Completion Bonds shall be appropriately designated, shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered, shall have such paying agents and shall have such maturities and redemption provisions, all as may be provided in the supplement to this Indenture or the separate indenture authorizing the issuance of such series of Completion Bonds.

Section 5.2 Refunding Bonds. Refunding Bonds may be issued under and secured by a supplement to this Indenture for the purpose of providing funds for the refunding of the Bonds and Completion Bonds. Refunding Bonds shall not be subject to the requirements of the Facilities Lease regarding Additional Debt provided that the total Maximum Annual Debt Service Requirement for all then Outstanding Bonds immediately after issuance of any such Refunding Bonds is not greater than 110% of the total Maximum Annual Debt Service Requirement for all then Outstanding Bonds immediately preceding the issuance of such Refunding Bonds.

Section 5.3 Completion Bonds and Refunding Bonds. The Bond Insurer, if any, shall receive copies of any disclosure documents circulated with respect to such Completion Bonds and Refunding Bonds.

ARTICLE 6
COSTS OF ISSUANCE

Section 6.1 Payment of Costs of Issuance from Bond Proceeds Fund. There shall be paid into the Costs of Issuance Sub-Account in the Bond Proceeds Fund the amounts required to be so paid from Bond proceeds pursuant to Section 3.12 of this Indenture; and such amounts shall be applied to the payment of all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of the Bonds including, but not limited to, publication costs, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, the Issuer or any other fiduciary, legal fees and charges, fees and disbursements of consultants and professionals, including financial advisors, costs of liquidity facilities, costs of credit ratings, and any other costs, fees and charges in connection with the original sale and issuance of the Bonds, including for their preparation, execution, transportation and safekeeping, and the premium payable for the Bond Insurance Policy. Any additional costs of issuance shall be paid solely by the Corporation. The Trustee shall make payments from the Costs of Issuance Sub-Account upon receipt of statements from the parties entitled to be paid therefrom accompanied by a written request of the Issuer directing the Trustee to pay such statements.

ARTICLE 7
ENFORCEMENT OF AGREEMENT AND FACILITIES LEASE

Section 7.1 Assignment of Agreement and Facilities Lease. The Issuer has assigned all of its right, title and interest in, to and under the Agreement (except for rights of the Issuer relating to exculpation, indemnification and payment of expenses thereunder), including the interest of the Issuer in and to the Facilities Lease assigned by the Corporation to the Issuer thereunder, to the Trustee as security for the Bonds and hereby agrees that the Agreement and the Facilities Lease may be enforced by the Trustee and/or the owners of the Bonds issued hereunder in accordance with the terms hereof and thereof. Notwithstanding such assignment, the Issuer agrees to cause the Corporation to comply with the terms contained in the Agreement and the Facilities Lease and the rights of the Bondholders and the Trustee shall be governed by the provisions of this Indenture, the Agreement and the Facilities Lease.

Section 7.2 Trustee or Bondholders to Enforce Agreement, Facilities Lease and Act of Mortgage. The Trustee, with the consent of the Bond Insurer, if any, may, and upon request of the Bond Insurer, if any, or the owners of a majority in aggregate principal amount of the Bonds then outstanding, with the consent of the Bond Insurer, if any, shall, subject to the provisions of Section 8.11 and Article 9 hereof, strictly and promptly enforce the provisions of the Agreement, the Facilities Lease and the Mortgage so long as any of the Bonds remain outstanding under this Indenture. All rights of action (including the right to file proof of claims) to enforce the Agreement, the Ground Lease, the Facilities Lease and Mortgage under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of the Bonds and without their production in any trial or other proceeding relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee for the Bondholders without the necessity of joining as plaintiffs or defendants any of the Bondholders.

ARTICLE 8
EVENTS OF DEFAULT; REMEDIES

Section 8.1 No Extension of Time for Payment of Principal or Interest. The Trustee shall not be authorized to extend the time for any payment of principal or interest without the prior written consent of or authorization by the owner of the Bonds so affected and of the Bond Insurer, if any.

Section 8.2 Events of Default.

(a) Each of the following events is hereby declared to be an “Event of Default”:

(i) The payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable;

(ii) The payment of the principal on any of the Bonds shall not be made when the same shall become due and payable, whether at maturity or by proceedings for redemption or by acceleration or otherwise;

(iii) An “Event of Default” under Article 9 of the Agreement (other than an event described under (i) or (ii) of this Section 8.2(a)) shall have occurred and shall not have been cured within the applicable cure period, if any;

(iv) A default shall occur under Section 21 of the Facilities Lease; or

(v) Default by the Issuer in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture on the part of the Issuer to be performed, if such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer, the Board, the Bond Insurer, if any, and the Corporation by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Bond Insurer, if any, or the owners of not less than a majority in principal amount of the Bonds then outstanding with the consent of the Bond Insurer, if any. Such default shall not become an Event of Default if said default be of the nature that (i) it cannot be corrected within the thirty (30) day period after receipt of notice, but the Issuer (or the Corporation pursuant to the provisions of Section 8.14 of this Indenture) promptly shall institute and diligently pursue corrective action until such default is cured, and (ii)(A) the Trustee shall determine that such default does not affect the validity or enforceability of the Bonds, this Indenture or the Agreement, an event of nonperformance shall not have occurred under the Agreement (other than as a result of the cross default provisions), and such default does not impair the security or the obligations provided for or under the Bonds, this Indenture or the Agreement, and (B) the Bond Insurer, if any, shall have consented in writing to the waiver of such Event of Default.

(b) Use of moneys in the Series 2010 Bonds Replacement Fund to pay debt service on the Series 2010B Bonds shall not be considered an Event of Default.

(c) The word “default” as used herein shall mean failure of performance when

due, exclusive of any period of grace, if any, allowed to correct any such failure. In addition, in determining whether a default in the payment of the principal of or interest on the Bonds has occurred or whether a payment of Bonds has been made hereunder, no effect shall be given to the payments made under the Bond Insurance Policy.

(d) Anything in this Indenture to the contrary notwithstanding, for all purposes of this Article 8 (other than Section 8.13 hereof), the Bond Insurer, if any, shall be deemed to be the sole owner of the Bonds it has insured for so long as it is not in default in any payment required to be made by it under the Bond Insurance Policy, and the Bond Insurer, if any, shall be entitled to: (i) notify the Trustee of the occurrence of an Event of Default hereunder or waive any Event of Default hereunder; (ii) request that the Trustee intervene in judicial proceedings that affect the Bonds or the security therefor; (iii) control and direct the enforcement of all rights and remedies granted hereunder to the Series 2010 Bondholders or to the Trustee for the benefit of the Series 2010 Bondholders upon the occurrence and continuation of an Event of Default; (iv) be recognized as the registered owner of each Bond which it insures for the purposes of exercising all rights and privileges available to Series 2010 Bondholders; and (v) have the right to institute any suit, action, or proceeding at law or in equity under the same terms as a Series 2010 Bondholder in accordance with the provisions of the Indenture or each Bond which it insures.

(e) Notwithstanding anything to the contrary, any acceleration of principal payments will be subject to the Bond Insurer's prior written consent.

Section 8.3 Remedies. Upon the occurrence of an Event of Default, the Issuer, the Trustee and, subject to Sections 8.10 and 8.11, and further subject to the Bond Insurer's right to control and direct all rights and remedies, the Bondholders shall have all the rights and remedies as may be allowed by law, this Indenture, or pursuant to the provisions of the Agreement and/or the Facilities Lease by virtue of their assignment hereunder, including but not limited to, acceleration of the maturity of all Bonds, or suit at law or in equity to enforce or enjoin the action or inaction of parties under the provisions of this Indenture, the Agreement or the Facilities Lease.

Section 8.4 Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of an Event of Default described in Section 8.2 of this Indenture, the Trustee, with the consent of the Bond Insurer, if any, may, and upon the written direction of the Bond Insurer, if any, shall, by notice in writing to the Issuer, the Board and the Corporation, declare the Bonds then outstanding immediately due and payable, and such Bonds shall become and be immediately due and payable, anything in such Bonds or in the Agreement or this Indenture to the contrary notwithstanding, and, subject to Article 9 the Trustee may exercise any remedies granted to it herein. In such event, there shall be due and payable on the Bonds an amount equal to the principal amount of all the Bonds then outstanding plus all interest accrued thereon and which will accrue thereon to the date of payment. If the Bond Insurer, if any, shall be in default of its payment obligations under the Bond Insurance Policy, the owners of not less than a majority of the aggregate principal amount of Bonds outstanding, may direct the Trustee to declare the Bonds then outstanding immediately due and payable.

(b) At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Indenture, the Mortgage, the Agreement or the Facilities Lease, the Trustee, with the consent of the Bond Insurer, if any, may annul such declaration and its consequences with respect to the Bonds if: (i) moneys shall have been deposited in the Debt Service Fund sufficient to pay all matured installments of principal (other than principal due solely because of acceleration) and interest; (ii) moneys shall be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Issuer and the Trustee; (iii) all other amounts then payable by the Issuer or the Corporation under this Indenture or the Agreement shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every Event of Default known to the Issuer or the Trustee (other than a default in the payment of the principal of the Bonds due only because of such declaration) shall have been remedied to the satisfaction of the Issuer, the Trustee and the Bond Insurer, if any; and upon the written direction of the Bond Insurer, if any, shall annul such declaration and its consequences with respect to the Bonds. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

(c) No waiver of any Event of Default shall be effective without the written consent of the Bond Insurer, if any.

Section 8.5 Insufficiency in the Debt Service Fund; Application of Moneys.

(a) Anything in this Indenture to the contrary notwithstanding, if at any time the moneys in the Debt Service Fund shall not be sufficient to pay the interest on or the principal of the Bonds as the same shall become due and payable (either by their terms or by acceleration of maturities), such moneys, together with any other moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall, subject to the provisions of Sections 9.2 and 9.4 hereof and after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be applied as follows:

(i) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST, to the payment to the persons entitled thereto of all installments of interest then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay any particular installment, then to the payment thereof, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; then

SECOND, to the payment to the persons entitled thereto of the unpaid principal of the Bonds that shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture) in the order of their due dates, with interest on the principal amount of such

Bonds due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds and their interest thereon, then to the payment thereof ratably, according to the amount of the interest due on such date, and next to the payment of the principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and then

THIRD, to the payment of the interest on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of this Indenture;

FOURTH, to the payment of all Bond Insurer Amounts certified by the Bond Insurer, if any, as due and owing.

(ii) If the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference and thereafter, to the payment of all Bond Insurer Amounts certified by the Bond Insurer, if any, as due and owing; and

(iii) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled, then, subject to the provisions of Section 8.5(a)(ii) above, in the event that the principal of all the Bonds shall later become or be declared due and payable, then all such moneys shall be applied in accordance with the provisions of Section 8.5(a)(i) above.

(b) Whenever money is to be applied by the Trustee pursuant to the provisions of this Section, such money shall be applied by the Trustee at such times and from time to time as the Trustee in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for application in the future; the deposit of such money or otherwise setting aside such money in trust for the proper purpose shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Issuer, to any Bondholder or to any other person for any delay in applying any such money, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to the owner of any Bond until such Bond shall be surrendered to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 8.6 Discontinuance of Proceedings. In case any proceeding taken by the

Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case the Issuer, the Trustee, the Bond Insurer, if any, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee and the Bond Insurer, if any, shall continue as though no proceeding had been taken.

Section 8.7 Appointment of Receiver. Upon the occurrence of an Event of Default, and upon filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the Bond Insurer, if any, and of the Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or keeper pending such proceedings, with such powers as the court making such appointment shall confer. Any expenses incurred in connection with such appointment shall be paid by the Corporation but only from the Trust Estate.

Section 8.8 Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee, the Bond Insurer, if any, or the Bondholders is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity on or after the date of adoption of this Indenture.

Section 8.9 Remedies Vested in Trustee. All rights of action under this Indenture, the Agreement or under any of the Bonds may be enforced by the Trustee or the Bond Insurer, if any, without possession of the Bonds and without their production in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee may be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds.

Section 8.10 Majority of Bondholders Control Proceedings. If an Event of Default shall have occurred and be continuing, notwithstanding anything in this Indenture to the contrary, but subject to all rights granted to the Bond Insurer, if any, in this Article 8 and Section 3.14 hereof, the owners of at least a majority of the aggregate outstanding principal amount of Bonds then outstanding shall have the right, at any time by an instrument or instruments in writing executed and delivered to the Trustee, upon providing security and indemnity satisfactory to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of this Indenture, provided the direction is in accordance with law and the provisions of this Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of Bondholders not joining in such direction, and provided further, that nothing in this Section shall impair the right of the Trustee in its discretion to take any other action under this Indenture which it may deem proper and which is not inconsistent with the direction by Bondholders.

Section 8.11 Individual Bondholder Action Restricted.

(a) No owner of any Bond shall have any right to institute any suit, action or proceeding for the enforcement of this Indenture or for the execution of any trust hereunder or for any remedy under this Indenture unless:

(i) An Event of Default has occurred (other than under Sections 8.2(a)(i) or 8.2(a)(ii)) as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing;

(ii) The owners of at least a majority of the aggregate outstanding principal amount of Bonds outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in this Indenture or to institute an action, suit or proceeding in its own name; and these Bondholders shall have offered the Trustee such indemnity as may be satisfactory to the Trustee, and the Trustee shall have failed or refused to exercise the powers granted in this Indenture or to institute an action, suit or proceeding in its own name for a period of sixty (60) days after receipt of the request and offer of indemnity; and

(iii) The Bond Insurer, if any, shall have consented to any such suit, action or proceeding, execution of trust or remedy.

(b) No one or more owners of Bonds shall have any right in any manner whatsoever to disturb or prejudice the security of this Indenture or to enforce any right hereunder except in the manner herein provided and then only for the equal benefit of the owners of all outstanding Bonds.

Section 8.12 Waiver and Non Waiver of Event of Default.

(a) No delay or omission of the Trustee, the Bond Insurer, if any, or of any owner of Bonds to exercise any right or power accruing upon any Event of Default shall impair the right or power or shall be construed to be a waiver of an Event of Default or an acquiescence therein. Every power and remedy given by this Article to the Trustee, the Bond Insurer, if any, and to the owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) Subject to Section 3.14 hereof and the rights granted to the Bond Insurer, if any, under this Article 8, the Trustee may waive any Event of Default that in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Indenture or before the completion of the enforcement of any other remedy under this Indenture.

(c) Subject to Section 3.14 hereof and the rights granted to the Bond Insurer, if any, under this Article 8, the Trustee, upon written request of the owners of at least a majority of the aggregate principal amount of the Bonds then outstanding shall waive any Event of Default and its consequences; provided, however, that a default in the payment of the principal of and interest on any Bond, when due and payable or upon call for redemption, may not be waived after the date the same becomes due and payable without the written consent of the owners of all the Bonds at the time outstanding.

(d) In case of a waiver of any Event of Default, the Issuer, the Trustee, the Bond Insurer, if any, and the Bondholders shall be restored to their former positions and rights under this Indenture but no waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. Neither the Trustee nor the Bond Insurer, if any, shall be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance

with this Section.

Section 8.13 Notice of Defaults.

(a) Within thirty (30) days after the receipt of notice of an Event of Default or the occurrence of an Event of Default of which the Trustee is deemed to have notice, the Trustee shall (unless the Event of Default has already been cured) give written notice of the Event of Default to the owners of all Bonds then outstanding in the manner provided in Section 13.8 of this Indenture, provided that, except in the case of a default in the payment of principal, redemption price, or interest on any of the Bonds or in the event that the Bond Insurer, if any, directs that notice be given, the Trustee may withhold the notice to the Bondholders if, in its sole judgment, it determines that the withholding of notice is not detrimental to the best interest of the Bondholders.

(b) The Trustee shall immediately notify, in writing, the Issuer, the Bond Insurer, if any, the Board, and the Corporation of any Event of Default known to the Trustee.

Section 8.14 Opportunity of Corporation to Cure Certain Defaults. The Issuer and the Trustee hereby grant the Corporation full authority on the account of the Board and/or the Issuer to perform any covenant or obligation and to otherwise fulfill any condition the failure or non performance of which is or is alleged to be a default under Section 8.2(a)(v) of this Indenture, and the Trustee agrees that performance by the Corporation shall be deemed to be performance by the Board and/or the Issuer.

ARTICLE 9
CONCERNING THE TRUSTEE

Section 9.1 Acceptance of Trusts. The Trustee hereby represents and warrants to the Issuer (for the benefit of the Board, the Bond Insurer, if any, the Corporation and the Bondholders as well as the Issuer) that it is a national banking association duly organized and validly existing under the laws of the United States of America and that it is duly authorized under such laws to accept and execute trusts in the State of the character herein set out. The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Indenture, including the following express terms and conditions, to all of which the parties hereto and the respective Owners of the Bonds agree:

(a) Except during the continuance of an Event of Default within the purview of Section 8.2, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and the Trustee shall not be responsible for (i) the legality or enforceability of this Indenture (except with respect to performance of its obligations hereunder), the Agreement (except with respect to performance of its obligations hereunder), the Facilities Lease (except with respect to performance of its obligations hereunder), the Tax Regulatory Agreement (except with respect to performance of its obligations thereunder), and any supplement thereto, the Bonds (except as to the authentication of the Bonds), or any instruments or documents related thereto (collectively, the "*Transaction Documents*") or (ii) the legality, perfection, sufficiency or priority of the Trust Estate or any lien purported to be granted

thereon under any of the aforesaid documents or otherwise. No implied covenants or obligations shall be read into this Indenture against the Trustee.

(b) No provision of this Indenture shall be construed to relieve the Trustee from liability for its negligence, negligent failure to act, willful misconduct or breach of trust, except that:

(i) in the absence of bad faith on the part of the Trustee, the Trustee may rely upon the authenticity of, and the truth of the statements and the correctness of the opinions expressed in, and shall be protected fully from liability in relying or acting upon, any resolution, opinion of counsel, certificate, request, notice, consent, waiver, order, signature guaranty, notarial seal, stamp, acknowledgment, verification, appraisal, report or other paper or document believed by the Trustee to be genuine and to have been signed, affixed or presented by the proper party or parties; but in the case of any such certificates or opinions that by any provision hereby are specifically required to be furnished to the Trustee, as the case may be, the Trustee shall be under a duty to examine the same to determine whether or not they conform to requirements of this Indenture; and

(ii) in the absence of bad faith on the part of the Trustee, whenever the Trustee, or any of its agents, representatives, experts or counsel, shall consider it necessary or desirable that any matter be proved or established, such matter shall be deemed to be conclusively proved and established by a certificate executed by an Authorized Issuer Representative; provided, however, that the Trustee, or such agent, representative, expert or counsel may require, but is not obligated to require, such further and additional evidence and make such further investigation as it or they may consider reasonable; and

(iii) the Trustee may consult with counsel and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and in accordance with such advice or opinion of counsel; and

(iv) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith and in accordance with any direction or request of the Bond Insurer, if any, or the Bondholders given in accordance with the provisions of this Indenture; and

(v) the Trustee shall not be liable for any error of judgment made in good faith by an officer or employee of the Trustee unless the Trustee is negligent in ascertaining the pertinent facts; and

(vi) the Trustee shall not be deemed to have knowledge of any Event of Default, except for the failure of the Corporation to make or cause to be made scheduled payments to the Trustee provided for in the Agreement, unless and until the Bond Insurer, if any, shall have given written notice to the Trustee of said default or until an officer of the Trustee who customarily handles corporate trusts and is assigned to supervise this Indenture shall have actual knowledge thereof or the Trustee shall have received written advice thereof from any Bondholder; and

(vii) anything in any of the Transaction Documents to the contrary notwithstanding, whether or not an Event of Default shall have occurred, the Trustee shall not be under any obligation to take any action under this Indenture that may involve it in any expense or liability, the payment of which within a reasonable time is not, in its opinion, assured to it by the security afforded to it by the terms of this Indenture, unless it is requested in writing to do so the Bond Insurer, if any, or the Bondholders or one or more owners of the Bonds outstanding hereunder, in accordance with the provisions of this Indenture, and furnished, from time to time as it may require, with security and indemnity satisfactory to it; and

(viii) the Trustee need not take any action or follow any direction from any one or more Bondholders if the Trustee shall be advised by counsel that the action or proceedings so directed may not lawfully be taken or would be prejudicial to Bondholders not parties to such direction, or the Trustee in good faith believes following such direction would involve the Trustee in personal liability; and

(ix) in no event shall the Trustee be liable to any person for special, indirect, punitive, exemplary or consequential damages, lost profits or loss of business arising under or in connection with this Indenture, even if previously informed of the possibility of such damages and regardless of the form of action; and

(x) anything to the contrary in the Transaction Documents notwithstanding, the permissive right of the Trustee to do anything enumerated or set forth in any of the Transaction Documents shall not be construed as a duty, and the Trustee shall not be held responsible or liable for other than its negligence or willful misconduct.

(c) In case an Event of Default within the purview of Section 8.2 hereof has occurred and is continuing and the Trustee has or is deemed to have knowledge of the Event of Default pursuant to (b)(vi) above, subject to the provisions of this Article 9, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the degree of care and skill in their exercise as a prudent corporate trustee would exercise under the circumstances.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee, including without limitation Sections 9.3 and 9.4 hereof, shall be subject to the provisions of this Section 9.1. The Trustee also accepts, and agrees to do and perform, the duties and obligations imposed upon it by and under the Agreement, and the Facilities Lease, but only upon the terms and conditions set forth in the Agreement, the Facilities Lease, and this Indenture.

(e) Notwithstanding any other provision of this Indenture, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Indenture, the Trustee shall consider the effect on the Bondholders as if there were no Bond Insurance Policy.

Section 9.2 Trustee Entitled to Indemnity. The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Indenture, the Mortgage or under the Agreement, or to enter any appearance in or in any way defend against any suit, in which it may be made a defendant (except in the case of the Trustee's own negligence), or to take any

steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder or under the Agreement, the Mortgage or the Facilities Lease, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the Issuer shall reimburse the Trustee from funds available therefor under the Agreement for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Issuer shall fail to make reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference over any of the Bonds.

Section 9.3 Trustee Not Responsible for Insurance, Taxes, Execution of Indenture, Acts of the Issuer or Application of Moneys Applied in Accordance with this Indenture.

(a) The Trustee shall not be under any obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Board or to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. The Trustee shall have no responsibility in respect of the validity, sufficiency, due execution or acknowledgment of this Indenture or the validity or sufficiency of the security provided hereunder or in respect of the validity of the Bonds or the due execution or issuance thereof, except as to the authentication thereof.

(b) The Trustee shall not be liable or responsible because of the failure of the Issuer or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Issuer or because of the loss of any moneys arising through the insolvency or the act or default or omission of any other depository in which such moneys shall have been deposited under the provisions of this Indenture. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Indenture.

(c) The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

Section 9.4 Compensation. The Trustee shall be entitled to reasonable compensation for its ordinary services hereunder consistent with the results of the process by which the Trustee was selected and any extraordinary services rendered hereunder and to reimbursement for all expenses incurred in good faith hereunder, including the compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Trustee may employ in connection with the exercise and performance of its powers and duties hereunder. Subject to the provisions of any contract relating to the compensation of the Trustee, the Issuer shall cause the Corporation or Board to pay to the Trustee as Administrative Expenses its reasonable fees and charges in accordance with the Agreement and the Facilities Lease upon the written request of the Trustee and provided the Issuer shall be furnished with sufficient funds to pay all costs and

expenses (including attorneys' fees) reasonably incurred by the Issuer in connection therewith as such costs and expenses accrue. If the Corporation or Board shall fail to make any payment required by this Section, the Trustee may, but shall be under no obligation to, make such payment from any moneys in its possession under the provisions of this Indenture, and the Trustee shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder.

Section 9.5 Trustee to Preserve Records. All records and files pertaining to the Corporation in the custody of the Trustee shall be open at all reasonable times to the inspection of the Issuer, the Board, the Bond Insurer, if any, the Corporation and their agents and representatives.

Section 9.6 Trustee May be Bondholder. The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds issued under and secured by this Indenture, and may join in the capacity of a Bondholder in any action which any Bondholder may be entitled to take with like effect as if such institution were not the Trustee under this Indenture.

Section 9.7 Trustee Not Responsible for Recitals. The recitals, statements and representations contained herein and in the Bonds shall be taken and construed as made by and on the part of the Issuer and not by the Trustee, and the Trustee shall not be under any responsibility for the correctness of the same.

Section 9.8 Trustee Not Responsible for Reinscription. The Corporation, as set forth in the Agreement, is required to reinscribe, the Mortgage at such times as shall be necessary to preserve the lien thereof. In the event that any continuation statements shall be required to keep current any financing statement or other filings with respect to security interests or other security devices securing the Bonds, the Corporation shall be obligated to file any such continuation statements and shall provide written notice to the Issuer, the Bond Insurer, if any, and the Trustee of such filing, if any. The Trustee shall not be responsible for filing any financing statements or continuation statements.

Section 9.9 Trustee May Rely on Certificates. Subject to the provisions of Section 9.1(b), the Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of the Agreement or this Indenture, or upon the written opinion of any attorney, engineer, accountant or other expert believed by it to be qualified in relation to the subject matter, and the Trustee shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

Section 9.10 Qualification of the Trustee. There shall at all times be a Trustee performing the obligations described hereunder. Any successor Trustee hereunder shall be a trust company or commercial bank (having trust powers and in good standing) organized and doing business under the laws of the United States of America or of any state, authorized under

such laws to exercise corporate trust powers, having unimpaired capital and surplus of at least \$100,000,000, and subject to supervision or examination by federal or state authority. If such trust company or bank publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the unimpaired capital and surplus of such association or corporation shall be deemed to be its unimpaired capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect specified in Section 9.11 hereof.

Section 9.11 Resignation and Removal of Trustee.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 9.12 hereof and until notice of resignation or removal and appointment, as the case may be, shall have been provided to the Bond Insurer, if any. Notwithstanding anything herein to the contrary, the appointment of any successor Trustee must be approved in writing by the Bond Insurer, if any. The Trustee may be removed at any time at the request of the Bond Insurer, if any. Bond Insurer, if any, shall receive prior written notice of any name change of the Trustee.

(b) The Trustee may resign at any time by giving written notice thereof to the Issuer, the Bond Insurer, if any, the Board, the Corporation and the Bondholders. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within thirty (30) days after the giving of such notice of resignation, the retiring Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed for cause at any time by an instrument or instruments in writing to the Trustee, with copies to the Issuer, the Board, the Bond Insurer, if any, and the Corporation, signed by the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding or by their attorneys, legal representatives or agents and delivered to the Trustee, the Issuer, the Bond Insurer, if any, the Board and the Corporation (such instruments to be effective only when received by the Trustee). The Issuer, at the direction of the Corporation, may also remove the Trustee, provided there is no event of default, at any time in the manner set forth in this Section 9.11(c). The Trustee may be removed at any time at the request of the Bond Insurer, if any.

(d) If at any time,

(i) the Trustee shall cease to be eligible under Section 9.10 hereof and shall fail to resign after written request therefor by the Corporation for the Board or by any Bondholder, or

(ii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Issuer, in its discretion and without obligation, may or the Corporation, on behalf of the Board, may remove the Trustee, or (B) any Bondholder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor but only, in each case, with the prior written approval of the Bond Insurer, if any.

(e) If the Trustee shall be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause other than resignation (it being understood that no vacancy may occur as a result of resignation since the Trustee may not resign unless a successor has been appointed) or if the Trustee tenders its resignation, the Issuer with the approval of the Corporation, and the Board (whose consent shall not be unreasonably withheld) and the Bond Insurer, if any, shall promptly appoint a successor provided the Issuer shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Issuer in connection therewith as such costs and expenses accrue. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by an instrument or concurrent instruments in writing executed by the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding and delivered to the Corporation for the Board and the retiring Trustee, and with the written consent of the Bond Insurer, if any, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Issuer. If no successor Trustee shall have been so appointed by the Issuer or the Bondholders and accepted appointment in the manner hereinafter provided, any Bondholder who has been a bona fide owner of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Issuer shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first class mail, postage prepaid, to all Bondholders upon the written request of the Trustee and provided the Issuer shall be furnished with sufficient funds to pay all costs and expenses (including attorney's fees) reasonably incurred by the Issuer in connection therewith as such costs and expenses accrue. Each notice shall include the name and address of the principal corporate trust office of the successor Trustee.

Section 9.12 Successor Trustee.

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Issuer, the Bond Insurer, if any, and the Corporation for the Board, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessors; but such predecessor shall, nevertheless, on the written request of its successor or of the Issuer and upon payment of the expenses, charges and other disbursements of such predecessor which are payable pursuant to the provisions of Section 9.4 hereof, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all property and moneys held by it hereunder to its successor, subject, nevertheless, to its preference, if any,

provided for in Sections 9.2 and 9.4 hereof. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee any such instrument in writing shall and will be executed, acknowledged and delivered by the Issuer upon the written request of the Trustee and provided the Issuer shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Issuer in connection therewith as such costs and expenses accrue.

(b) Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Indenture and otherwise qualified to act as Trustee hereunder with or into which the bank or trust company acting as Trustee may be merged, converted or consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Trustee shall be a party or any corporation or association to which all or substantially all of the corporate trust assets or corporate trust business of such bank or trust company may be sold, shall be deemed the successor of the Trustee.

Section 9.13 Co Trustee.

(a) It is the purpose hereof that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banks or trust companies to transact business as trustee in such jurisdiction. It is recognized that in case of litigation hereunder and in particular in case of the enforcement of this Indenture upon the occurrence of an Event of Default, it may be necessary that the Trustee appoint an additional individual or institution as a separate Trustee or Co Trustee. The following provisions of this Section are adapted to these ends.

(b) Upon the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers and trusts herein granted to the Trustee or to hold title to the Trust Estate or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in a separate Trustee or Co Trustee appointed by the Trustee but only to the extent necessary to enable the separate Trustee or Co Trustee to exercise such rights, powers and trusts, and every agreement and obligation necessary to the exercise thereof by such separate Trustee or Co Trustee shall run to and be enforceable by either of them.

(c) Should any deed, conveyance or instrument in writing from the Issuer be required by the separate Trustee or Co Trustee so appointed by the Trustee in order to more fully and certainly vest in and confirm to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments shall, on request, be executed, acknowledged and delivered by the Issuer upon the written request of the Trustee and provided the Issuer shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Issuer in connection therewith as such costs and expenses accrue. In case any separate Trustee or Co Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers,

trusts, duties and obligations of such separate Trustee or Co Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate Trustee or Co Trustee.

(d) Any separate Trustee or Co Trustee appointed hereunder shall be subject to the prior written approval of the Bond Insurer, if any.

Section 9.14 Disclosure Documents. The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or other disclosure material prepared or distributed with respect to the Bonds, except as provided in Section 13.13 herein.

ARTICLE 10 SUPPLEMENTAL INDENTURES

Section 10.1 Supplemental Indentures Not Requiring Consent of Bondholders.

(a) The Issuer and the Trustee may, with notice to the Bond Insurer, if any, as provided by Section 10.7 below, but without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof and in the opinion of the Trustee shall not materially and adversely affect the interest of the Bondholders for any one or more of the following purposes:

(i) To cure any ambiguity or formal defect or omission in this Indenture;

(ii) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Bondholders or the Trustee or either of them;

(iii) To subject to the lien and pledge of this Indenture additional revenues, properties or collateral;

(iv) To provide for the issuance of Completion Bonds in conformity with the provisions of Article 5 of this Indenture and to fix all details with respect thereto or to provide further conditions, limitations or restrictions on the issuance of Completion Bonds;

(v) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof or thereof under any federal statute hereafter in effect or under any state Blue Sky Law, and, in connection therewith, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted or required by any said federal statute or Blue Sky Law; provided, that any such indenture supplemental hereto referred to in this Section 10.1(a)(v) shall not, in the judgment of the Trustee, which may rely on an opinion of counsel, be to the prejudice of the owners of the Bonds; or

(vi) To provide any other modifications which, in the sole judgment of the Trustee, are not prejudicial to the interests of the Bondholders.

(b) Notwithstanding the foregoing, the prior written consent of the Bond Insurer, if any, shall be required with respect to any supplemental indenture under this Section 10.1 which, in the sole judgment of the Bond Insurer, if any, would affect the rights or interests of the Bond Insurer, if any, hereunder.

Section 10.2 Supplemental Indentures Requiring Consent of Bondholders.

(a) Anything contained in this Indenture to the contrary notwithstanding, except for indentures supplemental hereto authorized by Section 10.1 of this Indenture and subject to the terms and provisions contained in this Section 10.2, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right from time to time, with the consent of the Bond Insurer, if any, to consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any indenture supplemental hereto; provided, however, that nothing contained in this Section 10.2 shall permit, or be construed as permitting, without the consent of the Bond Insurer, if any, and the owners of all the Bonds then outstanding: (i) an extension of the stated maturity or scheduled sinking fund redemption or reduction in the principal amount of, or reduction in the rate or extension of the time of payment of interest on, any Bonds; or (ii) the creation of any lien on the Trust Estate or any part thereof pledged under this Indenture prior to or on a parity with the lien of this Indenture; or (iii) a reduction in the aforesaid aggregate outstanding principal amount of Bonds the owners of which are required to consent to any such indenture supplemental hereto. No such amendment shall modify the rights, duties or immunities of the Trustee without the written consent of the Trustee.

(b) If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section 10.2, the Trustee shall, upon being satisfactorily indemnified by the Corporation with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given to the Bondholders in the manner provided in Section 13.8 of this Indenture. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within ninety (90) days or such longer period as shall be prescribed by the Issuer following the giving of such notice, the owners of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section 10.2 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

(c) So long as no event of nonperformance under the Agreement has occurred and is continuing, no such supplement shall become effective unless the Corporation, on behalf of the Board, shall have given its prior written approval.

Section 10.3 Filing. Copies of any supplemental indenture shall be filed with the Trustee and delivered to the Issuer, the Corporation, and the Board.

Section 10.4 Reliance on Counsel. The Trustee shall be provided with, and shall be fully protected in relying upon, an opinion of counsel satisfactory to the Trustee, who may be counsel for the Issuer, as conclusive evidence that any such proposed supplemental indenture complies with the provisions of this Article prior to joining in the execution of such supplemental indenture.

Section 10.5 Supplement Binding. Upon the execution of any supplemental indenture pursuant to the provisions of this Article, this Indenture shall be deemed to be supplemented, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Trustee, the Bond Insurer, if any, the Issuer, the Corporation, the Board and the owners of Bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modification and amendment.

Section 10.6 Supplemental Agreement. The Issuer and the Corporation, with the approval of the Board and of the Trustee in certain events, may consent to supplemental loan agreements for the purposes and in the manner provided in Article 8 of the Agreement and the Trustee agrees that it shall take the actions required of it as provided thereunder.

Section 10.7 Notice to Rating Agencies and Bond Insurer. No supplemental indenture shall be executed and delivered pursuant to Sections 10.1 or 10.2 hereof without prior written notice having been given by the Trustee, to the Bond Insurer, if any, and the Rating Agency of the Trustee's intention to execute such supplemental indenture not fewer than fifteen (15) days in advance of the execution of said supplemental indenture. The Issuer shall also furnish to the Bond Insurer, if any, a full transcript of all proceedings relative to the supplemental indenture.

ARTICLE 11 COVENANTS OF THE ISSUER

Section 11.1 Payment of Principal and Interest. The Issuer covenants that it will promptly pay, or cause to be paid, the principal of and the interest on every Bond at the places, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof but solely from the revenues of the Trust Estate and not from any other fund or source. The Issuer further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Indenture, the Agreement or in any Bond executed, authenticated and delivered hereunder or in any proceedings of the Issuer pertaining thereto.

Section 11.2 Additional Security. The Issuer covenants, whenever and so often as reasonably required to do so by the Trustee or the Bond Insurer, if any, promptly to execute and deliver or cause to be delivered all such other and further instruments, documents or assurances, and to promptly do or cause to be done all such other further things, as may be necessary or reasonably required in order to further and more fully vest in the Trustee, the Bond Insurer, if any, and the owners of the Bonds all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Indenture.

Section 11.3 Cure Title Defects. The Issuer covenants to promptly, upon the request of the Trustee or the Bond Insurer, if any, from time to time, take or cause to be taken such action as may be necessary or proper to remedy or cure any material defect in or cloud upon the title to the Trust Estate or any part thereof, whether now existing or hereafter developing, and to prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and to indemnify and save the Trustee, the Bond Insurer, if any, and every owner of Bonds, solely from the Trust Estate, harmless from all loss, cost, damage and expense, including attorneys' fees, which they or either of them may ever incur by reason of any such defect, cloud, suit, action or proceedings.

Section 11.4 Defend Against Actions. The Issuer covenants to defend or cause to be defended every suit, action or proceeding at any time brought against the Trustee, the Bond Insurer, if any, or any owner of Bonds upon any claim arising out of the receipt, application or disbursement of any of the revenues of the Trust Estate or involving the Issuer's, the Trustee's, the Bond Insurer's or such Bondholders' rights under this Indenture or the Agreement and to indemnify and save harmless, solely from the Trust Estate, the Trustee, the Bond Insurer, if any, and Bondholders against any and all liability claimed or asserted by any person whomsoever, arising out of such receipt, application or disbursement of any such revenues; provided, however, that the Trustee, the Bond Insurer, if any, or any owner of Bonds at its or his election may appear in and defend against any such suit, action or proceeding; and notwithstanding any contrary provision hereof, this covenant shall continue and remain in full force and effect until all indebtedness, liabilities, obligations and other sums secured hereby have been fully paid and satisfied, and this Indenture has been released of record and the lien hereof discharged.

Section 11.5 Non Impairment of Security. The Issuer covenants that so long as any of the Bonds issued pursuant to this Indenture are outstanding and unpaid, the Issuer will not voluntarily consent to any amendment to the Agreement or otherwise take any action which will reduce the amount of moneys made available thereunder to the Trustee, or which will in any manner impair or adversely affect the rights of the Issuer, the Trustee or the Bond Insurer, if any, or the security provided by this Indenture to the owners from time to time of the Bonds.

Section 11.6 Issuer's Obligation Limited.

(a) Nothing in the Agreement or this Indenture is intended to require or obligate nor shall anything therein be interpreted to require or obligate the Issuer for any purpose or at any time whatsoever, to provide, apply or expend any funds coming into the hands of the Issuer other than from the Trust Estate.

(b) Any other term or provision in this Indenture or in the Agreement, the Mortgage, the Tax Regulatory Agreement, the Bond Purchase Agreement, the Bonds or elsewhere to the contrary notwithstanding:

(c) Any and all obligations (including without limitation, fees, claims, demands, payments, damages, liabilities, penalties, assessments and the like) of or imposed upon the Issuer or its members, officers, agents, employees, representatives, advisors or assigns, whether under this Indenture or any of the Agreement, the Mortgage, the Tax Regulatory Agreement, the Bond Purchase Agreement, the Bonds or elsewhere and whether arising out of or

based upon a claim or claims of tort, contract, misrepresentation, or any other or additional legal theory or theories whatsoever (collectively, the “*Obligations*”), shall in all events be absolutely limited obligations and liabilities, payable solely out of the following, if any, available at the time the Obligation in question is asserted:

(i) Bond Proceeds and investments therefrom; and

(ii) Payments derived from the Bonds, this Indenture (including the Trust Estate to the extent provided in this Indenture), the Mortgage and the Agreement (except the fees and expenses of the Issuer and the Issuer’s right to indemnification under the Agreement as set forth therein); (the above provisions (i) and (ii) being collectively referred to as the “*Exclusive Sources of the Obligations*”).

(d) The Obligations shall not be deemed to constitute a debt or liability of the State of Louisiana or of any political subdivision thereof within the meaning of any State of Louisiana constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit of the State of Louisiana or of any political subdivision thereof, including the Issuer, but shall be payable solely from and out of the Exclusive Sources of the Obligations and shall otherwise impose no liability whatsoever, primary or otherwise, upon the State of Louisiana or any political subdivision thereof, including the Issuer, or any charge upon their general credit or taxing power.

(e) In no event shall any member, officer, agent, employee, representative or advisor of the Issuer, or any successor or assign of any such person or entity, be liable, personally or otherwise, for any Obligation.

(f) In no event shall this Indenture be construed as:

(i) depriving the Issuer of any right or privilege; or

(ii) requiring the Issuer or any member, officer, agent, employee, representative or advisor of the Issuer to take or omit to take, or to permit or suffer the taking of, any action by itself or anyone else; which deprivation or requirement would violate or result in the Issuer’s being in violation of the Act or any other applicable state or federal law.

Section 11.7 Immunity of Officers, Employees and Members of Issuer. No recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Indenture against any past, present or future officer, director, member, employee or agent of the Issuer, and all such liability of any such officers, directors, members, employees, or agents except for criminal or intentional acts as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of such Bonds. No covenant or agreement contained in the Bonds or in this Indenture shall be deemed to be the covenant or agreement of any incorporator, director, or officer of the Issuer past, present or future in his or her individual capacity, and neither members of the Issuer nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or

agreement contained in this Indenture against any past, present or future officer, director, member, employee or agent of the Issuer, and all such liability of any such officers, directors, members, employees, or agents as such is hereby expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of such Bonds.

Section 11.8 Role of Issuer. The Issuer shall not be required to take any action not expressly provided for herein. The Issuer shall have no obligation to review, control or oversee the activities of Trustee in collecting any amounts payable pursuant to the Agreement, the Indenture or the Mortgage, or in making any payments on the Bonds. Furthermore, the Issuer shall not be obligated to take any action or execute any documents which might in its reasonable judgment involve it in any expense or liability unless it shall have been furnished with assurance of payment or reimbursement for any expense and with reasonable indemnity for liability of the Issuer, its incorporators, directors, officers and counsel.

Section 11.9 No Superior Pledge. The Issuer shall grant no security interest or lien of any type in the Payments other than the pledge set forth in Article 2 and shall issue no debt or obligation that is to be paid from the Payments other than payment of principal of and interest on the Bonds and the other payments required hereunder.

Section 11.10 Insolvency. Any reorganization or liquidation plan with respect to the Issuer must be approved by the Bond Insurer, if any. In the event of any such reorganization or liquidation, the Bond Insurer, if any, provided it is not then in default in any payment required by it under the terms of the Bond Insurance Policy, shall have the right to vote on behalf of all Series 2010 Bondholders.

ARTICLE 12 DEFEASANCE

Section 12.1 Payment.

(a) When all of the Bonds shall have been paid and discharged, and there shall have been paid all fees and charges of the Trustee and all Bond Insurer Amounts due or to become due through the Residual Payment Obligation Period, then this Indenture shall cease, terminate and become null and void, and thereupon the Trustee shall release this Indenture including the cancellation and discharge of the lien hereof, and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien hereof and, if necessary, to enter on the records such satisfaction and discharge and to re convey to the Issuer any property or interest therein or other rights hereby conveyed and such other instruments to evidence such release and discharge as may be reasonably required by the Issuer, and the Trustee shall assign and deliver to the Issuer any property at the time subject to the lien of this Indenture that may then be in its possession, except amounts in any Fund otherwise required to be paid by this Indenture and except such cash and investments as are held by the Trustee for the payment of interest on and retirement of the Bonds.

(b) Notwithstanding the foregoing, the obligation of the Corporation to pay the fees and expenses of the Trustee in accordance with the terms of this Indenture shall survive the defeasance of the Bonds, the discharge of this Indenture and the termination of the

Agreement.

(c) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by the Bond Insurer, if any, pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of the Bond Insurer, if any, and the Bond Insurer, if any, shall be subrogated to the rights of such registered owners, including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Bonds.

Section 12.2 Provision for Payment. Any Bonds shall be deemed to have been paid and discharged within the meaning of Section 12.1, if the Trustee, or an escrow trustee, shall hold, in trust for and irrevocably committed thereto, moneys or Defeasance Obligations of such maturities and interest payment dates and bearing such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (likewise to be held in trust and committed, except as hereinafter provided), be sufficient for the payment of such Bonds, at their maturity or redemption date, of the principal thereof, together with the redemption premium, if any, and interest accrued to the date of maturity or redemption, as the case may be, or if default in such payment shall have occurred on such date then to the date of the tender of such payment; provided, that if any Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or provisions satisfactory to the Trustee shall have been duly made for the giving of such notice. Any moneys held in accordance with the provisions of this Section shall be invested only in Defeasance Obligations the maturities or redemption dates and interest payment dates of which, at the option of the owner, shall coincide as nearly as practicable with, but not later than, the time or times at which said moneys will be required for the aforesaid purposes. Any income or interest earned by the Defeasance Obligations held under this Section shall, as determined by the Trustee or the escrow trustee, to the extent not required for the purposes of this Section, be paid to the Corporation for the Board as overpayment of Payments. No forward supply contract may be entered into in connection with a defeasance without the prior written consent of the Bond Insurer, if any.

Section 12.3 Certifications.

(a) As a condition to any defeasance hereunder, the Issuer and the Corporation covenant and agree with the Trustee and the Bond Insurer, if any, to furnish the following:

(i) Certificates or opinions made by officers of the Issuer and the Corporation required by this Indenture stating that provisions of this Article relating to the satisfaction and discharge of this Indenture have been fulfilled; and

(ii) An opinion of Bond Counsel in form and substance satisfactory to the Bond Insurer, if any, to the effect that the payment of the Bonds has been provided for in the manner set forth in the Indenture and the Agreement, that all obligations of the Issuer and the

Corporation with respect to the Bonds have been discharged and satisfied, and that refunding and defeasance will not adversely impact the exclusion from gross income for federal income tax purposes of interest on the Series 2010A Bonds;

(iii) In the case of an advance refunding, a mathematical verification prepared by a nationally recognized firm of independent certified public accountants (or other verification agent) satisfactory to the Bond Insurer, if any, that the Defeasance Obligations are sufficient to pay the principal of and interest on the Bonds that are defeased;

(iv) (A) Opinion of counsel that (1) the escrow deposit will not constitute a voidable preference or transfer under the Federal Bankruptcy Code or any other similar state or federal statute in the event the Issuer or the Corporation becomes a debtor within the meaning of the Federal Bankruptcy Code or comes within the protection of such similar state or federal statute (“*Insolvency Event*”), and (2) in such Insolvency Event, the escrow deposit will not be treated as part of the estate of the Issuer or the Corporation; and (Bi) Opinion of counsel as to the validity and enforceability of the escrow agreement referred to below.

(b) Insofar as any Defeasance Obligations are held by the Trustee as provided in this Article 12, there shall be submitted to the Bond Insurer, if any, for its approval, and entered into, an escrow agreement governing the Defeasance Obligations and providing that:

(i) The Issuer and the Corporation will not exercise any optional redemption of Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (A) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (B) as a condition of any such redemption there shall be provided to Bond Insurer, if any, a verification report by a nationally-recognized certified public accountant firm acceptable to Bond Insurer, if any, as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following such redemption; and

(ii) The Issuer and the Corporation shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of Bond Insurer, if any.

(c) Any substitution of securities shall require a verification report of a nationally-recognized certified public accountant firm acceptable to the Bond Insurer, if any, and the prior written consent of the Bond Insurer, if any.

ARTICLE 13 MISCELLANEOUS

Section 13.1 Covenants of Issuer Binds its Successors. In the event of the dissolution of the Issuer, all of the covenants, stipulations, obligations and agreements contained in this Indenture by or on behalf of or for the benefit of the Issuer shall bind or inure to the benefit of the successor or successors of the Issuer from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with

law, and the word “*Issuer*” as used in this Indenture shall include such successor or successors.

Section 13.2 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Issuer, the Corporation, the Bond Insurer, if any, the Board and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

Section 13.3 Parties Interest Herein. Nothing in this Indenture expressed or implied, is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Trustee, the Corporation, the Bond Insurer, if any, and the Bondholders, any right, remedy or claim or by reason of this Indenture or any covenant, agreement, condition or stipulation therein.

Section 13.4 No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereunder or under this Indenture against any trustee, director, officer, employee or agent of the Issuer or the Trustee.

Section 13.5 Severability. If any clause, provision or Section of this Indenture be held illegal or invalid by any court, the invalidity of such clause, provision or Section shall not affect any of the remaining clauses, provisions or Sections hereof and this Indenture shall be construed and enforced as if such illegal or invalid clause, provision or Section had not been contained herein. In case any agreement or obligation contained in this Indenture be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Issuer, the Corporation, or the Board, as the case may be, only to the extent permitted by law.

Section 13.6 Consents and Approvals. Whenever the written consent or approval of the Issuer, the Trustee, the Corporation or the Board shall be required under the provisions of this Indenture, such consent or approval shall not be unreasonably withheld or delayed.

Section 13.7 Notices.

(a) All notices demands and requests to be given or made hereunder to or by the Issuer, the Trustee or the Corporation, or their designated successors, shall be in writing and shall be properly made if hand delivered, sent by electronic mail or sent by United States mail, postage prepaid, and addressed as follows:

If to the Board: Board of Supervisors for the University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Assistant Vice President for Facilities Planning and
Capital Improvements

If to the Bond Insurer: Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Attention: Managing Director – Surveillance, Re: Policy No. 212858-N
Telephone: (212) 826-0100

Telecopier: (212) 339-3556

If to the Corporation: University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director

With copies at the same time to: Seale & Ross
200 North Cate Street
Hammond, Louisiana 70404
Attention: T. Jay Seale

If to the Issuer: Louisiana Local Government Environmental Facilities and Community
Development Authority
8712 Jefferson Hwy, Suite A
Baton Rouge, Louisiana 70809 2233
Attention: Executive Director

If to Rating Agency: Moody's Investors Service, Inc.
99 Church Street, 9th Floor
New York, New York 10007
Attention: Public Finance Department,
Structured Finance Group

If to the Trustee: Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department

If to the University: Southeastern Louisiana University
Western Avenue
Friendship Circle (SLU Box 10709)
Hammond, Louisiana 70402
Attention: Vice President for Administration and Finance

(b) Notice hereunder shall be deemed effective on the date of its receipt by the addressee. The above addresses may be changed at any time upon written notice of such change sent by electronic email or United States mail, postage prepaid, to the other parties by the party effecting the change.

(c) Any notice required to be given by any party hereunder shall also be given to the Bond Insurer, if any, at the address specified above. Bond Insurer, if any, shall also receive notice from Trustee of any withdrawal from the Debt Service Reserve Fund, any valuation of the Debt Service Reserve Fund which demonstrates that the value of the investments in such fund is less than the Debt Service Reserve Fund Requirement and any failure by the Issuer or the Corporation to make any payment when due.

(d) In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel of the Bond Insurer and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

Section 13.8 Notices to Bondholders. Any notices or other communications required or permitted to be given to the Bondholders pursuant to this Indenture shall be mailed by first class mail in a sealed envelope, postage prepaid, addressed to each such Bondholder as his address last appears on the Bond Register. In case, by reason of the suspension of or irregularities in regular mail service, it shall be impractical to mail notice to the Bondholders of any event when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be sufficient giving of such notice. Any notice herein required may be omitted if the owners of all the Bonds entitled to such notice give to the Trustee a written waiver of such notice.

Section 13.9 Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State.

Section 13.10 Captions. The table of contents, captions and headings of the several articles and sections of this Indenture are for convenience only and shall not control, affect the meaning of or be taken as an interpretation of any provisions of this Indenture.

Section 13.11 Indenture to Constitute a Contract. This Indenture, upon execution by the Issuer and the Trustee shall constitute a third party beneficiary contract between the Issuer and the Trustee for the benefit of the Bond Insurer, if any, and of the owners of all Bonds issued hereunder. The Bond Insurer, if any, may enforce any right, remedy or claim conferred, given or granted to it hereunder.

Section 13.12 Performance on Legal Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption or purchase of any Bonds or the date fixed for the giving of notice or the taking of any action under this Indenture shall not be a Business Day, then payment of such interest, principal, purchase price and redemption premium, if any, the giving of such notice or the taking of such action need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or purchase, and no interest on such payment shall accrue for the period after such date.

Section 13.13 Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

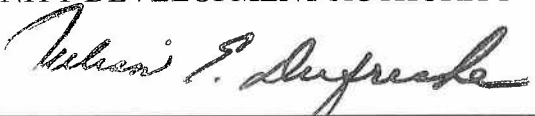
Section 13.14 Continuing Disclosure Certificates. The Board has undertaken to comply with continuing disclosure requirements, and the Issuer shall have no liability to the holders of the Bonds or any other person with respect to such disclosure matters. Notwithstanding any other provision of this Indenture, failure of the Board to comply with the terms of its respective Continuing Disclosure Certificate shall not be considered an Event of Default hereunder; however, the Trustee may (and, at the request of the Underwriter (as defined in the Continuing

Disclosure Certificate) or the holders of at least a majority in aggregate principal amount of Outstanding Bonds or the Bond Insurer, if any, shall), upon being provided indemnity satisfactory to the Trustee, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Board to comply with its obligations under this Section 13.13. The Trustee shall have no responsibility for the failure of the Board to report any material event and shall have no responsibility as to any determination by the Board of whether any event would constitute material information for holders of the Bonds.

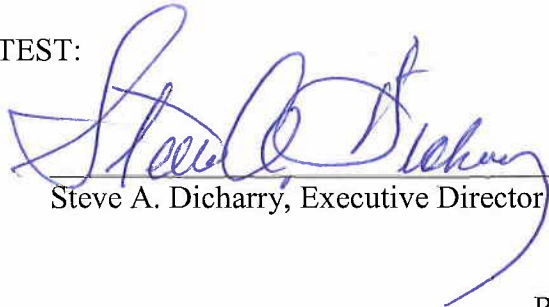
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IN WITNESS WHEREOF, the Authority has caused this Indenture to be executed by its Chairman and has caused the seal of the Authority to be affixed hereto and attested by its Secretary and the Trustee has caused this Indenture to be executed in its behalf by a Trust Officer and its seal to be impressed hereon, all as of the day and year above written.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

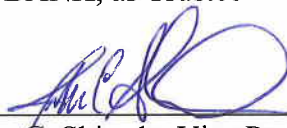
By: 
Julian E. Dufreche, Chairman

ATTEST:

By: 
Steve A. Dicharry, Executive Director

SEAL

REGIONS BANK, as Trustee

By: 
John C. Shiroda, Vice President

FORM OF SERIES 2010A BOND

Unless this Series 2010A Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010A Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010A Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

No. RA- 1

\$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
_____ %	October 1, ____	November 1, 2010	November 17, 2010	_____

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: _____

The Louisiana Local Government Environmental Facilities and Community Development Authority (the “*Issuer*”), a political subdivision organized and existing under and by virtue of the constitution and the laws of the State of Louisiana (the “*State*”), for value received, hereby promises to pay (but only out of the Trust Estate, as defined in the hereinafter described Indenture, and therefrom only to the extent provided for in the Indenture) to the Registered Owner (named above) or registered assigns, on the Maturity Date (stated above), the Principal Amount (stated above) subject to the rights of prior redemption as provided hereinafter, and interest on said Principal Amount from the Dated Date specified above or from the most recent Interest Payment Date (as hereinafter defined) on which interest has been paid or duly provided for, until payment of said Principal Amount has been made or duly provided for, at the Interest Rate specified above (using a year of 360 days comprised of twelve 30 day months) and on the dates set forth herein. The principal of and interest on this Series 2010A Bond are payable in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts. The principal of this Series 2010A Bond shall be payable to the registered owner hereof or his assigns upon surrender hereof at the Corporate Trust Office of Regions Bank, as trustee (the “*Trustee*”). Interest on this Series 2010A Bond, when due and payable, shall be paid by check or draft mailed by the Trustee on the interest payment date to the person in whose name this Series 2010A Bond is registered, at the address as it appears on the Bond Register maintained by the Trustee at the close of business on March 15 or September 15, as the case may be next preceding such interest payment date, or if such day shall not be a Business Day, the next preceding Business Day (the “*Record Date*”) irrespective of any transfer or exchange of this Series 2010A Bond subsequent to such Record Date and prior to such interest payment date, unless the Issuer shall default in payment of interest due on such interest payment date, provided that an owner of \$1,000,000 or more in aggregate principal amount of Series 2010A Bonds may request payment by wire transfer if such owner has requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of a default, such defaulted interest shall be payable on a payment date established by the Trustee to the person in whose name this Series 2010A Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owner of this Series 2010A Bond not fewer than fifteen (15) days preceding such special record date.

This Series 2010A Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by a duly authorized representative of the Trustee.

This Series 2010A Bond is one of the duly authorized issue of the Issuer’s Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A (the “*Series 2010A Bonds*”), issued under and secured by the Indenture (hereinafter defined) pursuant to which the Issuer is issuing \$25,470,000 aggregate principal amount of said revenue bonds on behalf of University Facilities, Inc., a Louisiana nonprofit corporation (the “*Corporation*”) for the purpose of: (a) demolishing certain existing facilities and renovating, developing and constructing the Series 2010A Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance of the Series 2010A Bonds, including the premium for any bond insurance policy insuring the Series 2010A Bonds.

Simultaneously with the issuance of the Series 2010A Bonds, the Issuer will issue \$5,785,000 of revenue bonds designated “Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B” (the “*Series 2010B Bonds*”) and together with the Series 2010A Bonds, the “*Series 2010 Bonds*”), authorized to be issued on behalf of the Corporation for the purpose of: (a) demolishing certain existing facilities and renovating, developing and constructing the Series 2010B Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance of the Series 2010B Bonds, including the premium for any bond insurance policy insuring the Series 2010B Bonds.

The proceeds of the Series 2010A Bonds have been loaned to the Corporation pursuant to a Loan and Assignment Agreement dated as of November 1, 2010, between the Issuer and the Corporation (together with all amendments and supplements thereto the “*Agreement*”) for the foregoing purposes. The Board of Supervisors for the University of Louisiana System (the “*Board*”), acting on behalf of Southeastern Louisiana University (the “*University*”), has leased the land upon which the Facilities are and will be located on the campus of the University (the “*Land*”) and the Facilities to the Corporation pursuant to the Ground and Building Lease Agreement, and will lease the Facilities from the Corporation pursuant to the Facilities Lease.

The Series 2010A Bonds are issued pursuant to the laws of the State, particularly Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 4548.16, inclusive) (the “*Act*”), and pursuant to a Trust Indenture dated November 1, 2010, between the Issuer and the Trustee (together with all amendments and supplements thereto called the “*Indenture*”), a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, and to which Indenture reference is hereby made for a more complete description of the assigned revenues constituting the Trust Estate, the nature and extent of the security, the terms and conditions under which the Series 2010A Bonds are issued and secured, the terms and conditions under which Completion Bonds may be issued and secured, the rights, duties and immunities of the Trustee and the rights of the registered owners of the Series 2010A Bonds. The registered owner of this Series 2010A Bond shall have no rights to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture, and by acceptance of this Series 2010A Bond, the owner hereof assents to all of the provisions of the Indenture. All terms not defined herein shall have the meanings assigned thereto in the Indenture.

The Series 2010A Bonds are on a parity with the Series 2010B Bonds under the Indenture.

THE INSURANCE POLICY

Simultaneously with the delivery of the Series 2010A Bonds, in order to provide the registered Owners of the Series 2010A Bonds additional security, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (the “*Insurer*”) will issue and deliver on the date of delivery of the Series 2010A Bonds its unconditional and irrevocable

municipal bond insurance policy pursuant to which the Insurer will agree to pay the principal of and interest on the Series 2010A Bonds when due if such principal and interest are not paid from funds available under the Indenture, all as more particularly set forth in the Statement of Insurance attached hereto.

The Series 2010A Bonds are issuable as fully registered bonds without coupons, in Authorized Denominations, and shall be numbered from No. RA-1 upwards. The Series 2010A Bonds are limited and special revenue obligations of the Issuer and are payable solely from (i) payments received by the Issuer from the Corporation pursuant to the Agreement (except however, the Issuer's rights to exculpation, indemnification and payment of expenses by the Corporation under the Agreement) and (ii) all funds held by the Trustee under the Indenture and available for such payment, said payments and funds being herein referred to as the "*Trust Estate*". The Agreement, a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, provides that the Corporation is unconditionally obligated to make payments, but solely from the Payments (as defined in the Agreement) in an aggregate amount sufficient, for the payment in full of the principal and interest of all Series 2010A Bonds issued and outstanding under the Indenture, to the date of payment thereof, and certain costs, expenses and charges of the Issuer and the Trustee. The Agreement imposes upon the Corporation certain obligations respecting the use and operation of its Facilities and the maintenance and repair of said Facilities.

THE SERIES 2010A BONDS AND THE INTEREST THEREON ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. THE SERIES 2010A BONDS DO NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OF THE ISSUER OR THE CORPORATION AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE STATE, THE BOARD, THE UNIVERSITY, THE ISSUER OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BOARD HAS AGREED, PURSUANT TO THE FACILITIES LEASE, TO MAKE PAYMENTS OF RENTAL TO THE CORPORATION ON BEHALF OF THE UNIVERSITY, UNDER THE TERMS AND CONDITIONS SET FORTH IN THE FACILITIES LEASE. THE PAYMENTS TO BE RECEIVED BY THE ISSUER FROM THE CORPORATION UNDER THE AGREEMENT ARE LIMITED TO THE AMOUNT OF RENTAL RECEIVED BY THE CORPORATION FROM THE BOARD. THE ISSUANCE OF THE SERIES 2010A BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF LOUISIANA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAXES OR TO MAKE ANY APPROPRIATION OF THEIR PAYMENT. THE ISSUER HAS NO POWER TO TAX.

As long as any of the Series 2010A Bonds remain outstanding, there shall be permitted the exchange of Series 2010A Bonds at the principal corporate trust office of the Trustee. Any Series 2010A Bond or Series 2010A Bonds upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in Authorized Denominations.

For every such exchange or transfer of Series 2010A Bonds, the Issuer or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Trustee shall not be required to register the transfer or exchange of (a) any Series 2010A Bonds during the fifteen (15) day period next preceding the selection of Series 2010A Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Series 2010A Bonds selected for redemption, or (b) any Series 2010A Bonds selected, called or being called for redemption in whole or in part, except in the case of any Series 2010A Bond to be redeemed in part, the portion thereof not so to be redeemed.

REDEMPTION PROVISIONS

Optional Redemption

The Series 2010A Bonds maturing October 1, 2021 and thereafter are subject to redemption prior to maturity at the option of the Corporation, upon written direction to the Issuer, on or after October 1, 2020 as a whole at any time, or in part on any Interest Payment Date, the maturity of said Series 2010A Bonds to be redeemed to be designated by the Corporation and selected within a maturity by the Trustee in such manner as the Trustee may determine, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

Mandatory Redemption

The Series 2010A Bonds shall be redeemed as a whole on the Interest Payment Date on or after October 1, 2020, on or after which the Board exercises its option to purchase the Corporation's interest in the Facilities pursuant to Section 23 of the Facilities Lease, at a price equal to the then Outstanding principal amount of the Series 2010A Bonds plus accrued and unpaid interest to the date of redemption.

Extraordinary Redemption

The Series 2010 Bonds are subject to redemption in part at the option of the Corporation, upon written direction to the Issuer, on any Interest Payment Date from amounts transferred by the Trustee from the Project Fund to the appropriate account of the Debt Service Fund upon completion of construction of the Facilities in accordance with the Indenture. The Series 2010 Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine, at a price equal to the principal of the Series 2010 Bonds so redeemed plus accrued and unpaid interest to the date of redemption.

Bonds shall be redeemed as a whole or in part (in an integral multiple of \$5,000) on the first Interest Payment Date at least thirty (30) days after the Trustee receives notice from the Corporation that any insurance proceeds, condemnation award or payment in lieu of condemnation with respect to the Facilities will not be applied to the restoration, repair or reconstruction of the Facilities, and subject to the prior written consent of the Bond Insurer, at a

price equal to the principal amount of the Series 2010 Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not used for restoration, repair or reconstruction. If in part, the Series 2010 Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine. If the amount of any insurance proceeds, condemnation award or payment in lieu of condemnation to be applied in redemption of the Series 2010 Bonds is not an integral multiple of \$5,000, the principal amount of Series 2010 Bonds to be redeemed pursuant to this paragraph shall be decreased to the next lower multiple of \$5,000.

Mandatory Sinking Fund Redemption

Those Series 2010A Bonds maturing on the dates set forth below, shall be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

Series 2010A Bonds
due October 1, 2031

<u>Redemption Date</u>	<u>Principal Amount</u>
2027	\$1,005,000
2028	1,055,000
2029	1,100,000
2030	1,155,000
2031	1,205,000

Series 2010A Bonds
due October 1, 2040

<u>Redemption Date</u>	<u>Principal Amount</u>
2032	\$1,265,000
2033	1,330,000
2034	1,400,000
2035	1,470,000
2036	1,545,000
2037	1,625,000
2038	1,705,000
2039	1,795,000
2040	1,885,000

If on any occasion less than all of the Series 2010A Bonds then outstanding shall be redeemed pursuant to the optional or mandatory redemption provisions described in the Indenture, then the principal amount of the Series 2010A Bonds so redeemed shall be considered to have satisfied a portion of the mandatory sinking fund redemptions required by the above tables. The principal amounts required by the tables above shall be adjusted downward in the amount of principal redeemed in chronological order beginning on the mandatory sinking fund redemption date immediately succeeding the date of such optional redemption.

Unless otherwise specified above, if less than all of the Series 2010A Bonds shall be called for redemption, the maturity of the Series 2010A Bonds to be redeemed shall be designated by the Corporation, on behalf of the Board, and selected by the Trustee within a maturity in such manner as the Trustee may determine; provided, however, that the portion of any Series 2010A Bond to be redeemed shall be in the principal amount of an Authorized Denomination. If a portion of any Series 2010A Bond shall be called for redemption, a new Series 2010A Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

At least thirty (30) days before the redemption date of any Series 2010A Bonds redeemed other than by mandatory sinking fund redemption, the Trustee shall cause a notice of any such redemption, signed by an authorized officer of the Trustee to be mailed, postage prepaid, to all Bondholders of record owning Series 2010A Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Series 2010A Bonds then outstanding shall be called for redemption, the numbers of such Series 2010A Bonds to be redeemed and, in the case of Series 2010A Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Series 2010A Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Series 2010A Bond, a new Series 2010A Bond in principal amount equal to the unredeemed portion of such Series 2010A Bond will be issued.

Modifications or alterations of the Indenture or any agreement supplemental thereto or of the Agreement or any agreement supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture and the Agreement. So long as no event of nonperformance under the Agreement has occurred and is continuing, no such supplement shall become effective unless the Corporation, on behalf of the Board, shall have given its prior written approval.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2010A Bond, do exist, have happened and have been performed in regular and due form as required by law.

The insurance policy does not cover any accelerated payments, increased rate of interest or premium, if any, due to optional redemption or extraordinary redemption of the Series 2010A Bonds even if such optional or extraordinary redemption occurs with the consent of the Insurer.

IN WITNESS WHEREOF, the Louisiana Local Government Environmental Facilities and Community Development Authority has caused this Series 2010A Bond to be executed with the manual or facsimile signature of its Chairman, and its corporate seal or a facsimile thereof to be hereto affixed or printed, and attested by the manual or facsimile signature of its Executive Director on November 17, 2010.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

By: _____
Julian E. Dufreche, Chairman

ATTEST:

SEAL

By: _____
Steve A. Dicharry, Executive Director

CERTIFICATE OF AUTHENTICATION

This Series 2010A Bond is one of the Series 2010A Bonds described in the within mentioned Indenture.

Date of Authentication:
November 17, 2010

REGIONS BANK, as Trustee

By: _____
John C. Shiroda, Vice President

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (“AGM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to Regions Bank, Baton Rouge, Louisiana, or its successor, as paying agent for the Bonds (the “Trustee”). Said Policy is on file and available for inspection at the corporate trust office of the Trustee and a copy thereof may be obtained from AGM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address,
including Zip Code, and Federal Taxpayer Identification
or Social Security Number of Assignee)

the within Series 2010A Bond and all rights thereunder, and hereby irrevocably constitutes and
appoints

Attorney to register the transfer of the within Series 2010A Bond on the books kept for
registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed by: _____

NOTICE: Signature must be guaranteed by a
Participant in the Securities Transfer Agent
Medallion Program.

NOTICE: The signature to this assignment
must correspond with the name as it appears
on the face of the within Series 2010A Bond
in every particular, without alteration,
enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED

LEGAL OPINION CERTIFICATE

I, the undersigned Chairman of the Louisiana Local Government Environmental Facilities and Community Development Authority, do hereby certify that attached hereto are true copies of the complete legal opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Baton Rouge, Louisiana, Bond Counsel, the originals of which were manually executed, dated and issued as of the date of payment for and delivery of the original bonds of the issue described therein and were delivered to the original purchaser thereof. I further certify that executed copies of the above-referenced legal opinions are on file in my office and that executed copies thereof have been furnished to the Trustee for these Series 2010A Bonds.

By: _____

Julian E. Dufreche, Chairman

FORM OF SERIES 2010B BOND

Unless this Series 2010B Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”) to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010B Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010B Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

No. RB- 1

\$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
_____ %	October 1, _____	November 1, 2010	November 17, 2010	_____

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: _____

The Louisiana Local Government Environmental Facilities and Community Development Authority (the “*Issuer*”), a political subdivision organized and existing under and by virtue of the constitution and the laws of the State of Louisiana (the “*State*”), for value received, hereby promises to pay (but only out of the Trust Estate, as defined in the hereinafter described Indenture, and therefrom only to the extent provided for in the Indenture) to the Registered Owner (named above) or registered assigns, on the Maturity Date (stated above), the Principal Amount (stated above) subject to the rights of prior redemption as provided hereinafter, and interest on said Principal Amount from the Dated Date specified above or from the most recent Interest Payment Date (as hereinafter defined) on which interest has been paid or duly provided for, until payment of said Principal Amount has been made or duly provided for, at the Interest Rate specified above (using a year of 360 days comprised of twelve 30 day months) and on the dates set forth herein. The principal of and interest on this Series 2010B Bond are payable in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts. The principal of this Series 2010B Bond shall be payable to the registered owner hereof or his assigns upon surrender hereof at the Corporate Trust Office of Regions Bank, as trustee (the “*Trustee*”). Interest on this Series 2010B Bond, when due and payable, shall be paid by check or draft mailed by the Trustee on the interest payment date to the person in whose name this Series 2010B Bond is registered, at the address as it appears on the Bond Register maintained by the Trustee at the close of business on March 15 or September 15, as the case may be next preceding such interest payment date, or if such day shall not be a Business Day, the next preceding Business Day (the “*Record Date*”) irrespective of any transfer or exchange of this Series 2010B Bond subsequent to such Record Date and prior to such interest payment date, unless the Issuer shall default in payment of interest due on such interest payment date, provided that an owner of \$1,000,000 or more in aggregate principal amount of Series 2010B Bonds may request payment by wire transfer if such owner has requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of a default, such defaulted interest shall be payable on a payment date established by the Trustee to the person in whose name this Series 2010B Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owner of this Series 2010B Bond not fewer than fifteen (15) days preceding such special record date.

This Series 2010B Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by a duly authorized representative of the Trustee.

This Series 2010B Bond is one of the duly authorized issue of the Issuer’s Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B (the “*Series 2010B Bonds*”), issued under and secured by the Indenture (hereinafter defined) pursuant to which the Issuer is issuing \$5,785,000 aggregate principal amount of said revenue bonds on behalf of University Facilities, Inc., a Louisiana nonprofit corporation (the “*Corporation*”) for the purpose of: (a) demolishing certain existing facilities and renovating, developing and constructing the Series 2010B Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance of the Series 2010B Bonds, including the premium for any bond insurance policy insuring the Series 2010B Bonds.

Simultaneously with the issuance of the Series 2010B Bonds, the Issuer will issue \$25,470,000 of revenue bonds designated “Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B” (the “*Series 2010A Bonds*” and together with the Series 2010B Bonds, the “*Series 2010 Bonds*”), authorized to be issued on behalf of the Corporation for the purpose of: (a) demolishing certain existing facilities and renovating, developing and constructing the Series 2010A Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance of the Series 2010A Bonds, including the premium for any bond insurance policy insuring the Series 2010A Bonds.

The proceeds of the Series 2010B Bonds have been loaned to the Corporation pursuant to a Loan and Assignment Agreement dated as of November 1, 2010, between the Issuer and the Corporation (together with all amendments and supplements thereto the “*Agreement*”) for the foregoing purposes. The Board of Supervisors for the University of Louisiana System (the “*Board*”), acting on behalf of Southeastern Louisiana University (the “*University*”), has leased the land upon which the Facilities are and will be located on the campus of the University (the “*Land*”) and the Facilities to the Corporation pursuant to the Ground and Building Lease Agreement, and will lease the Facilities from the Corporation pursuant to the Facilities Lease.

The Series 2010B Bonds are issued pursuant to the laws of the State, particularly Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 4548.16, inclusive) (the “*Act*”), and pursuant to a Trust Indenture dated November 1, 2010, between the Issuer and the Trustee (together with all amendments and supplements thereto called the “*Indenture*”), a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, and to which Indenture reference is hereby made for a more complete description of the assigned revenues constituting the Trust Estate, the nature and extent of the security, the terms and conditions under which the Series 2010B Bonds are issued and secured, the terms and conditions under which Completion Bonds may be issued and secured, the rights, duties and immunities of the Trustee and the rights of the registered owners of the Series 2010B Bonds. The registered owner of this Series 2010B Bond shall have no rights to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture, and by acceptance of this Series 2010B Bond, the owner hereof assents to all of the provisions of the Indenture. All terms not defined herein shall have the meanings assigned thereto in the Indenture.

The Series 2010A Bonds are on a parity with the Series 2010A Bonds under the Indenture.

THE INSURANCE POLICY

Simultaneously with the delivery of the Series 2010B Bonds, in order to provide the registered Owners of the Series 2010B Bonds additional security, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (the “*Insurer*”) will issue and deliver on the date of delivery of the Series 2010B Bonds its unconditional and irrevocable

municipal bond insurance policy pursuant to which the Insurer will agree to pay the principal of and interest on the Series 2010B Bonds when due if such principal and interest are not paid from funds available under the Indenture, all as more particularly set forth in the Statement of Insurance attached hereto.

The Series 2010B Bonds are issuable as fully registered bonds without coupons, in Authorized Denominations, and shall be numbered from No. RB-1 upwards. The Series 2010B Bonds are limited and special revenue obligations of the Issuer and are payable solely from (i) payments received by the Issuer from the Corporation pursuant to the Agreement (except however, the Issuer's rights to exculpation, indemnification and payment of expenses by the Corporation under the Agreement) and (ii) all funds held by the Trustee under the Indenture and available for such payment, said payments and funds being herein referred to as the "*Trust Estate*". The Agreement, a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, provides that the Corporation is unconditionally obligated to make payments, but solely from the Payments (as defined in the Agreement) in an aggregate amount sufficient, for the payment in full of the principal and interest of all Series 2010B Bonds issued and outstanding under the Indenture, to the date of payment thereof, and certain costs, expenses and charges of the Issuer and the Trustee. The Agreement imposes upon the Corporation certain obligations respecting the use and operation of its Facilities and the maintenance and repair of said Facilities.

THE SERIES 2010B BONDS AND THE INTEREST THEREON ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. THE SERIES 2010B BONDS DO NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OF THE ISSUER OR THE CORPORATION AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE STATE, THE BOARD, THE UNIVERSITY, THE ISSUER OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BOARD HAS AGREED, PURSUANT TO THE FACILITIES LEASE, TO MAKE PAYMENTS OF RENTAL TO THE CORPORATION ON BEHALF OF THE UNIVERSITY, UNDER THE TERMS AND CONDITIONS SET FORTH IN THE FACILITIES LEASE. THE PAYMENTS TO BE RECEIVED BY THE ISSUER FROM THE CORPORATION UNDER THE AGREEMENT ARE LIMITED TO THE AMOUNT OF RENTAL RECEIVED BY THE CORPORATION FROM THE BOARD. THE ISSUANCE OF THE SERIES 2010B BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF LOUISIANA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAXES OR TO MAKE ANY APPROPRIATION OF THEIR PAYMENT. THE ISSUER HAS NO POWER TO TAX.

As long as any of the Series 2010B Bonds remain outstanding, there shall be permitted the exchange of Series 2010B Bonds at the principal corporate trust office of the Trustee. Any Series 2010B Bond or Series 2010B Bonds upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in Authorized Denominations.

For every such exchange or transfer of Series 2010B Bonds, the Issuer or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Trustee shall not be required to register the transfer or exchange of (a) any Series 2010B Bonds during the fifteen (15) day period next preceding the selection of Series 2010B Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Series 2010B Bonds selected for redemption, or (b) any Series 2010B Bonds selected, called or being called for redemption in whole or in part, except in the case of any Series 2010B Bond to be redeemed in part, the portion thereof not so to be redeemed.

REDEMPTION PROVISIONS

Optional Redemption

The Series 2010B Bonds are not subject to optional redemption prior to maturity.

Mandatory Redemption

The Series 2010B Bonds are not subject to mandatory redemption prior to maturity.

Extraordinary Redemption

The Series 2010 Bonds are subject to redemption in part at the option of the Corporation, upon written direction to the Issuer, on any Interest Payment Date from amounts transferred by the Trustee from the Project Fund to the appropriate account of the Debt Service Fund upon completion of construction of the Facilities in accordance with the Indenture. The Series 2010 Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine, at a price equal to the principal of the Series 2010 Bonds so redeemed plus accrued and unpaid interest to the date of redemption.

Bonds shall be redeemed as a whole or in part (in an integral multiple of \$5,000) on the first Interest Payment Date at least thirty (30) days after the Trustee receives notice from the Corporation that any insurance proceeds, condemnation award or payment in lieu of condemnation with respect to the Facilities will not be applied to the restoration, repair or reconstruction of the Facilities, and subject to the prior written consent of the Bond Insurer, at a price equal to the principal amount of the Series 2010 Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not used for restoration, repair or reconstruction. If in part, the Series 2010 Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine. If the amount of any insurance proceeds, condemnation award or payment in lieu of condemnation to be applied in redemption of the Series 2010 Bonds is not an integral multiple of \$5,000, the principal amount of Series 2010 Bonds to be redeemed pursuant to this paragraph shall be decreased to the next lower multiple of \$5,000.

Unless otherwise specified above, if less than all of the Series 2010B Bonds shall be called for redemption, the maturity of the Series 2010B Bonds to be redeemed shall be designated by the Corporation, on behalf of the Board, and selected by the Trustee within a maturity in such manner as the Trustee may determine; provided, however, that the portion of any Series 2010B Bond to be redeemed shall be in the principal amount of an Authorized Denomination. If a portion of any Series 2010B Bond shall be called for redemption, a new Series 2010B Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

At least thirty (30) days before the redemption date of any Series 2010B Bonds redeemed, the Trustee shall cause a notice of any such redemption, signed by an authorized officer of the Trustee to be mailed, postage prepaid, to all Bondholders of record owning Series 2010B Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Series 2010B Bonds then outstanding shall be called for redemption, the numbers of such Series 2010B Bonds to be redeemed and, in the case of Series 2010B Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Series 2010B Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Series 2010B Bond, a new Series 2010B Bond in principal amount equal to the unredeemed portion of such Series 2010B Bond will be issued.

Modifications or alterations of the Indenture or any agreement supplemental thereto or of the Agreement or any agreement supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture and the Agreement. So long as no event of nonperformance under the Agreement has occurred and is continuing, no such supplement shall become effective unless the Corporation, on behalf of the Board, shall have given its prior written approval.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2010B Bond, do exist, have happened and have been performed in regular and due form as required by law.

The insurance policy does not cover any accelerated payments, increased rate of interest or premium, if any, due to extraordinary redemption of the Series 2010B Bonds even if such optional or extraordinary redemption occurs with the consent of the Insurer.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Louisiana Local Government Environmental Facilities and Community Development Authority has caused this Series 2010B Bond to be executed with the manual or facsimile signature of its Chairman, and its corporate seal or a facsimile thereof to be hereto affixed or printed, and attested by the manual or facsimile signature of its Executive Director on November 17, 2010.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

By: _____
Julian E. Dufreche, Chairman

ATTEST:

SEAL

By: _____
Steve A. Dicharry, Executive Director

CERTIFICATE OF AUTHENTICATION

This Series 2010B Bond is one of the Series 2010B Bonds described in the within mentioned Indenture.

Date of Authentication:
November 17, 2010

REGIONS BANK, as Trustee

By: _____
John C. Shiroda, Vice President

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (“AGM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to Regions Bank, Baton Rouge, Louisiana, or its successor, as paying agent for the Bonds (the “Trustee”). Said Policy is on file and available for inspection at the corporate trust office of the Trustee and a copy thereof may be obtained from AGM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address,
including Zip Code, and Federal Taxpayer Identification
or Social Security Number of Assignee)

the within Series 2010B Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within Series 2010B Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed by: _____

NOTICE: Signature must be guaranteed by a Participant in the Securities Transfer Agent Medallion Program.

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Series 2010B Bond in every particular, without alteration, enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED

LEGAL OPINION CERTIFICATE

I, the undersigned Chairman of the Louisiana Local Government Environmental Facilities and Community Development Authority, do hereby certify that attached hereto are true copies of the complete legal opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Baton Rouge, Louisiana, Bond Counsel, the originals of which were manually executed, dated and issued as of the date of payment for and delivery of the original bonds of the issue described therein and were delivered to the original purchaser thereof. I further certify that executed copies of the above-referenced legal opinions are on file in my office and that executed copies thereof have been furnished to the Trustee for these Series 2010B Bonds.

By: _____

Julian E. Dufreche, Chairman

**FORM OF REQUISITION FROM
SERIES 2010A BONDS PROJECT ACCOUNT OF THE PROJECT FUND**

\$25,470,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department

Date: _____

Requisition Number: _____

The undersigned Authorized Corporation Representative, acting for and on behalf of University Facilities, Inc., pursuant to a Trust Indenture dated as of November 1, 2010 (the "*Indenture*") by and between the Louisiana Local Government Environmental Facilities and Community Development Authority (the "*Issuer*") and Regions Bank, as trustee, relating to the above captioned issue of Bonds (the "*Bonds*") hereby requests payment be made from amounts on deposit in the Series 2010A Bonds Project Account of the Project Fund held by the Trustee pursuant to Section 4.15 of the Indenture to the person, firm or corporation in the amount and for the purpose set forth below. Capitalized terms used herein shall have the meanings ascribed thereto in the Indenture.

Name and address of payee:

Amount of Payment: \$ _____

Purpose of Payment and costs heretofore paid and remainder of budgeted costs:

The undersigned Authorized Corporation Representative further certifies with respect to this Requisition as follows:

(a) The amount paid to be paid, as set forth herein, has been incurred by the Corporation and is either (i) presently due and payable or (ii) has been paid by the Corporation and is a proper charge against the Series 2010A Bonds Project Account of the Project Fund created pursuant to the Indenture and has not been the subject of any prior requisition;

(b) This requisition contains no item representing payment on account of any retainage to which the Corporation is entitled as of this date; and

(c) All work, materials, supplies and equipment which are the subject of this requisition have been performed or delivered and are in accordance with the description of the Facilities.

By: _____
Name: _____
Title: _____

Paid: _____, 20__

Authorized Officer of Trustee:

FORM OF REQUISITION FROM
SERIES 2010B BONDS PROJECT ACCOUNT OF THE PROJECT FUND

\$5,785,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department

Date: _____

Requisition Number: _____

The undersigned Authorized Corporation Representative, acting for and on behalf of University Facilities, Inc., pursuant to a Trust Indenture dated as of November 1, 2010 (the "Indenture") by and between the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") and Regions Bank, as trustee, relating to the above captioned issue of Bonds (the "Bonds") hereby requests payment be made from amounts on deposit in the Series 2010B Bonds Project Account of the Project Fund held by the Trustee pursuant to Section 4.15 of the Indenture to the person, firm or corporation in the amount and for the purpose set forth below. Capitalized terms used herein shall have the meanings ascribed thereto in the Indenture.

Name and address of payee:

Amount of Payment: \$ _____

Purpose of Payment and costs heretofore paid and remainder of budgeted costs:

The undersigned Authorized Corporation Representative further certifies with respect to this Requisition as follows:

(a) The amount paid to be paid, as set forth herein, has been incurred by the Corporation and is either (i) presently due and payable or (ii) has been paid by the Corporation and is a proper charge against the Series 2010B Bonds Project Account of the Project Fund created pursuant to the Indenture and has not been the subject of any prior requisition;

(b) This requisition contains no item representing payment on account of any retainage to which the Corporation is entitled as of this date; and

(c) All work, materials, supplies and equipment which are the subject of this requisition have been performed or delivered and are in accordance with the description of the Facilities.

By: _____
Name: _____
Title: _____

Paid: _____, 20__

Authorized Officer of Trustee:

FORM OF SERIES 2010 BONDS REPLACEMENT FUND REQUISITION

\$25,470,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

\$5,785,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department

Date: _____

Requisition Number: _____

The undersigned representative, acting for and on behalf of Southeastern Louisiana University (the "University") pursuant to a Trust Indenture dated as of November 1, 2010 (the "Indenture") by and between the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") and Regions Bank, as trustee (the "Trustee"), relating to the above captioned issue of Bonds (the "Bonds") hereby requests payment be made from amounts on deposit in the Series 2010 Bonds Replacement Fund held by the Trustee pursuant to Section 4.21 of the Indenture to be used by the University in the amount and for the purpose set forth below. Capitalized terms used herein shall have the meanings ascribed thereto in the Indenture.

Amount of Payment: \$ _____

Purpose of Payment pursuant to Section 4.21 of the Indenture: _____

By: _____
Name: _____
Title: _____

Paid: _____, 20____
Authorized Officer of Trustee:

LOAN AND ASSIGNMENT AGREEMENT

by and between

Louisiana Local Government Environmental Facilities and
Community Development Authority

and

University Facilities, Inc.

Dated as of November 1, 2010

in connection with:

\$25,470,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

\$5,785,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

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LOAN AND ASSIGNMENT AGREEMENT

This LOAN AND ASSIGNMENT AGREEMENT dated as of November 1, 2010 (together with any amendments hereto, this "*Agreement*"), is between the LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY, a political subdivision of the State of Louisiana (the "*Issuer*"), and UNIVERSITY FACILITIES, INC., a nonprofit corporation organized and existing under the laws of the State of Louisiana (the "*Corporation*").

WITNESSETH:

WHEREAS, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "*Issuer*"), a political subdivision established for public purposes under and pursuant to the provisions of Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 4548.16, inclusive) (the "*Act*"), and other constitutional and statutory authority is authorized by the provisions of the Act to issue revenue bonds payable out of the income, revenues, and receipts received by the Issuer from its properties and facilities or from properties or facilities pledged to it or from contracts or agreements relating to such facilities, and to secure its revenue bonds and reimbursement obligations by a pledge of the foregoing revenues or from other moneys which, by law or contract, may be made available to the Issuer;

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Issuer is authorized to issue revenue bonds and loan the funds derived from the sale thereof to the University Facilities, Inc. (the "*Corporation*") for the purpose of providing financing to the Corporation for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food services areas, a bookstore and related facilities for students, faculty, staff and the general public, including all furnishings, fixtures and facilities incidental or necessary in connection therewith (the "*Facilities*") on the campus of Southeastern Louisiana University (the "*University*") in Tangipahoa Parish, Hammond, Louisiana;

WHEREAS, the Corporation has requested that the Issuer issue \$25,470,000 aggregate principal amount of Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A (the "*Series 2010A Bonds*") and \$5,785,000 aggregate principal amount of Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B (the "*Series 2010B Bonds*") and, together with the Series 2010A Bonds, the "*Bonds*") the proceeds of the sale of such Bonds to be loaned to the Corporation pursuant to this Agreement for the purpose of (a) demolishing certain existing facilities and renovating, developing and constructing the Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance (as defined herein) of the Bonds, including the premium for any bond insurance policy insuring the Bonds (the "*Project*");

WHEREAS, the Corporation and the Issuer are empowered to consummate the transactions contemplated hereunder and to do all acts and exercise all powers and assume all obligations necessary or incident thereto;

WHEREAS, the Board of Supervisors for the University of Louisiana System (the "*Board*") is a body corporate created pursuant to the provisions of Article VIII, §6(A) of the Constitution of the State of Louisiana of 1974 and authorized pursuant to La. R.S. 17:3217;

WHEREAS, pursuant to the Ground and Building Lease Agreement dated as of January 1, 2010 by and between the Board and the Corporation (the "*Ground Lease*"), the Board has leased the Land (as defined in the Ground Lease) upon which the Facilities shall be constructed to the Corporation;

WHEREAS, in consideration of the issuance of the Bonds by the Issuer, the Corporation will (a) assign its rights under that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010 by and between the Board and the Corporation (the "*Original Facilities Lease*"), as supplemented and amended by that First Amendment to Agreement to Lease with Option to Purchase dated as of November 1, 2010 by and between the Board and the Corporation (the "*Amendment to Facilities Lease*" and, together with the Original Facilities Lease, the "*Facilities Lease*") pursuant to which the Corporation, as lessor, has leased the Facilities to the Board, as lessee, including the Corporation's right to all Base Rental (as defined in the Facilities Lease) received thereunder, to the Issuer, and (b) agree to make payments in an amount sufficient to make timely payments of principal of and interest on the Bonds and to pay such other amounts as are required by the Agreement;

WHEREAS, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), a New York stock insurance company (the "*Bond Insurer*"), will issue its bond insurance policy or policies insuring the payment of the principal of and interest on the Bonds as provided therein;

WHEREAS, the Issuer has adopted a resolution authorizing the sale and the issuance of the Bonds, the execution and delivery of instruments pertaining to the issuance thereof and other actions to be taken by the Issuer in connection with the authorization, issuance, sale and delivery of the Bonds and the application of the proceeds thereof;

WHEREAS, all acts, conditions and things required by the laws of the State of Louisiana (the "*State*") to happen, exist and be performed precedent to and in the execution and delivery of this Agreement have happened, exist and have been performed as so required in order to make this Agreement a valid and binding agreement in accordance with its terms;

WHEREAS, each of the parties hereto represents that it is fully authorized to enter into and perform and fulfill the obligations imposed upon it under this Agreement and the parties are now prepared to execute and deliver this Agreement; and

WHEREAS, in consideration of the respective representations and agreements contained herein, the parties hereto, recognizing that under the Act this Agreement shall not in any way obligate the State or any public corporation thereof, including, without limitation, the Issuer, to raise any money by taxation or use other public moneys for any purpose in relation to the Bonds

and that neither the State nor the Issuer, shall pay or promise to pay any debt or meet any financial obligation to any person at any time in relation to the Bonds except from moneys received or to be received under the provisions of this Agreement and the Indenture or derived from the exercise of the rights of the Issuer thereunder, agree as follows:

NOW, THEREFORE, THIS LOAN AGREEMENT WITNESSETH:

ARTICLE 1
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. All capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the preamble hereto or in the Indenture. In addition to words and terms elsewhere defined in this Agreement, the following words and terms as used in this Agreement shall have the following meanings, unless some other meaning is plainly intended:

“*Agreement*” shall mean this Loan and Assignment Agreement dated as of November 1, 2010 between the Issuer and the Corporation, including any amendments and supplements hereof and hereto as permitted hereunder.

“*Board Documents*” shall mean the Ground Lease and the Facilities Lease.

“*Bond Counsel*” shall mean Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P. or such other nationally recognized bond counsel as may be selected by the Issuer and acceptable to the Corporation.

“*Bond Documents*” shall mean the documents set forth in Section 3.12(b)(iii) of the Indenture.

“*Continuing Disclosure Certificate*” shall mean the Continuing Disclosure Certificate dated as of the Closing Date by the Board as the same may be amended or supplemented from time to time in accordance with its terms.

“*Corporation*” means University Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payment or provision for the payment of all of the Bonds.

“*Environmental Lien*” shall mean a lien in favor of any Governmental Authority for (a) any liability under Environmental Requirements, or (b) damages arising from, or costs incurred by such Governmental Authority in response to, a Release or threatened Release of Hazardous Substances into the environment.

“*Environmental Requirements*” shall mean all State, federal, local, municipal, parish, and regional environmental laws, statutes, rules, regulations, ordinances, codes, permits, approvals, plans, authorizations, concessions, investigation results and guidance documents; all legislative, judicial, and administrative environmental judgments, decrees, orders, rules, rulings, and regulations; and all agreements and other restrictions and requirements relating to environmental matters, whether in effect on, prior to or after the Closing Date, of any Governmental Authority,

including, without limitation, federal, state, and local authorities, relating to the regulation or protection of human health and safety, natural resources, conservation, the environment, or the storage, treatment, disposal, processing, release, discharge, emission, use, remediation, transportation, handling, or other management of industrial, gaseous, liquid or solid waste, hazardous waste, hazardous or toxic substances or chemicals, pollutants, petroleum, petroleum wastes, petroleum-based materials, asbestos, radioactive materials, polychlorinated biphenyls, pesticides, biohazards or other materials that are potentially harmful to humans or the environment or the release of which could trigger any reporting or remediation obligations and including without limitation the following environmental laws: The Clean Air Act (42 U.S.C.A. §7401); the Federal Water Pollution Control Act (33 U.S.C. §1251); the Resource Conservation and Recovery Act of 1976, (42 U.S.C. §6901); CERCLA, as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub.L. 99-499, 100 Stat. 1613); the Toxic Substances Control Act (15 U.S.C. §2601); the Clean Water Act (33 U.S.C. §1251); the Safe Drinking Water Act (42 U.S.C. §3007); the Occupational Safety and Health Act (29 U.S.C. §651); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §136); the Louisiana Environmental Quality Act (La. R.S. 30:2001); and the Louisiana Air Quality Regulations (La. C. 33:III.2595) including any amendments or extensions thereof and any rules, regulations, standards or guidelines issued pursuant to or promulgated under any of the foregoing.

“*Event of Default*” shall have the meaning described in Section 9.1.

“*Governmental Authority*” shall mean any federal, State, parish, regional, or local government, political subdivision, any governmental agency, department, authority, instrumentality, bureau, commission, board, official, or officer, any court, judge, examiner, or hearing officer, any legislative, judicial, executive, administrative, or regulatory body or committee or official thereof or private accrediting body.

“*Governmental Corporation*” shall mean any nation or government, any federal, state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“*Hazardous Substance*” shall mean any substance or material that is described as a toxic or hazardous substance, waste or material or a pollutant or contaminant or infectious waste, or words of similar import, in any case of the Environmental Requirements, and includes, without limitation, asbestos, petroleum, or petroleum products (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), polychlorinated biphenyls, pesticides, urea formaldehyde, radon gas, radioactive matter, and medical waste and any other substance or waste that is potentially harmful to human health, natural resources, or the environment or the presence of which in the environment could trigger a remediation obligation or other liability under Environmental Requirements or any constituent of the foregoing.

“*Indenture*” shall mean the Trust Indenture dated as of November 1, 2010, between the Issuer and the Trustee, as it may be amended or supplemented from time to time by supplemental indentures in accordance with the provisions hereof.

“*Loan*” shall mean the aggregate amount of the moneys loaned to the Corporation pursuant to this Agreement.

“*Operation and Maintenance Expenses*” shall mean the expenses determined in accordance with generally accepted accounting principles of operating and maintaining the Project.

“*Permitted Encumbrances*” shall mean:

(a) any lien arising by reason of any good faith deposit with the Corporation in connection with any lease of real estate, bid or contract (other than any contract for the payment of money) provided such lien is limited to the amount so deposited;

(b) any lien arising by reason of any deposit with or giving of security to any Governmental Corporation agency required by law as a condition to the transaction of any business or the participation by the Corporation in any funds established to cover insurance risk or in connection with worker’s compensation, unemployment insurance, pension plans or other social security;

(c) any right reserved to any municipality or other public authority by the terms of any franchise, grant, license or provision of law affecting any property of the Corporation and any lien on any property of the Corporation for taxes, assessments or other municipal charges so long as such charges are not due and payable or not delinquent (or, if due or delinquent, the amount or validity of such charges is being contested in good faith with due diligence and execution of any such lien is stayed);

(d) mechanics’ and materialmen’s liens in connection with any property of the Corporation so long as any amounts secured by such lien are not due and payable or not delinquent (or, if due or delinquent, the amount or validity of such charges is being contested in good faith with due diligence and execution of any such lien is stayed);

(e) the Indenture, this Agreement, the Ground Lease, the Mortgage or the Facilities Lease;

(f) any lien on property received by the Corporation through a gift, grant or bequest constituting a restriction imposed by the donor, grantor or testator on such gift, grant or bequest (or the income therefrom), provided that any such lien may not be extended, renewed or modified in any way or applied to any additional property of the Corporation unless it would otherwise qualify as a Permitted Encumbrance;

(g) any security interest in personal property securing all or a portion of the purchase price thereof (provided that this Permitted Encumbrance shall not be construed to permit the incurrence of indebtedness secured by such a security interest, it being understood that any such indebtedness may be incurred only to the extent expressly permitted by the other applicable provisions of the Indenture or the Agreement);

(h) such easements, rights-of-way, servitudes, restrictions and other defects, liens and encumbrances as are determined not to materially impair the use of the Corporation’s

facilities for their intended purposes or the value of such facilities, such determination to be made in a certificate of an authorized officer of the Corporation supported by an opinion of independent counsel or a report or opinion of an independent management consultant (unless the Bond Insurer shall waive the requirement of such supporting opinion or report);

(i) liens incurred or assumed primarily for the acquisition or use of personal property and equipment (including equipment which is not treated as personal property under applicable state law) under the terms of installment purchase contracts, loans secured by purchase money mortgages or security interests in the financed property, lease purchase agreements or capital leases of the financed property.

In addition, encumbrances in existence as of the date of issuance of the Bonds as set forth in Exhibit B hereof are hereby qualified as Permitted Encumbrances. Any such existing encumbrance may not be extended, renewed or modified in any way or applied to any additional Properties of the Corporation unless it would otherwise qualify as a Permitted Encumbrance.

“*Properties*” shall mean any and all rights, title and interests in and to any and all of the Corporation’s property related to the Facilities, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired, including, without limitation, its rights and interest in the Land and the Facilities. The term “*Properties*”, without intending to limit the generality of the foregoing, as of any particular time, shall include all buildings, structures, fixtures, furnishings, equipment and other property, movable and immovable, and all franchises, land, rights-of-way, privileges, servitudes, easements, licenses, rights and any other interests in immovable property owned, leased, subleased or otherwise acquired by the Corporation and used or useful in connection with or incident to the Facilities, or used or useful by the Corporation in connection with or incident to its authorized purposes.

“*Release*” shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing or dispersing into the indoor or outdoor environment or into or out of the Properties, including, but not limited to, the movement of Hazardous Substances through or in the air, soil, surface water, groundwater or the Properties and the abandonment or discarding of barrels, containers, tanks, pipes and other open or closed receptacles containing any Hazardous Substances.

“*Requirement of Law*” shall mean any federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, and any provision or condition of any Permit or other binding determination of any Governmental Corporation.

Section 1.2 Rules of Construction.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) Unless the context shall otherwise indicate, the word “person” shall include the plural as well as the singular number, and “person” shall mean any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

(c) Provisions calling for the redemption of Bonds or the calling of Bonds for redemption do not mean or include the payment of Bonds at their stated maturity or maturities.

(d) All references in this Agreement to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Agreement. The words “herein”, “hereof”, “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties by the Issuer. The Issuer represents and warrants as follows:

(a) The Issuer is a political subdivision of the State.

(b) Under the provisions of the Act, the Issuer has all requisite power and is duly authorized to enter into, execute and deliver the Bond Documents, to undertake the transactions contemplated by the Bond Documents and to carry out its obligations thereunder and the Issuer has duly authorized the execution and delivery of the Bond Documents and the Bonds.

(c) The Issuer agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence.

(d) The Issuer agrees that it will comply with all requirements of the Code and the Tax Regulatory Agreement required on its part to be performed in order for interest on the Series 2010A Bonds to be and to remain excluded from the gross income of the owners thereof for federal income tax purposes and not to take any actions that would adversely affect such exclusion under the provisions of the Code.

Section 2.2 Representations and Warranties of the Corporation. The Corporation makes the following representations and warranties:

(a) The Corporation is a nonprofit corporation duly organized and existing in good standing under the laws of the State for the benefit of the University, is duly qualified to do business and is duly authorized and licensed to operate all of the Properties, has power to execute and deliver the Board Documents, this Agreement, the Mortgage and the Tax Regulatory Agreement and by proper action has been duly authorized to execute and deliver the Board Documents, this Agreement, the Mortgage the Bond Purchase Agreement and the Tax Regulatory Agreement.

(b) Each of the statements made with respect to the Corporation in the recitals of this Agreement is true, correct and complete.

(c) The Corporation is not in breach of or in default under any of the provisions of: (i) the Articles of Incorporation of the Corporation, as amended, or By-laws, as amended; (ii) any judgment, decree, order, statute, rule or regulation applicable to it or to its Properties; or (iii) any

material provision of any indenture, mortgage, loan agreement, financing agreement or other contract or instrument to which it is a party or by which it or any of its Properties are bound.

(d) The Corporation is not required in connection with the transactions contemplated by the Board Documents, the Indenture, the Mortgage and this Agreement to obtain any consent not already obtained.

(e) The Corporation has or timely will obtain as required all authority, permits, licenses, consents and authorizations as are necessary to own, lease and operate its Properties and to carry on its business and to carry out and consummate all the transactions contemplated by the Board Documents, the Mortgage, this Agreement and the Indenture.

(f) This Agreement, the Board Documents, the Tax Regulatory Agreement and the Mortgage, are legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their terms, and the authorization, execution and delivery hereof and thereof and compliance with the provisions hereof and thereof do not conflict with or constitute on the part of the Corporation a violation of, breach of, or default under: (i) any provision of any indenture, mortgage, deed of trust, loan agreement or other contract or instrument to which the Corporation is a party or by which it or any of its Properties are bound; (ii) any order, injunction or decree of any court or governmental authority; or (iii) the provisions of its charter, as amended, by-laws, as amended or any other organizational document.

(g) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against the Corporation, wherein an unfavorable decision, ruling or finding could reasonably be expected to materially and adversely affect (i) the validity or enforceability of the Board Documents, this Agreement, the Mortgage, the Tax Regulatory Agreement, the Bond Purchase Agreement or any other agreement or instrument to which the Corporation is a party used in consummation of the transactions contemplated hereunder; (ii) the status of the Corporation as a Louisiana nonprofit corporation or the exemption of interest on the Series 2010A Bonds from federal income tax, (iii) any of the Corporation's properties, assets, operations or conditions, financial or otherwise, or its ability to perform its obligations under this Agreement or under the Board Documents or the Facilities Documents, or (iv) the validity, enforceability or perfection of the pledge and lien on and security interest in the Land or the Facilities pursuant to the Mortgage.

(h) The Corporation has obligated itself to construct and equip the Facilities or cause the construction and equipping of the Facilities pursuant to the Board Documents and the Bond Documents, and the Corporation has the full power, right and authority to do so and has obtained, or timely will obtain, all permits, licenses and approvals of governmental agencies necessary to undertake and complete such construction, improvements and equipping generally in accordance with the Plans and Specifications as set forth in the Contract.

Section 2.3 Environmental Representations and Warranties; Indemnification.

(a) Based solely upon the Environmental Reports, the results of which have been provided to the Bond Insurer, the Corporation has determined and the Corporation represents and warrants that no Hazardous Substances have been disposed of on the Land and represents that

there has been no Release of any Hazardous Substances on, from, under or to the Land other than air emissions or wastewater discharges in compliance with applicable law and involving only de minimis amounts of Hazardous Substances that could not lead to liability under Environmental Requirements.

(b) The operations or other activities of the Corporation will not result in any disposal on-site and will not result in any other Release of any Hazardous Substances on or from the Land or the Facilities other than air emissions or wastewater discharges in compliance with applicable law and involving only de minimis amounts of Hazardous Substances that could not lead to liability under Environmental Requirements.

(c) The Corporation has not received any notice or claim or information to the effect that it is or may be liable to any Person as a result of the Release or threatened Release of Hazardous Substances or as a result of any violation of applicable Environmental Requirement.

(d) No Environmental Lien has attached to the Land.

(i) The operations or other activities of the Corporation shall not result in disposal on-site and will not result in any other Release of any Hazardous Substances on or from the Land or the Facilities other than air emissions or wastewater discharges in compliance with all current and future applicable Environmental Requirements and involving only de minimis amounts of Hazardous Substances that could not lead to liability under Environmental Requirements and the Corporation shall not engage in any activities that will result in the violation of any current or future Environmental Requirements. The Corporation shall obtain from time to time, maintain in full force and effect, and comply with all permits required under any current or future Environmental Requirements so that the operations of the Corporation will be in accordance with such Environmental Requirements.

(ii) The Corporation will make available for inspection from time to time all documents and information in its possession or control regarding activities and conditions relating to the Land or the Facilities and other assets subject to Environmental Requirements or which may result in noncompliance with, or liability under, any Requirement of Law.

(e) The Corporation shall not and shall not permit any other Person to treat, dispose of, or otherwise Release any Hazardous Substances (other than air emissions or wastewater discharges in compliance with applicable Environmental Requirements and involving only de minimis quantities of Hazardous Substances, in, upon, under, over, or from the Facilities or the Land. The Corporation shall not and shall not permit any Person to store, locate, generate, produce, transport or incorporate any Hazardous Substances) in, upon, under, over or from the Land or the Facilities or engage in any other regulated activity other than in accordance with all applicable Environmental Requirements and involving only such types and quantities of Hazardous Substances as are necessary and appropriate for construction and operation of the Facilities, shall not install or permit to be installed or operated any underground or above ground storage tank therein or thereunder other than in accordance with all applicable Environmental

Requirements, and shall comply with and require all other Persons to comply with all Environmental Requirements which are applicable to the Facilities. The Corporation shall defend and indemnify the Trustee, the Issuer and the Bond Insurer and shall hold the Trustee, the Issuer and the Bond Insurer and each of their respective directors, officers, employees, agents and consultants harmless from, and shall reimburse the Trustee, the Issuer and the Bond Insurer for, any and all claims, demands, judgments, penalties, liabilities, whether based on strict liability or otherwise, fines, costs, damages and expenses, including court costs and attorneys' fees directly or indirectly incurred by the Trustee, the Issuer or the Bond Insurer or any of their respective directors, officers, employees, agents and consultants and the payee and holder of any Bond (prior to trial, at trial and on appeal) in any action against or involving the Trustee, the Issuer or the Bond Insurer, resulting from any breach of the foregoing representations, warranties or covenants, or from the discovery of any Hazardous Substances, in, upon, under or over, or emanating from, the Land or the Facilities, whether or not the Corporation is responsible therefor, it being the intent of the Corporation that the Trustee, the Issuer and the Bond Insurer and each of their respective directors, officers, employees, agents and consultants shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean-up of, or other with respect to, Hazardous Substances by virtue of their interests, if any, in the Land and the Facilities created by the Indenture, and the Agreement or otherwise, or hereafter created, or as the result of the Trustee, the Issuer or the Bond Insurer exercising any instrument, including but not limited to becoming the owner thereof by foreclosure or conveyance in lieu of foreclosure or caused by any breach of the foregoing representations, warranties or covenants of the Corporation. The foregoing representations, warranties and covenants shall be deemed continuing covenants, representations and warranties for the benefit of the Trustee, the Issuer and the Bond Insurer and any successors and assigns thereof, including but not limited to any transferee of the title of the Trustee and any subsequent owner of the Land or the Facilities, and shall survive the satisfaction and release of the Indenture, and the Agreement, or under any other instrument, and/or any acquisition of title to the Facilities or any part thereof by the Trustee, the Issuer or the Bond Insurer by deed in lieu of foreclosure or otherwise. Any amount covered by the foregoing indemnification shall bear interest from the date incurred at a rate of 1.0% above the highest rate of interest borne by any Bond during the 365 days prior to the date on which such indemnification obligation was incurred, or, if less, the maximum rate permitted by law, and shall be payable on demand.

ARTICLE 3

TERM, NATURE AND BENEFITS OF AGREEMENT; CONSTRUCTION OF FACILITIES

Section 3.1 Term. The term of this Agreement shall commence on the Closing Date for the Bonds, and shall terminate (unless discharged upon prepayment of all sums due hereunder by the Corporation prior thereto as hereinafter provided) on the date on which the Bonds and all other sums secured hereunder shall have been paid or provision for their payment shall have been made in accordance herewith. Notwithstanding the foregoing, the indemnification provisions of this Agreement shall survive the termination thereof and the defeasance of the Bonds under the Indenture.

Section 3.2 Nature and Benefits.

(a) This Agreement has been executed and delivered in part to induce concurrently herewith the purchase by others of the Bonds, and, accordingly, all covenants and agreements on the part of the Corporation and the Issuer, as set forth therein and herein, are hereby declared to be for the benefit of the Trustee for the owners from time to time of the Bonds. The Corporation consents and agrees to the assignment by the Issuer to the Trustee under the Indenture of all of the Issuer's right, title and interest (except for certain rights relating to exculpation, indemnification and payment of fees and expenses) in, to and under this Agreement, including the interest of the Issuer in and to the Facilities Lease assigned by the Corporation to the Issuer hereunder, and agrees that the provisions hereof may be enforced by the Trustee under the provisions of the Indenture. The Corporation agrees to do all things within its power in order to comply with, and to enable the Issuer to comply with, all requirements and to fulfill, and to enable the Issuer to fulfill, all covenants of the Indenture and the Bonds.

(b) This Agreement is an obligation of the Corporation, payable solely from the Rental, its interest in the Properties and this Agreement shall remain in full force and effect until the Bonds and all Administrative Expenses have been fully paid or otherwise provided for or discharged.

Section 3.3 Construction, Improvement and Equipping of the Facilities. The Corporation shall lease the Land and construct and equip, or cause to be constructed and equipped, the Facilities with all reasonable dispatch and in accordance with the Facilities Documents, and shall take all action necessary to enforce the provisions of the Board Documents and the Facilities Documents.

Section 3.4 Revision of Facilities Documents.

(a) The Corporation may revise the Ground Lease, the Facilities Lease, the Plans and Specifications, the Design Contract and the Construction Contract and the description of the Facilities in Exhibit A hereto from time to time (including, without limitation, the deletion or revision of any of the facilities included in the Facilities and/or the substitution therefor of other facilities) in accordance with the Ground Lease without the consent of the Issuer, the Trustee or the holders of the Bonds but subject to the prior written consent of the Bond Insurer; provided, however, that no such revision shall impair the exclusion from gross income of interest on the Series 2010A Bonds for federal income tax purposes. In the case of any change that would render materially inaccurate the description of the Facilities in Exhibit A hereto, there shall be delivered to the Trustee, the Bond Insurer and the Issuer a revised Exhibit A containing a description of the Facilities that reflects the change in the Facilities Documents, the accuracy of which shall have been certified by an Authorized Corporation Representative.

(b) Prior to effecting any change in or revision of the Facilities Documents, the Corporation shall deliver to the Issuer, the Trustee and the Bond Insurer evidence of all governmental or regulatory approvals required therefor.

Section 3.5 Disbursements from Project Fund. The money in the Project Fund shall be applied by the Trustee, and in connection therewith requisitions shall be presented by the Corporation signed by an Authorized Corporation Representative, for payment of the Costs of the Facilities in accordance with Article 4 of the Indenture and Article 3 of this Agreement, and pending such application such money shall be invested and reinvested in accordance with Article 4 of the Indenture. The forms of requisition for requisitions from the Project Fund are attached to the Indenture as Exhibit B-1 and Exhibit B-2. Funds in the Series 2010A Bonds Project Account of the Project Fund shall not be transferred to the Series 2010B Bonds Project Account of the Project Fund, and vice versa, unless such transfer is approved by Bond Counsel.

Section 3.6 Completion of Payment of Costs of the Facilities.

(a) At such time as the Corporation has notice that the funds on deposit in the Project Fund, together with the investment earnings thereon, are insufficient to pay the completion Costs of the Facilities, the Corporation shall deliver to the Trustee, the Bond Insurer and the Issuer written estimates by an architect and an Authorized Corporation Representative of the additional funds required to pay the completion Costs of the Facilities, and such additional information and data as may be reasonably requested by the Issuer, the Trustee or the Bond Insurer. The Corporation shall complete the construction and equipping of the Facilities and pay that portion of the completion Costs of the Facilities as may be in excess of the money available therefor in the Project Fund. The obligation of the Corporation to pay in full the completion Costs of the Facilities shall be a limited obligation of the Corporation payable solely from the Trust Estate.

(b) Upon the request of the Corporation and with the prior written consent of the Bond Insurer, the Issuer will use its best efforts to issue and sell, upon terms and at prices acceptable to the Issuer and the Corporation, if required, one or more series of Additional Bonds for the purpose of financing the completion Costs of the Facilities; provided however, that the failure of the Issuer to issue such bonds shall not relieve the Corporation of its obligation to provide the additional money required to pay the completion Costs of the Facilities. If after exhaustion of the money in the Project Fund the Corporation should pay any portion of the Costs of the Facilities, it shall not be entitled to any reimbursement therefor from the Issuer or from the Trustee, and shall not be entitled to any abatement, diminution or postponement of payments required to be made by it under this Agreement.

Section 3.7 Establishment of Completion Date. The date upon which the construction and equipping of each of the respective Facilities are substantially complete shall be evidenced to the Issuer, the Trustee and the Bond Insurer by a certificate signed by an Authorized Corporation Representative. The certificate shall set forth the respective Costs of each of the respective Facilities and state that, except for amounts not then due and payable, or the liability for the payment of which is being contested or disputed in good faith by the Corporation and adequate reserves for which are on hand, (a) the construction and equipping of the Facilities have been completed substantially in accordance with the Plans and Specifications as incorporated into the Contract and the respective Costs of the Facilities have been paid, and (b) all other facilities necessary in connection with the Facilities have been acquired, constructed and installed substantially in accordance with the Plans and Specifications and the Contract and all costs and expenses incurred in connection therewith have been paid. Notwithstanding the foregoing, such

certificate shall state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or which may subsequently come into being.

Section 3.8 No Warranty of Condition or Suitability. The Corporation acknowledges its full familiarity with the Facilities and that the Issuer has no responsibility for the Plans and Specifications and other Facilities Documents. The Issuer makes no representation or warranty, either express or implied, and offers no assurance that the proceeds of the Bonds will be sufficient to pay in full the Costs of the Facilities in accordance with the Facilities Documents.

Section 3.9 Employees. The Corporation shall not hire any employees.

ARTICLE 4
DISBURSEMENT OF BOND PROCEEDS; PAYMENTS;
CREDITS; OBLIGATIONS UNCONDITIONAL; PREPAYMENT

Section 4.1 Disbursement of Bond Proceeds. In order to provide funds for paying the Costs of the Facilities, the Issuer, as soon as practicable after the execution of this Agreement will proceed to issue, sell and deliver the Bonds to the purchasers thereof and will deposit the proceeds thereof as provided by Section 4.1 of the Indenture with the Trustee for disbursement in accordance with the provisions of the Indenture.

Section 4.2 Amounts Payable.

(a) Upon the terms and conditions of this Agreement, the Issuer shall lend to the Corporation the proceeds of the sale of the Bonds. The proceeds of the Loan shall be deposited with the Trustee and applied in accordance with the Indenture.

(b) The Corporation, for and in consideration of the issuance of the Bonds under the Indenture by the Issuer and the application of the proceeds thereof by the Issuer as provided in the Indenture for the benefit of the Corporation, hereby promises to repay the Loan, but solely from the source of payments specified in Section 6.6, by making the following payments (collectively called the “*Payments*”) to or for the account of the Issuer in an amount sufficient for the payment in full of all Bonds from time to time issued under the Indenture and then outstanding, including (i) the total interest becoming due and payable on the Bonds to the date of payment thereof, (ii) the total principal amount of the Bonds and (iii) all amounts required to be deposited into the Series 2010 Bonds Replacement Fund. The Payments with respect to the Bonds shall be payable directly to the Trustee for the account of the Issuer in installments as follows:

(i) At such time as may be required by the Tax Regulatory Agreement but not less often than annually, to the Series 2010A Bonds Rebate Fund the amount required to be deposited thereunder;

(ii) Semiannually, on or before the fourth Business Day preceding each Interest Payment Date to the Series 2010A Bonds Debt Service Account and the Series 2010B Bonds Debt Service Account of the Debt Service Fund an amount equal to the interest due and payable on the respective Bonds on such Interest Payment Date;

(iii) Annually, on or before the fourth Business Day preceding each Principal Payment Date to the Series 2010A Bonds Debt Service Account and the Series 2010B Bond Debt Service Account of the Debt Service Fund an amount equal to the principal due and payable on the Bonds on such Principal Payment Date;

(iv) On the dates required in the Indenture, to the Trustee for deposit into the Debt Service Reserve Fund, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by the Indenture; and

(v) On the dates required by Section 4.3(c)(v) and Section 4.21 of the Indenture, into the Series 2010 Bonds Replacement Fund, an amount sufficient to meet the requirements of the Indenture.

(c) Each installment of the Payments payable by the Corporation hereunder shall be in an amount which, without regard to the payments required under Section 4.2(b)(iv) above, but including moneys in the Debt Service Fund then available, shall be designed to provide for the timely payment in full of the principal of and interest on the Bonds.

(d) Notwithstanding anything to the contrary contained herein, the Corporation promises that it will pay the Payments from the sources of payments specified in Section 6.6, at such times and in such amounts as to assure that no default in the payment of the principal of or interest on the Bonds shall at any time occur.

(e) Whenever the Corporation shall fail to pay the full amount of any installment of Payments payable under Sections 4.2(b)(ii) or 4.2(b)(iii) above by the day of the month in which such installment is due, the Trustee shall give immediate telephonic notice thereof, promptly confirmed in writing, to an Authorized Corporation Representative.

(f) The Corporation shall also cause the Board to promptly pay when due under the Facilities Lease all amounts of Additional Rental owed by the Board thereunder including, but not limited to, all Default or Delay Rentals and Administrative Expenses (each as defined in the Facilities Lease) owed to the Issuer, the Bond Insurer, if any, and/or the Trustee thereunder.

Section 4.3 Credits Against Payments. A credit against and reduction of the Payments shall be derived only from the following sources:

(a) Accrued interest, if any, derived from the sale of the Bonds;

(b) Surplus moneys (including investment earnings) contained in the Funds and Accounts held by the Trustee under the Indenture, including the Debt Service Fund and the Debt Service Reserve Fund.

Section 4.4 Obligation to Make Payments.

(a) Subject to Section 6.6 hereof, the obligation of the Corporation to repay the Loan shall be absolute and unconditional and shall not be subject to, nor shall the Corporation be entitled to assert, any defense (other than payment) or any rights of abatement, deduction, reduction, deferment, recoupment, setoff, offset or counterclaim by the Corporation or any other person, nor shall the same be abated, abrogated, waived, diminished, postponed, delayed or otherwise modified under or by reason of any circumstance, contingency, act of God, event or occurrence that may arise or take place, irrespective of what statutory rights the Corporation may have to the contrary, including but without limiting the generality of the foregoing:

(i) Any damage to or destruction of part or all of the Facilities;

(ii) The taking or damaging of part or all of the Facilities or any temporary or partial use thereof by any public authority or agency in the exercise of the power of eminent domain, sequestration or otherwise;

(iii) Any assignment, novation, merger, consolidation, transfer of assets, leasing or other similar transaction of, by or affecting the Corporation;

(iv) Any change in the tax or other laws of the United States, the State or any governmental authority;

(v) The termination of the Ground Lease or the Facilities Lease, any failure of title or any lawful or unlawful prohibition of the Corporation's use of the Facilities or any portion thereof or the interference with such use by any person or any commercial frustration of purpose or loss or revocation of any permits, licenses or other authorizations required for the operation of the Facilities; and

(vi) Any failure of the Issuer, the Trustee or any other party to perform and observe any agreement or covenant, expressed or implied, or any duty, liability or obligation arising out of or in connection with this Agreement, the Indenture, the Board Documents or the Facilities Documents the invalidity, unenforceability or disaffirmance of any of this Agreement, the Indenture, the Bonds, the Board Documents or the Facilities Documents or for any other cause similar or dissimilar to the foregoing.

(b) Furthermore, the Corporation covenants and agrees that it will remain obligated under this Agreement in accordance with its terms, and that it will not take or participate or acquiesce in any action to terminate, rescind or avoid this Agreement.

Section 4.5 Prepayment of Payments.

(a) The Corporation is obligated to prepay the Payments, in whole or in part, on any date on which the Bonds are subject to redemption pursuant to the Indenture, including, without limitation, Section 3.4 of the Indenture.

(b) As long as the Facilities Lease is outstanding, the Corporation's option to redeem the Bonds under Section 3.4 of the Indenture can be exercised only with the written consent of

the Board. The prepayment price payable by the Corporation, in the event that the Bonds are redeemed pursuant to Section 3.4 of the Indenture, shall be an amount of money which, when added to the moneys and investments held by the Trustee pursuant to the provisions of the Indenture and available for such redemption, is sufficient to pay and discharge the Bonds to be redeemed (including the total principal amount of such Bonds and interest to accrue thereon to the date fixed for redemption of such Bonds to be redeemed) on the date fixed for redemption.

Section 4.6 Reserved.

Section 4.7 Assignment of Facilities Lease. In consideration for and in order to further secure the Corporation's obligation to repay the Loan up to the maximum amount of \$32,000,000, the Corporation hereby transfers, assigns and pledges unto the Issuer, all right, title and interest of the Corporation in, to and under the Facilities Lease and all proceeds of insurance received or receivable by the Corporation as a result of any damage to or destruction of the Facilities, or any part thereof, and all amounts received or receivable by the Corporation as compensation for the taking or the transfer of the Facilities, or any part thereof, in lieu of a taking or use of the Facilities, under the powers of eminent domain, all amounts received or receivable by the Corporation from the sale of the Facilities, or any part thereof, all amounts collected under payment and performance bonds, if any, maintained with respect to the Facilities, and any and all additional revenues, income, receipts and other payments (including, without limitation, grants, donations, gifts and appropriations received from any private or public source) that hereafter are received by the Corporation for or relating to the Facilities or that hereafter may be assigned by the Corporation pursuant to this Agreement.

ARTICLE 5
NON-ARBITRAGE

Section 5.1 Covenants as to Arbitrage.

(a) The Corporation hereby agrees to prepare and provide instructions to the Trustee as to the investment and reinvestment of moneys held as part of any fund or account relating to the Bonds. Any such moneys so held as part of any fund or account shall be invested or reinvested by the Trustee in Permitted Investments as specified in Section 4.10 of the Indenture. The Corporation hereby covenants that it will comply with the terms of the Tax Regulatory Agreement and that it will make such use of the proceeds of the Bonds and all other funds held by the Trustee under the Indenture, regulate the investment of such proceeds and other and take such other and further action as may be required so that the Series 2010A Bonds will not constitute arbitrage bonds under Section 148 of the Code and the regulations promulgated thereunder.

(b) If the Corporation determines that it is necessary to restrict or limit the yield on the investment of any money paid to or held by the Trustee hereunder or under the Indenture in order to avoid classification of the Series 2010A Bonds as arbitrage bonds within the meaning of the Code, the Corporation may issue to the Trustee an instrument to such effect (along with appropriate written instructions), in which event the Trustee will take such action as is necessary to restrict or limit the yield on such moneys in accordance with such instrument and instructions.

ARTICLE 6
CERTAIN COVENANTS OF THE CORPORATION

Section 6.1 General Covenants of Corporation. The Corporation further expressly represents, covenants and agrees:

(a) To materially comply with the terms, covenants and provisions expressed or implied, of all contracts pertaining to, affecting or involving the Facilities or the business of the Corporation;

(b) Whenever and so often as requested so to do by the Trustee, the Bond Insurer, if any, or the Issuer, promptly to execute and deliver or cause to be executed and delivered all such other and further instruments and documents, and to promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Issuer, the Bond Insurer, if any, the Trustee and the owners of the Bonds all rights, interests, powers, benefits, privileges and advantages conferred upon them by this Agreement and the Indenture;

(c) Promptly, upon the request of the Issuer, the Bond Insurer, if any, or the Trustee from time to time, to take such action as may be necessary or proper to remedy or cure any material defect in or cloud upon its interest in the Facilities or any part thereof, whether now existing or hereafter developing, to prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and to indemnify and save the Issuer, the Bond Insurer, if any, and the Trustee harmless from all loss, cost, damage and expense, including attorney's fees, which they or any of them may ever incur by reason of any such defect, cloud, suit, action or proceeding;

(d) To defend against every suit, action or proceeding at any time brought against the Issuer, the Bond Insurer, if any, or the Trustee based on any claim arising out of the receipt, application or disbursement of any of the Trust Estate or involving the Issuer's, the Bond Insurer's or the Trustee's rights or obligations under this Agreement or under the Indenture (except in the case of the Issuer's, the Bond Insurer's or the Trustee's gross negligence or willful misconduct), to indemnify and hold harmless the Trustee and each officer, employee, agent, or other representative of the Trustee against claims arising out of the Trustee's responsibilities under this Agreement, the Indenture or any other document entered into by the Trustee in connection with the Bonds (except in the case of the Trustee's gross negligence or willful misconduct), to indemnify and hold harmless the Issuer, the Bond Insurer, if any, and any officer, employee, agent, servant or trustee of the Issuer and the Bond Insurer, if any, against claims during the term of this Agreement that may be occasioned by any cause (other than the gross negligence or willful misconduct of the Issuer, the Bond Insurer, if any, their officers, employees, agents, servants and trustees) pertaining to the construction, use, possession, operation, service, design or management or leasing or subleasing of the Facilities and any liabilities or losses resulting from violations by the Corporation of conditions, agreements and requirements of law affecting the Facilities or the ownership, occupancy or use thereof or arising from any defect in or from the operation of the Facilities, and to protect and insulate the Issuer and the members of its Board of Directors individually from any and all financial responsibility or liability whatsoever with respect to the Facilities;

(e) At all times to maintain the Corporation's rights to carry on the business of the Corporation and to duly procure all licenses and other authorizations required for the carrying on of its business and to provide all renewals and replacements and improvements to, and extensions of, the Facilities and to diligently maintain, preserve and renew all the rights, powers, privileges, approvals, licenses and franchises required for the carrying on of its business;

(f) To fulfill its obligations and to perform punctually its duties and obligations under this Agreement and the Indenture and to otherwise carry on its business in accordance with the terms hereof to assure the continued proper operation, management, repair and maintenance of the Facilities;

(g) To cause compliance with all material provisions of applicable federal, State and local laws;

(h) To pay, discharge, indemnify and save the Issuer, the Bond Insurer, if any, and the Trustee, except in the case of their gross negligence or willful misconduct, and their respective officers, agents, employees, servants and trustees harmless of, from and against any and all costs, claims, damages, expenses, liabilities, liens, obligations, penalties and taxes of every character and nature, by or on behalf of any person, firm, corporation, entity or governmental authority regardless of by whom advanced, asserted, held, imposed or made, which may be imposed upon, incurred by or asserted against the Issuer, the Bond Insurer, if any, and the Trustee and their respective officers, agents, employees, servants and trustees arising out of, resulting from or in any way connected with this Agreement, the Bonds or the Indenture excepting willful misconduct and gross negligence on the part of the Issuer, the Bond Insurer, if any, or the Trustee or their respective officers, agents, employees, servants and trustees. The Corporation also covenants and agrees, at its expense, to pay and to indemnify and to save the foregoing harmless of, from and against, all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand;

(i) To indemnify the Issuer, the Bond Insurer, if any, and the Trustee as provided in this Section 6.1, regardless of whether payment of the Bonds has been made and this Agreement has been terminated; and

(j) To use its best efforts to obtain a determination from the Internal Revenue Service that it is an exempt organization under Section 501(c)(3) of the Code organized and operated exclusively for religious, charitable, scientific and educational purposes, and not to perform any act or enter into any agreement that shall adversely affect its ability to obtain, and thereafter to maintain, such status as set forth in this Section.

Section 6.2 Covenants Regarding Operation and Maintenance by the Corporation of its Properties. The Corporation acknowledges and agrees that it shall pay during the term hereof all Payments and other sums required hereunder and shall cause the Board to pay, as Additional Rental under the Facilities Lease, all Operation and Maintenance Expenses. The Corporation also expressly covenants and agrees:

(a) That it shall or shall cause the Board and/or the University to (i) maintain or cause to be maintained the Facilities, and keep the Facilities in good repair and in good operating

condition and make from time to time all necessary repairs thereto and renewals and replacements thereof; (ii) make or cause to be made from time to time any additions, modifications or improvements to the Facilities that the University may deem desirable for its business purposes that do not materially impair the effective use of the Facilities; (iii) cause the Facilities at all times to be free from all liens other than Permitted Encumbrances, provided that the Corporation may in good faith contest, or cause the Board or the University to contest any liens filed or established against the Facilities, and in such event, may permit the items so contested to remain undischarged and unsatisfied during the period of such contest only if the Corporation or the Board obtains an injunction prohibiting, or otherwise prevents the enforcement of such liens, assessments or other charges and any appeal therefrom, and the Corporation, to the extent it has assets, furnishes the Trustee with a bond, cash deposit or title insurance endorsement equal to at least the amount so contested and with an opinion of independent counsel reasonably acceptable to the Trustee stating that by nonpayment of any such items the Rental would not be materially endangered and the Facilities or any material part thereof will not be subject to loss or forfeiture to such an extent that Payments are materially adversely affected, in which event the Corporation will promptly pay or cause the Board or the University to pay promptly and cause to be satisfied and discharged all such unpaid items. In the event the Corporation fails to satisfy these requirements, the Issuer, the Trustee or the Bond Insurer, if any, may, but shall be under no obligation to, pay any such item and any amounts so advanced therefor by the Issuer, the Trustee or the Bond Insurer, if any, shall become an additional obligation of the Corporation to the one making the advancement, which amount the Corporation agrees to pay together with interest thereon at the rate of the Trustee's prime lending rate, but solely from the Trust Estate;

(b) That the Issuer, the Trustee and the Bond Insurer, if any, and their agents shall have the right to inspect the Facilities at any reasonable time in a manner which will not interfere unreasonably with the Corporation's use thereof;

(c) That no undertakings, including the construction, improvement and installation of the Facilities, shall be commenced until the Corporation shall have first procured, so far as the same may be required from time to time, all necessary approvals and authorizations from municipal departments and governmental subdivisions having jurisdiction, and all construction undertakings shall be made and effected promptly and in a good and workmanlike manner and in full compliance with the Ground Lease and the Facilities Lease, all applicable permits, authorizations and laws and in accordance with all such requirements as insurers of the Properties, and all components thereof, may reasonably establish;

(d) That it shall or shall cause the Board to pay (as Additional Rental under the Facilities Lease) as the same respectively become due, all taxes and assessments, whether general or special, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Facilities;

(e) That it shall comply and cause the Board to comply promptly with all material provisions of present and future laws, ordinances, orders, rules, regulations and requirements of every duly constituted governmental authority or agency and all material orders, rules and regulations of any regulatory, licensing, insurance underwriting or rating organization or other body exercising similar functions. The Corporation shall likewise perform and comply with all

duties and obligations of any kind imposed by law, covenant, condition, agreement or easement and the requirements of all policies of insurance at any time in force with respect to the Facilities;

(f) That it shall not use or allow the Facilities to be used or occupied for any unlawful purpose or in violation of any private covenant, restriction, condition, easement or agreement covering or affecting the use of the Facilities. The Corporation likewise shall not suffer any act to be done or any condition to exist in the Facilities or any article to be brought therein or thereon which may be dangerous, unless safeguarded as required by law, or which, under law, constitutes a nuisance, public or private, or which may make void or voidable any insurance then in force with respect thereto;

(g) That it shall provide or cause to be provided all equipment, furnishings, supplies, facilities, services and personnel required for the proper construction, improvement and equipping of the Facilities in an economical and efficient manner, consistent with standards of operation and administration generally acceptable for facilities of comparable size and scope of operations; and

(h) That it shall take all action, if any, that may be required to obtain such consents, exceptions, exemptions or approvals of governmental authorities as may be necessary to permit it to comply fully with all covenants, stipulations, obligations and agreements of the Corporation contained in this Agreement.

Section 6.3 Covenant as to Encumbrances. The Corporation covenants that, so long as any of the Bonds remain outstanding, it shall not hereafter alienate and shall not hereafter create or suffer to be created any assignment, pledge, mortgage, hypothecation or lien on the Facilities, the Land, the Facilities Lease, any Rental or any of its other Properties under any circumstances, except for Permitted Encumbrances or as otherwise permitted under Section 6.2 hereof.

Section 6.4 Covenants, Representations and Warranties Relating to Federal Income Taxation.

(a) The Corporation covenants that it shall make such use of the proceeds of the Series 2010A Bonds, regulate investment of proceeds thereof and take such other and further actions as may be required by the Code and applicable temporary, proposed and final Regulations and procedures, necessary to assure that interest on the Series 2010A Bonds is excludable from gross income for Federal income tax purposes. Without limiting the generality of the foregoing covenant, the Corporation hereby covenants, represents and warrants, as follows:

(i) The Corporation will not take, fail to take or permit the commission of any action within its control insofar as it is necessary to take or omit the taking of such action in order that interest on the Series 2010A Bonds will continue to be excludable from gross income for Federal income tax purposes;

(ii) The Corporation will use its best efforts to become, and thereafter to remain at all times, an organization described in Section 501(c)(3) of the

Code or corresponding provisions of prior law and to not be or be determined to be a private foundation as defined in Section 509 of said Code; the Corporation shall not perform any act or enter into any agreement which shall adversely affect its ability to obtain such federal income tax status; the Corporation shall not perform any act, enter into any agreement or use or permit any property of the Corporation to be used in any manner (including any unrelated trade or business) which could adversely affect the exclusion from gross income of interest on the Series 2010A Bonds for federal income tax purposes pursuant to Section 103 of the Code; the Corporation shall not carry on or permit to be carried on in any property of the Corporation or permit any property of the Corporation to be used in or for any trade or business to the extent that such use of such property would adversely affect the exclusion from gross income of interest on the Series 2010A Bonds for Federal income tax purposes; and the Corporation is duly organized and existing as a nonprofit corporation under the laws of the State and it will maintain, extend and renew its corporate existence under the laws of the State and will not do, suffer or permit any act or thing to be done whereby its right to transact its functions might or could be terminated or its activities restricted;

(iii) The Corporation will timely file a statement with the United States of America setting forth the information required pursuant to Section 149(e) of the Code;

(iv) The average term of the Series 2010A Bonds, calculated in proportion to the “issue price” (as defined in Section 1273 of the Code) of the bonds of each stated maturity of such Series 2010A Bonds, will not exceed 120% of the average reasonably expected economic life of the Facilities financed with the proceeds of the Series 2010A Bonds or the investment earnings thereon, weighted in proportion to the respective cost of each item comprising the Facilities financed with the proceeds of such Series 2010A Bonds. For purposes of the preceding sentence, the reasonably expected economic life of property shall be determined as of the later of (A) the date on which the Series 2010A Bonds are issued or (B) the date on which such property is placed in service (or expected to be placed in service);

(v) The Corporation will not cause the Series 2010A Bonds to be treated as “federally guaranteed” obligations within the meaning of Section 149(b) of the Code (as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to “federally guaranteed” obligations described in Section 149(b) of the Code);

(vi) Based upon all facts and estimates now known or reasonably expected to be in existence on the date the Series 2010A Bonds are delivered, the Corporation reasonably expects that the proceeds of the Series 2010A Bonds will not be used in a manner that would cause the Series 2010A Bonds or any

portion thereof to be an “arbitrage bond” within the meaning of Section 148 of the Code;

(vii) As provided in Article 5 hereof, the Corporation will monitor the yield on the investment of the proceeds of the Series 2010A Bonds and moneys pledged to the repayment of the Series 2010A Bonds, other than amounts not subject to yield restriction and will restrict the yield on such investments to the extent required by the Code or the Regulations;

(viii) The Corporation (or any “related person”, within the meaning of the Code) shall not, pursuant to an arrangement, formal or informal, purchase the Bonds in an amount related to the principal amounts advanced to the Corporation pursuant to this Agreement;

(ix) The Corporation agrees to comply with all the terms and provisions of the Tax Regulatory Agreement executed in connection with the issuance and sale of the Bonds, and to perform the covenants and duties imposed on it contained therein. The Corporation shall cause copies of any calculations or filings which are required to be made pursuant to the Tax Regulatory Agreement to be delivered to the Issuer within five (5) days of any such calculation or filing; and

(x) The Corporation agrees to provide, or to engage qualified attorneys or consultants to provide instructions to the Issuer and the Trustee regarding any actions necessary to insure that such moneys will not be used in a manner which will cause the Series 2010A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. The Corporation shall be responsible for engaging qualified attorneys or consultants to calculate rebate payments as required by Section 148 of the Code.

(b) All officers, employees and agents of the Corporation are authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the Corporation as of the date the Bonds are delivered. In complying with the foregoing covenants, the Corporation may rely from time to time upon an opinion issued by nationally-recognized bond counsel to the effect that any action by the Corporation or reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Series 2010A Bonds to be includable in gross income for Federal income tax purposes under existing law.

Section 6.5 Information. The Corporation agrees, whenever reasonably requested by the Issuer, the Bond Insurer, if any, or the Trustee, to provide access to inspect, examine and make copies of any and all books, accounts and records of the Corporation and to provide and certify or cause to be provided and certified such information concerning the Properties, the Facilities, the Corporation, its finances, and other topics as the Issuer, the Bond Insurer, if any, or Trustee, as the case may be, considers necessary to enable counsel to the Issuer or the Trustee, as the case may be, to issue its opinions and otherwise advise the Issuer, the Bond Insurer, if any, or the Trustee, as the case may be, as to the transaction or the legal capacity of the parties to enter

into the same, or to enable it to make any reports required by law, governmental regulation or the Indenture. When any such information is provided by the Corporation pursuant to this Section 6.5 the Corporation shall provide such information to the Issuer, the Bond Insurer, if any, and the Trustee.

Section 6.6 Source of Payments. The Corporation agrees to pay or cause to be paid the payments required by this Agreement, but solely from the Rental, its interest in the Properties and all revenues, proceeds, gifts and other amounts arising from the Properties (including, without limitation, all amounts received or receivable by the Corporation under the Facilities Lease) or assigned by the Corporation pursuant to this Agreement, in the manner and at the times provided by this Agreement.

Section 6.7 Insurance. The Corporation shall or it shall cause the Board to maintain insurance covering such risks and in such amounts as is required by Section 9 of the Facilities Lease, the provisions of which are incorporated herein by reference.

Section 6.8 Annual Reports.

(a) Annually, within one hundred eighty (180) days from the end of each Fiscal Year, the Corporation will have made a complete audit of its records and accounts by an independent certified public accountant. A signed counterpart of its audited financial statements shall be furnished to the Issuer, the Bond Insurer, if any, and the Trustee, and a copy thereof shall be furnished by the Corporation to any Bondholder who requests the same in writing.

(b) Any independent accountant that audits and reports on the Corporation's financial statements or provides any certificate, report or opinion under the Indenture, the Facilities Lease or the Agreement shall be (i) a nationally recognized firm of independent certified public accountants (or their successors) or (ii) otherwise acceptable to the Bond Insurer, if any.

Section 6.9 Merger or Consolidation.

(a) The Corporation shall not merge into, or consolidate with, one or more corporations, or allow one or more of such corporations to merge into it, or sell or convey all or substantially all of its assets to any person or entity or acquire all or substantially all of the assets of any person or entity (any such merger, consolidation, sale, conveyance or acquisition being referred to as a "*Merger*"), unless the Bond Insurer, if any, consents in writing to the Merger, such consent not to be unreasonably withheld, and:

(i) Any successor corporation to the Corporation (including, without limitation, any purchaser of all or substantially all the Properties of the Corporation (the "*Successor Corporation*") is a corporation organized and existing under the laws of the United States of America or a state thereof and shall execute and deliver to the Trustee an appropriate instrument, satisfactory to the Bond Insurer, if any, the Issuer and the Trustee, containing the agreement of such successor corporation to assume in solido, the due and punctual payment of the principal of and interest on all obligations of the Corporation (including, without limitation, the Bonds) according to their tenor and the due and punctual performance and observance of all the covenants and conditions of the Indenture

and the Agreement and the Board Documents and Bond Documents to be kept and performed by the Corporation, accompanied by an opinion of counsel as to the validity and enforceability of such assumption (which counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Bond Insurer, if any, the Issuer and the Trustee);

(ii) Immediately after such Merger, there would not be a default in the performance or observance of any covenant or condition of the Board Documents and the Bond Documents; and

(iii) There shall be delivered to the Bond Insurer, if any, the Issuer and the Trustee an opinion of Bond Counsel (which counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Bond Insurer, if any, and the Trustee) to the effect that under existing laws the consummation of such Merger, whether or not contemplated on the original date of delivery of the Bonds, would not adversely affect the validity of the Bonds or the exclusion otherwise available from gross income of interest on the Series 2010A Bonds for federal or state income tax purposes.

(b) In case of any such Merger and upon any such assumption by the Successor Corporation, the Successor Corporation shall succeed to and be substituted for its predecessor, with the same effect as if it had been named in the Indenture and the Agreement as the Corporation.

Section 6.10 Revenue Transfer to Trustee. The Corporation hereby covenants:

(a) Upon the occurrence of an Event of Default under the Indenture or this Agreement, all Rental and other funds pledged as security for the obligations of the Issuer and/or the Corporation under the Indenture or the Agreement then on hand shall be transferred immediately to the Trustee, and held for application pursuant to the Indenture or the Agreement solely to the payment obligations of the Issuer and/or the Corporation under the Indenture or the Agreement and the payment of reasonable and necessary costs of operation of the Corporation's facilities or as otherwise directed by the Bond Insurer, if any.

(b) To execute all necessary documents in order to effect a filing and reinscription of all necessary financing statements in such a manner as will preserve the effect of the financing statements from the date of original filing thereof. The Corporation shall notify the Issuer of the filing of such continuation statements or other filings with respect to its obligations under this Agreement.

Section 6.11 Additional Corporation Representations and Covenants.

(a) Each component of the Facilities is, or when acquired, will be located within the limits of the State of Louisiana. The Project is an "Authorized Project" under La. R.S. 33:4548.3B and the Corporation will operate the Project as an "Authorized Project" under La. R.S. 33:4548.3B for so long as the Bonds remains outstanding.

(b) All material information given by the Corporation to the Issuer, the Trustee and the Bond Insurer, if any, concerning the Project, the Corporation and the Board was and is on the date of execution of this Agreement true and correct.

(c) The Corporation will permit the Bond Insurer, if any, to discuss the affairs, finances and accounts of the Corporation or any information Bond Insurer, if any, may reasonably request regarding the security for the Bonds with appropriate representatives and officers of the Corporation. The Corporation will permit the Bond Insurer, if any, to have access to the Facilities and to make copies of all books and records relating to the Bonds and the Properties;

(d) The Corporation hereby agrees that the Bond Insurer, if any, shall have the right to direct an accounting regarding the Properties at the Corporation's expense, such accounting to be conducted by a certified public accounting firm selected by the Bond Insurer, if any, and completed within thirty (30) days after written notice of the direction from the Bond Insurer, if any, and the Corporation's failure to comply with such direction promptly after receipt of written notice from the Bond Insurer, if any, shall be deemed a default hereunder; provided, however, that if such accounting cannot be completed within such 30-day period through no fault of the Corporation, then such period will be extended so long as the accounting is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of the Bond Insurer, if any, or any registered owner of the Bonds;

(e) The Corporation shall pay or reimburse the Bond Insurer, if any, for any and all charges, fees, costs, and expenses that the Bond Insurer, if any, may reasonably pay or incur in connection with the following: (i) the administration, enforcement, defense, or preservation of any rights or security hereunder or under any other Bond Document; (ii) the pursuit of any remedies hereunder, under any other Bond Document, or otherwise afforded by law or equity, (iii) any amendment, waiver, or other action with respect to or related to this Agreement or any other Bond Document whether or not executed or completed; (iv) the violation by the Corporation of any law, rule, or regulation or any judgment, order or decree applicable to it; (v) any advances or payments made by the Bond Insurer, if any, to cure defaults of the Corporation under the Bond Documents, Facilities Documents or Mortgage; or (vi) any litigation or other dispute in connection with this Agreement, any other Bond Document, or the transactions contemplated hereby or thereby. The covenants of Section 3.14(b) of the Indenture are incorporated by this reference herein and made a part hereof as if fully set forth herein as further covenants of the Corporation under this Agreement. The Bond Insurer, if any, reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver, or consent proposed in respect of this Agreement or any other Bond Document. The obligations of the Corporation to the Bond Insurer, if any, shall survive discharge and termination of this Agreement;

(f) The Corporation shall not amend, modify, or supplement, nor agree to any amendment or modification of, or supplement to, any of the Bond Documents, the Facilities Lease, the Ground Lease, the Mortgage or its Articles of Incorporation or any other organizational document, without the prior written consent of the Bond Insurer, if any;

(g) The Corporation represents, warrants and covenants that it (i) was organized solely for the purpose of promoting, assisting and benefiting the mission of the University, a higher educational institution under the management and control of the Board, by engaging in any lawful activity in which a nonprofit corporation meeting the requirements of Section 501(c)(3) of the Code, may engage, in accordance with its articles of incorporation; (ii) has not and will not engage in any business unrelated to subsection (i), above; and (iii) will maintain books, financial records and bank accounts in a manner so that it will not be difficult or costly to segregate, ascertain and otherwise identify the assets and liabilities of the Corporation;

(h) As soon as possible and in any event within five (5) Business Days after the Corporation knows of, or reasonably should have known of, the occurrence of any default or any Event of Default, the Corporation shall deliver to the Trustee and Bond Insurer, if any, a written statement setting forth details of each such default or Event of Default and the action which the Corporation proposes to take with respect thereto;

(i) The Corporation covenants and agrees to perform each of its agreements and obligations set forth in the Indenture;

(j) The Corporation covenants and agrees that, until all of its obligations under this Agreement and the other Bond Documents have been fully paid and discharged, the Corporation shall not, directly or indirectly, incur, assume, or guarantee any Additional Debt, except Additional Debt incurred with the written consent of the Bond Insurer, if any, or as allowed by the Facilities Documents and Bond Documents.

Section 6.12 Continuing Disclosure. The Board has agreed to provide a Continuing Disclosure Certificate and to timely comply with the requirements set forth therein and the Board will deliver copies to the Issuer of any information that the terms of the Continuing Disclosure Certificate require to be provided or filed within five (5) days of the provision or filing of such information as required by the Continuing Disclosure Certificate.

Section 6.13 Indemnity.

(a) The Corporation shall and agrees to indemnify and save the Issuer, the Trustee, the Bond Insurer, if any, and their respective directors, officers, members, and employees harmless against and from any and all liabilities, losses, damages, costs, penalties, fines, expenses, causes of action, suits, claims, demands and judgments of any nature arising from, in connection with or as a result of: (i) the leasing or operation of the Facilities, (ii) any breach or default on the part of the Corporation in the performance of any of its obligations under any of the Bond Documents, (iii) any act or negligence of the Corporation or of any of its agents, contractors, servants, employees, or licensees, (iv) any act or negligence of any assignee or lessee of the Corporation or of any agents, contractors, servants, employees, or licensees of any assignee or borrower of the Corporation, (v) the issuance or sale of the Bonds, (vi) any injury to or death of any person or damage to property in or upon the Facilities or resulting from or connected with the use, non-use, condition or occupancy of the Facilities or any part of it, (vii) the violation of any agreement or condition of this Agreement except by the Issuer, (viii) the violation of any contract, agreement or restriction by the Corporation relating to the Facilities, (ix) the violation of any law, ordinance or regulation by the Corporation or its agents,

contractors, employees, licensees or assignees arising out of the ownership, occupancy or use of the Facilities or any part of it, (x) the construction, acquisition, equipping and installation of the Facilities or the failure to construct, acquire, equip or install the Facilities, (xi) any act of the Corporation or any of its agents, contractors or licensees, (xii) any statement or information concerning the Corporation, its officers and members or the Facilities contained in any official statement or prospectus furnished to purchasers of any Bonds that is untrue or incorrect in any material respect and any omission from any final official statement or prospectus of any statement or information which should be contained in it for the purpose for which it is to be used or which is necessary to make the statements in it concerning the Corporation, its officers and members or the Facilities not misleading in any material respect if the final official statement or prospectus is approved in writing by the Corporation, (xiii) failure to properly register or otherwise qualify the sale of the Bonds or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Bonds could be sold, (xiv) the carrying out by the Corporation of any of the transactions contemplated by the Agreement, and (xv) any federal or state tax audit relating to the Facilities, the Corporation, or the application of the proceeds of the Bonds, provided, however, this indemnity shall not apply to any claims or damages arising solely from the willful misconduct, bad faith, or fraud of the Issuer or the gross negligence, willful misconduct, or intentional misconduct of the other parties seeking indemnification. The Corporation shall indemnify and save the Issuer, the Trustee, and the Bond Insurer, if any, harmless from and against all costs and expenses incurred in or in connection with any such claim arising as described in the preceding sentence, or in connection with any action or proceeding brought thereon, including reasonable attorneys' fees and expenses as provided in Section 10.04 hereof, and upon notice from the Issuer, the Trustee, or the Bond Insurer, if any, the Corporation shall defend them or any of them in any such action or proceeding.

(b) The Corporation agrees that it will indemnify and hold the Trustee harmless from any and all liability, cost, or expense incurred without negligence or bad faith on the part of the Trustee in the course of its duties, including any act, omission, delay, or refusal of the Trustee in reliance upon any signature, certificate, order, demand, instruction, request, notice, or other instrument or document of the Corporation believed by the Trustee to be valid, genuine, and sufficient.

(c) Notwithstanding the fact that it is the intention of the parties that the Issuer, the Trustee, the Bond Insurer, if any, and their directors, officers, members, and employees shall not incur pecuniary liability by reason of the terms of the Bond Documents or the undertakings required thereunder or by reason of (i) the issuance of the Bonds, (ii) the execution of the Bond Documents, (iii) the performance of any act required by the Bond Documents, (iv) the performance of any act requested by the Corporation, or (v) any other costs, fees, or expenses incurred by the Issuer, the Trustee, or the Bond Insurer, if any, with respect to the Facilities or the financing thereof, including all claims, liabilities, or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the Issuer, the Trustee, or the Bond Insurer, if any, should incur any such pecuniary liability, then in such event the Corporation shall indemnify and hold harmless the Issuer, the Trustee, and the Bond Insurer, if any, against all claims by or on behalf of any Person arising out of the same and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, including reasonable attorneys' fees and expenses, and upon notice

from the Issuer, the Trustee, or the Bond Insurer, if any, the Corporation shall defend the Issuer, the Trustee, and the Bond Insurer, if any, in any such action or proceeding.

(d) The indemnity contained in this Section 6.13 shall not apply to any (i) acts of willful misconduct, bad faith, or fraud of the Issuer or any acts of gross negligence, willful misconduct, or intentional misconduct of the other parties seeking indemnification; (ii) any breach by the party seeking indemnification of its obligations under the Bond Documents; or (iii) with respect to the Issuer and the Bond Insurer, if any, respectively, any liability or claim arising out of or relating to any information furnished by the Issuer or the Bond Insurer, if any, respectively, for inclusion in the offering statement relating to the Bonds or any failure by the Issuer or the Bond Insurer, if any, respectively, to disclose information required to make the information furnished for inclusion therein by the Issuer or the Bond Insurer, if any, respectively, not misleading.

(e) Nothing contained in this Section 6.13 shall require the Corporation to indemnify the Issuer, the Trustee, the Bond Insurer, if any, or their officers, directors, members, or employees for any claim or liability that the Corporation was not given any opportunity to contest or for any settlement of any such action effected without the Corporation's consent (assuming such opportunity to contest or consent was available to the party seeking indemnification and was not waived in writing by the Corporation). The indemnity of the Issuer, the Trustee, the Bond Insurer, if any, and their officers, directors, members, and employees contained in this Section 6.13 shall (i) survive the payment of the Bonds and the termination of this Agreement and (ii) be in addition to, and not in limitation of, any other rights to indemnification or reimbursement under this Agreement or any other Bond Document or Facilities Documents.

(f) In addition, the Corporation agrees that if it initiates any action, suit or other proceeding with respect to any claim, demand or request for relief, whether judicial or administrative, in which the Issuer or the Bond Insurer, if any, is named or joined as a party, the Corporation will pay to and reimburse to the Issuer and the Bond Insurer, if any, the full amount of all reasonable fees and expenses incurred by the Issuer or the Bond Insurer, if any, with respect to the Issuer's or the Bond Insurer's defense of or participation in such action, suit or other proceeding.

Section 6.14 Recordation; Financing Statement. The Corporation agrees that it will take all steps necessary to record the Mortgage and any financing statements required by the Louisiana Uniform Commercial Code and to maintain any such liens by reinscribing the Mortgage as required by law and filing any continuation statements required to continue the effect of the original filings and to preserve the effective date of the original financing statements. The Corporation shall furnish the Trustee and the Bond Insurer, if any, a copy of any recorded financing statements and continuation statements promptly upon any such filing thereof. The Trustee shall not be responsible for filing the financing statements or any continuation statement in relation thereto or for filing the Mortgage or any reinscription in relation thereto.

ARTICLE 7
ASSIGNMENT

Section 7.1 Assignment of this Agreement.

(a) With the prior written consent of the Bond Insurer, if any, the rights of the Corporation under this Agreement may be assigned, sold or leased as a whole or in part but no such transfer shall constitute a release of the Corporation from its obligations hereunder.

(b) Each transferee of the Corporation's interest in this Agreement shall assume the obligations of the Corporation hereunder to the extent of the interest assigned, sold or leased, and the Corporation shall, not more than sixty (60) nor fewer than thirty (30) days prior to the effective date of any such assignment or lease, furnish or cause to be furnished to the Issuer, the Bond Insurer, if any, and the Trustee a true and complete copy of each such assignment or lease.

Section 7.2 Restrictions on Transfer of Issuer's Rights. The Issuer agrees that it will not during the term of this Agreement sell, assign, transfer or convey its interests in this Agreement except as provided in Section 7.3.

Section 7.3 Assignment by the Issuer. It is understood, agreed and acknowledged that the Issuer will assign to the Trustee pursuant to the Indenture certain of its rights, title and interests in and to this Agreement (reserving its rights, however, pursuant to sections of this Agreement providing that notices, reports and other statements be given to the Issuer and also reserving its rights to reimbursement and payment of costs and expenses under Section 9.5 hereof, its rights to indemnification under Section 6.1(d) hereof and its individual and corporate rights to exemption from liability under Section 10.12 hereof), including the interest of the Issuer in and to the Facilities Lease assigned by the Corporation to the Issuer hereunder, and the Corporation hereby assents to such assignment and pledge.

ARTICLE 8
SUPPLEMENTS AND AMENDMENTS

Section 8.1 Amendment to Agreement Without Consent. The Issuer and the Corporation, with the consent of the Trustee with respect to Sections 8.1(d) and 8.1(e) hereof, and with notice to the Bond Insurer, if any, and the prior written consent of the Bond Insurer, if any, if such amendment would affect the rights or interests of the Bond Insurer, if any, hereunder, but without the consent of the owners of any of the Bonds outstanding under the Indenture, may enter into supplements to this Agreement that shall not be inconsistent with the terms and provisions hereof for any of the purposes heretofore specifically authorized in this Agreement or the Indenture, and in addition thereto for the following purposes:

(a) To cure any ambiguity or formal defect, inconsistency or omission in this Agreement or to clarify matters or questions arising hereunder;

(b) To add covenants and agreements for the purpose of further securing the obligations of the Corporation hereunder;

(c) To confirm as further assurance any mortgage or pledge of additional property, revenues, securities or funds;

(d) To conform the provisions of this Agreement in connection with the provisions of any supplements or amendments to the Indenture entered into pursuant to the provisions of Section 10.1 thereof;

(e) To provide any other modifications which, in the sole judgment of the Trustee, are not prejudicial to the interests of the Bondholders; or

(f) to conform the covenants and provisions of the Corporation contained herein to any different financial statement presentation required by the Financial Accounting Standard Board that is different than the presentation required as of the date of issuance of the Bonds, so long as the effect of such conformed covenants and provisions is substantially identical to the effect of the covenants and provisions as in effect on the date of issuance of the Bonds.

Section 8.2 Amendment to Agreement Upon Approval of a Majority of Bondholders.

(a) The provisions of this Agreement may be amended in any particular with the written consent of the Bond Insurer, if any, and the owners of not less than a majority of the aggregate principal amount of Bonds then Outstanding; provided, however, that no such amendment may be adopted that decreases the percentage of owners of Bonds required to approve an amendment, or that permits a change in the date of payment of the principal of or interest on any Bonds or of any redemption price thereof or the rate of interest thereon without the consent of the owners of all of the aggregate principal amount of the Bonds then Outstanding.

(b) If at any time the Issuer and the Corporation shall request the Trustee to consent to a proposed amendment for any of the purposes of this Section 8.2, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such proposed amendment to be given in the manner required by the Indenture to redeem Bonds. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the Issuer following such notice, the owners of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the execution of any such proposed amendment shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee, the Corporation or the Issuer from executing or approving the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such proposed amendment as in this Section permitted and provided, this Agreement shall be and be deemed to be modified and amended in accordance therewith.

Section 8.3 Amendments to Facilities Lease or the Ground Lease Not Requiring Owner Consent.

(a) Subject to the terms and provisions of Section 8.5 and 8.7 of this Agreement, with the written consent of the Bond Insurer, if any, which consent shall not be unreasonable withheld or delayed, the Facilities Lease or the Ground Lease may be amended or modified in any manner not inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in the Facilities Lease or the Ground Lease which does not have an adverse effect upon the interest of the Owners; (ii) to grant to or confer upon the Issuer or the Trustee, for the benefit of the Owners, any additional rights, remedies, powers or authorities that lawfully may be granted to or conferred upon the Issuer or the Trustee; (iii) to more clearly identify the Facilities or to add to or subtract from the Facilities any property; (iv) to amend or modify the Facilities Lease or the Ground Lease in any manner specifically required or permitted by the terms thereof, including as may be necessary to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes; (v) to make any amendment or modification required as a condition to obtaining any rating by the Rating Agency with respect to the Bonds; (vi) to make any amendment or modification required as a condition to the issuance of the Bond Insurance Policy; and (vii) to amend or modify the Facilities Lease or the Ground Lease in any other manner that, in the judgment of the Trustee, is not materially adverse to the interests of the owners of the Bonds, the Bond Insurer, if any, or the Trustee and which does not involve a change described in Section 8.5 hereof.

(b) Notwithstanding the foregoing, the prior written consent of the Bond Insurer, if any, shall be required with respect to any amendment under this Section 8.3 which, in the sole judgment of the Bond Insurer, if any, would affect the rights or interests of the Bond Insurer, if any.

Section 8.4 Amendments to the Facilities Lease or the Ground Lease Requiring Owner Consent. Exclusive of amendments and modifications covered by Section 8.3 hereof, the Facilities Lease or the Ground Lease may be amended or modified only as provided in Section 8.4 and 8.5 of this Agreement. Subject to the terms and provisions contained in Section 8.5 of this Agreement, the Bond Insurer, if any, the Issuer and the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Agreement to the contrary notwithstanding, to consent to and approve the amendment or modification of the Facilities Lease or the Ground Lease. If at any time there is a proposed amendment or modification to the Facilities Lease or the Ground Lease, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such modification or amendment to be mailed to the Bond Insurer, if any, and to each of the owners of the Bonds at the address indicated on the registration books of the Trustee. Such notice shall briefly set forth the nature of the proposed amendment or modification and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bond owners. If, within sixty (60) days, or such longer period as shall be prescribed by the Issuer, following the mailing of such notice, the owners of the requisite percentage in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such amendment or modification shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the

terms and provisions contained therein, or the operation thereof; or to enjoin or restrain the parties thereto from executing the same or from taking any action pursuant to the provisions hereof.

Section 8.5 Consent Required Under Certain Circumstances for Amendment of Facilities Lease or Ground Lease. Nothing contained in Sections 8.3 and 8.4 of this Agreement shall permit, or be construed as permitting, without the approval and consent of the Bond Insurer, if any, and all of the owners of the Bonds, (a) a reduction in the amount of, or the extension of the time for, any payment of Base Rental due under the Facilities Lease or any Bond Insurer Amounts; or (b) the termination of the Facilities Lease or the Ground Lease prior to the expiration of their stated term other than in accordance with the provisions thereof.

Section 8.6 Opinion Required for Amendment of Facilities Lease or Ground Lease. Anything to the contrary herein notwithstanding, no amendment or modification of the Facilities Lease or the Ground Lease shall become effective unless and until the Trustee has been provided with an opinion of Bond Counsel to the effect that such amendment or modification will not have an adverse effect upon the validity of the Bonds and to the effect that such amendment or modification will maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 8.7 Consent of the Board. Anything herein to the contrary notwithstanding, an amendment to the Facilities Lease or the Ground Lease under this Article 8 shall not become effective unless and until the Board shall have consented to the execution and delivery of such amendment to the Facilities Lease or the Ground Lease, unless an Event of Default has occurred and is continuing, and no amendment to the Facilities Lease or the Ground Lease shall without the prior written consent of the Board affect the date or amounts of payments required on the Bonds or required under the Facilities Lease.

Section 8.8 Filing. Copies of any such supplement or amendment to the Agreement, the Ground Lease or the Facilities Lease shall be filed with the Trustee and delivered to the Issuer and the Corporation before such supplement or amendment may become effective.

Section 8.9 Reliance on Counsel. The Issuer and the Trustee shall be entitled to receive, and shall be fully protected in relying upon the opinion of counsel satisfactory to the Trustee, who may be counsel for the Issuer, as conclusive evidence that any such proposed supplement or amendment to the Agreement, the Ground Lease or the Facilities Lease complies with the provisions of this Agreement and the Indenture and that it is proper for the Issuer and the Trustee under the provisions of this Article to execute or approve such supplement or amendment.

Section 8.10 Notice to Rating Agencies and Bond Insurer. No supplemental agreement or amendment to the Agreement, the Ground Lease or the Facilities Lease shall be executed and delivered pursuant hereto without prior written notice having been given by the Corporation to the Bond Insurer, if any, and Rating Agencies (Attention: Bond Insurance Administration) of the Corporation's intention to execute such supplemental agreement or amendment thereof not less than fifteen (15) days in advance of the execution of said supplemental agreement or

amendment. The Corporation shall provide the Bond Insurer, if any, a full transcript of all proceedings relative to said supplemental agreement or amendment.

ARTICLE 9
EVENTS OF DEFAULT AND REMEDIES

Section 9.1 Events of Default Defined. The terms “*Event of Default*” and “*Default*” shall mean any one or more of the following events:

(a) The Corporation shall default in the timely payment of any Payment pursuant to Article 4 of this Agreement.

(b) An Event of Default shall exist under the Bond Documents, the Facilities Lease, the Ground Lease or the Tax Regulatory Agreement.

(c) The termination of the Facilities Lease.

(d) The Corporation shall fail duly to perform, observe or comply with any other covenant, condition or agreement on its part under this Agreement (other than a failure to make any payment required under this Agreement), and such failure continues for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Corporation by the Trustee; provided, however, that if such performance, observation or compliance requires work to be done, action to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such thirty (30) day period, no Event of Default shall be deemed to have occurred or to exist if, and so long as (i) the Corporation shall commence such performance, observation or compliance within such period and shall diligently and continuously prosecute the same to completion and (ii) the Bond Insurer, if any, shall consent in writing to any cure period in excess of thirty (30) days.

(e) The entry of a decree or order by a court having jurisdiction in the premises adjudging the Corporation a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Corporation under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, custodian, assignee, or sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days. Any reorganization or liquidation plan must be acceptable to the Bond Insurer, if any. In the event of reorganization or liquidation, the Bond Insurer, if any, shall have the right to vote on behalf of all Bondholders, absent a default by the Bond Insurer, if any, in any payment required by it under the terms of the Bond Insurer Policy.

(f) The institution by the Corporation of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the United States Bankruptcy Code or any other similar applicable federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, custodian, assignee, trustee or sequestrator (or other similar official) of the Corporation or of any substantial

part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due.

Section 9.2 Remedies. Whenever any Event of Default under Section 9.1 hereof shall have happened and be continuing, any one or more of the following remedial steps may be taken:

(a) The Issuer or the Trustee, with the consent of the Bond Insurer, if any, may declare all installments of Payments under Section 4.2 hereof to be immediately due and payable, whereupon the same shall become immediately due and payable, without requirement for and irrespective of any acceleration of the Bonds;

(b) The Issuer or the Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Corporation under this Agreement;

(c) The Issuer or the Trustee (or the owners of the Bonds in the circumstances permitted by the Indenture) may exercise any option and pursue any remedy provided by the Indenture.

Section 9.3 No Remedy Exclusive; Selective Enforcement. No remedy conferred upon or reserved to the Issuer or the Trustee by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement and as now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any event of nonperformance shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. In the event the Issuer or the Trustee shall elect to selectively and successively enforce its rights under this Agreement, such action shall not be deemed a waiver or discharge of any other lien, encumbrance or security interest securing payment of the indebtedness secured hereby or thereby until such time that it shall have been paid in full all sums secured hereunder and thereunder. The foreclosure of any lien provided pursuant to this Agreement without the simultaneous foreclosure of all such liens shall not merge the liens granted which are not foreclosed with any interest which the Issuer or the Trustee might obtain as a result of such selective and successive foreclosure.

Section 9.4 Indenture Overriding. All of the provisions of this Article are subject to and subordinate to the rights and remedies of the Bond Insurer, if any, the Bondholders and the Trustee pursuant to the Indenture. Notwithstanding anything to the contrary in this Agreement, the Bond Insurer, if any, shall direct all remedies upon the occurrence of an Event of Default. The Issuer shall have no power to waive any event of default hereunder, except with respect to indemnification and its administrative payments, without the consent of the Bond Insurer, if any, to such waiver.

Section 9.5 Agreement to Pay Attorneys' Fees and Expenses. In any Event of Default, if the Issuer, the Bond Insurer, if any, and/or the Trustee employs attorneys or incurs other expenses for the collection of amounts payable hereunder or the enforcement of the performance or observance of any covenants or agreements on the part of the Corporation herein contained, whether or not such suit is commenced, the Corporation agrees that it will on demand therefor pay to the Issuer, the Bond Insurer, if any, and/or the Trustee the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Issuer, the Bond Insurer, if any, and/or the Trustee.

Section 9.6 Issuer and Corporation to Give Notice of Default. The Issuer and the Corporation severally covenant that they will, at the expense of the Corporation, promptly give to the Trustee and the Bond Insurer, if any, written notice of any Event of Default under this Agreement of which they shall have actual knowledge or written notice, but the Issuer shall not be liable (except as provided in Section 6.1(d) hereof) for failing to give such notice.

Section 9.7 Correlative Waivers. If an Event of Default under Section 8.2 of the Indenture shall be cured or waived and any remedial action by the Trustee rescinded, any correlative Default under this Agreement shall be deemed to have been cured or waived.

ARTICLE 10 MISCELLANEOUS

Section 10.1 References to the Bonds Ineffective After Bonds Paid. Upon payment of the Bonds, in accordance with the provisions of the Indenture, except in the case of payment by the Bond Insurer, if any, as provided in Section 12.1 of the Indenture, all references in this Agreement to the Bondholders shall be ineffective and the Issuer and any holder of the Bonds shall not thereafter have any rights hereunder, excepting those that shall have survived or theretofore vested.

Section 10.2 Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Funds and Accounts existing pursuant to the Indenture upon the expiration or sooner cancellation or termination of this Agreement, as provided herein, after payment in full of all Bonds then outstanding under the Indenture (or provisions for payment thereof having been made in accordance with the provisions of the Indenture), and the fees, charges and expenses of the Issuer, the Bond Insurer, if any, and the Trustee and all other amounts required to be paid hereunder and under the Indenture (other than amounts payable as arbitrage rebate pursuant to the Code), shall belong to and be paid to the Corporation.

Section 10.3 Notices.

(a) All notices, demands and requests to be given or made hereunder to or by the Issuer, the Bond Insurer, if any, the Trustee or the Corporation, or their designated successors, shall be in writing and shall be properly made if hand delivered or sent by United States mail, postage prepaid, and addressed as follows:

If to the Bond Insurer: Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Attention: Managing Director – Surveillance, Re: Policy No. 212858-N
Telephone: (212) 826-0100

If to the Corporation: University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director

With copies at the same time to: Seale & Ross
200 North Cate Street
Hammond, Louisiana 70404
Attention: T. Jay Seale

If to the Issuer: Louisiana Local Government Environmental Facilities and Community
Development Authority
8712 Jefferson Hwy, Suite A
Baton Rouge, Louisiana 70809 2233
Attention: Executive Director

If to the Trustee: Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department

(b) Notice hereunder shall be deemed effective on the date of its receipt by the addressee. The Corporation, the Issuer, the Bond Insurer, if any, and the Trustee may, by notice given hereunder, designate any further or different addresses, counsel or counsel addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 10.4 Binding Effect. This Agreement shall inure to the benefit and shall be binding upon the Issuer, the Corporation and their respective successors and assigns, subject to the limitation that any obligation of the Issuer created by or arising out of this Agreement shall not be a general debt of the Issuer, but shall be payable solely out of the proceeds derived from this Agreement and the sale of the Bonds under the Indenture.

Section 10.5 Performance on Legal Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption or purchase of any Bonds or the date fixed for the giving of notice or the taking of any action under this Indenture shall not be a Business Day, then payment of such interest, principal and purchase price, the giving of such notice or the taking of such action need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or purchase, and no interest on such payment shall accrue for the period after such date.

Section 10.6 Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument; provided, however, that upon the assignment and pledge to the Trustee provided for in Section 3.2 hereof, the Issuer shall deliver to the Trustee an executed counterpart of this Agreement which executed counterpart shall be deemed to be collateral of which the Trustee has taken possession and no other counterpart shall be deemed to be collateral for any other purpose.

Section 10.7 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 10.8 Severability. If any clause, provision or Section of this Agreement be held illegal or invalid by any court, the invalidity of such clause, provision or Section shall not affect any of the remaining clauses, provisions or Sections hereof and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision or Section had not been contained herein. In case any agreement or obligation contained in this Agreement be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Issuer or the Corporation, as the case may be, only to the extent permitted by law.

Section 10.9 Captions. The table of contents, captions or headings of the several articles and sections of this Agreement are for convenience only and shall not control, affect the meaning of or be taken as an interpretation of any provisions of this Agreement.

Section 10.10 Consents and Approvals. Whenever the consent or approval of the Issuer, the Corporation or the Trustee shall be required under the provisions of this Agreement, such consent or approval shall not be unreasonably withheld or delayed.

Section 10.11 Third Party Beneficiaries. It is specifically agreed between the parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to make the public or any member thereof, other than the Trustee and the Bond Insurer, if any, and except as expressly provided herein or as contemplated in the Indenture, a third party beneficiary hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement. The duties, obligations and responsibilities, if any, of the parties to this Agreement with respect to third parties shall remain as imposed by law. The Bond Insurer, if any, is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any right, remedy or claim conferred, given or granted hereunder.

Section 10.12 Exculpatory Provision.

(a) In the exercise of the powers of the Issuer, the Trustee and their respective trustees, directors, current, former and future members, officers, employees and agents (each, an "*Indemnified Party*") under this Agreement, each Indemnified Party shall not be accountable or liable to the Corporation (i) for any actions taken or omitted by such Indemnified Party in good faith and believed by it or them to be authorized or within their discretion or rights or powers conferred upon them (other than the negligence or willful misconduct of such Indemnified

Party), or (ii) for any claims based on this Agreement against any such Indemnified Party, all such liability, if any, being expressly waived by the Corporation by the execution of this Agreement. The Corporation shall indemnify and hold harmless each Indemnified Party against any claim or liability based on the foregoing asserted by any other person.

(b) In case any action shall be brought against an Indemnified Party in respect of which indemnity may be sought against the Corporation, such Indemnified Party shall promptly notify the Corporation in writing and the Corporation shall assume the defense thereof, including the employment of counsel of the Corporation's choice and the payment of all expenses. Such Indemnified Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnified Party unless the employment of such counsel has been authorized by the Corporation. The Corporation shall not be liable for any settlement of any such action without its consent but if any such action is settled with the consent of the Corporation or if there be final judgment for the plaintiff of any such action, the Corporation agrees to indemnify and hold harmless such Indemnified Party from and against any loss or liability by reason of such settlement or judgment.

(c) No recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligations, covenant or agreement contained in this Agreement against any past, present or future officer, director, member, employee or agent of the Issuer, or of any successor public corporation, as such, either directly or through the Issuer or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees, or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement and the issuance of such Bonds.

Section 10.13 Accounts and Audits. The Issuer shall cause the Trustee to keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Bonds. The Issuer shall have access to the Corporation's books and records with respect to the Facilities upon written request after reasonable notice.

Section 10.14 Date of Loan Agreement. The dating of this Agreement as of November 1, 2010 is intended as and for the convenient identification of this Agreement and is not intended to indicate that this Agreement was executed and delivered on said date, this Agreement being executed on the dates of the respective acknowledgments hereto attached.

Section 10.15 Reliance. It is expressly understood and agreed by the parties to this Agreement that:

(a) the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee, any Bondholder or the Corporation as to the existence of a fact or state of affairs required under this Agreement to be noticed by the Issuer;

(b) the Issuer shall not be under any obligation to perform any recordkeeping or to provide any legal service, it being understood that such services shall be performed or caused to be performed by the Trustee or the Corporation; and

(c) none of the provisions of this Agreement or the Mortgage shall require the Issuer to expend or risk its own funds (apart from the proceeds of Bonds issued under the Indenture) or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights under this Agreement or the Mortgage unless it first shall have been adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred by taking any such action.

Section 10.16 Issuer Not Liable. Notwithstanding any other provision of this Agreement, the Indenture, the Mortgage, the Continuing Disclosure Certificate, the Bond Purchase Agreement or the Tax Regulatory Agreement, (a) the Issuer shall not be required to take action under this Agreement, the Indenture, the Mortgage, the Continuing Disclosure Certificate, the Bond Purchase Agreement or the Tax Regulatory Agreement unless the Issuer (i) is requested in writing by an appropriate Person to take such action; and (ii) is assured of payment of or reimbursement for any expense incurred in taking such action, and (b) except with respect to any action for specific performance or any action in the nature of a prohibitory or mandatory injunction, neither the Issuer nor any official, officer, member, director, agent, employee or servant of the Issuer shall be liable to the Corporation, the Trustee or any other Person for any action taken by the Issuer or by its officials, officers, members, directors, agents, employees, or servants, or for any failure to take action under this Agreement, the Indenture, the Mortgage, the Continuing Disclosure Certificate, the Bond Purchase Agreement, or the Tax Regulatory Agreement. In acting or in refraining from acting under this Agreement, the Indenture, the Mortgage, the Continuing Disclosure Certificate, the Bond Purchase Agreement or the Tax Regulatory Agreement, the Issuer may conclusively rely on the advice of its counsel.

Section 10.17 No Violations of Law. Any other term or provision in this Agreement to the contrary notwithstanding:

(a) In no event shall this Agreement be construed as:

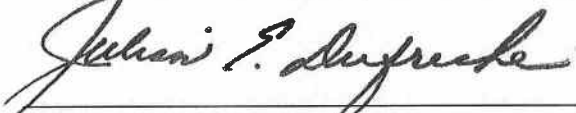
- (i) depriving the Issuer of any right or privilege; or
- (ii) requiring the Issuer or any member, agent, employee, representative or advisor of the Issuer to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else;

which deprivation or requirement would violate, or result in the Issuer's being in violation of the Act or any other applicable state or federal law; and


(b) At no time and in no event will the Corporation permit, suffer or allow any of the proceeds of the Agreement or the Bonds to be transferred to any Person in violation of, or to be used in any manner that is prohibited by, the Act or any other state or federal law.

IN WITNESS WHEREOF, the Authority has caused this Loan Agreement to be executed by its Chairman and has caused the seal of the Authority to be affixed hereto and attested by its Executive Director and the Corporation has caused this Loan Agreement to be executed on its behalf by its Chairperson, all as of the day and year above written.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

By: 
Julian E. Dufreche, Chairman

ATTEST:

By: 
Steve A. Dicharry, Executive Director

SEAL

UNIVERSITY FACILITIES, INC.

By: 
Phil K. Livingston, Chairperson

DESCRIPTION OF FACILITIES

DESCRIPTION OF THE SERIES 2010A FACILITIES

This facility will contain some of the most important academic and non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. It will be the central core for the campus. The two major components in the 2010A Series will include the Student Union and the Center for Student Excellence. The square footage for this series of space will total approximately 121,430 square feet.

The Student Union will include a large event space and ballroom. It will also consist of a series of student support spaces such as conference and meeting rooms, student organization space, a theater, as well as other activity and lounge spaces. Several administrative offices will also be located in the Union including offices in Student Affairs and Auxiliary Services. Finally, it will be home to the Center for Student Excellence which provides programming and resources to students to enhance and in support of academic achievement, personal development and professional growth.

DESCRIPTION OF THE SERIES 2010B FACILITIES

This facility will contain some of the most important non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. The two major components in the 2010B Series will include Food Service and the Retail Bookstore totaling approximately 57,245 square feet.

The Food Service area will include a new residential and commuter dining facility as well as a food court and other smaller grab and go locations. The facility will include adequate support space such as seating, kitchens and production space. The Retail Bookstore will house retail textbooks, university paraphernalia, convenience items, reading areas and possibly a food and/or beverage concept. In addition to these two major components, approximately 3,600 square feet of space will be committed to other retail components providing additional services to our campus community.

PERMITTED ENCUMBRANCES

Food Service:

ARAMARK Educational Services, LLC
ARAMARK Tower
1101 Market Street
Philadelphia, PA 19107
Term Agreement: July 1, 2008 – June 30, 2023

Retail Bookstore:

Texas Book Company
8501 Technology Circle Drive
Greenville, Texas 75402
Term of Agreement: February 10, 2009 – February 9, 2020

Copy Center:

Xerox Corporation
3850 North Causeway
Suite 1860
Metairie, LA 70002
Term of Agreement: December 15, 1998 until such date the University issues a thirty (30) calendar days notice of the final end date.

NOTE: The contract is currently pending completion of request for proposals process.

REPLACEMENT OR NEW CONTRACTS:

Contracts entered into in place of the above listed contracts are considered Permitted Encumbrances.

GROUND AND BUILDINGS LEASE AGREEMENT

by and between

**Board of Supervisors for the University of Louisiana System,
on behalf of Southeastern Louisiana University
(as Lessor)**

and

**University Facilities, Inc.
(as Lessee)**

Dated as of January 1, 2010

in connection with
the anticipated issuance of:

Louisiana Local Government Environmental Facilities and
Community Development Authority
Revenue Bonds (Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010A

Louisiana Local Government Environmental Facilities and
Community Development Authority
Revenue Bonds (Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010B

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GROUND AND BUILDINGS LEASE AGREEMENT

This GROUND AND BUILDINGS LEASE AGREEMENT (together with any amendment hereto or supplement hercof, the "Ground Lease") dated as of January 1, 2010 is entered into by and between the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM (the "Board"), a public constitutional corporation organized and existing under the laws of the State of Louisiana, acting herein on behalf of Southeastern Louisiana University (the "University"), which Board is represented herein by its duly authorized officer, and UNIVERSITY FACILITIES, INC., a Louisiana, nonprofit corporation represented herein its duly authorized officer, (the "Corporation").

WITNESSETH

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State of Louisiana and the University is a university under its management pursuant to Louisiana Revised Statutes 17:3217;

WHEREAS, the Corporation is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201, et seq.), whose purpose is to support and benefit the educational, scientific, research and public service missions of the University;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3366, the Board is authorized to lease to a private entity, such as the Corporation, any portion of the campus of the University (the "Campus") provided the Corporation is thereby obligated to construct improvements for furthering the educational, scientific, research or public service functions of the Board;

WHEREAS, in order to further these functions of the Board, by development and construction of a Student Union, Center for Student Excellence, food services areas, a bookstore and related facilities for students, faculty, staff and the general public on the Campus (the "Facilities" as further defined herein), the Board deems it advisable that a portion of the Campus be leased to the Corporation for the purpose of demolishing certain existing facilities and renovating, developing and constructing such Facilities and leasing such Facilities back to the Board; and

WHEREAS, the Board and the Corporation have agreed to enter into this Ground Lease whereby the Board will lease certain tracts of land and the improvements thereon owned by the Board and located on the Campus to the Corporation; and

WHEREAS, the Board and the Corporation have agreed that the Corporation shall demolish certain existing facilities and renovate, develop and construct the Facilities on the land leased hereunder which Facilities will be owned by the Board as constructed and leased to the Corporation pursuant to this Ground Lease; and

WHEREAS, the Corporation shall lease the Facilities back to the Board pursuant to a lease of even date herewith (the "Facilities Lease") for use by the general public and by

students, faculty and staff of the University and such other persons as set forth in the Facilities Lease;

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

**ARTICLE I
LEASE OF PROPERTY - TERMS OF GROUND LEASE**

Section 1.1 Lease of Land. The Board does hereby let, demise, and rent unto the Corporation, and the Corporation does hereby rent and lease from the Board, the real property (the "Land") more particularly described on **Exhibit A** attached hereto, together with all existing and future improvements, alterations, additions and attached fixtures located or to be located on the Land (the "Facilities") and the right of uninterrupted access to and from all streets and roads now or hereafter adjoining the Land for vehicular and pedestrian ingress and egress. Notwithstanding Article VIII of the Loan Agreement, the Board shall have the right to release from this Ground Lease, after demolition has been completed, any portion of the Land upon which existing facilities were demolished, if no portion of the Facilities is thereafter constructed thereon. The Corporation, by execution of this Ground Lease, accepts the leasehold estate herein demised subject only to the matters described on **Exhibit B** attached hereto.

Section 1.2 Habendum. To have and to hold the Land and the Facilities, together with all and singular the rights, privileges, and appurtenances thereto attaching or anywise belonging, exclusively unto the Corporation, its successors and assigns, for the term set forth in Section 1.3 below, subject to the covenants, agreements, terms, provisions, and limitations herein set forth.

Section 1.3 Term. Unless sooner terminated as herein provided, this Ground Lease shall continue and remain in full force and effect for a term commencing on the effective date hereof and ending on the Expiration Date which shall be the earlier of (i) January 1, 2050, or (ii) the date on which any of the following events occur: (a) repayment of the Series 2010 Bonds in full, including principal, premium, if any, interest and all Administrative Expenses with respect to the Series 2010 Bonds or the defeasance of the Series 2010 Bonds, all as set forth in the Indenture; or (b) the exercise by the Board of the Option to Purchase and the purchase of the Corporation's interest in the Facilities pursuant to the Option.

**ARTICLE II
DEFINITIONS**

Section 2.1 Definitions. In addition to such other defined terms as may be set forth in this Ground Lease, the following terms shall have the following meanings:

"**Additional Series 2010A Bonds**" means bonds, if any, issued in one or more series on parity with the Series 2010A Bonds for completion of the Series 2010A Facilities.

"**Additional Series 2010B Bonds**" mean bonds, if any, issued in one or more series on parity with the Series 2010B Bonds for the completion of the Series 2010B Facilities.

"Affiliate" means, with respect to a designated Person under this Ground Lease, any other Person that, directly or indirectly, controls is controlled by, or is under common control with such designated Person. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person.

"Agreement" means the Loan Agreement to be entered into between the Corporation and the Issuer in connection with the issuance of the Series 2010 Bonds, including any amendments and supplements thereof and thereto as permitted thereunder.

"Applicable Laws" means all present and future statutes, regulations, ordinances, resolutions and orders of any Governmental Authority which are applicable to the parties performing their obligations under this Ground Lease.

"Aramark" means Aramark Educational Services, LLC, a Delaware limited liability company having its principal place of business Philadelphia, Pennsylvania

"Award" means any payment or other compensation received or receivable as a consequence of a Taking from or on behalf of any Governmental Authority or any other Person vested with the power of eminent domain.

"Board" means Board of Supervisors for the University of Louisiana System or its legal successor as the management board of the University, acting on behalf of the University.

"Board Representative" means the Person or Persons designated by the Board in writing to serve as the Board's representative(s) in exercising the Board's rights and performing the Board's obligations under this Ground Lease; the Board Representative shall be the Chairman, Vice Chairman, Secretary of the Board, the System President, a designee of any of the foregoing or any other representative designated by resolution of the Board, of whom the Corporation has been notified in writing.

"Board's Interest" means the Board's ownership interest in and to the Land and the Facilities.

"Bond Documents" shall have the meaning set forth in Section 3.12 of the Indenture.

"Bond Insurer", if any, means Assured Guaranty Corporation.

"Bookstore" means the locations described as such on Exhibit D-2 to this Ground Lease and any improvements thereon or placed thereon during the Term of this Ground Lease.

"Building Use Fee" means one-half of the building use fee being assessed by the University on all students for the renovation, construction and development of on-campus facilities.

"Business Day" means any day other than (i) a Saturday, (ii) a Sunday, (iii) any other day on which banking institutions in New York, New York, or Baton Rouge, Louisiana, are

authorized or required not to be open for the transaction of regular banking business, or (iv) a day on which the New York Stock Exchange is closed.

“Campus” means the campus of the University.

“Capital Funds” means payments to the University, or to the Board on behalf of the University, for capital improvements and made in connection with the operation and/or management of the Food Service Areas whether pursuant to the Food Service Contract, the Facilities Lease or other lease, management agreement or operating agreement.

“Casualty” has the meaning set forth in Section 12.4 of this Ground Lease.

“Commencement of Construction” means the date on which demolition, excavation or foundation work is begun for the Facilities.

“Commencement Date” means the effective date of this Ground Lease.

“Construction Team” shall mean all construction professionals performing services under the Contract.

“Contract” shall mean that contract or those certain contracts between the Corporation and the Design Team and the Corporation and the Construction Team for the design and construction of the Facilities.

“Corporation” means University Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payment or provision for the payment of all of the Series 2010 Bonds.

“Date of Opening” means the date the demolition is complete and the Facilities are opened for occupancy or use.

“Design Team” shall mean all design professionals performing services under the Contract.

“Event of Default” means any matter identified as an event of default under Section 11.1 hereof.

“Expiration Date” means the expiration date of this Ground Lease as set forth in Section 1.3 hereof.

“Expropriation” has the meaning set forth in Section 12.5 of this Ground Lease.

“Facilities” means, collectively, the Series 2010A Facilities and the Series 2010B Facilities.

“Facilities Lease” means that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010 by and between the Board, as Lessee, and the Corporation, as Lessor, whereby the Facilities are leased by the Corporation to the Board, on behalf of the University.

“Food Service Areas” means the locations described as such on Exhibit D-2 to this Ground Lease and any improvements thereon or placed thereon during the Term of this Ground Lease.

“Food Service Contract” means that certain Agreement dated July 1, 2008 by and between the Board and Aramark, as amended, modified, extended or replaced; provided the University will make its best efforts to require an annual payment of at least \$990,000 for capital improvements to the Food Service Areas in any such amended, modified, extended or replaced contract.

“Force Majeure” means any (a) act of God, landslide, lightning, earthquake, hurricane, tornado, blizzard and other adverse and inclement weather, fire, explosion, flood, act of a public enemy, act of terrorism, war, blockade, insurrection, riot, or civil disturbance; (b) labor dispute, strike, work slowdown, or work stoppage; (c) order or judgment of any Governmental Authority, if not the result of willful or negligent action of the Corporation; (d) adoption of or change in any Applicable Laws after the date of execution of this Ground Lease having a material adverse effect on the rights or duties under this Ground Lease; (e) any actions by the Board which may cause delay; or (f) any other similar cause or similar event beyond the reasonable control of the Corporation.

“FP&C” means the Office of Facility Planning and Control of the Division of Administration, State of Louisiana.

“Governmental Authority” means any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, parish, district, municipality, city or otherwise) whether now or hereafter in existence.

“Health Center Bond Fee” means the health center bond fee being assessed by the University on all students for the use and availability of on-campus health center facilities.

“Independent Architect” means the architect, engineer, or consultant selected and retained by the Board to inspect the Facilities on behalf of the Board.

“Issuer” means the Louisiana Local Government Environmental Facilities and Community Development Authority, a political subdivision of the State of Louisiana created by the provisions of the Act (as defined in the Indenture), or any agency, board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Issuer by said provisions shall be given by law.

“Land” means the real property more particularly described on Exhibit A attached hereto upon which certain existing facilities are to be demolished and upon which the Facilities are to be renovated, constructed and located.

"Mortgage" shall have the meaning set forth in the Agreement.

"Permitted Sublessees" means persons other than University students, faculty and staff who are participants in any activities related to the mission of the University or who are using the Facilities pursuant to a concession or other arrangement with the University.

"Permitted Use" means the operation of the Facilities as a Student Union, a Center for Student Excellence, food services and a bookstore for University students, faculty, staff, the general public and Permitted Sublessees and for purposes related to or associated with the foregoing.

"Person" means an individual, a trust, an estate, a Governmental Authority, partnership, joint venture, corporation, company, firm or any other entity whatsoever.

"Plans and Specifications" means the plans and specifications for the construction of the Facilities, as implemented and detailed from time to time, as the same may be revised from time to time prior to the completion of the Facilities in accordance with the Agreement and this Ground Lease.

"Rent" means the annual rent paid by the Corporation as set forth in Section 3.1 hereof.

"Series 2010A Facilities" means the Student Union, the Center for Student Excellence and related facilities described in Exhibit D-1 attached hereto, as amended and supplemented in accordance with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2010A Bonds and any Additional Series 2010A Bonds.

"Series 2010B Facilities" means the Food Service Areas, the Bookstore and related facilities described in Exhibit D-2 attached hereto, as amended and supplemented in accordance with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2010B Bonds and any Additional Series 2010B Bonds.

"Student Fees" means, collectively, (a) the Building Use Fee, (b) the Health Center Bond Fee, (c) the Student Union Bond Fee and (d) the Student Union Expansion Fee.

"Student Union Bond Fee" means the student union bond fee being assessed by the University on all students for the use and availability of the Student Union.

"Student Union Expansion Fee" means the student union fee being assessed by the University on all students for the planning, development, construction and equipping of the Student Union

"Taking" means the actual or constructive condemnation, or the actual or constructive acquisition by condemnation, eminent domain or similar proceeding by or at the direction of any Governmental Authority or other Person with the power of eminent domain.

"Term" means the term of this lease as set forth in Section 1.3 hereof.

"Trustee" shall have the meaning set forth in the Facilities Lease.

“University” means Southeastern Louisiana University in Hammond, Louisiana.

ARTICLE III RENT

Section 3.1 Rent. Commencing on the Commencement Date and continuing throughout the Term the Corporation shall pay to the Board, at the address set forth in Section 18.2 hereof or such other place as the Board may designate from time to time in writing, as annual rent for the Land (“Rent”), the sum of \$1.00 per year. Rent shall be due and payable annually in advance, with the first such payment of Rent being due on the Commencement Date and a like installment due on each anniversary thereafter during the Term.

Section 3.2 Additional Obligations. As further consideration for the entering into of this Ground Lease by the Board, the Corporation agrees to perform its construction obligations as set forth in Article V herein, and to execute and perform its obligations under the Facilities Lease and all other documents contemplated by and ancillary to this Ground Lease and the Facilities Lease. In addition, the Corporation agrees to pay the costs of demolishing, developing and/or constructing the Facilities pursuant to the terms of this Ground Lease and the Facilities Lease, title to which shall vest in the Board.

ARTICLE IV USE OF LAND

Section 4.1 Purpose of Lease. The Corporation enters into this Ground Lease for the purpose of demolishing certain existing facilities and renovating, developing and constructing the Facilities in accordance with the Plans and Specifications and leasing the Facilities to the Board in accordance with the Facilities Lease. Except as otherwise provided herein, the Facilities are to be used for no other purpose.

Section 4.2 Benefit of the Board and the University. The Board shall own the Facilities subject to the Corporation’s rights under this Ground Lease and, for so long as the Facilities Lease remains in full force and effect, the Board shall lease back the Facilities from the Corporation for the support, maintenance and benefit of the Board and the University. The Facilities shall be owned and leased solely for a public purpose related to the performance of the duties and functions of the Board and the University. Under no circumstances shall the Facilities be used for any purpose other than the Permitted Use.

Section 4.3 Data and Voice Communication Systems. The Board, at its expense, agrees to provide to the Facilities appropriate cabling to tie its computer system into the Facilities. The Board shall provide the Facilities access to its computer system at no charge to the Corporation. The internal installation of such computer wiring within the Facilities in accordance with the Plans and Specifications shall be at the expense of the Corporation.

Section 4.4 Compliance with Statutory Requirements. Section 3361, et, seq. of Title 17 of the Louisiana Revised Statutes prescribes rules and regulations for leases of any portion of the campus by a college or university. By execution of this Ground Lease, the Board represents that it has complied with applicable statutory requirements of such Title 17 including, without limitation:

(a) the waiver by written consent of the formulation and adoption of rules, regulations and requirements, if any, relative to the erection, construction and maintenance of the Facilities referenced in Section 3362(A) of Title 17 of the Louisiana Revised Statutes, other than those set forth in this Ground Lease or specifically referenced in this Ground Lease;

(b) the waiver by written consent of the Board's right to require removal of the Facilities referenced in Section 3362(B) of Title 17 of the Louisiana Revised Statutes, except as set forth in this Ground Lease; and

(c) the waiver by written consent of the Board's right to cause the immediate termination of this Ground Lease and the removal of the houses and structures erected on the leased grounds based upon the failure of the Corporation to conform to any rules or regulations adopted by the Board pursuant to La. R.S. 17:3364, which the Board deems necessary or desirable relative to the conduct and social activities of people in structures erected on the leased grounds, except as may be specified in this Ground Lease.

ARTICLE V CONSTRUCTION OF THE FACILITIES

Section 5.1 The Corporation's Construction Obligations. The Corporation will demolish certain existing facilities and renovate, develop and construct the Facilities on the Land at its own cost and expense. The Corporation shall lease the Facilities to the Board pursuant to the Facilities Lease. The Board shall not have any financial obligation or other obligation of any kind under this Ground Lease except to review and approve the Corporation's activities and as specifically set forth herein.

(a) The Corporation shall furnish or cause to be furnished all supervision, tools, implements, machinery, labor, materials and accessories such as are necessary and proper for the demolition of certain existing facilities and the construction of the Facilities, shall pay all applicable permit and license fees, and shall demolish certain existing facilities and construct, build, and complete the Facilities in a good, substantial and workmanlike manner all in accordance with this Ground Lease, and generally in compliance with the Plans and Specifications and all documents executed pursuant hereto and thereto. The Corporation and the Board agree to cooperate fully so that fee and permit exemptions available with respect to the Facilities under applicable law are obtained by the party or parties entitled thereto.

(b) Subject to the provisions of this Section 5.1, all decisions regarding construction matters shall be made by the Corporation in consultation with the Construction team and the Design Team, and with approval of FP&C. The Corporation shall select the designers and any Construction Contractor, the members of which shall comply with licensing requirements of Louisiana law. All construction, alterations, or additions to the Facilities undertaken by the Corporation shall be in conformance with all applicable laws, codes, rules and regulations, and amendments thereto, including 1988 Standard Building Code with 1989 and 1990 revisions, ANSIA 1117.1 1986 edition, and NFPA 101 Life Safety Code and all local and state building codes. The Corporation shall have the right to contest any such codes for reasonable grounds by ordinary and proper procedures. The parties hereto acknowledge that the Board Representative and any other party whose consent is necessary to the Board's authority

have previously reviewed and approved the Plans and Specifications and the Contract for the Facilities.

(c) Changes in work and materials are subject to review and approval of the Board Representative and FP&C; however minor changes in work or materials, not affecting the general character of the Facilities or increasing the cost of construction may be made in the Plans and Specifications at any time by the Corporation without the approval of the Board Representative and FP&C, but a copy of the altered Plans and Specifications shall promptly be furnished to the Board Representative and FP&C. The Corporation shall notify the Board Representative of any changes in work or materials that require the Board Representative's approval and the Board Representative shall either approve or disapprove any such changes within ten (10) business days after receipt of such notice from the Corporation. Notification shall include sufficient information for the Board Representative to make a determination and to approve or disapprove any changes in work or materials.

(d) After completion of the Facilities, at least sixty (60) days prior to undertaking any structural alteration, renovation, or remodeling of the Facilities during the Term, the Corporation shall submit plans for such renovation or remodeling to the Board Representative and FP&C for approval which approval must be obtained prior to the Corporation making or causing to be made any such structural alteration, renovation, or remodeling of the Facilities. The Board Representative shall either approve or disapprove any such alteration within thirty (30) days after receipt of such plans from the Corporation and approval by FP&C. All alterations, renovations or additions to the Facilities undertaken by the Corporation shall be in conformance with all applicable laws, codes, rules and regulations, and amendments thereto, including 1988 Standard Building Code with 1989 and 1990 revisions, ANSIA 1117.1 1986 edition, and NFPA 101 Life Safety Code and all local and state building codes. The Corporation shall have the right to contest any such codes for reasonable grounds by ordinary and proper procedures.

(e) Subject to Force Majeure, the Corporation covenants that the Corporation shall substantially complete construction of the Facilities, subject to punch list items. Notwithstanding anything to the contrary contained herein, a breach by the Corporation of the covenant set forth in this Section 5.1(E) shall not be an Event of Default hereunder. The Board shall be entitled to institute an action seeking specific performance of this covenant by the Corporation.

(f) Prior to the commencement of construction of the Facilities, the Corporation, the Construction Team and the Design Team shall meet with the Board Representative to coordinate construction activity under the Contract. Upon commencement of construction of the Facilities, the Corporation shall deliver to the Board Representative and FP&C, (1) a copy of the signed Contract for the construction of the Facilities, and (2) a copy of the labor and materials payment and performance bonds in an amount equal to the contract price set forth in the Contract for the Facilities issued by a company qualified, permitted or admitted to do business of the State of Louisiana and approved by the Board. The Corporation shall take the action specified by La. R.S. 9:4802(C) to be taken by an owner to protect the premises from any liens related to the design or construction of the Facilities.

(g) Prior to the Commencement of Construction of any phase of the Facilities, any architect whose services have been retained shall provide a standard errors and omissions policy, with such additional provisions as may be approved by counsel to the Corporation.

(h) Any performance bond, labor and material payment bond, or completion bond provided by a contractor hired by the Corporation shall be for 100% of the amount of the contract with such contractor, and shall contain a dual obligee rider in favor of the Board; subject, however, to the reasonable underwriting guidelines of the surety issuing the bond and rules of the Governmental Authorities regulating the surety.

(i) The Corporation shall, upon written request of the Board, make, in such detail as may reasonably be required, and forward to the Board Representative, reports in writing as to the actual progress of the construction of the Facilities. During such period, the construction work shall be subject to inspection by the Independent Architect and by authorized personnel of the Board and FP&C in order to verify reports of construction, determine compliance with safety, fire, and building codes, determine compliance with approved construction plans, or such other inspections as may be necessary in the reasonable opinion of the Board Representative and FP&C.

(j) The Corporation shall inspect the Land and arrange for boundary surveys, topographical surveys, soil borings and other site investigations at its expense to the extent these things have not been done by the Board. The Board does not guarantee that the Land is suitable for construction of the Facilities. Subject to the matters shown on **Exhibit B** attached to this Ground Lease, the Corporation accepts the Land in its present condition. However, the Board represents that to the best of its knowledge and belief there are no hazardous materials or other materials on or under the Land that would materially impact the construction of the Facilities.

(k) Except as provided in Section 4.3 hereof, part of the cost of construction of the Facilities shall include all costs necessary for the contractor or applicable utility company to bring lines for all such utilities to the Facilities so that such utilities will be available when required for construction and operation of the Facilities.

ARTICLE VI ENCUMBRANCES

Section 6.1 Mortgage of Leasehold or the Facilities. Except for the Mortgage, the Corporation shall not mortgage, lien or grant a security interest in the Corporation's leasehold interest in the Land or the Facilities or any other right of the Corporation hereunder without the prior written consent of the Board.

ARTICLE VII MAINTENANCE AND REPAIR

Section 7.1 Maintenance, Repairs and Renovations.

(a) For as long as the Facilities Lease is in effect, the University, at the direction of the Board, shall be responsible for maintaining and repairing the Facilities in accordance with Section 7 of the Facilities Lease.

(b) In the event that the Facilities Lease has been terminated, the Corporation will: (1) maintain or cause to be maintained the Facilities, and will keep the Facilities in good repair and in good operating condition and make from time to time all necessary repairs thereto and renewals and replacements thereof; and (2) make from time to time any additions, modifications or improvements to the Facilities the Corporation may deem desirable for its business purposes that do not materially impair the effective use of the Facilities, provided that all such additions, modifications and improvements will become a part of the Facilities.

ARTICLE VIII CERTAIN LIENS PROHIBITED

Section 8.1 No Mechanics' Liens. Except as permitted in Section 8.2 hereof, the Corporation shall not suffer or permit any mechanics' liens or other liens to be enforced against the Board's ownership interest in the Land or the Facilities nor against the Corporation's leasehold interest in the Land or the Facilities by reason of a failure to pay for any work, labor, services, or materials supplied or claimed to have been supplied to the Corporation or to anyone holding the Land or Facilities or any part thereof through or under the Corporation.

Section 8.2 Release of Recorded Liens. If any such mechanics' liens or materialmen's liens shall be recorded against the Land or Facilities, the Corporation shall cause the same to be released of record or, in the alternative, if the Corporation in good faith desires to contest the same, the Corporation shall be privileged to do so, but in such case the Corporation hereby agrees to indemnify and save the Board harmless from all liability for damages occasioned thereby and shall in the event of a judgment of foreclosure on said mechanics' lien, cause the same to be discharged and released prior to the execution of such judgment. In the event the Board reasonably should consider the Board's interest in the Land or the Facilities endangered by any such liens and should so notify the Corporation and the Corporation should fail to provide adequate security for the payment of such liens, in the form of a surety bond, cash deposit or cash equivalent, or indemnity agreement reasonably satisfactory to the Board within thirty (30) days after such notice, then the Board, at the Board's sole discretion, may discharge such liens and recover from the Corporation immediately as additional Rent under this Ground Lease the amounts paid, with interest thereon from the date paid by the Board until repaid by the Corporation at the rate of ten percent (10%) per annum.

Section 8.3 Memorandum of Recitals. The memorandum of lease to be filed pursuant to Section 18.4 of this Ground Lease shall state that any third party entering into a contract with the Corporation for improvements to be located on the Land, or any other party claiming under said third party, shall be on notice that neither the Board nor the Board's property shall have any liability for satisfaction of any claims of any nature in any way arising out of a contract with the Corporation.

**ARTICLE IX
OPERATION AND MANAGEMENT OF FACILITIES**

Section 9.1 Management of Facilities. For as long as the Facilities Lease is in effect, the University, at the direction of the Board, shall operate and manage the Facilities or cause the Facilities to be operated and managed in accordance with the Section 7 of the Facilities Lease. In the event the Food Service Contract is terminated, the Corporation or the Board shall immediately begin providing operations and management services for the Food Service Areas until such time as a new contract to provide operations and management services for the Food Service Areas can be executed. The University covenants and agrees to use their best efforts to enter into a new contract to provide operations and management services for the Food Service Areas that contains an annual Capital Funds payment of at least \$990,000.

In the event the Facilities Lease is terminated, the Corporation will be responsible for the operations and management of the Facilities and the Board will no longer have the right to operate or manage the Facilities.

Section 9.2 Books and Records. The Corporation shall keep, or cause to be kept, accurate, full and complete books, including bank statements, and accounts showing exclusively its assets and liabilities, operations, transactions and the financial condition of the Corporation.

Section 9.3 Audits. The Board may, at its option and at its own expense, and during customary business hours, conduct audits of the books, bank accounts, records and accounts of the Corporation. Audits may be made on either a continuous or a periodic basis or both, and may be conducted by employees of the Board, by the Louisiana Legislative Auditor or by independent auditors retained by the Board desiring to conduct such audit, but any and all such audits shall be conducted without materially or unreasonably or unnecessarily interrupting or interfering with the normal conduct of business affairs by the Corporation.

**ARTICLE X
INDEMNIFICATION**

Section 10.1 Indemnification by the Corporation. Excluding those as a result of the acts or omissions of the Board, its employees, agents or contractors, the Corporation shall and will indemnify and save harmless the Board, its agents, officers, and employees, from and against any and all liability, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions, and causes of action of any and every kind and nature arising or growing out of or in any way connected with the Corporation's demolition, renovation, development or construction of the Facilities. This obligation to indemnify shall include reasonable fees of legal counsel and third-party investigation costs and all other reasonable costs, expenses, and liabilities from the first notice that any claim or demand has been made; however, the Corporation and the Board shall use the same counsel if such counsel is approved by the Board, which approval shall not be unreasonably withheld or delayed. If the Board does not approve such counsel then the Board may retain independent counsel at the Board's sole cost and expense. It is expressly understood and agreed that the Corporation is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions and that the Board shall in no way be responsible therefor.

Section 10.2 Contributory Acts. Whenever in this Ground Lease any party is obligated to pay an amount or perform an act because of its negligence or misconduct (or that of its agents, employees, contractors, guests, or invitees), such obligations shall be mitigated to the extent of any comparative fault or misconduct of the other party (or that of its agents, employees, contractors, guests, or invitees) as determined by a court of law, and in any disputes damages shall be apportioned based on the relative amounts of such negligence or willful misconduct as determined by a court of law.

ARTICLE XI TERMINATION, DEFAULT AND REMEDIES

Section 11.1 Events Of Default. Any one of the following events shall be deemed to be an "Event of Default" by the Corporation under this Ground Lease.

(A) The Corporation shall fail to pay any sum required to be paid to the Board under the terms and provisions of this Ground Lease and such failure shall not be cured within thirty (30) days after the Corporation's receipt of written notice from the Board of such failure.

(B) The taking by execution of the Corporation's leasehold estate (other than a foreclosure of the Mortgage) for the benefit of any Person.

(C) The Corporation shall fail to perform any other covenant or agreement, other than the payment of money, to be performed by the Corporation under the terms and provisions of this Ground Lease, other than the covenant set forth in Section 5.1(e) hereof, and such failure shall not be cured within ninety (90) days after receipt of written notice from the Board of such failure; provided that if during such ninety (90) day period, the Corporation takes action to cure such failure but is unable, by reason of the nature of the work involved, to cure such failure within such period and continues such work thereafter diligently and without unnecessary delays, such failure shall not constitute an Event of Default hereunder until the expiration of a period of time after such ninety (90) day period as may be reasonably necessary to cure such failure.

(D) A court of competent jurisdiction shall enter an order for relief in any involuntary case commenced against the Corporation, 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 over the Facilities appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for the Corporation or any substantial part of the properties of the Corporation or ordering the winding up or liquidation of the affairs of the Corporation, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days.

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

(F) The Corporation, after Commencement of Construction but prior to substantially completing construction of the Facilities, abandons (with no intent to continue) demolition, renovation or construction for a period of forty-five (45) consecutive days.

Section 11.2 The Board's Rights Upon Default. Upon the occurrence and during the continuance of an Event of Default, the Board may at its option seek any and all damages occasioned by the Event of Default or may seek any other remedies available at law or in equity, including specific performance.

Section 11.3 Termination of Right of Occupancy. Notwithstanding any provision of law or of this Ground Lease to the contrary, except as set forth in Section 1.3 hereof, the Board shall not have the right to terminate this lease prior to the Expiration Date hereof. However, in the event there is an Event of Default by the Corporation hereunder, the Board shall have the right to terminate the Corporation's right to occupancy of the Land and the Facilities, except that the Facilities, at the option of the Board, shall remain thereon. The Board shall have the right upon ninety (90) days' written notice and opportunity to cure provided to the Bond Insurer, if any, and the Trustee, to take possession of the Land and the Facilities and to re-let the Land and the Facilities or take possession in its own right for the remaining Term of the Ground Lease upon such terms and conditions as the Board is able to obtain. Upon such re-letting, the Corporation hereby agrees to release its leasehold interest and all of its rights under this Ground Lease and the Facilities Lease to the new lessee of the Land (or to the Board, if the Board wishes to remain in possession on its own behalf) in consideration for the new lessee (or the Board, as applicable) agreeing to assume all of the Corporation's obligations under the Ground Lease, the Facilities Lease and under any debt incurred by the Corporation in connection with the construction of the Facilities.

Section 11.4 Rights of The Board Cumulative. All rights and remedies of the Board provided for and permitted in this Ground Lease shall be construed and held to be cumulative, and no single right or remedy shall be exclusive of any other which is consistent with the former. The Board shall have the right to pursue any or all of the rights or remedies set forth herein, as well as any other consistent remedy or relief which may be available at law or in equity, but which is not set forth herein.

ARTICLE XII TITLE TO THE FACILITIES

Section 12.1 Title to Facilities. Title to the existing Facilities and any new Facilities as they are constructed or placed in service upon completion thereof shall be vested in the Board. The Board's right to obtain title to the Facilities unencumbered by the leasehold interest of the Corporation granted hereunder shall be as set forth in the Facilities Lease. All furniture, fixtures, equipment and furnishings permanently affixed to the Facilities shall be the property of the Board upon termination of this Ground Lease whether such termination be by expiration of the Term or an earlier termination under any provision of this Ground Lease.

Section 12.2 The Board's Option to Require Demolition. Upon the Expiration Date of the Term or earlier termination hereof, in the event the Facilities are no longer suitable for the Board's purposes, the Board in its sole discretion may require the Corporation to demolish the

Facilities and remove the Facilities from the Land, and restore the Land to substantially the same condition as it existed on the date of this Ground Lease, to be accomplished within one hundred eighty (180) days of such Expiration Date or earlier termination hereof. However, such demolition and removal of the Facilities shall be at the Board's sole cost and expense. In the event of such election upon the expiration of the Term, the Board shall notify the Corporation no later than six (6) months prior to the expiration of the Term. If this Ground Lease is terminated earlier, the Board shall notify the Corporation within thirty (30) days after the termination.

Section 12.3 Termination of Facilities Lease. Upon the termination of the Facilities Lease as a result of the Board's exercise of its option to purchase the Facilities granted under the Facilities Lease, all right and interest of the Corporation in and to this Ground Lease, the Facilities Lease and the Facilities shall be transferred to the Board, and the Corporation hereby agrees to execute any documents necessary to effectuate such transfer, or the Board may require the demolition of the Facilities as set forth in Section 12.2 above.

Section 12.4 Insurance Proceeds. Notwithstanding the fact that title to the Facilities is vested in the Board, if the Facilities Lease is no longer in force and effect, and all or any portion of the Facilities is damaged or destroyed by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion or otherwise (collectively "**Casualty**"), the proceeds of any insurance received on account of any such Casualty shall be disbursed in accordance with the provisions of the Bond Documents.

Section 12.5 Condemnation, Casualty and Other Damage. The risk of loss or decrease in the enjoyment and beneficial use of the Facilities due to any Casualty or in consequence of any foreclosures, attachments, levies or executions; or the taking of all or any portion of the Facilities by condemnation, expropriation, or eminent domain proceedings (collectively "**Expropriation**") is expressly assumed by the Board. The Corporation and the Trustee shall in no event be answerable, accountable or liable therefor, nor shall any of the foregoing events entitle the Board to any abatements, set-offs or counter claims with respect to its Base Rental, Additional Rental or any other obligation hereunder.

ARTICLE XIII CONDEMNATION

Section 13.1 Condemnation. If the Facilities Lease has been terminated, upon the permanent Taking of all the Land and the Facilities, this Ground Lease shall terminate and expire as of the date of such Taking, and both the Corporation and the Board shall thereupon be released from any liability thereafter accruing hereunder except for Rent and all other amounts secured by this Ground Lease owed to the Board apportioned as of the date of the Taking or the last date of occupancy, whichever is later. The Corporation shall receive notice of any proceedings relating to a Taking and shall have the right to participate therein.

Section 13.2 Partial Condemnation if Facilities Lease is No Longer in Effect. Upon a temporary Taking or a Taking of less than all of the Land and the Facilities and if the Facilities Lease is no longer in effect, the Corporation, at its election, may terminate this Ground Lease by giving the Board notice of its election to terminate at least sixty (60) days prior to the date of such termination. Upon any such termination, the Rent accrued and unpaid hereunder shall be

apportioned to the date of termination. In the event there is a partial condemnation of the Land and the Corporation decides not to terminate this Ground Lease, the Board and the Corporation shall either amend this Ground Lease or enter into a new lease so as to cover an adjacent portion of property, if necessary to restore or replace any portion of the Land and/or Facilities.

Section 13.3 Partial or Total Condemnation if Facilities Lease is in Effect. If this Ground Lease is terminated under Section 13.1 or in the event of a Taking of less than all of the Land and the Facilities while the Facilities Lease is in force and effect, and the Board decides to restore or replace the Facilities in accordance with the Facilities Lease, the Board and the Corporation agree to enter into a new lease (in form and substance substantially the same as this Ground Lease) of a portion of property necessary to place thereon the Facilities and to enter into a new Facilities Lease (in form and substance substantially the same as the Facilities Lease) covering such replacement Facilities.

Section 13.4 Payment of Awards - If Facilities Lease is in Effect. Upon the Taking of all or any portion of the Land or the Facilities while the Facilities Lease remains in full force and effect (a) the proceeds of the Award allocable to the value of the Facilities shall be disbursed in accordance with the provisions of the Facilities Lease and the Bond Documents, and (b) the Board shall be entitled (free of any claim by the Corporation) to the Award for the value of the Board's Interest (such value to be determined as if this Ground Lease were in effect and continuing to encumber the Board's Interest); and (c) the Corporation shall be entitled to the Award for the value of the Corporation's interest in the Land under this Ground Lease that is the subject of the Taking.

Section 13.5 Payment of Awards - If Facilities Lease is not in Effect. Upon the Taking of all or any portion of the Land or the Facilities at any time after the Facilities Lease is no longer in force and effect, (a) the proceeds of the Award allocable to the value of the Facilities shall be disbursed in accordance with the provisions of the Bond Documents, or if the Bond Documents are no longer in effect shall be disbursed to the Corporation, (b) the Board shall be entitled (free of any claim of the Corporation) to the Award for the value of the Board's Interest in the Land (such value to be determined as if this Ground Lease were in effect and continuing to encumber the Board's Interest) and (c) the Corporation shall be entitled to the Award for the value of the Corporation's interest in the Land under this Ground Lease that is the subject of the Taking.

Section 13.6 Bond Documents Control. Notwithstanding anything in this Ground Lease to the contrary, in the event of a Casualty or a Taking of all or any portion of the Facilities, the provisions in the Bond Documents shall control the division, application and disbursement of any insurance proceeds or Award paid as a result thereof for so long as the Bond Documents remain in effect.

ARTICLE XIV ASSIGNMENT, SUBLETTING, AND TRANSFERS OF THE CORPORATION'S INTEREST

Section 14.1 Assignment of Leasehold Interest. Except as expressly provided for in Article VI and in this Article XIV of this Ground Lease, the Corporation shall not have the right

to sell or assign the leasehold estate created by this Ground Lease, or the other rights of the Corporation hereunder to any Person without the prior written consent of the Board.

Section 14.2 Subletting. Without the advance written consent of the Board, the Corporation is not authorized to sublet the leasehold estate to any entity other than the Board or Permitted Sublessees; provided, however, that if the Facilities Lease terminates, the Corporation shall have the right to sublease the Facilities to University students, faculty and staff and Permitted Sublessees.

Section 14.3 Transfers of the Corporation's Interest. Except as otherwise expressly provided herein, any Person succeeding to the Corporation's interest as a consequence of any permitted conveyance, transfer or assignment shall succeed to all of the obligations of the Corporation hereunder and shall be subject to the terms and provisions of this Ground Lease.

ARTICLE XV COMPLIANCE CERTIFICATES

Section 15.1 The Corporation's Compliance. The Corporation agrees, at any time and from time to time upon not less than thirty (30) days prior written notice by the Board, to execute, acknowledge and deliver to the Board or to such other party as the Board shall request, a statement in writing certifying (a) that this Ground Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), (b) to the best of its knowledge, whether or not there are then existing any offsets or defenses against the enforcement of any of the terms, covenants or conditions hereof upon the part of the Corporation to be performed (and if so specifying the same), (c) the dates to which the Rent and other charges have been paid, and (d) the dates of commencement and expiration of the Term, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective purchaser of the Board's Interest or by any other Person.

Section 15.2 The Board's Compliance. The Board agrees, at any time and from time to time, upon not less than thirty (30) days prior written notice by the Corporation, to execute, acknowledge and deliver to the Corporation a statement in writing addressed to the Corporation or to such other party as the Corporation shall request, certifying (a) that this Ground Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications); (b) the dates to which the Rent and other charges have been paid; (c) to the best of its knowledge after due inquiry, whether an Event of Default has occurred and is continuing hereunder (and stating the nature of any such Event of Default); (d) during the construction period, the status of construction of the Facilities and the estimated date of completion thereof; and (e) the dates of commencement and expiration of the Term, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective (and permitted) assignee, sublessee or mortgagee of this Ground Lease or by any assignee or prospective assignee of any such permitted mortgage or by any undertenant or prospective undertenant of the whole or any part of the Facilities, or by any other Person.

**ARTICLE XVI
TAXES AND LICENSES**

Section 16.1 Payment of Taxes. The Board shall pay, and, upon request by the Corporation, shall provide evidence of payment to the appropriate collecting authorities of, all federal, state and local taxes and fees, which are now or may hereafter be, levied upon the Corporation's interest in the Land or in the Facilities or upon any of the Corporation's property used in connection therewith or upon the Board or the Board's Interest. The Board may pay any of the above items in installments if payment may be so made without penalty other than the payment of interest. The obligations of the Board to pay taxes and fees under this Section 16.1 shall apply only to the extent that the Board or the Corporation are not exempt from paying such taxes and fees and to the extent that such taxes and fees are not otherwise abated. The Board and the Corporation agree to cooperate fully with each other to the end that tax exemptions available with respect to the Land and the Facilities under applicable law are obtained by the party or parties entitled thereto.

Section 16.2 Contested Tax Payments. The Board shall not be required to pay, discharge or remove any such taxes or assessments so long as the Board is contesting the amount or validity thereof by appropriate proceeding which shall operate to prevent or stay the collection of the amount so contested. The Corporation shall cooperate with the Board in completing such contest and the Corporation shall have no right to pay the amount contested during the contest. The Corporation, at the Board's expense, shall join in any such proceeding if any law shall so require.

**ARTICLE XVII
FORCE MAJEURE**

Section 17.1 Discontinuance During Force Majeure. Whenever a period of time is herein prescribed for action to be taken by the Corporation, the Corporation shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to Force Majeure. The Board shall not be obligated to recognize any delay caused by Force Majeure unless the Corporation shall within ten (10) days after the Corporation is aware of the existence of an event of Force Majeure, notify the Board thereof.

**ARTICLE XVIII
MISCELLANEOUS**

Section 18.1 Nondiscrimination, Employment and Wages. Any discrimination by the Corporation or its agents or employees on account of race, color, sex, age, religion, national origin or handicap, in employment practices or in the performance of the terms, conditions, covenants and obligations of this Ground Lease, is prohibited.

Section 18.2 Notices. Notices or communications to the Board or the Corporation required or appropriate under this Ground Lease shall be in writing, sent by (a) personal delivery, or (b) expedited delivery service with proof of delivery, or (c) registered or certified United States mail, postage prepaid, or (d) prepaid telecopy if confirmed by expedited delivery service or by mail in the manner previously described, addressed as follows:

If to the State:

(Post Office Address for U. S. Postal Service Delivery)

Angele Davis, Commissioner
Division of Administration
P. O. Box 94095
Baton Rouge, LA 70804-9095
Telephone: (225) 342-7000
Telecopy: (225) 342-1057

AND

Jerry W. Jones, Director
Facility Planning and Control
P. O. Box 94095
Baton Rouge, LA 70804-9095
Telephone: (225) 342-0820
Telecopy: (225) 342-7624

(Street Address for Courier or Express Mail Delivery)

Angele Davis, Commissioner
Division of Administration
1201 North 3rd Street, Suite 7-230
Baton Rouge, LA 70802

AND

Jerry W. Jones, Director
Facility Planning and Control
1201 North 3rd Street, Suite 7-160
Baton Rouge, LA 70802

If to the Board:

Board of Supervisors for the University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Assistant Vice President for Facilities and Capital Improvements

with copies to:

Southeastern Louisiana University
Western Avenue
Friendship Circle (SLU Box 10709)
Hammond, Louisiana 70402
Attention: Vice President for Administration and Finance

If to the Corporation:

University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director

with a copy to:

[RESERVED]

If to Bond Insurer:

[RESERVED]

If to the Trustee:

The Bank of New York Mellon Trust Company, N.A.
One American Place, Suite 1510
301 Main Street
Baton Rouge LA 70825
Attention: Kathy L. Pine, Vice President

or to such other address or to the attention of such other person as hereafter shall be designated in writing by such party. Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of delivery service or mail, as of the date of deposit in the mail in the manner provided herein, or in the case of telecopy, upon receipt.

Section 18.3 Relationship of Parties. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties hereto. It is understood and agreed that no provision contained herein nor any acts of the parties hereto creates a relationship other than the relationship of Lessor and Lessee hereunder.

Section 18.4 Memorandum of Lease. Neither the Board nor the Corporation shall file this Ground Lease for record in Tangipahoa Parish, Louisiana nor in any public place without the written consent of the other. In lieu thereof the Board and the Corporation agree to execute in recordable form a memorandum of this Ground Lease in the form of **Exhibit C** attached hereto. Such memorandum shall be filed for record in Tangipahoa Parish, Louisiana.

Section 18.5 Attorney's Fees. If either party is required to commence legal proceedings relating to this Ground Lease, the prevailing party shall be entitled to receive reimbursement for its reasonable attorneys' fees and costs of suit.

Section 18.6 Louisiana Law to Apply. This Ground Lease shall be construed under and in accordance with the laws of the State of Louisiana, and all obligations of the parties created hereunder are performable in Tangipahoa Parish, Louisiana.

Section 18.7 Warranty of Peaceful Possession. The Board covenants that the Corporation, on paying the Rent and performing and observing all of the covenants and agreements herein contained and provided to be performed by the Corporation, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Land and the Facilities during the Term, subject to the Facilities Lease, and may exercise all of its rights hereunder; and the Board agrees to warrant and forever defend the Corporation's right to such occupancy, use, and enjoyment and the title to the Land against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof subject only to the provisions of this Ground Lease, the Facilities Lease, and the matters listed on **Exhibit B** attached hereto.

Section 18.8 Curative Matters. Except for the express representations and warranties of the Board set forth in this Ground Lease, any additional matters necessary or desirable to make the Land useable for the Corporation's purpose shall be undertaken, in the Corporation's

sole discretion, at no expense to the Board. The Corporation shall notify the Board in writing of all additional matters (not contemplated by the Plans and Specifications) undertaken by the Corporation to make the Land usable for the Corporation's purpose.

Section 18.9 Nonwaiver. No waiver by the Board or the Corporation of a breach of any of the covenants, conditions, or restrictions of this Ground Lease shall constitute a waiver of any subsequent or preceding breach of the same or any other of the covenants, conditions or restrictions of this Ground Lease. The failure of the Board or the Corporation to insist in any one or more cases upon the strict performance of any of the covenants of the Ground Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant or option. A receipt by the Board or acceptance of payment by the Board of Rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach. No waiver, change, modification or discharge by the Board or the Corporation of any provision of this Ground Lease shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged.

Section 18.10 Terminology. Unless the context of this Ground Lease clearly requires otherwise, (a) pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character; (b) the singular shall include the plural wherever and as often as may be appropriate; (c) the word "includes" or "including" shall mean "including without limitation"; (d) the word "or" shall have the inclusive meaning represented by the phrase "and/or"; (e) the words "hereof," "herein," "hereunder," and similar terms in this Ground Lease shall refer to this Ground Lease as a whole and not to any particular section or article in which such words appear. The section, article and other headings in this Ground Lease and the Table of Contents to this Ground Lease are for reference purposes and shall not control or affect the construction of this Ground Lease or the interpretation hereof in any respect. Article, section, subsection and exhibit references are to this Ground Lease unless otherwise specified. All exhibits attached to this Ground Lease constitute a part of this Ground Lease and are incorporated herein. All references to a specific time of day in this Ground Lease shall be based upon prevailing Central Time.

Section 18.11 Counterparts. This agreement may be executed in multiple counterparts, each of which shall be declared an original.

Section 18.12 Severability. If any clause or provision of this Ground Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Ground Lease, then and in that event, it is the intention of the parties hereto that the remainder of Ground Lease shall not be affected thereby.

Section 18.13 Authorization. By execution of this Ground Lease, the Corporation and the Board each represent to the other that they are entities validly existing, duly constituted and in good standing under the laws of the jurisdiction in which they were formed and in which they presently conduct business; that all acts necessary to permit them to enter into and be bound by this Ground Lease have been taken and performed; and that the persons signing this Ground Lease on their behalf have due authorization to do so.

Section 18.14 Ancillary Agreements. In the event it becomes necessary or desirable for the Board to approve in writing any ancillary agreements or documents concerning the Land or concerning the construction, operation or maintenance of the Facilities or to alter or amend any such ancillary agreements between the Board and the Corporation or to give any approval or consent of the Board required under the terms of this Ground Lease, all agreements, documents or approvals shall be forwarded to the Board Representative.

Section 18.15 Amendment. No amendment, modification, or alteration of the terms of this Ground Lease shall be binding unless the same be in writing dated on or subsequent to the date hereof and duly executed by the parties hereto and consented to the extent required by the Agreement.

Section 18.16 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 University into another educational institution or the Board into another educational management board.

Section 18.17 Entire Agreement. This Ground Lease, together with the exhibits attached hereto, contains the entire agreement between the parties hereto with respect to the Land and contains all of the terms and conditions agreed upon with respect to the lease of the Land, and no other agreements, oral or otherwise, regarding the subject matter of this Ground Lease shall be deemed to exist or to bind the parties hereto; it being the intent of the parties that neither shall be bound by any term, condition, or representations not herein written.

IN WITNESS WHEREOF, the undersigned representative has signed this Ground Lease on behalf of the Board of Supervisors for the University of Louisiana System on the 13th day of JANUARY, 2010.

WITNESSES:

Ravetta Marshall
Ravetta Marshall
Chrissie McGhee
Chrissie McGhee

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

By:

John Crain
Dr. John Crain
President of the University
and authorized representative of the Board

IN WITNESS WHEREOF, the undersigned representative has signed this Ground Lease on behalf of University Facilities, Inc. on the 13th day of ~~June~~ January, 2010.

WITNESSES:

Steph Smith
Jane Smith

UNIVERSITY FACILITIES, INC.

By:

Phil K. Livingston
Phil K. Livingston
Chairperson

STATE OF LOUISIANA

PARISH OF TANGIPAHOA

BE IT KNOWN, that on this 13th day of January, 2010 before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

Dr. John Crain

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the President of Southeastern Louisiana University and the authorized representative of the Board of Supervisors for the University of Louisiana System (the "Board"), that the aforesaid instrument was signed by him, on this date, on behalf of the Board and that the above named person acknowledges said instrument to be the free act and deed of the Board.

WITNESSES:

Ranetta Marshall
Printed Name: Ranetta Marshall

By:

John H. Crain

Chrissie McShee
Printed Name: Chrissie McShee

Gene Projeant
NOTARY PUBLIC
Printed Name: Gene Projeant
Notary Identification Number: 010447

STATE OF LOUISIANA

PARISH OF TANGIPAHOA

BE IT KNOWN, that on this 13th day of JANUARY, 2010 before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

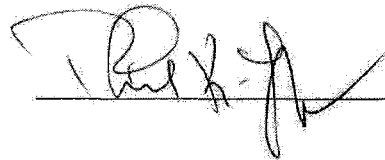
Phil K. Livingston

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the Chairperson of University Facilities, Inc. (the "**Corporation**"), and that the aforesaid instrument was signed by him, on this date, on behalf of the Corporation and that the above named person acknowledges the approval of said instrument to be the free act and deed of the Corporation.


WITNESSES


Printed Name: STEPHEN SMITH

By:




Printed Name: SAM DORLAND JR.



NOTARY PUBLIC
Printed Name: Gene Gregant
Notary Identification Number: 010447

EXHIBIT A

LAND DESCRIPTION

War Memorial Student Union Bond Lease Parcel

A certain tract or parcel of ground, designated as "WAR MEMORIAL STUDENT UNION BOND LEASE PARCEL", being a portion of Southeastern Louisiana University, located in Section 23, Township 6, South, Range 7 East, Greensburg Land District, Tangipahoa Parish, Louisiana, limits of said Lease Parcel being more particularly described as follows:

Beginning at a point located at N. 3276.84, E. 11096.39, of the Southeastern Louisiana University Coordinate System; thence N 75°30'00" E a distance of 440.00 feet to a point and turn; thence S 14°30'00" E a distance of 165.00 feet to a point and turn; thence N 75°30'00" E a distance of 160.00 feet to a point and turn; thence S 14°30'00" E a distance of 205.00 feet to a point and turn; thence S 75°30'00" W a distance of 150.00 feet to a point and turn; thence S 14°30'00" E a distance of 140.00 feet to a point and turn; thence S 75°30'00" W a distance of 155.00 feet to a point and turn; thence N 14°30'00" W a distance of 265.00 feet to a point and turn; thence S 75°30'00" W a distance of 85.00 feet to a point and turn; thence N 38°27'45" W a distance of 49.24 feet to a point and turn; thence S 75°30'00" W a distance of 190.00 feet to a point and turn; thence N 14°30'00" W a distance of 200.00 feet to a POINT OF BEGINNING, containing 3.94 acres or 171,425 square feet.

PERMITTED ENCUMBRANCES

Food Service:

ARAMARK Educational Services, LLC
ARAMARK Tower
1101 Market Street
Philadelphia, PA 19107
Term of Agreement: July 1, 2008 – June 30, 2023

Retail Bookstore:

Follett College Stores Corporation
1818 Swift Drive
Oak Brook, IL 60523-9851
Term of Agreement: July 1, 1989 – January 31, 2010

Copy Center:

Xerox Corporation
3850 North Causeway
Suite 1860
Metairie, LA 70002
Term of Agreement: December 15, 1998 until such date the University issues a thirty (30) calendar days notice of the final end date or June 30, 2009, whichever comes earlier.
NOTE: The contract is currently pending completion of request for proposals process.

REPLACEMENT OR NEW CONTRACTS:

Contracts entered into in place of the above listed contracts are considered Permitted Encumbrances.

MEMORANDUM OF GROUND LEASE

STATE OF LOUISIANA §
 § KNOW ALL MEN BY THESE PRESENTS:
PARISH OF TANGIPAHOA §

MEMORANDUM OF LEASE

This Memorandum of Lease (this "Memorandum") is entered into by and between the Board of Supervisors for the University of Louisiana System ("Lessor") and University Facilities, Inc. ("Lessee").

RECITALS

A. Lessor and Lessee have entered into a Ground Lease Agreement dated as of January 1, 2010 and executed _____, 2010 (the "Lease"), whereby Lessor did lease to Lessee, and Lessee did lease from Lessor, the immovable property more particularly described on Exhibit A attached hereto and incorporated herein (the "Land") and the facilities which are and will be located on the Land as more particularly described in the Lease.

B. Lessor and Lessee desire to enter into this Memorandum, which is to be recorded in order that third parties may have notice of the parties' rights under the Lease.

LEASE TERMS

Specific reference is hereby made to the following terms and provisions of the Lease:

1. The term of the Lease commenced on January 1, 2010 and shall continue until midnight on January 1, 2050, unless sooner terminated or extended as provided in the Lease.
2. Lessor has the right under the Lease to purchase the improvements constructed by Lessee on the Land at any time during the term of the Lease in accordance with the provisions thereof.
3. Additional information concerning the provisions of the Lease can be obtained from the parties at the following addresses:

Lessor: Board of Supervisors for the University of Louisiana System
1201 North 3rd Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Assistant Vice President for Facilities Planning and Capital
Improvements

Lessee: University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director

This Memorandum is executed for the purpose of recordation in the public records of Tangipahoa Parish, Louisiana in order to give notice of all the terms and provisions of the Lease and is not intended and shall not be construed to define, limit, or modify the Lease. All of the terms, conditions, provisions and covenants of the Lease are incorporated into this Memorandum by reference as though fully set forth herein, and both the Lease and this Memorandum shall be deemed to constitute a single instrument or document.

THUS DONE AND PASSED on the ___ day of _____, 2010, in _____, Louisiana, in the presence of the undersigned, both competent witnesses, who herewith sign their names with Phil K. Livingston, Chairperson, University Facilities, Inc, and me, Notary.

WITNESSES:

UNIVERSITY FACILITIES, INC.

Printed Name:

By: _____

Name: Phil K. Livingston

Title: Chairperson

Printed Name:

NOTARY PUBLIC

Printed Name: _____

Notary Identification Number: _____

**EXHIBIT D-1
TO THE GROUND LEASE**

DESCRIPTION OF THE SERIES 2010A FACILITIES

This facility will contain some of the most important academic and non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. It will be the central core for the campus. The two major components in the 2010A Series will include the Student Union and the Center for Student Excellence. The square footage for this series of space will total approximately 94,320 square feet.

The Student Union will include a large event space and ballroom. It will also consist of a series of student support spaces such as conference and meeting rooms, student organization space, a theater, as well as other activity and lounge spaces. Several administrative offices will also be located in the Union including offices in Student Affairs and Auxiliary Services. Finally, it will be home to the Center for Student Excellence which provides programming and resources to students to enhance and in support of academic achievement, personal development and professional growth.

**EXHIBIT D-2
TO THE GROUND LEASE**

DESCRIPTION OF THE SERIES 2010B FACILITIES

This facility will contain some of the most important non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. The two major components in the 2010B Series will include Food Service and the Retail Bookstore totaling approximately 86,600 square feet.

The Food Service area will include a new residential and commuter dining facility as well as a food court and other smaller grab and go locations. The facility will include adequate support space such as seating, kitchens and production space. The Retail Bookstore will house retail textbooks, university paraphernalia, convenience items, reading areas and possibly a food and/or beverage concept. In addition to these two major components, approximately 3,600 square feet of space will be committed to other retail components providing additional services to our campus community.

Tangipahoa Parish Recording Page

Julian E. Dufreche
Clerk of Court
P. O. Box 667
110 North Bay Street, Suite 100
Amite, LA 70422
(985) 748-4146

Received From :
JONES WALKER

First VENDOR

BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM

First VENDEE

UNIVERSITY FACILITIES INC

Index Type : Conveyances

Instrument # : 825085

Type of Document : Lease-Rents

Book : 1204 Page : 500

Recording Pages : 4

Recorded Information

I hereby certify that the attached document was filed for registry and recorded in the Clerk of Court's office for Tangipahoa Parish, Louisiana

KRISTIE DAVIDSON

Deputy Clerk

On (Recorded Date) : 03/02/2010

At (Recorded Time) : 9:15:58:000 AM



Doc ID - 009791270004



CLERK OF COURT
JULIAN E. DUFRECHE
Parish of Tangipahoa

I certify that this is a true copy of the attached document that was filed for registry and
Recorded 03/02/2010 at 9:15:58
Recorded in Book 1204 Page 500
File Number 825085

Deputy Clerk

Return To :

MEMORANDUM OF GROUND LEASE

STATE OF LOUISIANA
PARISH OF TANGIPAHOA

§
§
§

KNOW ALL MEN BY THESE PRESENTS:

MEMORANDUM OF LEASE

This Memorandum of Lease (this “**Memorandum**”) is entered into by and between the Board of Supervisors for the University of Louisiana System (“**Lessor**”) and University Facilities, Inc. (“**Lessee**”).

RECITALS

A. Lessor and Lessee have entered into a Ground Lease Agreement dated as of January 1, 2010 and executed January 13, 2010 (the “**Lease**”), whereby Lessor did lease to Lessee, and Lessee did lease from Lessor, the immovable property more particularly described on **Exhibit A** attached hereto and incorporated herein (the “**Land**”) and the facilities which are and will be located on the Land as more particularly described in the Lease.

B. Lessor and Lessee desire to enter into this Memorandum, which is to be recorded in order that third parties may have notice of the parties’ rights under the Lease.

LEASE TERMS

Specific reference is hereby made to the following terms and provisions of the Lease:

1. The term of the Lease commenced on January 1, 2010 and shall continue until midnight on January 1, 2050, unless sooner terminated or extended as provided in the Lease.
2. Lessor has the right under the Lease to purchase the improvements constructed by Lessee on the Land at any time during the term of the Lease in accordance with the provisions thereof.
3. Additional information concerning the provisions of the Lease can be obtained from the parties at the following addresses:

Lessor: Board of Supervisors for the University of Louisiana System
1201 North 3rd Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Assistant Vice President for Facilities Planning and Capital Improvements

Lessee: University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director


This Memorandum is executed for the purpose of recordation in the public records of Tangipahoa Parish, Louisiana in order to give notice of all the terms and provisions of the Lease and is not intended and shall not be construed to define, limit, or modify the Lease. All of the terms, conditions, provisions and covenants of the Lease are incorporated into this Memorandum by reference as though fully set forth herein, and both the Lease and this Memorandum shall be deemed to constitute a single instrument or document.

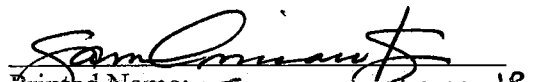
THUS DONE AND PASSED on the 13th day of January, 2010, in Hammond, Louisiana, in the presence of the undersigned, both competent witnesses, who herewith sign their names with Phil K. Livingston, Chairperson, University Facilities, Inc, and me, Notary.


WITNESSES:

UNIVERSITY FACILITIES, INC.


Printed Name: STEPHEN S. IYER

By: 
Name: Phil K. Livingston
Title: Chairperson


Printed Name: SAM DOMIANO JR.


NOTARY PUBLIC
Printed Name: Cornelia Progeant
Notary Identification Number: 010443

LAND DESCRIPTION

War Memorial Student Union Bond Lease Parcel

A certain tract or parcel of ground, designated as "WAR MEMORIAL STUDENT UNION BOND LEASE PARCEL", being a portion of Southeastern Louisiana University, located in Section 23, Township 6, South, Range 7 East, Greensburg Land District, Tangipahoa Parish, Louisiana, limits of said Lease Parcel being more particularly described as follows:

Beginning at a point located at N. 3276.84, E. 11096.39, of the Southeastern Louisiana University Coordinate System; thence N 75°30'00" E a distance of 440.00 feet to a point and turn; thence S 14°30'00" E a distance of 165.00 feet to a point and turn; thence N 75°30'00" E a distance of 160.00 feet to a point and turn; thence S 14°30'00" E a distance of 205.00 feet to a point and turn; thence S 75°30'00" W a distance of 150.00 feet to a point and turn; thence S 14°30'00" E a distance of 140.00 feet to a point and turn; thence S 75°30'00" W a distance of 155.00 feet to a point and turn; thence N 14°30'00" W a distance of 265.00 feet to a point and turn; thence S 75°30'00" W a distance of 85.00 feet to a point and turn; thence N 38°27'45" W a distance of 49.24 feet to a point and turn; thence S 75°30'00" W a distance of 190.00 feet to a point and turn; thence N 14°30'00" W a distance of 200.00 feet to a POINT OF BEGINNING, containing 3.94 acres or 171,425 square feet.

**FIRST AMENDMENT TO
AGREEMENT TO LEASE WITH OPTION TO PURCHASE**

by and between

UNIVERSITY FACILITIES, INC.
(as Lessor)

and

**Board of Supervisors for the
University of Louisiana System,
on behalf of Southeastern Louisiana University**
(as Lessee)

Dated as of November 1, 2010

in connection with

\$25,470,000
**Louisiana Local Government Environmental Facilities and
Community Development Authority
Tax-Exempt Revenue Bonds
(Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010A**

\$5,785,000
**Louisiana Local Government Environmental Facilities and
Community Development Authority
Taxable Revenue Bonds
(Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010B**

FIRST AMENDMENT TO
AGREEMENT TO LEASE WITH OPTION TO PURCHASE

This FIRST AMENDMENT TO AGREEMENT TO LEASE WITH OPTION TO PURCHASE (this "*Amendment to Facilities Lease*"), dated and effective as of November 1, 2010, is entered into by and between UNIVERSITY FACILITIES, INC., a Louisiana nonprofit corporation represented herein by its duly authorized officer (the "*Corporation*"); and the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM (the "*Board*"), a public constitutional corporation organized and existing under the laws of the State of Louisiana, acting herein on behalf of Southeastern Louisiana University (the "*University*"), which Board is represented herein its duly authorized officer.

WITNESSETH:

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State of Louisiana and the University is a university under its management pursuant to Louisiana R. S. 17:3217;

WHEREAS, the Corporation is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201, et seq.), whose purpose is to support and benefit the educational, scientific, research and public service missions of the University;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3366, the Board is authorized to lease to a private entity, such as the Corporation, any portion of the campus of the University provided the Corporation is thereby obligated to construct improvements for furthering the educational, scientific, research or public service functions of the University;

WHEREAS, in order to further these functions of the Board, by demolition of certain existing facilities and renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related facilities for students, faculty, staff, and the general public on the campus (the "*Campus*") of the University (the "*Facilities*," as further defined herein), the Board has leased a portion of the Campus to the Corporation for the purpose of demolishing certain existing facilities and renovating, developing and constructing such Facilities and leasing such Facilities back to the Board;

WHEREAS, the Board and the Corporation have entered into a Ground and Buildings Lease Agreement dated as of January 1, 2010 (the "*Ground Lease*") whereby the Board has leased certain tracts of land owned by the Board and located on the Campus to the Corporation;

WHEREAS, the Corporation and the Board have agreed that the Corporation shall demolish certain existing facilities and renovate, develop and construct the Facilities on the land leased under the Ground Lease which Facilities will be owned by the Board as constructed and leased to the Corporation pursuant to the Ground Lease;

WHEREAS, the Corporation has leased such Facilities back to the Board pursuant to the terms and conditions of that certain Agreement to Lease with Option to Purchase dated as of

January 1, 2010 by and between the Corporation and the Board (the “*Original Facilities Lease*”); and

WHEREAS, the Board and the Corporation wish to supplement the Original Facilities Lease in order to clarify certain definitions contained in the Original Facilities Lease.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

IN WITNESS WHEREOF, the undersigned representative has signed this Facilities Lease on behalf of the Board of Supervisors for the University of Louisiana System on the date set forth below his signature.

ARTICLE 1 DEFINITIONS

Section 1.1 Relation to Original Facilities Lease; Ratification. This Amendment to Facilities Lease is supplemental to, and constitutes an integral part of the Original Facilities Lease. Except as supplemented or amended by this Amendment to Facilities Lease, the provisions of the Original Facilities Lease are in all respects ratified and confirmed and shall remain in full force and effect.

Section 1.2 Definitions. Unless the context shall otherwise require, all terms which are defined in the Indenture or Section 1 of the Original Facilities Lease shall have the same meanings, respectively, in this Amendment to Facilities Lease as such terms are given in said Indenture or Original Facilities Lease.

ARTICLE 2 AMENDMENTS

Section 2.1 Amendment to Section 1 of the Original Facilities Lease. Section 1 of the Existing Agreement is hereby amended by amending and restating the following definitions in its entirety as follows:

“Debt Service Coverage Ratio” means, for any Fiscal Year, the ratio determined by the Vice-President for Administration and Finance of the University by dividing (a) the combined amount of (i) the Capital Funds for such Fiscal Year, (ii) the Student Fees for such Fiscal Year and (iii) earnings generated by the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement by (b) Annual Debt Service on the Bonds outstanding and on any Additional Debt issued and proposed to be issued for such Fiscal Year.

“Interest Payment Date” or **“interest payment date,”** when used with respect to the Series 2010 Bonds means each April 1 and October 1 commencing April 1, 2011.

“Trustee” means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Series 2010 Bonds issued and secured under the terms of this Indenture, initially Regions Bank.

Section 2.2 Amendment to Section 6(c)(vi) of the Original Facilities Lease. Section 6(c)(vi) of the Original Facilities Lease is hereby amended in its entirety to read as follows:

“(vi) all Administrative Expenses owed to the Issuer or the Trustee and any amounts due and owing to the Bond Insurer.”

Section 2.3 Addition of Section 3(i) to the Original Facilities Lease. The following Section 3(i) shall be added to the Original Facilities Lease and shall read in its entirety as follows:

“(i) The Board covenants and agrees to perform each of its agreements and obligations set forth in the Indenture.”

Section 2.4 Amendment to Section 9 of the Original Facilities Lease. Section 9 of the Original Facilities Lease is hereby amended by deleting paragraph (a)(iv) in its entirety.

Section 2.5 Amendment to Section 50 of the Original Facilities Lease. Section 50 of the Original Facilities Lease is hereby amended by substituting the notice information below for the Trustee:

“Trustee:

Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department”

Section 2.6 Amendment to Exhibit A-1 and Exhibit A-3 to the Facilities Lease. Exhibit A-1 and Exhibit A-2 to the Original Facilities Lease are hereby replaced in their entirety with Exhibit A-1 and Exhibit A-2 attached hereto.

ARTICLE 3 MISCELLANEOUS

Section 3.1 Binding Effect. This Amendment to Facilities Lease shall inure to the benefit of and shall be binding in accordance with its terms upon the Board, the Corporation and their respective successors and assigns. This Amendment to Facilities Lease may be enforced only by the parties, their assignees and others who may, by law, stand in their respective places.

Section 3.2 Execution Counterparts. This Amendment to Facilities Lease may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.


Section 3.3 Severability. If any provision of this Amendment to Facilities Lease, or any covenant, obligation or agreement contained herein, is determined by a court of competent jurisdiction to be invalid or unenforceable, that determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each such provision, covenant, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

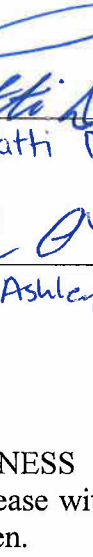
Section 3.4 Governing Law. This Amendment to Facilities Lease shall be deemed to be a contract made under the laws of the State of Louisiana and for all purposes shall be governed by and construed in accordance with the laws of the State of Louisiana.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]


IN WITNESS WHEREOF, the Board has caused this First Amendment to Agreement to Lease with Option to Purchase to be duly executed in its name, all as of the date first above written.

WITNESSES:


Printed Name: Patti Dunbar


Printed Name: Ashley C Atchison

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

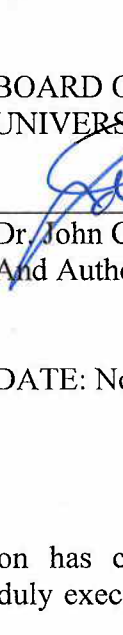
By: 
Dr. John Crain, President of the University
And Authorized Officer of the Board

DATE: November 15, 2010

IN WITNESS WHEREOF, the Corporation has caused this First Amendment to Agreement to Lease with Option to Purchase to be duly executed in its name, all as of the date first above written.

WITNESSES:


Printed Name: Ashley C Atchison


Printed Name: Patti Dunbar

UNIVERSITY FACILITIES, INC.


Phil K. Livingston
Chairperson

DATE: November 15, 2010

**EXHIBIT A-1
TO THE FACILITIES LEASE**

DESCRIPTION OF THE SERIES 2010A FACILITIES

This facility will contain some of the most important academic and non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. It will be the central core for the campus. The two major components in the 2010A Series will include the Student Union and the Center for Student Excellence. The square footage for this series of space will total approximately 121,430 square feet.

The Student Union will include a large event space and ballroom. It will also consist of a series of student support spaces such as conference and meeting rooms, student organization space, a theater, as well as other activity and lounge spaces. Several administrative offices will also be located in the Union including offices in Student Affairs and Auxiliary Services. Finally, it will be home to the Center for Student Excellence which provides programming and resources to students to enhance and in support of academic achievement, personal development and professional growth.

STATE OF LOUISIANA

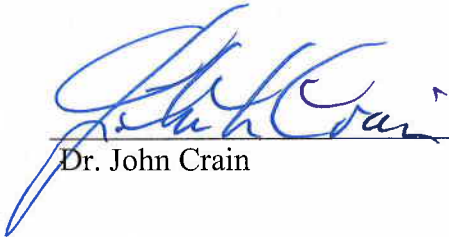
PARISH OF TANGIPAHOA

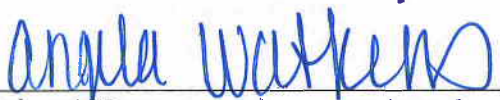
BE IT KNOWN, that on this 15th day of November, 2010 before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:


Dr. John Crain

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the President of Southeastern Louisiana University, and the authorized representative of the Board of Supervisors for the University of Louisiana System (the "Board"), that the aforesaid instrument was signed by him, on this date, on behalf of the Board and that the above named person acknowledges said instrument to be the free act and deed of the Board.


Printed Name: Patti Dunbar

By: 
Dr. John Crain


Printed Name: Angela Watkins


NOTARY PUBLIC
Printed Name: Genevieve
Notary Identification Number: 010443

STATE OF LOUISIANA

PARISH OF Tangipahoa

BE IT KNOWN, that on this 15th day of November 2010, before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

Phil K. Livingston

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the Chairperson of University Facilities, Inc. (the "Corporation"), and that the aforesaid instrument was signed by him, on this date, on behalf of the Corporation and that the above named person acknowledges the approval of said instrument to be the free act and deed of the Corporation.

WITNESSES:

Patti Dunbar
Printed Name: Patti Dunbar

By: *Phil K. Livingston*
Phil K. Livingston

Angela Watkins
Printed Name: Angela Watkins

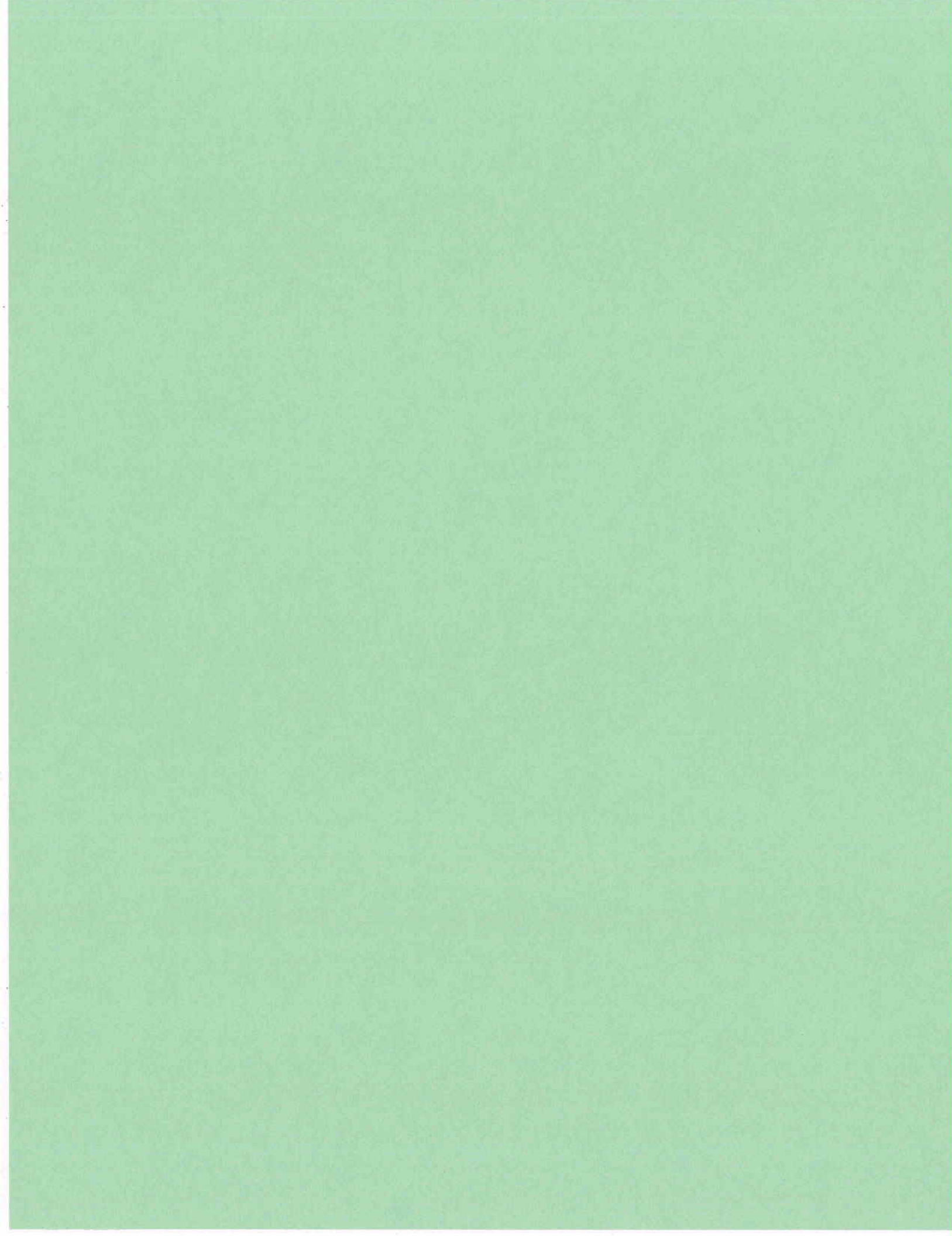
Gene Proseant
NOTARY PUBLIC
Printed Name: Gene Proseant
Notary Identification Number: 010443

**EXHIBIT A-2
TO THE FACILITIES LEASE**

DESCRIPTION OF THE SERIES 2010B FACILITIES

This facility will contain some of the most important non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. The two major components in the 2010B Series will include Food Service and the Retail Bookstore totaling approximately 57,245 square feet.

The Food Service area will include a new residential and commuter dining facility as well as a food court and other smaller grab and go locations. The facility will include adequate support space such as seating, kitchens and production space. The Retail Bookstore will house retail textbooks, university paraphernalia, convenience items, reading areas and possibly a food and/or beverage concept. In addition to these two major components, approximately 3,600 square feet of space will be committed to other retail components providing additional services to our campus community.



AGREEMENT TO LEASE WITH OPTION TO PURCHASE

by and between

UNIVERSITY FACILITIES, INC.
(as Lessor)

and

**Board of Supervisors for the
University of Louisiana System,
on behalf of Southeastern Louisiana University**
(as Lessee)

Dated as of January 1, 2010

in connection with
the anticipated Issuance of:

**Louisiana Local Government Environmental Facilities and
Community Development Authority
Revenue Bonds
(Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010A**

**Louisiana Local Government Environmental Facilities and
Community Development Authority
Revenue Bonds
(Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010B**

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EXHIBIT A-1	DESCRIPTION OF THE SERIES 2010A FACILITIES
EXHIBIT A-2	DESCRIPTION OF THE SERIES 2010B FACILITIES

AGREEMENT TO LEASE WITH OPTION TO PURCHASE

This AGREEMENT TO LEASE WITH OPTION TO PURCHASE (together with any amendment hereto or supplement hereof, the "**Facilities Lease**"), dated and effective as of January 1, 2010, is entered into by and between UNIVERSITY FACILITIES, INC., a Louisiana nonprofit corporation represented herein by its duly authorized officer (the "**Corporation**"); and the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM (the "**Board**"), a public constitutional corporation organized and existing under the laws of the State of Louisiana, acting herein on behalf of Southeastern Louisiana University (the "**University**"), which Board is represented herein its duly authorized officer.

WITNESSETH:

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State of Louisiana and the University is a university under its management pursuant to Louisiana R. S. 17:3217;

WHEREAS, the Corporation is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201, et seq.), whose purpose is to support and benefit the educational, scientific, research and public service missions of the University;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3366, the Board is authorized to lease to a private entity, such as the Corporation, any portion of the campus of the University provided the Corporation is thereby obligated to construct improvements for furthering the educational, scientific, research or public service functions of the University;

WHEREAS, in order to further these functions of the Board, by demolition of certain existing facilities and renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related facilities for students, faculty, staff, and the general public on the campus of the University (the "**Campus**") (the "**Facilities**," as further defined herein), the Board deems it advisable that a portion of the Campus be leased to the Corporation for the purpose of demolishing certain existing facilities and renovating, developing and constructing such Facilities and leasing such Facilities back to the Board; and

WHEREAS, the Board and the Corporation have agreed to enter into a lease dated of even date herewith (the "**Ground Lease**") whereby the Board will lease certain tracts of land owned by the Board and located on the Campus to the Corporation; and

WHEREAS, the Corporation and the Board have agreed that the Corporation shall demolish certain existing facilities and renovate, develop and construct the Facilities on the land leased under the Ground Lease which Facilities will be owned by the Board as constructed and leased to the Corporation pursuant to the Ground Lease; and

WHEREAS, the Corporation wishes to lease such Facilities back to the Board pursuant to the terms and conditions of this Facilities Lease; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

Section 1. Definitions.

Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of and as used in this Facilities Lease, have the meanings as set forth below. All other capitalized terms used herein without definition shall have the meanings as set forth in the Indenture (as hereinafter defined). Other terms shall have the meanings assigned to them in other sections of this Facilities Lease.

“Additional Series 2010A Bonds” means bonds, if any, issued in one or more series on parity with the Series 2010A Bonds for completion of the Series 2010A Facilities.

“Additional Series 2010B Bonds” means bonds, if any, issued in one or more series on parity with the Series 2010B Bonds for completion of the Series 2010B Facilities.

“Additional Bonds” means bonds, if any, issued in one or more series on a parity with the Series 2010 Bonds pursuant to Article V of the Indenture.

“Additional Debt” means any obligation (whether present or future, contingent or otherwise, as principal or security or otherwise): (i) in respect of borrowed money, including without limitation, bonds, notes and similar obligations; or (ii) under a lease arrangement, installment sale agreement or other similar arrangement, that is secured by or payable from the Capital Funds and the Student Fees.

“Additional Facilities” means any additional facilities owned or leased by the Board or the Corporation that have been incorporated with the Facilities into a single system pursuant to Section 3(h) hereof.

“Additional Rental” means the amounts specified as such in Section 6(c) of this Facilities Lease.

“Administrative Expenses” means the necessary, reasonable and direct out-of-pocket expenses incurred by the Issuer or the Trustee pursuant to the Indenture and the Agreement, the compensation of the Trustee under the Indenture (including, but not limited to any annual administrative fee charged by the Trustee), the compensation of the Issuer, any amounts due to the Bond Insurer, if any, under the Reimbursement Agreement and the necessary, reasonable and direct out-of-pocket expenses of the Trustee incurred by the Trustee in the performance of its duties under the Indenture.

“Agreement” means the Loan Agreement to be entered into between the Corporation and the Issuer in connection with the issuance of the Series 2010 Bonds, including any amendments and supplements thereof and thereto as permitted thereunder.

“Annual Debt Service” means the amount required to pay all principal of and interest on a series of Bonds and any Additional Debt, as applicable, in any Fiscal Year. For purposes of calculating the Annual Debt Service on a series of Bonds or Additional Debt the interest rate

borne by which is not fixed to the maturity thereof on any date, for any period during which an interest swap or similar agreement shall be in effect whereunder the Corporation or the Board pays a fixed rate and the swap provider pays a floating rate that, in the judgment of the Authorized Corporation Representative (as evidenced by a certificate delivered to the Trustee) approximates the variable rate payable on such series of Bonds or Additional Debt, the interest rate on such series of Bonds or Additional Debt shall be deemed to be equal to the fixed rate payable by the Corporation or the Board under such interest swap or similar agreement and for any period during which such an agreement shall not be in effect the interest rate on such Bonds or Additional Debt shall be deemed to be the average interest rate borne by such series of Bonds or Additional Debt during the immediately preceding twelve (12) month period or, if such series of Bonds or Additional Debt has borne a floating rate for less than twelve (12) months, such series of Bonds or Additional Debt shall be treated as if it bears interest at the 25-year Revenue Bond Index as published by *The Bond Buyer* on the date of determination.

“**Aramark**” means Aramark Educational Services, LLC, a Delaware limited liability company having its principal place of business Philadelphia , Pennsylvania

“**Authorized Corporation Representative**” means any person at the time designated to act on behalf of the Corporation by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Corporation by an officer of the Corporation. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“**Auxiliary Revenues**” means the amount of all funds or revenues held by the University derived by Auxiliary Enterprises and any earnings thereof from self generated fees, rates charges or income received by students, faculty or the public in connection with the utilization or operation of Auxiliary Enterprises after payment of any Auxiliary enterprise expenses. The auxiliary Enterprises of the University include the following, subject to modification from time to time: 1) student service fees for operation of the University’s Text book rental, ID Card Services, Student Health Center and Student Union 2) certain commissions received from Food Service contractors, Retail Bookstore operations and Vending Operations and 3) the sales of copying services. Auxiliary Revenues shall not include student fees specifically assessed by the University to service any outstanding obligations or any capital funds received by outside contractors required to make building improvements for their delivery of services.

“**Base Rental**” means the amounts referred to as such in Section 6(b) of this Facilities Lease (as such amounts may be adjusted from time to time in accordance with the terms hereof), which amounts are paid out of the amounts collected as Capital Funds and Student Fees, and which do not include Additional Rental.

“**Board**” means Board of Supervisors for the University of Louisiana System or its legal successor as the management board of the University, acting on behalf of the University.

“**Board Representative**” means the Person or Persons designated by the Board in writing to serve as the Board’s representative(s) in exercising the Board’s rights and performing the Board’s obligations under this Facilities Lease; the Board Representative shall be the President of the Board of Supervisors for the University of Louisiana System, or his or her

designee, the Assistant Vice President for Facilities Planning, or his or her designee, or any other representative designated by resolution of the Board, of whom the Corporation has been notified in writing.

“Bond Documents” shall have the meaning set forth in Section 3.12 of the Indenture.

“Bonds” means, collectively, the Series 2010 Bonds and any Additional Bonds issued pursuant to a supplemental indenture as authorized hereby.

“Bookstore” means the locations described as such on Exhibit A-2 to this Facilities Lease and any improvements thereon or placed thereon during the Term of this Facilities Lease.

“Budget” means the University’s budget as approved by the Board for any Fiscal Year during the Term.

“Building Use Fee” means one-half of the building use fee being assessed by the University on all students for the renovation, construction and development of on-campus facilities.

“Business Day” means any day other than (i) a Saturday, (ii) a Sunday, (iii) any other day on which banking institutions in New York, New York, or Baton Rouge, Louisiana, are authorized or required not to be open for the transaction of regular banking business, or (iv) a day on which the New York Stock Exchange is closed.

“Capital Funds” means payments to the University, or to the Board on behalf of the University, for capital improvements and made in connection with the operation and/or management of the Food Service Areas whether pursuant to the Food Service Contract, the Facilities Lease or other lease, management agreement or operating agreement.

“CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§9601, et seq.).

“Claim” collectively means any claim, liability, demand, loss, damage, deficiency, litigation, cause of action, penalty, fine, judgment, defense, imposition, fee, lien, bonding cost, settlement, disbursement, penalty, cost or expenses of any and every kind and nature (including without limitation Litigation Expenses), whether known or unknown, incurred or potential, accrued, absolute, direct, indirect, contingent or otherwise and whether imposed by strict liability, negligence, or otherwise, and consequential, punitive and exemplary damage claims.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

“Commencement Date” means the effective date of this Facilities Lease.

“Corporation” means University Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payments or provision for payment of all of the Bonds.

“Date of Opening” shall have the meaning set forth in the Ground Lease.

“Debt Service Coverage Ratio” means, for any Fiscal Year, the ratio determined by the Vice-President for Administration and Finance of the University by dividing (a) the combined amount of (i) the Capital Funds for such Fiscal Year and (ii) the Student Fees for such Fiscal Year by (b) Annual Debt Service on the Series 2010 Bonds outstanding and on any Additional Debt issued and proposed to be issued for such Fiscal Year.

“Debt Service Fund” means the fund of that name created under of the Indenture.

“Debt Service Reserve Fund Requirement” means with respect to the Series 2010 Bonds, and any Additional Bonds, at the time of determination, the least of (a) ten percent (10%) of the stated principal amount thereof (less any original issue discount that exceeds a *de minimis* amount), (b) one hundred twenty five percent (125%) of the average Annual Debt Service thereon from the date of calculation to the final maturity thereof, (c) the Maximum Annual Debt Service thereon, or (d) such lesser sum as shall be required by the Code and the Regulations to ensure the exclusion of the interest thereon from the gross income of the owners thereof for federal income tax purposes; provided, however, that the amount of principal due in any Bond Year shall be determined, in the case of Bonds subject to mandatory sinking fund redemption pursuant to the Indenture and similar provisions in any supplemental indenture, by the principal amount of Bonds to be redeemed by mandatory sinking fund redemption in such Bond Year.

“Default or Delay Rental” means and shall consist of (i) all amounts, fees or expenses which the Corporation may be legally obligated to pay to Other Parties by reason of any default of the Board hereunder or any delay in payment of any sums due by the Board hereunder; and (ii) all costs, expenses and charges, including reasonable Legal Expenses, incurred by the Corporation whether by suit or otherwise, in collecting sums payable hereunder or in enforcing any covenant or agreement of the Board contained in this Facilities Lease or incurred in obtaining possession of the Facilities after default by the Board.

“Encumbrance” means any lien, mortgage, encumbrance, privilege, charge, option, right of first refusal, conditional sales contract, security interest, mechanic’s and materialmen’s liens, or any lien or encumbrance securing payment of any Claims, including environmental Claims, or of any charges for labor, materials, supplies, equipment, taxes, or utilities, excluding the Option granted to the Board herein.

“Environmental Requirements” means all State, federal, local, municipal, parish, and regional laws, statutes, rules, regulations, ordinances, codes, permits, approvals, plans, authorizations, concessions, investigation results, guidance documents; all legislative, judicial, and administrative judgments, decrees, orders, rules, rulings, and regulations; and all agreements and other restrictions and requirements in effect on or prior to the Commencement Date, of any Governmental Authority, including, without limitation, federal, state, and local authorities, relating to the regulation or protection of human health and safety, natural resources, conservation, the environment, or the storage, treatment, disposal, processing, release, discharge, emission, use, remediation, transportation, handling, or other management of industrial, gaseous, liquid or solid waste, hazardous waste, hazardous or toxic substances or chemicals, or pollutants, and including without limitation the following environmental laws: The Clean Air Act (42

U.S.C.A. §1857); the Federal Water Pollution Control Act (33 U.S.C. §1251); the Resource Conservation and Recovery Act of 1976, (42 U.S.C. §6901); CERCLA, as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub.L. 99-499, 100 Stat. 1613); the Toxic Substances Control Act (15 U.S.C. §2601); the Clean Water Act (33 U.S.C. §1251); the Safe Drinking Water Act (42 U.S.C. §30); the Occupational Safety and Health Act (29 U.S.C. §651); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §135); the Louisiana Environmental Quality Act (La. R.S. 30:2001); and the Louisiana Air Quality Regulations (La. C. 33:III.2595) including any amendments or extensions thereof and any rules, regulations, standards or guidelines issued pursuant to or promulgated under any of the foregoing.

“Event of Default” means any default specified in and defined as such by Section 21 hereof.

“Expiration Date” means the earlier of January 1, 2050, or the date that all amounts owed under the Indenture have been paid.

“Facilities” means, collectively, the Series 2010A Facilities and the Series 2010B Facilities.

“Facilities Lease” means this Agreement to Lease With Option to Purchase, including the exhibits attached hereto, and any amendment or supplement hereto entered into from time to time in accordance with the terms hereof.

“Food Service Areas” means the locations described as such on Exhibit A-2 to this Facilities Lease and any improvements thereon or placed thereon during the Term of this Facilities Lease.

“Food Service Contract” means that certain Agreement dated July 1, 2008 by and between the Board and Aramark, as amended, modified, extended or replaced; provided the University will make its best efforts to require an annual payment of at least \$990,000 for capital improvements to the Food Service Areas in any such amended, modified, extended or replaced contract.

“Fiscal Year” means the fiscal year of the State, which at the date of this Facilities Lease is the period from July 1 to and including the following June 30.

“Governmental Authority” means any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, parish, district, municipality, city or otherwise) whether now or hereafter in existence.

“Governmental Regulations” means any and all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, writs, injunctions, rules, regulations, restrictions, permits, plans, authorizations, concessions, investigation reports, guidelines, and requirements or accreditation standards of any Governmental Authority having jurisdiction over the Corporation and/or the Board, or affecting the Facilities.

“Ground Lease” means that certain Ground and Buildings Lease dated as of January 1, 2010 by and between the Board, as Lessor on behalf of the University, and the Corporation, as Lessee whereby the Land upon which certain existing facilities that are to be demolished is located and upon which the Facilities shall be constructed and/or renovated and the Facilities, as completed, are leased by the Board to the Corporation.

“Hazardous Substance” means (a) any “hazardous substance” as defined in §101(14) of CERCLA or any regulations promulgated thereunder; (b) petroleum and petroleum by-products; (c) asbestos or asbestos containing material (“ACM”); (d) polychlorinated biphenyls; (e) urea formaldehyde foam insulation; or (f) any additional substances or materials which at any time are classified, defined or considered to be explosive, corrosive, flammable, infectious, radioactive, mutagenic, carcinogenic, pollutants, hazardous or toxic under any of the Environmental Requirements.

“Health Center Bond Fee” means the health center bond fee being assessed by the University on all students for the use and availability of on-campus health center facilities.

“Indenture” means the Trust Indenture to be entered into between the Issuer and the Trustee in connection with the issuance of the Series 2010 Bonds, as it may be amended or supplemented from time to time by supplemental indentures in accordance with the provisions thereof.

“Interest Payment Date” or **“interest payment date,”** when used with respect to the Series 2010 Bonds means each April 1 and October 1 commencing April 1, 2010.

“Issuer” means the Louisiana Local Government Environmental Facilities and Community Development Authority, a political subdivision of the State of Louisiana, created by the provisions of the Act (as defined in the Indenture), or any agency, board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Issuer by said provisions shall be given by law.

“Land” means the real property more particularly described on Exhibit A attached to the Ground Lease upon which certain existing facilities are to be demolished and upon which the Facilities are to be renovated, constructed and located.

“Legal Expenses” means the reasonable fees and charges of attorneys and of legal assistants, paralegals, law clerks and other persons and entities used by attorneys and under attorney supervision and all costs incurred or advanced by any of them irrespective of whether incurred in or advanced prior to the initiation of any legal, equitable, arbitration, administrative, bankruptcy, trial or similar proceedings and any appeal from any of same.

“Litigation Expenses” means all out-of-pocket costs and expenses incurred as a result of an Event of Default, or in connection with an indemnification obligation, including Legal Expenses, the reasonable fees and charges of experts and/or consultants, and all court costs and expenses.

“Management Agreements” means, collectively, any and all leases, management agreements, operating agreements, management agreements or other agreements between the

University or the Corporation and third parties for the management and/or operation of any of the Facilities.

“Maximum Annual Debt Service” with respect to a series of Bonds issued under the Indenture, means the maximum Annual Debt Service thereon in the then current Bond Year or in any future Bond Year, whether at maturity or subject to mandatory sinking fund redemption.

“Notice” shall have the meaning set forth in Section 50 hereof.

“Option to Purchase” or **“Option”** means the option to purchase the Corporation’s interest in the Facilities granted in Section 23 of this Facilities Lease.

“Other Parties” means a Person other than the Parties.

“Parties” means, collectively, the Corporation and the Board.

“Permitted Sublessees” means persons other than University students, faculty and staff who are participants in any activities related to the mission of the University or who are using the Facilities pursuant to a concession or other arrangement with the University.

“Permitted Use” means the operation of the Facilities as a Student Union, a Center for Student Excellence, food services areas and a bookstore for University students, faculty, staff, the general public and Permitted Sublessees and for purposes related to or associated with the foregoing.

“Person” means all juridical persons, whether corporate or natural, including individuals, firms, trusts, corporations, associations, joint ventures, partnerships, and limited liability companies or partnerships.

“Principal Payment Date” shall have the meaning set forth in the Indenture.

“Remediation” means any and all costs incurred due to any investigation of the Facilities or any remediation, response, cleanup, removal, or restoration required by any Governmental Regulation or Governmental Authority or by Environmental Requirements.

“Rents” or **“Rental”** means, collectively, the Base Rental and Additional Rental.

“Replacement Fund” means the fund of that name created under the Indenture.

“Series 2010 Bonds” means, collectively, the Series 2010A Bonds and the Series 2010B Bonds.

“Series 2010A Bonds” means the Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A, including such Series 2010A Bonds issued in exchange for other such Series 2010A Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Series 2010A Bonds pursuant to the Indenture.

“Series 2010B Bonds” means the Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B, including such Series 2010B Bonds issued in exchange for other such Series 2010B Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Series 2010B Bonds pursuant to the Indenture.

“Series 2010A Facilities” means the Student Union, the Center for Student Excellence and related facilities described in Exhibit A-1 attached hereto, as amended and supplemented in accordance with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2010A Bonds and any Additional Bonds.

“Series 2010B Facilities” means the Food Service Areas, the Bookstore and related facilities described in Exhibit A-2 attached hereto, as amended and supplemented in accordance with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2010B Bonds and any Additional Bonds.

“State” means the State of Louisiana.

“Student Fees” means, collectively, (a) the Building Use Fee, (b) the Health Center Bond Fee, (c) the Student Union Bond Fee and (d) the Student Union Expansion Fee.

“Student Union Bond Fee” means the student union bond fee being assessed by the University on all students for the use and availability of the Student Union.

“Student Union Expansion Fee” means the student union fee being assessed by the University on all students for the planning, development, construction and equipping of the Student Union

“Term” means the term of this Facilities Lease, as provided in Section 2 hereof.

“Trustee” means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Series 2010 Bonds issued and secured under the terms of this Indenture, initially The Bank of New York Mellon Trust Company, N.A.

“University” means Southeastern Louisiana University in Hammond, Louisiana.

Section 2. Agreement to Lease; Term of Lease.

The Corporation hereby leases the Facilities to the Board, and the Board hereby leases the Facilities from the Corporation effective as of the Commencement Date of this Facilities Lease and agrees upon completion of construction of the Facilities to accept possession of the Facilities and agrees to pay the Base Rental and the Additional Rental as provided herein for the use and occupancy of the Facilities, all on the terms and conditions set forth herein. The Board agrees that it will take immediate possession of the Facilities under the terms and provisions of this Facilities Lease upon the Date of Opening (as defined in the Ground Lease) of the Facilities.

The Board understands and agrees that Rental shall accrue from the Commencement Date hereof notwithstanding the fact that the Facilities have yet to be constructed. No delay in the Date of Opening of the Facilities beyond the time set forth in the Ground Lease will extend the Term. The Term of this Facilities Lease begins on the Commencement Date and ends on the Expiration Date; provided, however, this Facilities Lease shall terminate prior to the Expiration Date upon the happening of any of the following events:

(a) repayment of the Bonds in full, including principal, premium, if any, interest and all Administrative Expenses with respect to the Bonds or the defeasance of the Bonds, all as set forth in the Indenture;

(b) the exercise by the Board of the Option to Purchase and the purchase of the Corporation's interest in the Facilities pursuant to the Option; or

(c) any other event described in this Facilities Lease which is specifically stated to cause a termination of this Facilities Lease, including without limitation an Event of Default by the Board, and the failure of the Board to designate or cause to be designated an amount necessary to pay the Base Rental, all as set forth in Sections 21 and 29 hereof.

Upon the termination of the Facilities Lease under the circumstances set forth in Section 2(a) above, at the Board's option, the Board may require the demolition of the Facilities as set forth in Section 12.2 of the Ground Lease.

Section 3. Acknowledgments, Representations and Covenants of the Board.

The Board represents, covenants and agrees as follows:

(a) The Board has full power and authority to enter into this Facilities Lease, the Ground Lease, and the transactions contemplated thereby and agrees to perform all of its obligations hereunder and under the Ground Lease;

(b) The Board has been duly authorized to execute and deliver this Facilities Lease and the Ground Lease and further represents and covenants that this Facilities Lease and the Ground Lease constitute the valid and binding obligations of the Board and that all requirements have been met and procedures have occurred in order to ensure the enforceability of this Facilities Lease and the Ground Lease and the Board has complied with all constitutional and other statutory requirements as may be applicable to the Board in the authorization, execution, delivery and performance of this Facilities Lease and the Ground Lease;

(c) The execution and delivery of this Facilities Lease and the Ground Lease, and compliance with the provisions hereof, will not conflict with or constitute on the part of the Board a violation of, breach of, or default under any constitutional provision, statute, law, resolution, bond indenture or other financing agreement or any other agreement or instrument to which the Board is a party or by which the Board is bound, or any order, rule or regulation of any court or Governmental Authority or body having jurisdiction over the Board or any of its activities or properties with respect to the Facilities; and all consents, approvals or authorizations required of the Board for the consummation of the transactions contemplated hereby have been obtained or timely will be obtained;

(d) Other than that which was previously disclosed, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or threatened against or affecting the Board, wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated hereunder or which in any way would adversely affect the validity or enforceability of this Facilities Lease and the Ground Lease;

(e) The Board will not take or permit to be taken any action which would have the effect, directly or indirectly, of causing interest on any of the Series 2010A Bonds to be included in gross income for federal income tax purposes;

(f) The Board agrees to cause the Facilities to be used for the Permitted Use and shall not allow the Facilities to be used for any other use. No more than five percent (5%) of the gross area of the Series 2010A Facilities will be subleased by the Board or by any sublessees or assigns of the Board to, or otherwise used by, private business and the Board agrees to take all action, to the extent it is legally authorized and able to do so, necessary to prevent the Series 2010A Bonds from being deemed "private activity bonds" within the meaning of Section 141 of the Code; and

(g) The Board covenants that, as long as any bonds, notes or lease obligations remain outstanding that are payable from the Capital Funds and the Student Fees, if the Debt Service Coverage Ratio falls below 1.20:1.00, the Board shall use its best efforts to raise its fees, rentals, rates and charges relating to the Facilities so that within two (2) full semesters after the Debt Service Coverage Ratio becomes deficient, the Debt Service Coverage Ratio at least equals 1.20:1.00. At the end of two (2) full semesters, if the Debt Service Coverage Ratio is still below 1.20:1.00, the Board shall hire an outside consultant, approved by the Bond Insurer, if any, and the Board shall follow any reasonably feasible recommendations of such consultant regarding the operation and management of the Facilities, including raising fees and rents, and reducing expenses. So long as the Board is working in good faith with such consultant to increase any deficient Debt Service Coverage Ratio, there shall not be an Event of Default hereunder unless the Debt Service Coverage Ratio is less than 1.00:1.00 at the end of any Fiscal Year. For purposes of the foregoing, when establishing such fees, rentals, rates and charges and calculating the Debt Service Coverage Ratio for this Section, the Board shall take into account payments required to be made into the Debt Service Reserve Fund pursuant to Section 4.8(h) of the Indenture. The Board further covenants that it will seek any required approval necessary in order to comply with this covenant.

(h) Without the prior written consent of the Bond Insurer, if any, neither the Corporation, the University nor the Board will issue or incur or permit to be issued and incurred, any Additional Debt, unless each of the following conditions have been satisfied:

(i) no Event of Default or event which with notice for lapse of time, or both, would constitute an Event of Default shall have occurred and be continuing (unless such Event of Default or other event would be cured by such issuance or incurrence) or will occur upon the issuance or incurrence by the Board of any such obligations;

(ii) the Debt Service Coverage Ratio for the most recently completed Fiscal Year, taking into account the Additional Debt proposed to be issued or incurred, would not have been less than 1.25:1.00. If the Additional Debt is being issued to finance the construction of facilities which generate available revenues or additional student fees, the Board may include in the calculation of Debt Service Coverage Ratio the proposed revenues to be generated by the future Facilities and/or the additional Student Fees attributable thereto; and

(iii) the Debt Service Coverage Ratio set forth in Section 3(g) above for the two most recently completed Fiscal Years has been met.

Section 4. Representations and Covenants of the Corporation.

The Corporation makes the following representations and covenants:

(a) The Corporation has been validly created under the Louisiana Nonprofit Corporation Law, is currently in good standing under the laws of the State, has the power to enter into the transactions contemplated hereby, and to carry out its obligations under this Facilities Lease, the Ground Lease and the Agreement. The Corporation is not in breach of or in default under any of the provisions contained in any contract, instrument or agreement to which it is a party or in any other instrument by which it is bound. By proper action, the Corporation has been duly authorized to execute and deliver this Facilities Lease, the Ground Lease and the Agreement;

(b) The execution and delivery of this Facilities Lease, the Ground Lease and the Agreement, and compliance with the provisions thereof and hereof, will not conflict with or constitute on the part of the Corporation a violation of, breach of, or default under any statute, indenture, mortgage, declaration or deed of trust, loan agreement or other agreement or instrument to which the Corporation is a party or by which the Corporation is bound or any order, rule or regulation of any court or Governmental Agency or body having jurisdiction over the Corporation or any of its activities or properties; and all consents, approvals and authorizations which are required of the Corporation for the consummation of the transactions contemplated thereby and hereby have been or timely will be obtained;

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or threatened against or affecting the Corporation, wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated hereunder or which in any way would adversely affect the validity or enforceability of this Facilities Lease, the Ground Lease or any agreement or instrument to which the Corporation is a party;

(d) The Corporation will not take or permit to be taken any action which would have the effect, directly or indirectly, of causing interest on any of the Series 2010A Bonds to be included in gross income for federal income tax purposes.

Section 5. Waiver and Disclaimer of Warranties.

The Board acknowledges that the Corporation has not made any representations or warranties as to the suitability or fitness of the Facilities for the needs and purposes of the Board or for any other purpose.

The Board further declares and acknowledges that the Corporation in connection with this Facilities Lease, does not warrant that the Facilities will be upon completion of construction free from redhibitory or latent defects or vices and releases the Corporation of any liability for redhibitory or latent defects or vices under Louisiana Civil Code Articles 2520 through 2548 and Louisiana Civil Code Article 2695. The Board declares and acknowledges that it does hereby waive the warranty of fitness for intended purposes and guarantee against hidden or latent redhibitory defects and vices under Louisiana law, including Louisiana Civil Code Articles 2520 through 2548 and Louisiana Civil Code Article 2695, and the warranty imposed by Louisiana Civil Code Articles 2476 and 2695, and waives all rights in redhibition pursuant to Louisiana Civil Code Articles 2520, et seq. The Board further declares and acknowledges that this waiver has been brought to the attention of the Board and explained in detail and that the Board has voluntarily and knowingly consented to this waiver of warranty of fitness and/or warranty against redhibitory defects and vices for the Facilities. Notwithstanding the foregoing, the Board hereby retains all of its rights to proceed against any third parties with respect to such defects.

The Corporation disclaims and the Board waives any warranties and representations with respect to compliance with Governmental Regulations, including Environmental Requirements, or the disposal of, or existence in, on, under, or about the Facilities of any Hazardous Substance. The Board acknowledges that the Corporation reserves in this Facilities Lease all rights to recover from the Board all costs and expenses imposed on the Corporation to bring the Facilities into compliance with any Environmental Requirement, and all costs of Remediation or cleanup of such Hazardous Substance imposed on the Corporation or the Board, which shall be payable by the Board as Additional Rental hereunder to the extent imposed upon the Corporation.

Section 6. Rental.

(a) The Board, for and in consideration of the Corporation entering into the Ground Lease, renovating and/or constructing the Facilities in accordance with the Ground Lease and leasing the Facilities to the Board pursuant to the terms hereof, hereby covenants and agrees to pay the Base Rental and Additional Rental in the amounts, subject to amounts for which the Board is entitled to a credit as described in Section 6(d) hereof, at the times and in the manner set forth herein, such amounts constituting in the aggregate the total of the rental payable under this Facilities Lease. The obligation of the Board to make Base Rental and Additional Rental payments shall commence on the Commencement Date and shall not be subject to abatement, set-off or reduction as a result of a failure by the Corporation to complete construction of the Facilities on a timely basis.

(b) The Board agrees to pay Base Rental from the Capital Funds and the Student Fees. Payments of Base Rental shall be due on the dates and in the amounts as hereinafter provided:

and (i) On each Interest Payment Date, the interest due and payable on the Bonds;

(ii) On each Principal Payment Date, the principal due and payable on the Bonds; and

(iii) On the dates required in the Indenture, to the Trustee for deposit into any of the funds established in the Indenture, including, without limitation, the Debt Service Reserve Fund and the Replacement Fund, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by the Indenture.

(c) In addition to the Base Rental set forth herein, the Board agrees to pay as Additional Rental any and all expenses, of every nature, character, and kind whatsoever, incurred by the Corporation on behalf of the Board and/or by the Board or the University in the management, operation, ownership, and/or maintenance of the Facilities, including but not limited to the following costs and expenses:

(i) all taxes, assessments and impositions against the Facilities, including without limitation ad valorem taxes attributed to the Corporation on behalf of the Board (and any tax levied in whole or in part in lieu of or in addition to ad valorem taxes);

(ii) any costs incurred by the Corporation in maintaining the Facilities for the Board and making any alterations, restorations and replacements to the Facilities;

(iii) insurance premiums and other charges for insurance obtained with respect to the Facilities including insurance premiums, if any, on all insurance required under the provisions of Section 9 of this Facilities Lease;

(iv) any Default or Delay Rentals;

(v) all costs incurred by the Corporation in connection with its performance of its obligations relating to the Facilities and/or the Land under the Ground Lease and this Facilities Lease;

(vi) all Administrative Expenses owed to the Issuer or the Trustee;

(vii) Litigation Expenses, if any, incurred pursuant to Section 43 hereof;

(viii) any reimbursement amounts payable pursuant to Section 20 hereof or pursuant to any other provision hereof;

(ix) any amounts to be paid to the Rebate Fund to be used to make rebate payments, if any, owed to the United States under the Code; and

(x) any other costs, charges, and expenses commonly regarded as ownership, management, maintenance, and operating expenses, if any, incurred by the Corporation under this Facilities Lease.

Amounts constituting Additional Rental payable hereunder shall be paid by the Board directly to the person or persons to whom such amounts shall be due. The Board shall pay all such amounts when due or within thirty (30) days after notice in writing from the Corporation or the Trustee to the Board stating the amount of the Additional Rental then due and the purpose thereof.

(d) The Board shall be entitled to a credit against and reduction of each Base Rental payment in an amount equal to any amounts derived from the following sources:

(i) Accrued interest derived from the sale of the Bonds; and

(ii) Surplus moneys (including investment earnings) contained in the funds and accounts held by the Trustee under the Indenture, including the Debt Service Fund, the Debt Service Reserve Fund and the Replacement Fund. However, in no event shall the proceeds of the Series 2010A Bonds be used to make payments on the Series 2010B Bonds.

(e) Notwithstanding any other provision of the Facilities Lease, the obligation of the Board to make payments under this Facilities Lease, including payments of Base Rental and Additional Rental, shall be subject to, and dependent upon, designation by the Board of the Capital Funds and the Students Fees necessary to make the payments required under this Facilities Lease. The Vice President for Administration and Finance of the University shall cause the University to include in the Budget and, if necessary, any amendments to the Budget, an amount of the Capital Funds and the Students Fees sufficient to make the payments of Base Rental and Additional Rental described herein which amounts may or may not ultimately be designated by the Board for such purpose. Subject to the foregoing and Section 29 hereof, the obligations of the Board to make payments pursuant to this Facilities Lease, and to perform and observe the other agreements and covenants on its part contained herein, shall be absolute and unconditional and shall not be subject to any diminution, abatement, set-off, or counterclaim. Subject to the foregoing and Section 29 hereof, until such time as the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with this Facilities Lease, the Board shall not suspend or discontinue payment of Rental or any other payments pursuant to this Facilities Lease for any cause, and shall continue to perform and observe all of its agreements contained in this Facilities Lease. The Corporation and the Board acknowledge and agree that the obligation of the Board to pay Rental shall constitute a current expense of the Board payable by the Board from funds budgeted and designated in accordance with law for and in consideration of the right to use the Facilities during the Term and that such obligation shall not in any manner be construed to be a debt of the Board in contravention of any constitutional or statutory limitations or requirements concerning indebtedness of the Board and nothing contained herein shall constitute a pledge, lien or encumbrance upon any specific tax or other revenues of the Board.

(f) The payments of Base Rental and Additional Rental under this Facilities Lease for each Fiscal Year or portion thereof during the Term shall constitute the total Rental for such Fiscal Year or portion thereof and shall be paid by the Board for and in consideration of the

construction by the Corporation of the Facilities and the right to the use and occupancy of the Facilities by the Board for and during such Fiscal Year or portion thereof.

(g) Amounts necessary to pay each Base Rental payment shall be deposited by the Board on the dates set forth in Section 6(b) hereof in lawful money of the United States of America at the office of the Trustee or at such other place or places as may be established by the Corporation and/or Trustee in accordance with the Indenture. Any amount necessary to pay any Base Rental payment or portion thereof which is not so deposited shall remain due and payable until received by the Trustee. Notwithstanding any dispute between the Board and the Corporation hereunder, the Board shall make all Rental payments when due and shall not withhold payment of any Rental pending the final resolution of such dispute or for any other reason whatsoever.

(h) This Facilities Lease is intended to be a triple net lease. The Board agrees that the Rental provided for herein shall be an absolute net return to the Corporation free and clear of any expenses, charges, taxes, abatements, counterclaims, reductions or set-offs whatsoever of any kind, character or nature; it being understood and agreed to by the Board that the Board shall bear responsibility for the payment of all costs and expenses associated with the ownership, management, operation, and maintenance of the Facilities. Under no circumstances will the Corporation be required to make any payment on the Board's behalf or for the Board's benefit under this Facilities Lease, or assume any monetary obligation of the Board under this Facilities Lease, or with respect to the Facilities.

(i) In addition to the Rental payments required hereby, the Board covenants and agrees to make extraordinary rental payments to fund a portion of the capital costs of the Facilities from funds on hand or collected by the Board, not to exceed \$6,500,000.

(j) In the event the Food Service Contract is terminated and the Corporation or the Board begins providing operations and management services for the Food Service Areas as required by Section 9.1 of the Ground Lease, the Board agrees to pay amounts sufficient to make up any shortfall in the payment of Base Rental of debt service on the Series 2010 Bonds payable solely from Auxiliary Revenues of the University after payment of annual debt service on the Corporation's (Southeastern Louisiana University Student Housing/University Facilities, Inc. Project) Series 2004 Bonds and the Corporation's (Southeastern Louisiana University / University Facilities Inc.: Phase Four Parking Project) Series 2007 Bonds.

Section 7. Operation, Alterations, Maintenance, Repair, Replacement and Security Service.

(a) The University, at the direction of the Board, shall be responsible for ensuring that all services necessary or required in order to adequately operate the Facilities in accordance with the Permitted Use are provided and maintained. The University shall continuously operate or cause to be operated the Facilities from the Date of Opening and continuing for the remainder of the Term for the Permitted Use, and in accordance with all Governmental Regulations.

(b) The University, at the direction of the Board, shall be responsible for maintaining the Facilities and shall make or contract or cause to be made or contracted with a suitable contractor for the making of all alterations, repairs, restorations, and replacements to the

Facilities, including without limitation the heating, ventilating, air conditioning, mechanical, electrical, elevators, plumbing, fire, sprinkler and theft systems, air and water pollution control and waste disposal facilities, structural roof, walls, and foundations, fixtures, equipment, and appurtenances to the Facilities as and when needed to preserve them in good working order, condition and repair (ordinary wear and tear excepted), regardless of whether such repairs, alterations, restorations or replacements are ordinary or extraordinary, foreseeable or unforeseeable, or are at the fault of the Board, the Corporation or some Other Party. All alterations, repairs, restoration, or replacements shall be of a quality and class equal to or better than the quality and class presently located in the Facilities.

(c) The University, at the direction of the Board, shall have the right during the Term to cause the Corporation or some other Party to make or construct any additions or improvements to the Facilities, alter the Facilities, attach fixtures, structures, or signs to or on the Facilities, and affix personal property to the Facilities without the Corporation's prior written consent to the extent allowed under the terms of any insurance covering the Facilities. All such alterations, improvements, additions, attachments, repairs, restorations, and replacements of all or any portion of the Facilities shall (i) be at the sole cost and expense of the University; (ii) not reduce the then fair market value of the Facilities; (iii) be constructed in a good and workmanlike manner; and (iv) be in compliance with all Governmental Regulations.

(d) The University, at the direction of the Board, shall provide or cause to be provided all security service, custodial service, janitorial service, trash disposal, and all other services necessary for the proper upkeep and maintenance of the Facilities as required herein. The Board acknowledges that the Corporation has made no representation or warranty with respect to systems and/or procedures for the security of the Facilities, any persons occupying, using or entering the Facilities, or any equipment, furnishings, or contents of the Facilities. It is the sole responsibility of the Board, through the University to cause to be provided or to provide for the security of persons on or entering the Facilities and/or property located at the Facilities, in accordance with reasonable and prudent business practices.

Section 8. Utilities.

All utilities which are used or consumed in or upon or in connection with the Facilities during the Term, including, without limitation water, gas, electricity, sewerage, garbage, or trash removal, light, cable, heat, telephone, power, computer data and other utilities necessary for the operation of the Facilities ("**Utility Service**") shall be the responsibility of the Board and/or Permitted Sublessees residing in the Facilities. Payments for Utility Services provided to the entire Facilities or to the common areas of the Facilities under such contract or contracts therefor as the Board may make shall be made by the Board directly to the respective utility companies furnishing such Utility Services.

The Corporation shall have no responsibility to the Board for the quality or availability of Utility Service to the Facilities, or for the cost to procure Utility Service. The Corporation shall not be in default under this Facilities Lease or be liable to the Board or any other Person for direct or consequential damage, or otherwise, for any failure in supply of any Utility Service, heat, air conditioning, elevator service, cleaning service, lighting, security, or for surges or interruptions of electricity.

Section 9. Insurance.

(a) The University, at the direction of the Board, shall cause to be secured and maintained at the University's cost and expense:

(i) A policy or policies of insurance covering the Facilities against loss or damage by fire, lightening, earthquake, collapse, vandalism and malicious mischief, flood and storm surge, and against such other perils as are included in so-called "extended coverage" and against such other insurable perils as, under good insurance practice, from time to time are insured for properties of similar character and location, which insurance shall be not less than the full replacement cost of the Facilities, without deduction for depreciation. In the event that the Facilities are not repaired or replaced, insurance proceeds shall be no greater than the actual cash value (replacement cost less depreciation) of the Facilities at the time of the loss. The policy shall be adjusted to comply with any applicable co-insurance provisions of such insurance policy. Full payment of insurance proceeds shall not be contingent on the degree of damage sustained at other facilities leased by the Board. The policy or policies covering such loss must explicitly waive any co-insurance penalty.

(ii) A policy of comprehensive public liability insurance with respect to the Facilities and the operations related thereto, whether conducted on or off the Facilities, against liability for personal injury (including bodily injury and death) and property damage, of not less than \$2,000,000 in combined single limit liability coverage. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability, water damage legal liability, motor vehicle liability for all owned and non-owned vehicles, including rented or leased vehicles.

(iii) Boiler and machinery insurance coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus, but only if steam boilers, pressure vessels or similar apparatus are installed on the Facilities, in an amount not less than \$5,000,000 with deductible provisions not exceeding \$100,000 per accident.

(iv) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State, or any act hereafter enacted as an amendment thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the Corporation in connection with the Facilities and to cover full liability for compensation under any such act aforesaid.

(b) The Corporation shall:

(i) cause to be secured and maintained a policy of title insurance insuring the Corporation's leasehold interest under the Ground Lease in an amount equal to the par amount of the Bonds; and

(ii) cause all of the construction professionals to secure and maintain:

(A) Comprehensive or Commercial General Liability insurance;

- (B) Errors and Omissions insurance;
- (C) Automobile Liability insurance;
- (D) Worker's Compensation insurance;
- (E) an all Risk Builder's Policy upon the construction of the Facilities;
and
- (F) boiler and machinery or additional property insurance;

all as required by the terms of any construction contracts entered into with regards to the demolition of certain existing facilities and the renovation, development and construction of the Facilities.

All insurance required in this Section 9 and all renewals of such insurance (excepting self insurance or commercial insurance, through ORM) shall be issued by commercial insurers authorized to transact business in the State, and rated at least A- by Best's Insurance Reports (property/liability) or in the two highest rating categories of S&P and Moody's. All insurance policies provided or caused to be provided by the Corporation shall expressly provide that the policies shall not be canceled or altered without thirty (30) days' prior written notice to the University and the Trustee; and shall, to the extent obtainable, provide that no act or omission of the Corporation or other provider of the insurance that would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained.

All policies of liability insurance that the University is obligated to maintain according to this Facilities Lease (other than any policy of worker's compensation insurance) will name the Corporation, the Trustee and such other Persons or firms as the University may be required to name from time to time as additional insureds and shall expressly provide that the policies shall not be cancelled or altered without thirty (30) days' prior written notice to the Corporation and the Trustee; and shall, to the extent obtainable, provide that no act or omission of the University or other provider of the insurance that would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained. All public liability, property damage liability, and casualty policies maintained by the University shall be written as primary policies.

Proceeds of insurance received and/or the amount of any loss that is self-insured with respect to destruction of or damage to any portion of the Facilities by fire, earthquake or other casualty or event shall be paid to the Trustee (or, in the case of ORM insurance, to the Board for delivery in full to the Trustee) for application in accordance with the provisions of Section 11 of this Facilities Lease and the Indenture.

The Corporation shall certify annually to the Bond Insurer, if any, that all insurance policies required by this Section 9 are as of the date of such certification in place and in effect.

Section 10. Condemnation, Casualty and Other Damage.

The risk of loss or decrease in the enjoyment and beneficial use of the Facilities due to any damage or destruction thereof by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion or otherwise (collectively "Casualty") or in consequence of any foreclosures, attachments, levies or executions; or the taking of all or any portion of the Facilities by condemnation, expropriation, or eminent domain proceedings (collectively "Expropriation") is expressly assumed by the Board. The Corporation and the Trustee shall in no event be answerable, accountable or liable therefor, nor shall any of the foregoing events entitle the Board to any abatements, set-offs or counter claims with respect to its Base Rental, Additional Rental or any other obligation hereunder.

Section 11. Application of Insurance Proceeds; Condemnation Award.

(a) If during construction, all or any portion of the Facilities is damaged or destroyed by a Casualty, or is taken by Expropriation proceedings, the Board shall instruct the Corporation, as expeditiously as possible, to continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof; provided however, that the Corporation shall in no way be liable for any costs of the repair, restoration or replacement of the Facilities in excess of the proceeds of any insurance or of any Expropriation award received because of such Casualty or Expropriation. Following the completion of construction and acceptance of the Facilities by the Board on behalf of the Corporation, the Board shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted, the repair, restoration, or replacement thereof. The proceeds of any insurance, including the proceeds of any self-insurance fund, or of any Expropriation award or payment in lieu of Expropriation, received on account of any damage, destruction or taking of all or any portion of the Facilities shall be delivered to the Trustee and held by the Trustee in trust (or in the case of self insurance through ORM, as set forth in paragraph (b) below), and shall be made available for, and to the extent necessary be applied to, such restoration, repair and replacement. Any amounts so held by the Trustee shall be disbursed to pay the costs of restoration, replacement and repair of the Facilities with respect to which they are held, in each case promptly after receipt of a written request of the Corporation stating that the amount to be disbursed pursuant to such request will be used to pay costs of replacing or repairing or restoring the Facilities and that no amount previously has been disbursed by the Trustee for payment of the costs to be so paid. In making such payments, the Trustee may conclusively rely upon such written requests and shall have no liability or responsibility to investigate any matter stated therein, or for any inaccuracy or misstatement therein. In no event shall the Trustee be responsible for the adequacy of the plans and specifications or construction contract relating to the replacement, restoration, or repair of the Facilities, or for the improper use of moneys properly disbursed pursuant to request made under this Section 11. Any proceeds remaining on deposit with Trustee following completion of the repairs, restoration or replacement of the Facilities shall be paid by Trustee in accordance with the terms of the Indenture.

In the event the proceeds of any insurance, and any additional funds deposited with the Trustee, are insufficient to fully repair, restore or replace the Facilities, the proceeds shall be paid to the Board for immediate delivery to Trustee and used to redeem the Outstanding Bonds.

Notwithstanding the foregoing, the Corporation's obligation to replace the Facilities in the event of Expropriation proceedings is dependent on the Board entering into a lease with a different portion of the Campus as provided in Section 13.3 of the Ground Lease. In the event it is necessary to restore or replace the Facilities in a different location because of the Expropriation of all or a portion of the Facilities, the Corporation and the Board agree to amend or enter into a new Facilities Lease and Ground Lease in accordance with Section 13.3 of the Ground Lease. In the event the Board, pursuant to the Ground Lease, decides not to repair, restore or replace the Facilities for any reason, all insurance proceeds received or payable as a result of such Casualty, or all proceeds received or payable as a result of Expropriation proceedings (including payments received or payable in lieu of Expropriation) shall be paid to the Board for immediate delivery to the Trustee and applied to the prepayment of the Bonds in accordance with the terms of the Indenture, and this Facilities Lease and the Ground Lease shall terminate on the date that the events described in Section 2(a) or 2(b) hereof have occurred.

(b) In the event that ORM insures the Facilities, the Board shall use the insurance proceeds received from ORM in accordance with Policy and Procedure Memorandum Number 10 (requiring invoices to be submitted to ORM for payment to vendors, or alternatively, production of invoices paid by the Board to ORM for reimbursement of vendor payments) to effect the repair, restoration or replacement of the Facilities.

Section 12. Encumbrances.

(a) **Payment by the Board.** The Board shall pay or cause to be paid all costs and charges for alterations, improvements, additions, repairs and maintenance ("**Work**") (i) done by the Board or caused to be done by the Board in or to the Facilities, and (ii) for all materials furnished for or in connection with such Work. The Corporation reserves all rights to collect for any loss or damage sustained or incurred by the Corporation resulting from any and all Encumbrances, demands or liabilities arising on account of the Work, which shall be payable by the Board as Additional Rent hereunder.

(b) **Failure to Discharge.** If the Board fails to pay any charge for which an Encumbrance has been filed, and the Facilities or any portion thereof is placed in imminent danger of being seized, the Corporation may, but shall not be obligated to, pay such charge and related costs and interest, and the amount so paid, together with reasonable Legal Expenses incurred in connection with such Encumbrance, will be immediately due from the Board to the Corporation as Additional Rental. Nothing contained in this Facilities Lease will be deemed the consent or agreement of the Corporation to subject the Corporation's interest in the Facilities to liability under any Encumbrance, or any mechanics', materialman's or other lien law. If the Board receives written notice that an Encumbrance has been or is about to be filed against the Facilities, or that any action affecting title to the Facilities has been commenced on account of Work done by or for the Board or for materials furnished to or for the Board, it shall immediately give the Corporation Notice of such notice.

(c) **Notice of Work.** At least fifteen (15) days prior to the commencement of any Work in or to the Facilities, by or for the University, the University shall give the Corporation Notice of the proposed Work and the names and addresses of the Persons supplying labor and materials for the proposed Work. The Corporation will have the right to post notices of

nonresponsibility or similar written notices on the Facilities in order to protect the Facilities against any such claimants.

Section 13. Assignment and Sublease.

(a) No interest of the Board in the Facilities shall be mortgaged, pledged, assigned or transferred by the Board by voluntary act or by operation of law, or otherwise; provided, however, the Board may sublease all or any portion of the Facilities, or grant concessions involving the use of all or any portion of the Facilities, whether such concessions purport to convey a leasehold interest or a license to use all or a portion of the Facilities to any University student, faculty, staff or Permitted Sublessee. The Board shall, however, at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Facilities Lease (including, without limitation, the payment of Base Rental and Additional Rental), notwithstanding any subletting or granting of concessions which may be made. Nothing herein contained shall be construed to relieve the Board from its obligations to pay Base Rental and Additional Rental as provided in this Facilities Lease or to relieve the Board from any other obligations contained herein. Other than subleases to Permitted Sublessees and use of the Facilities for Permitted Uses, in no event will the Board sublease or permit the use of all or any part of the Facilities to any person without an opinion of Bond Counsel that such will not cause interest on the Bonds to be included in the gross income of the owners of the Series 2010 Bonds for federal income tax purposes.

(b) The Corporation shall, concurrently with the execution hereof, assign all of its right, title and interest in and to this Facilities Lease, including without limitation its right to receive Base Rental payable hereunder, to the Issuer pursuant to the Agreement, and the Issuer will in turn assign its rights under this Facilities Lease to the Trustee pursuant to the Indenture. The parties hereto further agree to execute any and all documents necessary and proper in connection therewith. Anything required or permitted to be done by the Corporation under this Facilities Lease may be done by the Trustee under the Indenture.

(c) Except as set forth in Section 13(b) hereof, the Corporation shall not sell or assign its interest in the Facility or this Facilities Lease without the prior written consent of the Board.

Section 14. Additions and Improvements Removal.

At the expiration of the Term, or termination of this Facilities Lease, all alterations, fixtures, improvements and additions made by the Board or the University and all equipment placed upon the Facilities that are incorporated into or made into component parts of the Facilities, as well as, title to all property, furniture, equipment, fixtures, and other property installed at or placed upon the Facilities by the Board which is not incorporated into or made a component part of the Facilities remain the property of the Board.

The Board hereby agrees to replace such property from time to time as such property becomes worn out, obsolete, inadequate, unsuitable or undesirable. The Board may add to or remove such property from time to time, and upon expiration of the Term, provided that the Board repairs any damage to the Facilities caused by such removal.

Section 15. Right of Entry.

Representatives of the Corporation and the Bond Insurer, if any, shall, subject to reasonable security precautions, and upon giving the Board not less than twenty-four (24) hours advance Notice, have the right to enter upon the Facilities during reasonable business hours (and in emergencies without notice and at all times) accompanied by a Board Representative (i) to inspect the same, (ii) for any purpose connected with the rights or obligations of the Corporation under this Facilities Lease, or (iii) for all other lawful purposes. Any right of access to any portion of the Facilities leased to the students, faculty, staff or Permitted Sublessees shall be subject to their rights pursuant to their rental agreements and University policy.

Section 16. Mortgage Prohibition.

Except as set forth in the Indenture, the Ground Lease and the Agreement, the Corporation shall not be entitled to mortgage or grant a security interest in the Facilities.

Section 17. Sale of Facilities; Attornment; and Conveyance and Transfer of the Corporation's Interest.

If a person other than the Corporation shall succeed to the rights of the Corporation hereunder (in any case with the prior written consent of the Board as required hereby), upon the declaration of the successor to the Corporation's interest in this Facilities Lease, the Board agrees to fully attorn to and recognize any such successor as the Board's landlord under this Facilities Lease upon the then existing terms of this Facilities Lease, provided that such successor shall agree in writing to accept the Board's attornment and not to disturb the Board's possession so long as the Board shall observe the provisions and all covenants of this Facilities Lease. This attornment provision shall inure to the benefit of any such successor and shall be self-operative upon the election and declaration by such successor, and no further instrument shall be required to give effect to the provisions. However, the Board agrees to evidence and confirm the foregoing attornment provisions by the execution and delivery of instruments in recordable form satisfactory to such successor.

If the Facilities, or any part thereof, shall be sold or otherwise transferred by sale, assignment, transfer or other contract, or by operation of law or otherwise (with the prior written consent of the Board as required hereby and with an opinion of Bond Counsel that such action will not cause interest on the Series 2010A Bonds to be included in the gross income of the owner of the Series 2010A Bonds for federal tax purposes), and if such written consent specifically so provides, the Corporation shall be automatically and entirely released and discharged to the extent of the interest in or the portion of the Facilities sold, assigned or transferred from and after the effective date of such sale, assignment or transfer of all liability for the performance of any of the covenants of this Facilities Lease on the part of the Corporation thereafter to be performed. The purchaser or other transferee of the Facilities shall be deemed to have agreed to perform such covenants of the Corporation from and after the date of such assignment or sale during such transferee's period of ownership of the Corporation's interest under this Facilities Lease, all without further agreement between the Corporation, its successor and the Board. The Corporation's transferee shall not be held responsible for the performance of any of the covenants of this Facilities Lease on the part of the Corporation required to be

performed prior to such sale and transfer, the Board reserving its rights against the Corporation for any unperformed covenants prior to such sale or transfer.

Section 18. Quiet Enjoyment.

The Corporation covenants that the Board, on paying the Rental and performing and observing all of the covenants and agreements herein contained and provided to be performed by the Board or the University, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Facilities during the Term and may exercise all of its rights hereunder; and the Corporation agrees to warrant and forever defend the Board's right to such occupancy, use, and enjoyment and the title to the Facilities against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof subject only to the provisions of this Facilities Lease.

Section 19. Environmental Compliance and Indemnity.

(a) **Environmental Compliance.** The Board or the University shall operate or cause to be operated the Facilities in compliance with all Environmental Requirements continuously during the Term, and for such periods of time prior to the Commencement Date and after the Expiration Date, as long as the Board is in possession of the Facilities, in whole or in part. The Board shall not cause or permit any Hazardous Substance to be brought upon, kept, or used in or about the Facilities or the Land, except for such Hazardous Substance as is necessary or useful to the operation of the Facilities.

(b) **The Board's Liability.** If the Board fails to comply with any of the foregoing warranties, representations, and covenants, and removal or Remediation of any Hazardous Substance found on the Facilities is required by Environmental Requirements or Governmental Authority, the Board shall promptly undertake the removal or Remediation of such Hazardous Substance, at the Board's sole cost and expense. In the event the Board fails or refuses to undertake such removal or Remedial actions, the Corporation may cause the removal or Remediation (or other cleanup reasonably acceptable to the Corporation) of any such Hazardous Substance from the Land or the Facilities. The reasonable costs of removal, Remediation, or any other cleanup (including transportation and storage costs) will be considered as Additional Rental under this Facilities Lease, whether or not a court has ordered the cleanup, and those costs will become due and payable within ninety (90) days of written demand by the Corporation. In connection therewith, the Board will give the Corporation, its agents, and employees access to the Facilities to remove, remediate, or otherwise clean up any Hazardous Substance. The Corporation, however, has no affirmative obligation to remove, remediate, or otherwise clean up any Hazardous Substance, and this Facilities Lease will not be construed as creating any such obligation. The Board hereby agrees that it shall be fully liable for all costs and expenses related to the use, storage, and disposal of any Hazardous Substance located in or about the Facilities by the Board.

Section 20. The Corporation's Reservation of Rights.

(a) The Corporation hereby reserves all of its rights to recover from the Board for any and all Claims asserted against the Corporation, including Litigation Expenses arising out of or by reason of:

(i) any injury to or death of any person or damage to property occurring on or about the Facilities occasioned by or growing out of or arising or resulting from any tortious or negligent act on the part of the Board in connection with the operation and management of the Facilities; or

(ii) any failure, breach, or default on the part of the Board in the performance of or compliance with any of the obligations of the Board under the terms of this Facilities Lease.

(b) Notwithstanding the fact that it is the intention of the parties that the Corporation shall not incur any pecuniary liability by reason of the terms of this Facilities Lease or the undertakings required of the Corporation hereunder, nevertheless, if the Corporation should incur any such pecuniary liability, then in that event, the Corporation shall be entitled to assert all rights and remedies granted in law or in equity to recover from the Board the amount of any pecuniary liability incurred by the Corporation, plus all Litigation Expenses incurred in defense of such liability to the extent subject to indemnification pursuant to Subsection (a) above.

(c) No recourse shall be had for the enforcement of any obligation, covenant, or agreement of the Corporation contained in this Facilities Lease or any Claim based thereon against the Corporation or of any successor thereto or member thereof, either directly or through the Corporation whether by virtue of any constitutional provision, statute, or rule of law. This Facilities Lease and the obligations of the Corporation hereunder, and any Claim asserted against the Corporation are solely corporate obligations, and the enforcement of any obligation or Claim shall be limited solely to the Corporation's interest in the Facilities. No personal liability shall attach to, or be incurred by, any officer, director, agent, employee or member of the Corporation and the Board acknowledges that all personal liability of any character against every such officer, director, agent, employee or member by the execution of this Facilities Lease, is expressly waived and released. The immunity of any officer, director, agent, employee or member of the Corporation under the provisions contained in this Section 20 shall survive any acquisition of the Facilities by the Board and the expiration or other termination of this Facilities Lease.

Section 21. Default by the Board.

If (i) the Board shall fail to deposit with the Trustee any Base Rental payment required to be so deposited pursuant to Section 6 hereof by the close of business on the day such deposit is required pursuant to Section 6 hereof, and shall fail to remedy such breach within five (5) days thereof, but in no event later than the date on which such payment is required to enable the Corporation to make payment on the Bonds (without use of moneys held in the Debt Service Reserve Fund), or (ii) the Board shall fail to pay or discharge any monetary obligation under this Lease (other than the payment of Base Rental) as and when due, or within thirty (30) days after receipt of Notice from the Corporation that such sums are due and owing; or (iii) the Board shall

breach any non-monetary terms, covenants or conditions herein, and shall fail to remedy any such breach with all reasonable dispatch within a reasonable period of time (or such longer period as the Trustee may approve) after written notice thereof from the Corporation to the Board, then and in any such event the Board shall be deemed to be in default hereunder, and the Corporation shall have the right, at its option, without any further demand or notice to terminate this Facilities Lease on the earliest date permitted by law or on any later date specified in any Notice given to the Board, in which case the Board's right to possession of the Facilities will cease and this Facilities Lease will be terminated, without, however, waiving the Corporation's right to collect all Rental and other payments due or owing for the period up to the time the Corporation regains possession (which have been approved for payment under this Facilities Lease, but not paid by the Board), and to enforce other obligations of the Board which survive termination of this Facilities Lease, and in such event the Corporation may without any further demand or notice re-enter the Facilities and eject all parties in possession thereof, subject to the rights of students, faculty, staff and Permitted Sublessees. The foregoing remedies of the Corporation are in addition to and not exclusive of any other remedy of the Corporation. Any such re-entry shall be allowed by the Board without hindrance, and the Corporation shall not be liable in damages for any such re-entry or be guilty of trespass. The Corporation understands and agrees that upon its termination of the Board's right to possession of the Facilities or termination of this Facilities Lease, the Corporation upon its re-entry of the Facilities shall only be allowed to use the Facilities for the Permitted Use and shall be subject to all applicable Governmental Regulations heretofore or hereafter enacted by any Governmental Authority relating to the use and operation of the Facilities.

Notwithstanding any other provision of this Facilities Lease, (i) in no event shall the Corporation have the right to accelerate the payment of any Base Rental payment hereunder and (ii) the Bond Insurer, if any, shall have ninety (90) days to cure an Event of Default hereunder.

Notwithstanding anything contained in this Section 21 to the contrary, a failure by the Board to pay when due any payment required to be made under this Facilities Lease or a failure by the Board to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Facilities Lease, resulting from a failure by the Board to designate moneys shall not constitute an Event of Default under this Section 21 and the Corporation shall not have any of the remedial rights set forth in this Section 21. Notwithstanding the foregoing, in such event the Board acknowledges that the Facilities Lease shall terminate and the Board shall immediately vacate the Facilities, and deliver the Facilities to the Corporation.

Section 22. Cumulative Remedies.

Each right and remedy provided for in this Facilities Lease is cumulative and is in addition to every other right or remedy provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Corporation of any one or more of the rights or remedies provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by the Corporation of any or all other rights or remedies provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise. All costs

incurred by the Corporation in collecting any amounts and damages owing by the Board pursuant to the provisions of this Facilities Lease or to enforce any provision of this Facilities Lease, including reasonable Litigation Expenses from the date any such matter is turned over to an attorney, whether or not one or more actions are commenced by the Corporation, will also be recoverable by the Corporation from the Board. The waiver by the Corporation of any breach by the Board and the waiver by the Board of any breach by the Corporation of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

Section 23. Option to Purchase.

For and in consideration of the obligations of the Board under the Facilities Lease, the mutual undertakings of the parties, the receipt and adequacy of which is hereby acknowledged, the Corporation grants to the Board an exclusive and irrevocable option to purchase for the price and on the terms, provisions, stipulations and conditions hereinafter set forth, all but not less than all of the Corporation's leasehold interest in the Facilities.

(a) **Effective Date.** The effective date of this Option agreement shall be the Commencement Date.

(b) **Term of Option.** The Option shall expire at midnight Central Time, on the Expiration Date, or upon the termination of this Facilities Lease, whichever occurs first.

(c) **Limitation on Exercise of Option.** The Board may not exercise the Option, and the Option shall be voidable, at the sole election of the Corporation, if a default by the Board has occurred and is continuing under this Facilities Lease, and the applicable time period in which the Board may cure such default has expired. Notwithstanding any provision of this Option to the contrary, the Board shall be entitled to exercise the Option as long as the Board is legally obligated to make payments of Base Rental under the Facilities Lease.

(d) **Exercise of Option.** The Board may exercise the Option herein granted at any time on or before expiration of the Term, on any Interest Payment Date as set forth in the Indenture or on the date the Bonds are defeased pursuant to Article XII of the Indenture, by Notice to the Corporation of its election to exercise the Option and purchase the Corporation's interest in and to the Facilities given not less than sixty (60) days prior to the date on which the Board desires to purchase the Facilities.

(e) **Purchase Price.** The Purchase Price shall be equal to the principal of all Bonds then Outstanding plus the interest to accrue on such Bonds until the purchase date plus any prepayment penalties, charges or costs for early prepayment or defeasance of the Bonds and any Administrative Expenses owed prior to the purchase date which payments are necessary to discharge the Indenture pursuant to Article XII thereof (collectively, the "**Purchase Price**").

(f) **Effect on Facilities Lease and Ground Lease.** Upon the purchase of the Corporation's leasehold interest in the Facilities by the Board pursuant to this Option, the Facilities Lease and the Ground Lease shall terminate and all of the Corporation's leasehold interest in the Land and the Facilities shall terminate.

(g) **Payment of Purchase Price.** The Board, on the purchase date, shall deposit an amount equal to the Purchase Price with the Trustee.

(i) **Conveyance.** In the event of and upon the payment of the Purchase Price and any other sums due under this Facilities Lease by the Board, the Corporation will on the purchase date execute and deliver to the Board a written cancellation of the Ground Lease and this Facilities Lease.

(ii) **Assignment of Contract Rights and Obligations.** The conveyance of the Corporation's leasehold interest in the Facilities shall also effect a transfer and assignment of all rights, warranties and liabilities of the Corporation under then existing contracts of any nature with respect to the Facilities.

(h) **Closing.** In the event the Option is timely exercised, notice of the Board's election to the Corporation shall constitute an irrevocable conversion of the Option into a binding obligation of the Corporation to sell its leasehold interest in the Facilities and the Board to buy the same under the terms and conditions set forth in this Section 23, and in such event, the Corporation and the Board shall have the right to demand specific performance of this agreement by the other. The closing shall occur at the offices of the Board or its counsel, or at such other time, place, and date as agreed upon by the Corporation and the Board.

(i) **Closing Costs.** The Board shall pay all closing costs and charges incident to the conveyance of the Corporation's interest in the Land and the Facilities.

(j) **No Warranty.** The Corporation shall convey its leasehold interest in the Facilities without any warranty whatsoever of any nature. The conveyance of the leasehold interest in the Facilities shall be without any warranty as to fitness and condition, as set forth in Section 5 of this Facilities Lease. Language substantially similar to the language contained in Section 5 of this Facilities Lease shall be incorporated into and made a part of such conveyance. In no event shall the Corporation be responsible for any defects in title.

(k) **Default under the Option.**

(i) In the event the Option is exercised, and the Corporation fails to consummate the transactions contemplated herein for any reason, except default by the Board or the failure of the Board to satisfy any of the conditions set forth herein, the Board may, in addition to any other rights and remedies which may otherwise be available to the Board, enforce this agreement by specific performance. The Board's remedies under this Section 23 are expressly subject to the provisions of Section 30 of this Facilities Lease.

(ii) In the event the Option is exercised, and the Board fails to consummate the transactions contemplated herein for any reason, except default by the Corporation or the failure of the Corporation to satisfy any of the conditions set forth herein, the Corporation (a) may enforce this agreement by specific performance and in such action shall have the right to recover damages suffered by reason of the Board's delay; or (b) may bring suit for damages for breach of this agreement.

(iii) No delay or omission in the exercise of any right or remedy accruing to either party upon any breach by the other party under this Section 23 shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter occurring. The waiver by either party of any condition or any subsequent breach of the same or any other term, covenant or condition contained in this Section 23 shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained.

(l) **Attorney's Fees.** Should either party employ an attorney or attorneys to enforce any of the provisions hereof, or to protect its interest in any matter arising under this agreement, or to recover damages for the breach of this agreement, the party prevailing in any final judgment shall have the right to collect from the losing party all Litigation Expenses incurred in enforcing such rights.

(m) **Notices.** Any notices required or permitted under this Section 23 shall be in writing and delivered either in person to the other party, or the other party's authorized agent, or by United States Certified Mail, return receipt requested, postage prepaid, to the address set forth in Section 50 of this Facilities Lease, or to such other address as either party may designate in writing and delivered as herein provided.

(n) **Assignability.** Except as set forth in the Indenture, the Mortgage or the Ground Lease, the Option may not be assigned by the Corporation or its interest in the Facilities sold (subject to the Option or otherwise) to any person or entity without the Board's prior written consent, which consent may be withheld by the Board in its sole discretion.

(o) **Time of Essence.** Time is of the essence of this Option.

(p) **Binding Effect.** This Option shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, successors and assigns.

Section 24. Severability.

If any provisions of this Facilities Lease shall be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable, to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Facilities Lease shall not affect the remaining portions of this Facilities Lease, or any part thereof.

Section 25. Redemption of Bonds.

The Corporation agrees that it will not exercise its option to redeem any Bonds pursuant to the Indenture unless the Board consents to such redemption or such redemption is to be effected with moneys derived from a source other than payments made by the Board under this Facilities Lease, however, in no event shall the mandatory redemption of any Bonds pursuant to

the Indenture require the consent of the Board. The Corporation further agrees that if requested by the Board it will take all actions necessary to redeem all or any portion of the Bonds designated by the Board on the first date that it may do so under the terms of the Indenture so long as the Board agrees to provide funds in an amount, and at the time, required to effect such redemption.

Section 26. Additional Bonds.

Upon the request and at the expense of the Board, the Corporation shall take action as may be required to effect the issuance of Additional Bonds in such amount as the Board may request as permitted by and in accordance with the provisions of the Indenture for any purpose permitted thereby.

Section 27. Execution.

This Facilities Lease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same Facilities Lease.

Section 28. Law Governing.

This Facilities Lease is made in the State under the constitution and laws of the State and is to be governed by the laws of the State.

Section 29. Nondesignation of Funds.

In the event no funds or insufficient funds are lawfully designated in any Fiscal Year enabling the payment of Base Rental and Additional Rental due during the next succeeding Fiscal Year, the Board will immediately notify the Corporation and the Trustee of such occurrence. On the first day of the month following the Base Rental payment date on which the last payment of Base Rental can be made in full from the Capital Funds and the Student Fees, this Facilities Lease shall terminate without penalty or expense to the Board of any kind whatsoever, except as to the portions of Base Rental and Additional Rental payments herein agreed upon for Fiscal Years for which sufficient funds have been lawfully designated. In the event of such termination, the Board agrees peaceably to surrender possession of the Facilities to the Corporation on the date of such termination in its original condition (normal wear and tear excepted). The Corporation will have all legal and equitable rights and remedies to take possession of the Facilities and re-let or sell the Facilities as the Corporation determines and as granted in this Facilities Lease. The Board acknowledges that the Corporation's rights to take possession and to re-let or sell the Facilities under this Section 29 may be assigned to the Trustee for the benefit of the owners of the Bonds, and the Board agrees that the Trustee shall be entitled to exercise all of the rights of the Corporation under this Section 29. The event of an inability by the Board to cause the designation of sufficient funds for the payment of sums due under this Facilities Lease shall not constitute a default hereunder, but shall ipso facto terminate this Facilities Lease. This provision is operative notwithstanding any provisions of this Facilities Lease to the contrary. The Board shall be considered in default hereunder if sufficient funds are lawfully designated for the payment of Rental required under this Facilities Lease and the Board

fails to use lawfully designated funds for the payment of Rental. In such event, the Corporation shall be entitled to the rights and remedies set forth in Sections 21 and 22 hereof.

Section 30. Exculpatory Provision.

In the exercise of the powers of the Corporation and its trustees, officers, employees and agents under this Facilities Lease and the Indenture, the Corporation shall not be accountable or liable to the Board (i) for any actions taken or omitted by it or its officers, employees or agents in good faith and believed by it or them to be authorized or within their discretion or rights or powers conferred upon them, or (ii) for any claims based on this Facilities Lease against any officer, employee or agent of the Corporation in his or her personal capacity, all such liability, if any, being expressly waived by the Board by the execution of this Facilities Lease. Nothing in this Facilities Lease or the Indenture is intended to require or obligate, nor shall anything herein or therein be interpreted to require or obligate, the Corporation for any purpose or at any time whatsoever, to provide, apply or expend any funds coming into the hands of the Corporation other than the funds derived from the issuance of the Bonds under the Indenture and moneys derived pursuant to the Indenture and this Facilities Lease.

The Board specifically agrees to look solely to the Corporation's interest in the Facilities for the recovery of any judgments from the Corporation. It is agreed that the Corporation will not be personally liable for any such judgments, or incur any pecuniary liability as a result of this Facilities Lease to the Board, or the breach of its obligations hereunder. The Corporation's liability under this Facilities Lease is "*in rem*" as to its interest in the Facilities. The provisions contained in the preceding sentences are not intended to and will not limit any right that the Board might otherwise have to obtain injunctive relief against the Corporation or relief in any suit or action in connection with enforcement or collection of amounts that may become owing or payable under or on account of insurance maintained by the Corporation.

Section 31. Reserved.

Section 32. Recording.

The Corporation covenants and agrees that it will promptly record and from time to time re-record a memorandum in recordable form of this Facilities Lease and the Indenture and all supplements thereto and hereto in such manner and in such places as may be required by law in order to fully protect and preserve the security of the holders or owners of the Bonds.

Section 33. Construction Against Drafting Party.

The Corporation and the Board acknowledge that each of them and their counsel have had an opportunity to review this Facilities Lease and that each Party was responsible for the drafting thereof.

Section 34. Time of the Essence.

Time is of the essence of each and every provision of this Facilities Lease.

Section 35. No Waiver.

The waiver by the Corporation of any agreement, condition, or provision contained in this Facilities Lease will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Facilities Lease, nor will any current or future custom or practice between the parties in the administration of the terms of this Facilities Lease be construed to waive or to lessen the right of the Corporation to insist upon the performance by the Board in strict accordance with the terms of this Facilities Lease. The subsequent acceptance of Rental by the Corporation will not be deemed to be a waiver of any preceding breach by the Board of any agreement, condition, or provision of this Facilities Lease, other than the failure of the Board to pay the particular Rental so accepted, regardless of the Corporation's knowledge of such preceding breach at the time of acceptance of such Rental.

Section 36. Survival.

To the extent permitted by law and to the extent such will not constitute the incurrence of debt by the Board, all of the Corporation's remedies and rights of recovery under Sections 19 and 20 of this Facilities Lease shall survive the Term and/or the purchase of the Facilities by the Board under the Option.

Section 37. Reserved.

Section 38. Estoppel Certificates.

At any time and from time to time but within ten (10) days after prior written request by the Corporation, the Board will execute, acknowledge, and deliver to the Corporation, promptly upon request but only to the extent accurate, a certificate certifying (i) that this Facilities Lease is unmodified and in full force and effect or, if there have been modifications, that this Facilities Lease is in full force and effect, as modified, and stating the date and nature of each modification; (ii) the date, if any, to which Rental and other sums payable under this Facilities Lease have been paid; (iii) that no Notice of any default has been delivered to the Corporation which default has not been cured, except as to defaults specified in said certificate; (iv) that there is no Event of Default under this Facilities Lease or an event which, with Notice or the passage of time, or both, would result in an Event of Default under this Facilities Lease, except for defaults specified in said certificate; and (v) such other matters as may be reasonably requested by the Corporation. Any such certificate may be relied upon by any prospective purchaser or existing or prospective mortgagee of the Facilities or any part thereof. The Board's failure to notify the Corporation of any inaccuracies in the proposed certificate within the specified time period shall be conclusive evidence that the matters set forth in the certificate are accurate and correct.

Section 39. Waiver of Jury Trial.

The Corporation and the Board waive trial by jury in any action, proceeding, or counterclaim brought by either of the Parties to this Facilities Lease against the other on any matters whatsoever arising out of or in any way connected with this Facilities Lease, the relationship of the Corporation and the Board, the Board's use or occupancy of the Facilities, or any other Claims, and any emergency statutory or any other statutory remedy.

Section 40. Written Amendment Required.

No amendment, alteration, modification of, or addition to the Facilities Lease will be valid or binding unless expressed in writing and signed by the Corporation and the Board and consented to the extent required by the Agreement.

Section 41. Entire Agreement.

This Facilities Lease, the exhibits and addenda, if any, contain the entire agreement between the Corporation and the Board. No promises or representations, except as contained in this Facilities Lease, have been made to the Board respecting the condition or the manner of operating the Facilities.

Section 42. Signs.

The Board may attach any sign on any part of the Facilities, or in the halls, lobbies, windows, or elevator banks of the Facilities, without the Corporation's approval. The Board may name the Facilities and change the name, number, or designation of the Facilities, without the Corporation's prior consent.

Section 43. Litigation Expenses.

The Board will pay the Corporation as Additional Rental all reasonable Litigation Expenses and all other reasonable expenses which may be incurred by the Corporation in enforcing any of the obligations of the Board under this Facilities Lease, in exercising its rights to recover against the Board for loss or damage sustained in accordance with the provisions of this Facilities Lease, or in any litigation or negotiation in which the Corporation shall, without its fault, become involved through or because of this Facilities Lease.

Section 44. Brokers.

The Corporation and the Board respectively represent and warrant to each other that neither of them has consulted or negotiated with any broker or finder with regard to the Facilities.

Section 45. No Easements for Air or Light.

Any diminution or shutting off of light, air, or view by any structure that may be erected on any of the lands constituting the Facilities, or on lands adjacent to the Facilities, will in no way affect this Facilities Lease or impose any liability on the Corporation. This Facilities Lease does not grant any rights to light, view and/or air over the Facilities whatsoever.

Section 46. Binding Effect.

The covenants, conditions, and agreements contained in this Facilities Lease will bind and inure to the benefit of the Corporation and the Board and their respective permitted successors and assigns.

Section 47. Rules of Interpretation.

The following rules shall apply to the construction of this Facilities Lease unless the context requires otherwise: (a) the singular includes the plural and the plural includes the singular; (b) words importing any gender include the other genders; (c) references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute to which reference is made and all regulations promulgated pursuant to such statutes; (d) references to "writing" include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible form; (e) the words "including" "includes" and "include" shall be deemed to be followed by words "without limitation"; (f) references to the introductory paragraph, preliminary statements, articles, sections (or subdivision of sections), exhibits, appendices, annexes or schedules are to those of this Facilities Lease unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments; (h) references to Persons include their respective successors and assigns to the extent successors or assigns are permitted or not prohibited by the terms of this Facilities Lease; (i) any accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles; (j) "or" is not exclusive; (k) provisions apply to successive events and transactions; (l) references to documents or agreements which have been terminated or released or which have expired shall be of no force and effect after such termination, release, or expiration; (m) references to mail shall be deemed to refer to first-class mail, postage prepaid, unless another type of mail is specified; (n) all references to time shall be to Hammond, Louisiana time; (o) references to specific persons, positions, or officers shall include those who or which succeed to or perform their respective functions, duties, or responsibilities; and (p) the terms "herein", "hereunder" "hereby" "hereof," and any similar terms refer to this Facilities Lease as a whole and not to any particular articles, section or subdivision hereof.

Section 48. Relationship of Parties.

The relationship of the Parties shall be one of lessor and lessee only, and shall not be considered a partnership, joint venture, license arrangement or unincorporated association. The Corporation is not controlled by the Board or under the control of any Person also in control of the Board.

Section 49. Law Between the Parties.

This Facilities Lease shall constitute the law between the Parties, and if any provision of this Facilities Lease is in conflict with the provisions of "**Title IX - Of Lease**" of the Louisiana Civil Code, Articles 2669 through 2777, inclusive, the provisions of this Facilities Lease shall control.

Section 50. Notices.

All notices, filings and other communications ("**Notice**") shall be in writing and shall be sufficiently given and served upon the other parties if delivered by hand directly to the persons at the addresses set forth below, or shall be sent by first class mail, postage prepaid, addressed as follows:

The Corporation:

University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director

With copies at the same time to:

Seale & Ross
200 North Cate Street
Hammond, Louisiana 70404
Attention: T. Jay Seale

The Board:

Board of Supervisors for the University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Assistant Vice President for Facilities Planning and
Capital Improvements

With copies at the same time to:

Southeastern Louisiana University
Western Avenue
Friendship Circle (SLU Box 10709)
Hammond, Louisiana 70402
Attention: Vice President for Administration and Finance

Trustee:

The Bank of New York Mellon Trust Company, N.A.
One American Place, Suite 1510
301 Main Street
Baton Rouge LA 70825
Attention: Kathy L. Pine, Vice President

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the undersigned representative has signed this Facilities Lease on behalf of the Board of Supervisors for the University of Louisiana System on the date set forth below his signature.


WITNESSES:


Printed Name: Ranetta Marshall


Printed Name: Chrissie McLohee

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

By:


Dr. John Crain, President of the University
And Authorized Officer of the Board

DATE: 1/14/10


IN WITNESS WHEREOF, the undersigned representative has signed this Facilities Lease on behalf of University Facilities, Inc. on the date set forth below his signature.

WITNESSES:


Printed Name: STEFFEN SMITH


Printed Name: SAM ROMANO JR.

UNIVERSITY FACILITIES, INC.


Phil K. Livingston
Chairperson

DATE: 01/13/2010

STATE OF LOUISIANA

PARISH OF TANGIPAHOA

BE IT KNOWN, that on this 13th day of January, 2010 before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

Dr. John Crain

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the President of Southeastern Louisiana University, and the authorized representative of the Board of Supervisors for the University of Louisiana System (the "Board"), that the aforesaid instrument was signed by him, on this date, on behalf of the Board and that the above named person acknowledges said instrument to be the free act and deed of the Board.

Ranetta Marshall
Printed Name: Ranetta Marshall

By:

John Crain

Chrissie McGhee
Printed Name: Chrissie McGhee

Gene Prejeant
NOTARY PUBLIC
Printed Name: Gene Prejeant
Notary Identification Number: 010443

STATE OF LOUISIANA

PARISH OF TANGIPAHOA

BE IT KNOWN, that on this 13th day of JANUARY, 2010, before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

Phil K. Livingston


to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the Chairperson of University Facilities, Inc. (the "Corporation"), and that the aforesaid instrument was signed by him, on this date, on behalf of the Corporation and that the above named person acknowledges the approval of said instrument to be the free act and deed of the Corporation.

WITNESSES:


Printed Name: STEPHEN SMITH

By: 


Printed Name: SAM DORNIANO JR.


NOTARY PUBLIC
Printed Name: Cecile Projeant
Notary Identification Number: 010443

**EXHIBIT A-1
TO THE FACILITIES LEASE**

DESCRIPTION OF THE SERIES 2010A FACILITIES

This facility will contain some of the most important academic and non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. It will be the central core for the campus. The two major components in the 2010A Series will include the Student Union and the Center for Student Excellence. The square footage for this series of space will total approximately 94,320 square feet.

The Student Union will include a large event space and ballroom. It will also consist of a series of student support spaces such as conference and meeting rooms, student organization space, a theater, as well as other activity and lounge spaces. Several administrative offices will also be located in the Union including offices in Student Affairs and Auxiliary Services. Finally, it will be home to the Center for Student Excellence which provides programming and resources to students to enhance and in support of academic achievement, personal development and professional growth.

**EXHIBIT A-2
TO THE FACILITIES LEASE**

DESCRIPTION OF THE SERIES 2010B FACILITIES

This facility will contain some of the most important non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. The two major components in the 2010B Series will include Food Service and the Retail Bookstore totaling approximately 86,600 square feet.

The Food Service area will include a new residential and commuter dining facility as well as a food court and other smaller grab and go locations. The facility will include adequate support space such as seating, kitchens and production space. The Retail Bookstore will house retail textbooks, university paraphernalia, convenience items, reading areas and possibly a food and/or beverage concept. In addition to these two major components, approximately 3,600 square feet of space will be committed to other retail components providing additional services to our campus community.

Tangipahoa Parish Recording Page

Julian E. Dufreche
Clerk of Court
P. O. Box 667
110 North Bay Street, Suite 100
Amite, LA 70422
(985) 748-4146

Received From :
SEALE & ROSS A P C
ATTENTION: CATHY
P.O. BOX 699
HAMMOND, LA 70404

First MORTGAGOR
UNIVERSITY FACILITIES INC

First MORTGAGEE
REGIONS BANK

Index Type : Mortgages

File Number : 842149

Type of Document : Mortgage Document (More Than 10 Pgs)

Book : 1982 **Page :** 291

Recording Pages : 41

Recorded Information

I hereby certify that the attached document was filed for registry and recorded in the Clerk of Court's office for Tangipahoa Parish, Louisiana

s/MARYLOU KRONLAGE

Deputy Clerk

On (Recorded Date) : 11/18/2010

At (Recorded Time) : 12:10:25:000 PM



Doc ID - 009973680041



CLERK OF COURT
JULIAN E. DUFRECHE
Parish of Tangipahoa
I certify that this is a true copy of the attached document that was filed for registry and recorded 11/18/2010 at 12:10:25
Recorded in Book 1982, Page 291
File Number: 842149

Mary Lou Kronlage
Deputy Clerk

Return To :

STATE OF LOUISIANA

PARISH OF TANGIPAHOA

ACT OF LEASEHOLD MORTGAGE,
ASSIGNMENT OF LEASES AND SECURITY AGREEMENT

On this 17th day of November, 2010, to be effective as of November 1, 2010, before the undersigned Notary Public, in and for the State of Louisiana, and in the presence of the undersigned competent witnesses, personally came and appeared:

UNIVERSITY FACILITIES, INC., a Louisiana non-profit corporation, herein represented by its Chairperson, Phil K. Livingston duly authorized by a Resolution of its Board of Directors dated November 7, 2008, a certified copy of which is attached hereto (the "*Mortgagor*")

TAXPAYER IDENTIFICATION NUMBER: 72-1417328

MAILING ADDRESS: University Facilities, Inc.
SLU Box 10709
Hammond, Louisiana 70402

who declared as follows:

ARTICLE 1
DEFINITIONS

Section 1.1 Definitions. All terms defined in this Mortgage shall have the meaning so given wherever used herein. Such meanings shall be equally applicable to both the singular and plural forms of the terms defined. Capitalized terms not otherwise defined herein shall have the meanings given to such term in the Indenture. The following terms shall have the meanings indicated:

"*Accounts*" shall mean all "accounts" (as defined in the Commercial Laws) now owned or hereafter acquired by the Mortgagor that relate to the Facilities or the Property, and shall also mean and include all accounts receivable, notes, notes receivable, instruments, drafts, acceptances, book debts and similar documents and other moneys, obligations or indebtedness owing or to become owing to the Mortgagor arising from the sale, lease or exchange of goods or other property by the Mortgagor and constituting part of and relating to the Facilities or the Property or derived in any other manner by Mortgagor from its ownership of the Facilities or its interest in the Property or any part thereof and the operation of the Facilities or the Property or any part thereof or the performance of services by the Mortgagor or under any contracts for any of the foregoing (whether or not yet earned by performance on the part of the Mortgagor), in each case whether now in existence or hereafter arising or acquired, and in all cases relating to the Facilities or the Property.

"*Advances*" shall mean amounts paid on behalf of Mortgagor by Mortgagee pursuant to the terms of this Mortgage.

"Agreement" means the Loan and Assignment Agreement dated as of November 1, 2010, between the Mortgagor and the Issuer, including any amendments and supplements thereof and thereto as permitted thereunder.

"Board" shall mean the Board of Supervisors for the University of Louisiana System or its legal successor as the management board of the University, acting on behalf of the University.

"Bond Insurer" shall mean Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), a New York stock insurance company, or any successor thereto or assignee thereof.

"Bonds" shall mean, collectively, the \$25,470,000 Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010A, and any Series 2010A Completion Bonds issued pursuant to a supplemental Indenture as authorized under the Indenture, including such Bonds issued in exchange for other such Bonds pursuant to the Indenture or in replacement for mutilated, destroyed, lost or stolen Bonds pursuant to the Indenture and the \$5,785,000 Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010B, and any Series 2010B Completion Bonds issued pursuant to a supplemental Indenture as authorized under the Indenture, including such Bonds issued in exchange for other such Bonds pursuant to the Indenture or in replacement for mutilated, destroyed, lost or stolen Bonds pursuant to the Indenture.

"Charges" shall mean all federal, state, parish, city, municipal, or other Taxes, levies, assessments, or charges that, if not paid when due, may result in a Lien of any Governmental Authority against the Mortgaged Property.

"Collateral" shall have the meaning set forth in Section 3.3 of this Mortgage.

"Commercial Laws" shall mean the Louisiana Commercial Laws (Chapter 9 of Title 10 of the Louisiana Revised Statutes), as amended.

"Corporation" shall mean University Facilities, Inc., a non-profit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payment or provision for the payment of all of the Bonds.

"Default Rate" shall mean 10% per annum.

"Environmental Requirements" shall mean all State, federal, local, municipal, parish, and regional Environmental Requirements, statutes, rules, regulations, ordinances, codes, permits, approvals, plans, authorizations, concessions, investigation results and guidance documents; all legislative, judicial, and administrative environmental judgments, decrees, orders, rules, rulings, and regulations; and all agreements and other restrictions and requirements relating to environmental matters, whether in effect on, prior to or after the Commencement Date, of any Governmental Authority, including, without limitation, federal, state, and local authorities,

relating to the regulation or protection of human health and safety, natural resources, conservation, the environment, or the storage, treatment, disposal, processing, release, discharge, emission, use, remediation, transportation, handling, or other management of industrial, gaseous, liquid or solid waste, hazardous waste, hazardous or toxic substances or chemicals, pollutants, petroleum, petroleum wastes, petroleum-based materials, asbestos, radioactive materials, polychlorinated biphenyls, pesticides, biohazards or other materials that are potentially harmful to humans or the environment or the release of which could trigger any reporting or remediation obligations and including without limitation the following Environmental Requirements: The Clean Air Act (42 U.S.C.A. §7401); the Federal Water Pollution Control Act (33 U.S.C. §1251); the Resource Conservation and Recovery Act of 1976, (42 U.S.C. §6901); CERCLA, as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub.L. 99-499, 100 Stat. 1613); the Toxic Substances Control Act (15 U.S.C. §2601); the Clean Water Act (33 U.S.C. §1251); the Safe Drinking Water Act (42 U.S.C. §3007); the Occupational Safety and Health Act (29 U.S.C. §651); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §136); the Louisiana Environmental Quality Act (La. R.S. 30:2001); and the Louisiana Air Quality Regulations (La. C. 33:III.2595) including any amendments or extensions thereof and any rules, regulations, standards or guidelines issued pursuant to or promulgated under any of the foregoing.

“Equipment” shall mean all “equipment” (as defined in the Commercial Laws) now owned or hereafter acquired by the Mortgagor, wherever located, but only that equipment used in connection with the operation and maintenance of the Facilities or the Property, together with all additions, accessories, parts, attachments, improvements, special tools and accessions now and hereafter affixed thereto or used in connection therewith, and all replacements thereof and substitutions therefor.

“Event of Default” has the meaning given such term in Section 6.1 of this Mortgage.

“Facilities” shall mean, collectively, the Series 2010A Facilities and the Series 2010B Facilities, described more particularly in Exhibit B attached hereto.

“Facilities Lease” shall mean that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010 between the Corporation and the Board, as may be amended from time to time as provided in accordance with its provisions.

“Fixtures” shall mean all fixtures as that term is defined in the Commercial Laws; all machinery, apparatus, and equipment presently located upon or within the Facilities or the Property, or which become a component part of the Facilities or the Property, or now or hereafter attached to, or installed in or used in connection with the Facilities or the Property including, but not limited to any and all partitions, plumbing, electrical, mechanical, heating, ventilating and air conditioning systems and/or equipment, and all equipment, movable property and personal property placed on or in the Facilities or the Property, and which become a component part of the Facilities or the Property under applicable Laws, and which are located on and used in connection with the operation of the Facilities or the Property.

“General Intangibles” shall mean those certain “general intangibles” (as defined in the Commercial Laws) now owned or hereafter acquired by the Mortgagor relating to the Facilities

or the Property, including, without limitation: (a) all contractual rights and obligations or indebtedness owing to the Mortgagor (other than Accounts) arising from its ownership, use, or operation of the Facilities; (b) all things in action, rights represented by judgments, claims arising out of tort and other claims relating to the Collateral (including the right to assert and otherwise be the proper party of interest to commence and prosecute actions); (c) all rights or claims in respect of refunds for taxes paid with respect to its ownership, use and operation of the Facilities or the Property.

“*Governmental Authority*” shall mean any federal, State, parish, regional, or local government, political subdivision, any governmental agency, department, authority, instrumentality, bureau, commission, board, official, or officer, any court, judge, examiner, or hearing officer, any legislative, judicial, executive, administrative, or regulatory body or committee or official thereof or private accrediting body.

“*Ground Lease*” shall mean that certain Ground Lease Agreement dated as of January 1, 2010, by and between the Board, as lessor on behalf of the University, and the Mortgagor, as lessee, whereby the Property is leased by the Board to the Mortgagor, and any amendment or supplement thereto entered into from time to time in accordance with the terms hereof.

“*Hazardous Substance*” shall mean any substance or material that is described as a toxic or hazardous substance, waste or material or a pollutant or contaminant or infectious waste, or words of similar import, in any case of the Environmental Requirements, and includes, without limitation, asbestos, petroleum, or petroleum products (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), polychlorinated biphenyls, pesticides, urea formaldehyde, radon gas, radioactive matter, and medical waste and any other substance or waste that is potentially harmful to human health, natural resources, or the environment or the presence of which in the environment could trigger a remediation obligation or other liability under Environmental Requirements or any constituent of the foregoing.

“*Indenture*” shall mean that certain Trust Indenture dated as of November 1, 2010 between the Issuer and the Trustee, as it may be amended or supplemented from time to time by supplemental indentures in accordance with its provisions.

“*Inventory*” shall mean that certain “inventory” (as defined in the Commercial Laws) now owned or hereafter acquired by the Mortgagor, wherever located, relating solely to its ownership, use and operation of the Facilities or the Property, including all raw materials and work in process therefor, finished goods thereof, and materials used or consumed in the manufacture or production thereof, all goods in which the Mortgagor has an interest, and all goods which are returned to or repossessed by the grantor, and all accessions thereto, products thereof and documents therefor.

“*Issuer*” shall mean the Louisiana Local Government Environmental Facilities and Community Development Authority, a political subdivision of the State of Louisiana, created by the provisions of Chapter 10-D of Title 33 of Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 33:4548.16, inclusive), or any agency, board, body, commission,

department or officer succeeding to the principal functions thereof or to whom the powers centered upon the Issuer by said provisions shall be given by law.

“*Laws*” shall mean all applicable constitutions, treaties, statutes, laws, ordinances, regulations, orders, writs, injunctions, or decrees of the United States or of any state, commonwealth, nation, territory, possession, county, parish, municipality, or Governmental Authority.

“*Leases*” shall have the meaning set forth in Section 3.2 of this Mortgage.

“*Lien*” shall mean any lien, privilege, pledge, assignment, hypothecation, conditional sale agreement, title retention agreement, financing lien, lessor or lessee’s interest under any lease, subordination of any claim or right, security interest, mortgage, or other encumbrance, whether arising by mortgage, pledge agreement, or under Laws.

“*Loan Documents*” collectively shall mean the Indenture, the Agreement, the Bonds, this Mortgage and all instruments and documents executed in connection with this transaction and the issuance of the Bonds, whether now existing or hereafter arising, including all amendments, extensions and renewals of the foregoing documents.

“*Loss Proceeds*” shall mean proceeds attributable to the sale, insurance loss, condemnation, or other taking of all or any part of the Mortgaged Property, and any contract, tort, or other damage awards in connection with, relating to, or arising out of all or any part of the Mortgaged Property (including, without limitation, any sums that may be awarded or become payable to the Mortgagor for damages caused by public works or constructions on or near the Mortgaged Property).

“*Losses*” has the meaning given such term in Section 5.9(e) of this Mortgage.

“*Mortgage*” shall mean this Act of Mortgage, Assignment of Leases and Security Agreement, as from time to time supplemented and amended.

“*Mortgaged Property*” has the meaning given such term in Section 3.1 of this Mortgage.

“*Mortgagee*” shall mean Regions Bank, Baton Rouge, Louisiana, as Trustee under the Indenture, and its successors and assigns.

“*Mortgagor*” shall mean the Corporation, and its successors and assigns.

“*Obligations*” has the meaning assigned such term in ARTICLE 2.

“*Permitted Encumbrances*” shall mean, as of any particular time, (a) liens for taxes and special assessments that are not then delinquent or liens that may remain unpaid while subject to contest in accordance with the provisions of this Mortgage and the Agreement; (b) the Ground Lease and this Mortgage; and (c) any exceptions to title contained in Schedule B to the title insurance policies issued to Mortgagee in connection with the execution of the Loan Documents.

“*Permitted Sublessees*” shall have the meaning set forth in the Facilities Lease.

“*Person*” shall mean any individual, partnership, corporation (including a business trust), joint stock company, limited liability company, trust, unincorporated association, joint venture, or other entity, or a government or any political subdivision or Governmental Authority.

“*Proceeds*” shall mean all cash and non-cash proceeds of, and all other products, profits, rentals, issues, returns, income, royalties, revenues or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or realization upon, Collateral or derived in any other manner by Mortgagor from its ownership of the Facilities or any part thereof and the operation of the Facilities or any part thereof, including, without limitation, all claims of the Mortgagor against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any Collateral, including, without limitation, any such policies insuring against loss of revenues by reason of interruption of the operation of the Facilities, and any amounts payable due to any condemnation, requisition or other taking, exercise of eminent domain or transfer with respect to any Collateral or any part thereof, and all amounts collected under payment and performance bonds, if any, maintained with respect to the Facilities, and any and all additional revenues, income, receipts and other payments (including, without limitation, grants, donations, gifts and appropriations received from any private or public source) that hereafter are received by the Mortgagor for or relating to the Facilities or that hereafter may be assigned by the Mortgagor pursuant to this Mortgage, and including proceeds of all such proceeds, in each case whether now existing or hereafter arising and all rights of Mortgagor to terminate, amend, supplement, modify or waive performance under any agreement, and to perform thereunder and to compel performance and otherwise exercise all remedies thereunder.

“*Property*” shall mean the immovable property more particularly described on Exhibit A attached hereto and all improvements now or hereafter located thereon, including the Facilities as they are constructed and located thereon, and as constructed under the Design/Build Contract, together with all other rights and interests leased pursuant to Section 1.1 of the Ground Lease.

“*Rentals*” shall have the meaning set forth in Section 3.2 of this Mortgage.

“*Security Interests*” shall mean the mortgage lien, collateral assignment and security interests in the Collateral and Proceeds granted hereunder securing the Obligations.

“*Series 2010A Completion Bonds*” means bonds, if any, issued in one or more series on a parity with the Series 2010A Bonds pursuant to the terms of the Indenture.

“*Series 2010B Completion Bonds*” means bonds, if any, issued in one or more series on a parity with the Series 2010B Bonds pursuant to the terms of the Indenture.

“*Series 2010A Facilities*” shall mean the Student Union, the Center for Student Excellence and related facilities described in Exhibit B attached hereto, as amended and supplemented in accordance with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2010A Bonds and any Series 2010A Completion Bonds.

“*Series 2010B Facilities*” shall mean the Food Service Areas, the Bookstore and related facilities described in Exhibit B attached hereto, as amended and supplemented in accordance

with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2010B Bonds and any Series 2010B Completion Bonds.

“*Taxes*” mean all taxes, forced contributions, assessments, charges, fees, levies, imposts, duties, deductions, withholdings, or other charges from time to time or at any time imposed by any Laws or any Governmental Authority.

“*Tenants*” shall have the meaning set forth in Section 3.2 of this Mortgage.

“*Trustee*” shall mean Regions Bank, Baton Rouge, Louisiana, as trustee under the Indenture, for the benefit of the holders of the Bonds, and any successor in trust appointed pursuant to the Indenture.

“*University*” shall mean Southeastern Louisiana University, in Hammond.

Section 1.2 Number and Gender of Words. Whenever herein the singular number is used, the same shall include the plural where appropriate, and vice versa, and words of any gender shall include each other gender where appropriate.

Section 1.3 Headings. The captions, headings, and arrangements used in this Mortgage are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof. All references in this Mortgage to Exhibits and Sections refer to the Exhibits and Sections of this Mortgage (as modified, amended, or supplemented from time to time) unless expressly provided otherwise. All Exhibits attached to this Mortgage are a part hereof for all purposes.

Section 1.4 Amendment of Defined Instruments. Unless the context otherwise requires or unless otherwise provided herein, references in this Mortgage to a particular agreement, instrument, or document also refer to and include all renewals, extensions, amendments, modifications, supplements, or restatements of any such agreement, instrument, or document; provided that nothing contained in this Section shall be construed to authorize any Person to execute or enter into any such renewal, extension, amendment, modification, supplement, or restatement.

ARTICLE 2 OBLIGATIONS SECURED

Section 2.1 Secured Obligations. The Mortgage is given for the purposes of securing the following indebtedness and obligations (hereinafter collectively referred to as the “*Obligations*”):

(a) the punctual payment of the principal of, premium, if any, and interest on the Bonds, and any Series 2010A Completion Bonds or Series 2010B Completion Bonds hereafter issued under and in accordance with the terms of the Indenture and the payment and performance of any and all present and future indebtedness, obligations and liabilities of the Mortgagor and the Issuer to the Bond Insurer and the Mortgagee, as Trustee under the Indenture, and the punctual payment of all amounts owed by the Mortgagor under the Agreement assigned by the Issuer to the Trustee pursuant to the Indenture; and

(b) any obligations arising under or in connection with this Mortgage or any other Loan Document, including for reimbursement of amounts that may be advanced or expended by the Mortgagee (i) to satisfy amounts required to be paid by the Mortgagor under this Mortgage for claims and charges, together with interest thereon to the extent provided, or (ii) to maintain or preserve any of the Collateral or to create, perfect, continue, or protect any of the Collateral or any Lien thereon, or its priority; in each and every case, whether due or not due, direct or indirect, joint and/or several or solidary, absolute or contingent, voluntary or involuntary, liquidated or unliquidated, determined or undetermined, now existing or hereafter arising, existing, renewed, or restructured, whether or not from time to time decreased or extinguished and later increased, created or incurred, whether or not arising after the commencement of a proceeding under the Federal Bankruptcy Code (including post-petition interest), and whether or not recovery of any such obligation or liability may be barred by a statute of limitations or prescriptive period, or may otherwise be unenforceable, and including all obligations and liabilities of the Mortgagor under any instrument now or hereafter evidencing or securing any of the foregoing and all future advances hereunder or pursuant to any other document to the fullest extent permitted by Article 3298 of the Louisiana Civil Code.

Section 2.2 Actions Against the Thing. Notwithstanding any provisions of this Mortgage to the contrary, in any action commenced to enforce the obligations of Mortgagor created or arising hereunder, the judgment shall not be enforceable personally against Mortgagor other than against the rights and properties mortgaged, assigned and/or pledged as security for payment of the Obligations pursuant to this Mortgage, the Agreement, and the Indenture, including, without intending to limit the generality of the foregoing, mortgagor's interest in the Property, and all rents, issues, profits, revenues and other income and proceeds derived from the Property, and any such judgment shall not be subject to execution on any other assets of Mortgagor. The holders of this Mortgage agree that the Obligations of Mortgagor created or arising hereunder are *in rem* obligations of Mortgagor.

ARTICLE 3 MORTGAGED PROPERTY

Section 3.1 Hypothecation. In order to secure the full and punctual payment and performance of the Obligations, Mortgagor does by these presents specially mortgage, assign, affect, pledge, and hypothecate unto and in favor of the Mortgagee, to inure to the use and benefit of the Mortgagee, all of Mortgagor's present and future right, title, and interest in, to and under all of the following described property whether now owned or held or hereafter acquired (collectively, the "*Mortgaged Property*"):

(a) Leasehold of the Property. The Ground Lease and Mortgagor's leasehold interest in and to the Property created by the Ground Lease, together with all appurtenant rights;

(b) Facilities and Improvements. All the buildings and improvements now or hereafter situated on the Property comprising the Facilities and, to the extent the following are not part of the Facilities, all of Mortgagor's leasehold interest in appurtenances, rights, ways, privileges, servitudes, prescriptions and advantages thereunto belonging or in anywise appertaining, including, but without limitation, all component parts of the Property, and all

component parts of any building or other construction located on the Property, now or hereafter a part of or attached to said Property or used in connection therewith; and

(c) Additions, Etc., and Proceeds. This Mortgage, without further action, shall also attach to all (i) subsequent additions, substitutions, and replacements to and for any or all of the Mortgaged Property, (ii) present and future component parts thereof and accessions thereto, (iii) natural increases, accessions, accretions, and issues of the Mortgaged Property, and (iv) rights of the Mortgagor to receive the Loss Proceeds.

With respect to the Loss Proceeds, this Mortgage is a collateral assignment thereof pursuant to Louisiana Revised Statutes 9:5386, *et seq.*, whether such Loss Proceeds or any of them now exist or arise in the future, and the Mortgagor does hereby irrevocably make, constitute, and appoint the Mortgagee and the agents of the Mortgagee as the true and lawful mandataries and attorneys-in-fact of the Mortgagor to carry out and enforce all of the Mortgagor's rights, title, and interest in and to any or all of the Loss Proceeds hereby collaterally assigned. The collateral assignment herein made of the Loss Proceeds shall not be construed as imposing upon the Mortgagee any obligations with respect thereto unless and until the Mortgagee shall become the absolute owner thereof and the Mortgagor shall have been wholly dispossessed thereof.

The Mortgaged Property is to remain so specially mortgaged, assigned, affected, pledged, and hypothecated unto and in favor of the Mortgagee and subject to the security interests created hereby until the full and final payment and performance or discharge of the Obligations, and the Mortgagor is herein and hereby bound and obligated not to sell, alienate, deteriorate, or encumber the Mortgaged Property to the prejudice of this Mortgage, and not to permit or suffer the same to be so sold, alienated, deteriorated, or encumbered, except as otherwise may be permitted hereunder.

Section 3.2 Assignment of Leases and Rentals. To further secure the full and punctual payment and performance of all present and future Obligations, up to the maximum amount outstanding at any time and from time to time set forth in Section 3.9 below (the "*Maximum Amount*"), the Mortgagor does hereby transfer, assign and pledge unto Mortgagee, and grant a continuing security interest in, all of the Mortgagor's right, title and interest in and to (i) all leases and subleases to Permitted Sublessees as defined in the Facilities Lease, affecting the Mortgaged Property or any part thereof, whether now existing or hereafter arising, together with any and all renewals, extensions or modifications thereof (the "*Leases*"), and (ii) all Revenues, rentals and other sums due or becoming due under the Leases (collectively, the "*Rentals*"). The rights assigned by this Mortgage include, without limitation, all of the Mortgagor's right, power, privilege and option to modify, amend or terminate the Leases, or waive or release the performance or satisfaction of any duty or obligation of any tenant or lessee (each a "*Tenant*") under the Leases.

Section 3.3 The Security Interests. In order to secure the full and punctual payment and performance of all present and future Obligations, the Mortgagor hereby grants to the Mortgagee a continuing security interest in and to all right, title and interest of the Mortgagor in, to or under the following property, whether now owned or existing or hereafter acquired or arising and regardless of where located:

(a) all Accounts and all purchase orders for goods, services or other property and other documents, and all returned, rejected or repossessed goods, the sale or lease of which gave rise to an Account;

(b) all Inventory;

(c) all Equipment;

(d) all General Intangibles;

(e) all Revenues;

(f) other moneys and property of any kind of the Mortgagor in the possession or under the control of the Mortgagee derived from the operation of the Facilities;

(g) all rights of the Mortgagor now or hereafter existing in and to all security agreements, guaranties, leases and other contracts securing or otherwise relating to the Collateral;

(h) all agreements, including vendor warranties, running to Mortgagor or assigned to Mortgagor, to which Mortgagor may be or become a party to relating to the construction or operation of the Facilities or any part thereof, or relating to the maintenance, improvement, operation or acquisition of the Facilities or any part thereof, or transport of material, equipment and other parts of the Facilities or any part thereof or any other lease or sublease agreements or easement agreements relating to the Facilities or any part thereof or any ancillary facilities to which Mortgagor is or becomes a party, and all amendments, supplements, substitutions and renewals to any of the foregoing (each an "Assigned Agreement" and collectively, the "Assigned Agreements");

(i) all permits relating to the Facilities, but excluding any permits which by their terms or by operation of law prohibit or do not allow assignment or which would become void solely by virtue of a security interest being granted therein;

(j) all other personal property and fixtures of Mortgagor relating to the Facilities, whether now owned or existing or hereafter acquired or arising, or in which Mortgagor may have an interest, and wheresoever located, whether or not of a type which may be subject to a security interest under the Commercial Laws, including without limitation all machinery, tools, generators, transformers, pumps, filters, membranes, water storage tanks, control equipment, appliances, mechanical and electrical systems, elevators, lighting, alarm systems, fire control systems, furnishings, furniture, as-extracted collateral, equipment, service equipment, motor vehicles, building or maintenance equipment, building or maintenance materials, pipes, pipelines and pipeline supplies (including valves and fittings), goods and property covered by any warehouse receipts or bills of lading or other such documents, spare parts, maps, plans, specifications, architectural, engineering, construction or shop drawings, manuals or similar documents, copyrights, trademarks and trade names, and any replacements, renewals or substitutions for any of the foregoing or additional tangible or intangible personal property hereafter acquired by Mortgagor;

(k) all goods, investment securities, investment property, contracts (including the Loan Documents), commercial tort claims, letters of credit, letter of credit rights, payment intangibles, software, intellectual property rights supporting obligations, documents, deposit accounts, chattel paper (including tangible and electronic chattel paper) and as-extracted Collateral relating to the Facilities;

(l) all books and records (including, without limitation, customer lists, credit files, computer programs, tapes, disks, punch cards, data processing software, transaction files, master files, printouts and other computer materials and records) of the Mortgagor pertaining to any of the foregoing; and

(m) all Proceeds and products of all or any of the Collateral described in clauses (a) through (l) hereof.

The term "*Collateral*" shall mean each and all of the items and property rights described in clauses (a)-(m) above, together with the Mortgaged Property, the Loss Proceeds, the Leases, the Rentals and the items and property rights described in Sections 3.1 and 3.2.

Section 3.4 No Liability. The Security Interests are granted as security only and shall not subject the Mortgagee to, or transfer or in any way affect or modify, any obligation or liability of the Mortgagor with respect to any of the Collateral or any transaction in connection therewith.

Section 3.5 Confession of Judgment. For purposes of executory process, the Mortgagor does hereby acknowledge and CONFESS JUDGMENT in favor of the Mortgagee for the full amount of the Obligations.

Section 3.6 Assigned Agreements. Each Assigned Agreement shall provide that, or each other party to such Assigned Agreement shall agree that, if any default by Mortgagor under any of the Assigned Agreements shall occur and be continuing, then Mortgagee shall, at its option and after the expiration of the applicable cure periods under Section 8.14 of the Indenture, be permitted (but shall not be obligated) to remedy any such default by giving written notice of such intent to Mortgagor and to the parties to the Assigned Agreement or Assigned Agreements for which Mortgagee intends to remedy the default. Any cure by Mortgagee of Mortgagor's default under any of the Assigned Agreements shall not be construed as an assumption by Mortgagee or any other Person of any obligations, covenants or agreements of Mortgagor under such Assigned Agreement, and neither Mortgagee nor any other Person shall be liable to Mortgagor or any other Person as a result of any actions undertaken by Mortgagee in curing or attempting to cure any such default. This Mortgage shall not be deemed to release or to affect in any way the obligations of Mortgagor under the Assigned Agreements.

Section 3.7 Attorneys' Fees. In case foreclosure proceedings are instituted to protect the rights of the Mortgagee, or to enforce any of the agreements contained in this Mortgage, the Mortgagor herein and hereby agrees to pay all costs of collection, including, but not limited to, the reasonable fees and expenses of the attorneys at law who may be employed for such purposes, incurred in connection with the protection of or realization of the Mortgaged Property

or in connection with any of the Mortgagee's collection efforts, whether or not suit on the Obligations or any foreclosure proceedings are filed.

Section 3.8 Release of Collateral; Mortgagor and Lien Not Released. The Mortgagee may at any time, and without notice to the Mortgagor, release any part of the Collateral from the effect of this Mortgage, grant an extension or deferment of time for the discharge of any obligation hereunder, permit the substitution and transfer of documents, agreements, and instruments evidencing the Obligations, agree in writing with the Mortgagor or any other Person to modify the terms of payment or performance of the Obligations, including, without limitation, to modify the rate of interest, the period of amortization, or the amount of the installments payable under the Obligations, accept or release other or additional security for the Obligations, consent to the granting of any easement or servitude affecting the Mortgaged Property, and join in any extension or subordination agreement, in each case without affecting the liability of the Mortgagor hereunder.

Section 3.9 Maximum Amount of Indebtedness. Nothing under this Mortgage shall be construed as limiting the duration of this Mortgage or the purposes for which Mortgagor's Obligations may be requested or extended. The maximum amount of Obligations that may be outstanding at any time and from time to time that this Mortgage secures including, without limitation, as a mortgage, as an assignment of leases and rents and as a security agreement, shall be Thirty-Five Million (\$35,000,000.00) Dollars. This Mortgage is and shall remain effective even though the amount of the Obligations may be reduced to zero, until all of the amounts, liabilities, and obligations, present and future, comprising the Obligations have been incurred and are extinguished and this Mortgage has been released by the Mortgagee as provided in Section 7.1 hereof. The Obligations mature on October 1, 2040.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF MORTGAGOR

The Mortgagor hereby represents, warrants, covenants, promises, stipulates, and agrees as follows:

Section 4.1 Title. The Mortgagor has good and merchantable title in and to the Collateral free and clear of any and all Liens except the Permitted Encumbrances; the Mortgagor has full power and lawful authority to grant, release, assign, transfer, mortgage, pledge, hypothecate, and otherwise create the Liens on the Collateral as provided herein. The Collateral is accurately, completely, adequately, and sufficiently described herein and in Exhibit A attached hereto as required by Laws for this Mortgage to create a Lien on all of the Mortgaged Property.

Section 4.2 First Priority Mortgage. This Mortgage constitutes a valid mortgage and, upon proper recording hereof, will constitute a valid and perfected first mortgage Lien on the Mortgaged Property, and security interest in, the Collateral other than the Mortgaged Property, subject only to the Permitted Encumbrances, and there are no defenses or offsets to the Mortgagor's obligations pursuant to this Mortgage or the Loan Documents to which it is a party, including, without limitation, the applicable obligations to pay and perform the Obligations.

Section 4.3 Location of Offices; Taxpayer Identification Number. The Mortgagor's chief executive office and principal place of business are as set forth in the Mortgagor's appearance clause herein. The Mortgagor's Federal Taxpayer Identification Number is as set forth in the Mortgagor's appearance clause herein.

Section 4.4 Enforceability. The execution and delivery of this Mortgage and any of the Loan Documents to which the Mortgagor is a party will result in valid and legally binding obligations of the Mortgagor enforceable against it in accordance with the respective terms and provisions hereof and thereof.

Section 4.5 Peaceable Possession. The Mortgagor's possession of the Mortgaged Property has been peaceable and undisturbed and, to the best of the Mortgagor's knowledge, the title thereto has never been disputed or questioned, and the Mortgagor does not know of any facts by reason of which any adverse claim to any part of the Mortgaged Property or to any undivided interest therein might be set up or made.

Section 4.6 Taxes. The Mortgagor has not received any notice of any federal, state, or local tax claims or Liens assessed or filed against the Mortgagor or the Collateral for Taxes that are due and payable, unsatisfied of record, or docketed in any court of the state in which the Collateral is located or in any court located in the United States.

Section 4.7 Casualty and Condemnation. The Collateral has not been damaged or destroyed by fire or other casualty, and no condemnation or eminent domain proceedings have been commenced and/or are pending with respect to the Mortgaged Property, and, to the best of the Mortgagor's knowledge, no such condemnation or eminent domain proceedings are about to be commenced.

Section 4.8 No Consents or Approvals. No consent or approval of any trustee or holder of any other obligation of the Mortgagor, and no consent, permission, authorization, order, or license of any Governmental Authority (other than those that have already been obtained and delivered to the Mortgagee and those that are in the process of being obtained and that will be delivered to Mortgagee upon receipt), is necessary in connection with the execution, delivery, and performance of this Mortgage or any of the Loan Documents to which the Mortgagor is a party or any transaction contemplated hereby or thereby.

Section 4.9 No Conflicts. There is no provision of any agreement, written or oral, to which the Mortgagor is a party or under which the Mortgagor is obligated, and no statute, rule, or regulation, or judgment, decree, or order of any Governmental Authority binding on the Mortgagor, that would be contravened by the execution and delivery of this Mortgage or any of the Loan Documents to which the Mortgagor is a party or by the performance of any provision, condition, covenant, or other term hereof or thereof.

Section 4.10 Accordance With Laws and Regulations. To the best of Mortgagor's knowledge, the Mortgaged Property is in compliance with all applicable Laws, including, without limitation, Environmental Requirements, all regulations of the U.S. Army Corps of Engineers, and with all applicable building, safety, and fire codes, as well as zoning and subdivision laws and regulations. All environmental impact statements, subdivision maps,

drawings, specifications, and reports relating to the Mortgaged Property have been or will be timely prepared and filed with all Governmental Authorities having jurisdiction over such matters and requiring any such submittal.

Section 4.11 No Hazardous Activities. To the best of Mortgagor's knowledge, (a) none of the Mortgaged Property has ever been used for storage, treatment, or disposal of any Hazardous Materials, (b) no manufacturing, landfilling, or chemical production has ever occurred on any part of the Mortgaged Property, and (c) there have never been any underground storage tanks located on any part of the Mortgaged Property.

Section 4.12 No Hazardous Materials. Except as disclosed to and acknowledged by the Mortgagee in writing, the Mortgagor represents and warrants that:

(a) During the period of the Mortgagor's leasehold interest in the Property and ownership interest in the Facilities, there has been no use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any Hazardous Substances by any Person on, under, or about any of the Mortgaged Property and there has been no use, generation, manufacture, storage, treatment or other handling of any Hazardous Substances by any person on, under or about any of the Mortgaged Property in violation of applicable Environmental Requirements; and

(b) The Mortgagor has no knowledge of or reason to believe that there has been (i) any disposal, release, or threatened release of any Hazardous Substances or violation of Environmental Requirements by the Board or any prior owners or occupants of the Mortgaged Property or any other Person or (ii) any actual or threatened litigation or claims of any kind by any Person relating to such matters.

Section 4.13 Business Locations. All of the Inventory and the Equipment will be located on the Mortgaged Property. The books and records pertaining to the Collateral will be located at the Mortgaged Property.

Section 4.14 Leases. The Mortgagor is the sole owner of the entire landlord's interests in the Leases; the Mortgagor has not executed any prior assignment of the Mortgagor's interest as lessee under the Ground Lease, the Leases, or the Rentals; no Rentals reserved in the Leases or any of them has been assigned or anticipated, and no Rentals for any period subsequent to the date of this Mortgage has been collected in advance of the time when the same became due under the terms of the Leases or any of them; the Mortgagor has not executed or granted any modifications to any Lease except as previously disclosed to the Mortgagee; all existing Leases are valid and in full force and effect; there exists no defense, counterclaim, or set-off to the payment of any Rentals under any Lease; there are no defaults or events of default now existing under any of the Leases, and no event has occurred which with the passage of time or the giving of notice, or both, would constitute such a default or event of default.

Section 4.15 Continuing Accuracy. All of the representations and warranties contained in this ARTICLE or elsewhere in this Mortgage shall be true through and until the date on which all Obligations of Mortgagor under this Mortgage and the Agreement are fully satisfied, and

Mortgagor shall promptly notify Mortgagee of any event which would render any of said representations and warranties untrue or misleading.

ARTICLE 5
COVENANTS OF MORTGAGOR

So long as the Obligations or any part thereof remains outstanding or unpaid, the Mortgagor specially covenants, promises, stipulates, and agrees with the Mortgagee as follows:

Section 5.1 Warranty. The Mortgagor shall warrant, preserve, and defend the leasehold interest in and to the Property and the ownership interest in and to the Facilities and its interest in and to the remainder of the Collateral and the validity, enforceability, and priority of the Lien of this Mortgage against the claims and demands of all Persons whomsoever, at its sole cost and expense.

Section 5.2 Payment; Performance of Covenants. The Mortgagor shall make prompt payment when due of all amounts owing hereunder as the same become due, without offset, counterclaim, or defense, and shall punctually and properly perform all of the Mortgagor's covenants, duties, agreements, and conditions (i) under this Mortgage and any Loan Document to which the Mortgagor is a party or (ii) imposed upon or assumed by the Mortgagor by virtue of the provisions of any deed, conveyance, lease, agreement, statute, or ordinance pursuant to which the Mortgagor or any predecessor in title of the Collateral acquired the Collateral or any rights or privileges appurtenant thereto or for the benefit thereof.

Section 5.3 Payment of Taxes and Utilities. Subject to the right to contest certain matters with respect to the Collateral pursuant to Section 5.6 hereof and the Agreement, the Mortgagor shall or shall cause the Board to pay all Taxes levied or assessed against the Collateral or any part thereof prior to the date upon which any fine, penalty, interest, or cost may be added thereto or imposed by Laws for the nonpayment thereof. The Mortgagor shall deliver to the Mortgagee, promptly after a request therefor by the Mortgagee, receipted bills or canceled checks evidencing the payment of prior Taxes to the date upon which any fine, penalty, interest, or cost may be added thereto or imposed by Laws for the nonpayment thereof. In the case of any assessment payable in installments, each installment thereof shall be paid prior to or on the date on which such installment becomes due and payable without imposition of any fine, penalty, interest, or cost. The Mortgagor shall not be entitled to any credit on the Obligations, or any other sums that may become payable under the terms hereof, under any Loan Document, or otherwise, by reason of the payment of Taxes. The Mortgagor shall or shall cause the Board to pay timely all charges for electricity, power, gas, water, and other utilities used in connection with the Collateral, as and when due.

Section 5.4 Other Compliance. Subject to the right to contest certain matters with respect to the Collateral pursuant to Section 5.6 hereof, the Mortgagor itself agrees to or agrees to cause the Board (a) to perform and comply with or cause the performance and compliance with all covenants, agreements, and restrictions affecting the Collateral and with all Laws, ordinances, acts, rules, regulations, and orders of any Governmental Authority exercising any power of regulation or supervision over the Mortgagor or any part of the Collateral, whether now or hereafter enacted or enforced and whether the same be directed to the ownership, lease and

operation of the Mortgaged Property, or the repair, manner of use, or structural alteration of the Mortgaged Property or otherwise, (b) to comply with or to cause compliance with the terms of all insurance policies covering or applicable to the Collateral, all requirements of the issuer of any such policy, and all orders, rules, regulations, and other requirements of or standards recommended by the National and Regional Fire Protection Association (or any other body exercising similar functions) applicable to or affecting the Collateral or any use or condition of the Collateral, and (c) to procure, maintain, and comply or cause the procurement, maintenance and compliance of and with all permits, licenses, approvals, or other authorizations required for any use of the Collateral being made and for the proper erection, installation, operation, and maintenance of the Mortgaged Property and any fixture, equipment, machinery, or appliance in or on the Mortgaged Property, or any portion of the foregoing.

Section 5.5 Payment of Indebtedness and Obligations Pertaining to Collateral. Subject to the right to contest certain matters with respect to the Collateral pursuant to Section 5.6 hereof, the Mortgagor shall cause all indebtedness, claims, encumbrances, and liabilities of any kind or character (including, without limitation, claims for labor, materials, supplies, and rent) incurred in the operation, maintenance, and development of the Collateral to be paid within a reasonable time after same become due and in any event prior to the time any lien caused by such nonpayment would arise by law or contract.

Section 5.6 Contest of Taxes, Indebtedness, and Other Claims. The Mortgagor shall have the right to contest directly or through the Board, at its own expense, by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity of any Taxes, indebtedness, claims, assessments or encumbrances referred to herein (other than this Mortgage or any Loan Document securing all or any portion of the Obligations), or any of the Laws, ordinances, acts, rules, regulations, orders, licenses, and authorizations referred to herein; provided, however, the Collateral is not placed in imminent danger of being seized or forfeited or the execution of any Lien is stayed.

Section 5.7 Insurance Requirements. The Mortgagor agrees to or agrees to cause the Board to insure continuously the Collateral and each and every part and parcel thereof in such amounts and with policies meeting the criteria set forth in the Indenture, the Agreement and the Facilities Lease.

Section 5.8 Preservation and Maintenance of Collateral. Except as otherwise permitted by the express terms of the Loan Documents, the Mortgagor: (a) shall not commit waste; (b) shall not abandon the Mortgaged Property; (c) in the event of any damage, injury, or loss to the Collateral, shall restore or repair promptly and in a good and workmanlike manner all or any part of the Collateral to the substantial equivalent of its condition prior to such damage, injury, or loss or such other condition as the Mortgagee may approve in writing, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair; (d) shall keep the Collateral in good condition, repair, and working order, ordinary wear and tear excepted and shall not remove or demolish the Collateral without the Mortgagee's prior written consent; (e) shall comply with all applicable Laws, ordinances, regulations, and requirements of any Governmental Authority with jurisdiction over the Collateral; (f) shall not make any structural alterations to the Collateral without the Mortgagee's prior written consent; and (g) shall give notice in writing to the Mortgagee of and, unless otherwise directed in writing

by the Mortgagee, appear in and defend any action or proceeding affecting the Collateral, the security or priority of this Mortgage, or the rights or powers of the Mortgagee.

Section 5.9 Environmental Hazards.

(a) The Mortgagor shall not: (i) cause or permit the presence, use, generation, manufacture, production, processing, installation, release, escape, spillage, seepage, leakage, dumping, pouring, emptying, emission, discharge, storage (including above-ground and underground storage tanks for petroleum or petroleum products, but excluding small containers of gasoline used for maintenance equipment or similar purposes and in compliance with applicable Environmental Requirements), treatment, management, transportation, handling or the like of any Hazardous Substances on, under, in, or about the Mortgaged Property, or in any way affecting the Mortgaged Property, and that are in violation of applicable Environmental Requirements or would form the basis for any present or future claim, demand, or action seeking cleanup of the Mortgaged Property or imposition of liabilities under Environmental Requirements, or the transportation of any Hazardous Substances to or from the Mortgaged Property in violation of applicable Environmental Requirements; or (ii) cause or exacerbate any occurrence or condition on the Mortgaged Property that is or may be in violation of any Environmental Requirements or that could otherwise serve as the basis of liability under any Environmental Requirements. No Hazardous Substances shall be placed on, in, under or about the Mortgaged Property except in strict compliance with applicable Environmental Requirements. No Hazardous Substances shall be disposed of on, in, under or about the Mortgaged Property. The Mortgagor shall not cause or permit the migration of Hazardous Substances from the Mortgaged Property to any other property or onto the Mortgaged Property from any property or area adjacent to the Mortgaged Property in violation of applicable Environmental Requirements. The Mortgagor shall at all times comply with all applicable Environmental Requirements and shall immediately correct any matters discussed in all notices of violations of Environmental Requirements prior to the issuance of any regulatory or judicial order or assessment of any fines. The Mortgagor shall take all reasonable and appropriate steps to secure compliance by all lessees and sublessees of the Mortgaged Property with its obligations in this Section.

(b) The Mortgagor itself agrees to, or agrees to cause the Board, as appropriate, to advise the Mortgagee promptly, in writing, of any notice or other communication, written or oral, from the United States Environmental Protection Agency, the Louisiana Department of Environmental Quality, or any other federal, state, or local Governmental Authority having jurisdiction over the Mortgaged Property with respect to any alleged violation of any Environmental Requirements or the generation, presence, management, release, escape, spillage, seepage, leakage, dumping, pouring, emptying, treatment, discharge, emission, handling, storage, transportation, disposal, or the like of Hazardous Substances or storage tanks, or any other matter regulated under Environmental Requirements.

(c) The Mortgagor itself agrees to, or agrees to cause the Board, as appropriate, promptly to notify the Mortgagee in writing of: (i) any enforcement, cleanup, removal, or other governmental or regulatory action, investigation, notice of violation, or any other proceeding instituted against the Mortgagor or the Mortgaged Property and (ii) any suit, cause of action, or any other claim made or threatened by any third party against the Mortgagor

or the Mortgaged Property relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from any Hazardous Substances. The provisions of the preceding sentence shall be in addition to any and all other obligations and liabilities that the Mortgagor may have to the Mortgagee under applicable law.

(d) The Mortgagor itself agrees to, or agrees to cause the Board, as appropriate, to promptly take any and all necessary remedial and response actions in response to the presence, storage, use, disposal, transportation, or discharge of any Hazardous Materials on, under, above, or about the Mortgaged Property, any alleged violation of Environmental Requirements, or any other matter regulated under Environmental Law that could lead to liability; provided, however, that the Mortgagor shall not take any such remedial or response action or enter into any settlement agreement, consent decree, or other compromise in respect to any claims, proceedings, lawsuits, or actions completed or threatened as a result of any actual or alleged Hazardous Substances on, under, above, or about the Mortgaged Property, or enter into any settlement agreement, consent decree, or other compromise in respect to any claims, proceedings, lawsuits, or actions completed or threatened pursuant to any Environmental Requirements, without, in each case, obtaining the Mortgagee's prior written consent; provided further, however, that the Mortgagee's prior consent shall not be necessary in the event that the presence of Hazardous Substances on, under, above, or about the Mortgaged Property either: (i) poses an immediate threat to the health, safety, or welfare of any individual or (ii) is of such a nature that an immediate remedial response is necessary and it is not possible to obtain the consent prior to undertaking such action. In the event that the Mortgagor undertakes remedial action with respect to any Hazardous Substances on, under, above, or about the Mortgaged Property as set forth in clauses (i) and (ii) above, the Mortgagor shall immediately notify the Mortgagee of any such remedial/response action, and shall conduct and complete, or cause a sublessee to conduct and complete such remedial/response action in compliance with all applicable Environmental Requirements and in accordance with the orders and directives of all federal, state, and local Governmental Authorities having jurisdiction.

(e) The Mortgagor shall or shall cause the Board to indemnify, defend, and hold harmless the Mortgagee and the Bond Insurer from and against any and all claims, demands, costs, losses, liabilities (including those based on strict liability), expenses (including reasonable attorneys' fees, whether suit is instituted or not), judgments, fines, penalties, or amounts paid in settlement (collectively, "Losses") incurred by the Mortgagee and the Bond Insurer in connection with or as a result of the presence, storage, use, disposal, transportation, discharge, or release or threatened release on, under, from, above, or about the Mortgaged Property of any Hazardous Substances or any violations of any Environmental Requirements arising out of acts or omissions of the Mortgagor, its agents, tenants, occupants, employees, or contractors. To the extent of such indemnity, Losses indemnified against specifically shall include costs incurred in connection with (i) any investigation or monitoring of site conditions; (ii) any clean up, containment, remediation, removal, or restoration work required or performed by any federal, state, or local Governmental Authority or performed by the Mortgagor or any other Person because of the presence, storage, use, disposal, transportation, discharge, or release or threatened release of any Hazardous Substances on, in, from, under, or about the Mortgaged Property, and (iii) any claims by third parties for Losses due to the presence, storage, use, disposal, transportation, discharge, or release or threatened release of such Hazardous Substances or the cleanup, containment, remediation, or removal thereof.

(f) The indemnity provisions contained in this Section 5.9 shall survive the payment of the Obligations and the cancellation of this Mortgage.

Section 5.10 Notice of Changes. The Mortgagor will not change its name, identity, federal tax identification number or corporate structure in any manner unless it shall have given the Mortgagee at least thirty (30) days' prior written notice thereof. The Mortgagor will not change the location of (i) its chief executive office or chief place of business, or (ii) the locations where it keeps or holds any Collateral or any records relating thereto, from the applicable location described in Section 7.5 hereof unless it shall have given the Mortgagee at least 30 days' prior written notice thereof.

Section 5.11 Filing. The Mortgagor agrees that a carbon, photographic, facsimile, photostatic or other reproduction of this Mortgage or of a financing statement is sufficient as a financing statement. The Mortgagor shall pay all costs of or incidental to the recording or filing of any financing, amendment, continuation, termination or other statements concerning the Collateral.

Section 5.12 Accounts Collection. The Mortgagor shall use its best efforts to cause to be collected from its account debtors, as and when due, any and all amounts owing under or on account of each Account (including, without limitation, Accounts that are delinquent, such Accounts to be collected in accordance with lawful collection procedures) and shall apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account. Subject to the rights of the Mortgagee hereunder, if an Event of Default shall have occurred and be continuing, the Mortgagor may allow as adjustments to amounts owing under its Accounts (a) an extension or renewal of the time or times of payment, or settlement for less than the total unpaid balance, and (b) a refund or credit due as a result of returned or damaged merchandise, all in accordance with the Mortgagor's ordinary course of business consistent with its historical collection practices and with sound business judgment. The costs and expenses (including, without limitation, attorneys' fees) of collection, whether incurred by the Mortgagor or the Mortgagee, shall be borne by the Mortgagor.

Section 5.13 Instruments. While an Event of Default has occurred and is continuing, the Mortgagor will immediately deliver and pledge to the Mortgagee each instrument evidencing, representing or otherwise arising from an Account or General Intangible, appropriately endorsed to the Mortgagee, provided that so long as no Event of Default shall have occurred and be continuing, the Mortgagor may refrain from such delivery and may retain possession of, for the purpose of collection in the ordinary course, any such instruments received by it in the ordinary course of business.

Section 5.14 Transfer and Other Liens. The Mortgagor will not sell, lease, transfer, exchange or otherwise dispose of the Collateral or the Proceeds, or any part thereof, other than in the ordinary course of business, and except as otherwise permitted under the Indenture and the Agreement without the prior written consent of the Mortgagee, and will not permit any Lien to attach to the Collateral or the Proceeds, or any part thereof, other than permitted Liens, except that the Mortgagor may, in the ordinary course of its business and in the absence of an Event of Default, collect its Accounts and General Intangibles.

Section 5.15 Use of Mortgaged Property; Leases. The Mortgagor shall cause the Board to maintain, preserve, and renew all rights of way, servitudes, grants, privileges, licenses, permits, zoning approvals, and franchises necessary for the use of the Mortgaged Property and shall not, unless required by applicable law or unless the Mortgagee has otherwise agreed in writing, allow changes in the use for which the Mortgaged Property was intended under the Ground Lease. The Mortgagor shall not permit the Board to initiate or acquiesce in a change in the zoning classification of the Mortgaged Property without the Mortgagee's prior written consent. The Mortgagor will observe and perform all the obligations imposed upon it as landlord under the Leases, if any, and not do or permit to be done anything to impair the security thereof; will exercise any option or election contained in or relating to any of the Leases that the Mortgagee shall require; at the Mortgagee's request, will assign and transfer to the Mortgagee by specific assignment of leases any and all subsequent Leases upon all or any part of the Property or the Facilities; and to execute and deliver at the request of the Mortgagee all such further assurances and assignments in the premises covered by the Leases as the Mortgagee shall from time to time require.

Section 5.16 Additional Provisions Regarding the Ground Lease.

(a) The Mortgagor shall pay all rent and other charges required under the Ground Lease as and when the same are due and the Mortgagor shall keep, observe, and perform, or cause to be kept, observed, and performed, all of the other terms, covenants, provisions, and agreements of the Ground Lease on the part of the tenant thereunder to be kept, observed, and performed, and shall not in any manner, cancel, terminate, or surrender, or permit any cancellation, termination, or surrender of the Ground Lease, in whole or in part, or, without the written consent of the Mortgagee, either orally or in writing, modify, amend, or permit any modification or amendment of any of the terms thereof in any respect, and any attempt on the part of the Mortgagor to exercise any such right or to do any of the foregoing without such written consent of the Mortgagee shall be null and void ab initio and of no force or effect.

(b) The Mortgagor shall do, or cause to be done, all things necessary to preserve and keep unimpaired the rights of the Mortgagor as tenant under the Ground Lease and to prevent any default under the Ground Lease or any termination, surrender, cancellation, forfeiture, or impairment thereof, and in the event of the failure of the Mortgagor to make any payment required to be made by the Mortgagor pursuant to the provisions of the Ground Lease or to keep, observe, or perform, or cause to be kept, observed, or performed, any of the terms, covenants, provisions, or agreements of the Ground Lease, the Mortgagor agrees that the Mortgagee may (but shall not be obligated to) take any action on behalf of the Mortgagor, to make or cause to be kept, observed, or performed any such terms, covenants, provisions, or agreements and to enter upon the Mortgaged Property and take all such action thereof as may be necessary therefor to the end that the rights of the Mortgagor in and to the leasehold estate and the rights of the Mortgagor in and to the Facilities created by the Ground Lease shall be kept unimpaired and free from default, and all money so expended by the Mortgagee, with interest thereon at the Default Rate from the date of each such expenditure, shall be paid by the Mortgagor to the Mortgagee promptly upon demand by the Mortgagee and shall be added to the Obligations, and the Mortgagee shall have, in addition to any other remedy thereof, the same rights and remedies in the event of non-payment of any such sum by the Mortgagor as in the case of a default by the Mortgagor in the payment of any sums due under the Loan Documents.

(c) The Mortgagor shall enforce the obligations of the Board under the Ground Lease to the end that it may enjoy all of the rights granted to it under the Ground Lease; promptly notify the Mortgagee in writing of any default by the Board or by the Mortgagor in the performance or observance of any of the terms, covenants, or conditions on the part of the Board or the Mortgagor, as the case may be, to be performed or observed under the Ground Lease; promptly advise the Mortgagee in writing of the occurrences of any of the events of default enumerated in the Ground Lease and of the giving of any notice by the Board to the Mortgagor of any default by the Mortgagor in performance or observance of any of the terms, covenants, or conditions of the Ground Lease on the part of the Mortgagor to be performed or observed; and promptly deliver to the Mortgagee a true and complete copy of each such notice. If, pursuant to the Ground Lease, the Board shall deliver to the Mortgagee a copy of any notice of default given to the Mortgagor, such notice shall constitute full authority and protection to the Mortgagee for any action taken or omitted to be taken by the Mortgagee in good faith in reliance thereon.

(d) If any action or proceeding shall be instituted to evict the Mortgagor or to recover possession of the Mortgaged Property or for any other purpose affecting the Ground Lease or this Mortgage, the Mortgagor shall, immediately upon service thereof on or to the Mortgagor, deliver to the Mortgagee a true and complete copy of each petition, summons, complaint, notice of motion, order to show cause and of all other provisions, pleadings, and papers, however designated, served in any such action or proceeding.

(e) The Mortgagor covenants and agrees that unless the Mortgagee shall otherwise expressly consent in writing, the fee title to the Property and the leasehold estate shall not merge, but shall always remain separate and distinct, notwithstanding the union of said estates either in the Board, the Mortgagor, or a third party by purchase or otherwise; and in case the Mortgagor acquires the fee title or any other estate, title, or interest in the Mortgaged Property, this Mortgage shall attach to and, cover, and be a Lien upon the fee title or such other estate so acquired, and such fee title or other estate shall, without further assignment, mortgage, or conveyance, become and be subject to the Lien of and covered by this Mortgage.

(f) No release or forbearance of any of the Mortgagor's obligations under the Ground Lease, pursuant to the Ground Lease or otherwise, shall release the Mortgagor from any of its obligations under this Mortgage, including its obligation with respect to the payment of rent as provided for in the Ground Lease and the performance of all of the terms, provisions, covenants, conditions, and agreements contained in the Ground Lease to be kept, performed, and complied with by the tenant therein.

(g) The Mortgagor shall not make any election or give any consent or approval (other than the exercise of a renewal right or extension right or other right conferring a benefit on the Mortgagor, provided that any such action has no adverse effect or consequence to the Mortgagee) for which a right to do so is conferred upon the Mortgagor as tenant under the Ground Lease without the prior written consent of the Mortgagee. In case of any Event of Default under this Mortgage, all such rights, together with the right of termination, cancellation, modification, change, supplement, alteration, or amendment of the Ground Lease, all of which have been assigned for collateral purposes to the Mortgagee, shall vest in and be exercisable solely by the Mortgagee.

(h) Not more than three hundred sixty (360) and not less than two hundred seventy (270) days before the right of the Mortgagor to exercise any option or right to renew or extend the term of the Ground Lease shall expire, the Mortgagor shall give the Mortgagee written notice specifying the date, term, and manner for which such option or renewal is to be exercised. Within ten (10) days of written demand by the Mortgagee, the Mortgagor shall exercise any such option or renewal which is necessary to extend the term of the Ground Lease beyond the term of this Mortgage or to comply with any law affecting the Mortgagor or the Mortgagee or which is necessary, in the reasonable judgment of the Mortgagee, to preserve the value of the Mortgaged Property intended to be afforded by this Mortgage. The Mortgagor shall promptly provide evidence of such exercise of such option or right to the reasonable satisfaction of the Mortgagee. In the event that the Mortgagor fails to so exercise any such option or right or upon the occurrence of an Event of Default, the Mortgagor hereby agrees and grants to the Mortgagee all right and authority to exercise such option in the name of the Mortgagor or in its own name. Nothing contained herein shall affect or limit any rights of the Mortgagee under the Ground Lease.

(i) If there shall be filed by or against the Mortgagor a petition under the United States Bankruptcy Code, Title 11 of the United States Code (the "*Bankruptcy Code*"), then the lien of this Mortgage shall attach to all of the Mortgagor's rights and remedies at any time arising under or pursuant to the Bankruptcy Code, including, but not limited to, §365 thereof. Upon the filing of any petition by or against the Mortgagor under the Bankruptcy Code, the Mortgagor shall immediately provide copies of all pleadings and notices related thereto to the Mortgagee. The Mortgagor unconditionally assigns to the Mortgagee all of the Mortgagor's rights to remain in possession of the Mortgaged Property following the filing of any bankruptcy petition by or against the Mortgagor, and acknowledges that the Mortgagee may file any pleading in furtherance thereof. This assignment constitutes a present, irrevocable, and unconditional assignment of the foregoing claims, rights, and remedies of the Mortgagor, and shall continue in effect until all of the Obligations shall have been satisfied and discharged in full. Furthermore, the Mortgagor hereby irrevocably constitutes and appoints the Mortgagee as the Mortgagor's attorney-in-fact for the purpose of filing any pleading in the court in which the initial petition was filed or any court to which the action thereon may be removed, transferred, or assigned (the "*Bankruptcy Court*") that the Mortgagee determines in its sole discretion, to protect the Mortgagee's interests in and to the Mortgaged Property, including but not limited to a motion to extend any applicable time period for the filing of any motion related to the assumption of the Ground Lease.

(j) The Mortgagor shall not, without the prior written consent of the Mortgagee, file any motion or other pleading to reject or otherwise elect to treat the Ground Lease as terminated under §365 of the Bankruptcy Code. Any such motion, pleading, or election made without such prior written consent shall be void ab initio, and this Mortgage may be pled in bar thereof. If the Mortgagor does file such a motion to reject the Ground Lease under §365 of the Bankruptcy Code, the Mortgagor hereby acknowledges and agrees that, unless the Mortgagee consents in writing to such rejection, the Mortgagor may not reject the Ground Lease unless the Mortgagor proves, by a preponderance of the evidence, that the Mortgagor was "insolvent," within the meaning of §101 of the Bankruptcy Code, on the petition filing date. If the Mortgagor, as tenant under the Ground Lease and as debtor under the Bankruptcy Code, shall desire to reject the Ground Lease pursuant to §365 of the Bankruptcy Code, the Mortgagor shall

give the Mortgagee not less than thirty (30) days' prior written notice of the date on which the Mortgagor intends to file a motion in or otherwise apply to the Bankruptcy Court for authority to reject the Ground Lease. In such event, the Mortgagee shall have the right, but not the obligation, to serve upon the Mortgagor within such thirty (30) day period a notice stating that the Mortgagee demands that the Mortgagor assume the Ground Lease and assign the Ground Lease to the Mortgagee or the Mortgagee's designee pursuant to §365 of the Bankruptcy Code. If the Mortgagee shall serve upon the Mortgagor the notice described in the preceding sentence, the Mortgagor shall not seek to reject the Ground Lease and shall comply with the demand provided for in the preceding sentence.

(k) If the Mortgagor shall desire to assume the Ground Lease, then the Mortgagor shall give the Mortgagee not less than thirty (30) days' prior written notice of the date on which the Mortgagor intends to file a motion in, or otherwise apply to, the Bankruptcy Court for authority to assume the Ground Lease. The Mortgagor shall inform the Mortgagee as a part of such notice whether or not the Mortgagor intends to assign the Ground Lease following assumption thereof. The Mortgagee shall have the right, but not the obligation, to serve upon the Mortgagor within such thirty (30) day period a notice stating that the Mortgagee demands that the Mortgagor assume the Ground Lease and assign the Ground Lease to the Mortgagee or the Mortgagee's designee pursuant to §365 of the Bankruptcy Code, and such election by the Mortgagee shall be binding upon the Mortgagor. Should the Mortgagor file a motion to assume the Ground Lease, the Mortgagee shall have the sole right to determine what terms and conditions will provide the Mortgagee with "adequate assurance of future performance", within the meaning of §365 of the Bankruptcy Code.

(l) If there shall be filed by or against the Board or any fee owner of the Mortgaged Property a petition under the Bankruptcy Code, the Mortgagor shall, after obtaining knowledge thereof, promptly notify the Mortgagee thereof in writing. The Mortgagor shall promptly deliver to the Mortgagee, following receipt, complete and correct copies of any and all notices, motions, summonses, pleadings, claim forms, applications, and other documents received by the Mortgagor in connection with any such petition and any proceedings relating thereto. In the event of such a bankruptcy filing, the Mortgagee shall have the option, exercisable upon notice from the Mortgagee to the Mortgagor, to conduct and control any such litigation with counsel chosen by the Mortgagee. The Mortgagee may proceed in its own name or in the name of the Mortgagor in connection with any such litigation, and the Mortgagor agrees to execute any and all powers, authorizations, consents, or other documents required by the Mortgagee in connection therewith. The Mortgagor shall, upon demand, pay to the Mortgagee all costs and expenses (including attorneys' and paralegals' fees and expenses) paid or incurred thereby in connection with the prosecution or conduct of any such proceedings. Any such costs or expenses not paid by the Mortgagor as aforesaid shall be secured by the lien of this Mortgage and shall be added to the principal amount of the Obligations. The Mortgagor shall not commence any action, suit, proceeding, or case, or file any application or make any motion, in respect of the Ground Lease in any such case under the Bankruptcy Code without the prior written consent of the Mortgagee. The Mortgagor hereby unconditionally assigns, transfers, and sets over to the Mortgagee all of the Mortgagor's claims and rights to the payment of damages or any claim arising from any rejection of the Ground Lease by the Board or any other fee owner of the Mortgaged Property, or the payment of any amount or claim associated with the Ground Lease in any proceeding under the Bankruptcy Code. The Mortgagee shall have the right to

proceed in its own name and/or in the name of the Mortgagor in respect of any claim, suit, action, or proceeding relating to the assumption or rejection of the Ground Lease by the Board, including, without limitation, the right to file and prosecute, to the exclusion and in the name of the Mortgagor, any proofs of claim, complaints, motions, applications, notices, and other documents, or to defend against any objection thereto, in any case in respect to the Board or any fee owner of the Mortgaged Property. This assignment constitutes a present, irrevocable, and unconditional assignment of the foregoing claims, rights, and remedies, and shall continue in effect until all of the Obligations shall have been satisfied and discharged in full. Any amounts received by the Mortgagee as damages arising out of the rejection of the Ground Lease as aforesaid shall be applied first to all costs and expenses of the Mortgagee (including, without limitation, attorneys' and paralegals' fees and expenses) incurred in connection with the exercise of any of its rights or remedies under this Section. The Mortgagor shall promptly make, execute, acknowledge, and deliver, in form and substance satisfactory to the Mortgagee, a UCC Financing Statement (Form UCC-1), and all such additional instruments, agreements and other documents, as may at any time hereafter be required by the Mortgagee to effectuate and carry out the assignment made pursuant to this Section.

(m) If the Mortgagor shall seek to offset against the rent reserved in the Ground Lease the amount of any damages caused by the nonperformance by the Board or any fee owner of the Mortgaged Property any of its obligations under the Ground Lease after the rejection by the Board or any fee owner of the Mortgaged Property under the Bankruptcy Code, the Mortgagor shall, prior to effecting such offset, notify the Mortgagee of its intent to do so, setting forth the amounts proposed to be so offset and the basis therefor. The Mortgagee shall have the right to object to all or any part of such offset that, in the reasonable judgment of the Mortgagee, would constitute a breach of the Ground Lease, and in the event of such objection, the Mortgagor shall not effect any offset of the amounts so objected to by the Mortgagee. Neither the failure of the Mortgagee to object as aforesaid nor any objection relating to such offset shall constitute an approval of any such offset by the Mortgagee. The Mortgagor shall pay and protect the Mortgagee, and indemnify and save the Mortgagee harmless from and against, any and all claims, demands, actions, suits, proceedings, damages, losses, costs, and expenses of every nature whatsoever (including without limitation, attorneys' and paralegals' fees and expenses) arising from or relating to any off-set by the Mortgagor against the rent reserved in the Ground Lease.

Section 5.17 Inspection

(a) The Mortgagee is authorized and empowered to enter, and to authorize its employees, agents, or contractors identified in writing to the Mortgagor and the Board to enter, upon any or all of the Mortgaged Property at any reasonable time and from time to time upon prior notice to the Mortgagor and the Board to inspect the same, to perform or observe any covenants, conditions, or terms that the Mortgagor shall fail to perform, meet, or comply with, to make such repairs, replacements, renewals, or additions as shall be necessary, or for any other purpose in connection with the maintenance, protection, or preservation of the Mortgagee's security, without thereby becoming liable to the Mortgagor, the Board or any Person in possession holding under the Mortgagor. Any inspections performed by or for the Mortgagee shall be performed at times and in a manner so as not to unreasonably interfere with the Mortgagor's business or the operation of the Mortgaged Property. The Mortgagor will keep

accurate books and records in which full, true, and correct entries shall be promptly made with respect to the Mortgaged Property and the operation thereof.

(b) Any right of access to any portion of the Facilities leased to the students, faculty, staff or Permitted Sublessees as defined in the Facilities Lease, shall be subject to their rights pursuant to their rental agreements and the policies of the University.

Section 5.18 Negative Covenants. The Mortgagor hereby agrees that, so long as any of the Obligations remains outstanding or unpaid, the Mortgagor shall not, directly or indirectly, without the prior written consent of the Mortgagee:

(a) Create, incur, assume, or suffer to exist any indebtedness relating to the Collateral, except the Obligations under this Mortgage and the Permitted Encumbrances, or as otherwise permitted under the Indenture or the Agreement;

(b) Create, incur, or place, or permit to be created, incurred, or placed, any Liens on the Collateral, or any part thereof, or any revenues related thereto, except for the Permitted Encumbrances and Liens in favor of the Mortgagee;

(c) Convey, sell, lease, assign, transfer, or otherwise dispose of the Collateral, or permit any conveyance, sale, lease, assignment, transfer, or other disposition of the Collateral, except as otherwise permitted under the Indenture and the Agreement.

Section 5.19 Cure of Defects. If the validity or priority of this Mortgage or of any rights or Liens created or evidenced hereby with respect to the Collateral or any part thereof, the leasehold interest or right of occupancy of the Mortgagor to the Property or any part thereof or the ownership interest of the Mortgagor to the Facilities or any part thereof shall be endangered or questioned or shall be attacked directly or indirectly, or if any legal proceedings are instituted against the Mortgagor with respect thereto, upon discovery of such actual or alleged defect, the Mortgagor shall give written notice thereof to the Mortgagee promptly, secure the necessary funds and diligently endeavor, with the Board, as necessary, to cure any defect that may be developed or claimed and take all necessary and proper steps for the defense of such legal proceedings, including, but not limited to, the employment of counsel agreeable to the Mortgagee, the prosecution or defense of litigation, and the release or discharge of all adverse claims. The Mortgagee (whether or not named as a party to legal proceedings with respect thereto) is hereby authorized and empowered to take such additional steps as in its judgment and discretion may be necessary or proper for the defense of any such legal proceedings or the protection of the validity or priority of this Mortgage and the Liens created or evidenced hereby, including, but not limited to, the employment of independent counsel, the prosecution or defense of litigation, the compromise or discharge of any adverse claims made with respect to the Collateral, the purchase of any tax title, and the removal of prior Liens or security interests, and all expenses so incurred of every kind and character shall be a demand obligation owing by the Mortgagor to the Mortgagee and shall bear interest from the date of expenditure until paid at a rate equal to the rate provided for in Section 6.12 hereof for Advances to bear, and the same shall be secured by the Lien evidenced by this Mortgage, and the party incurring such expenses shall be subrogated to all rights of the Person receiving such payment.

Section 5.20 Estoppel Certificate. The Mortgagor shall, within ten (10) business days of a written request therefor by the Mortgagee, furnish the Mortgagee with a written statement, duly acknowledged, setting forth the sums secured by this Mortgage and any right of set-off, counterclaim, or other defense that exists against such sums and the obligations under this Mortgage.

Section 5.21 Further Assurances.

(a) The Mortgagor shall (i) promptly correct any defect, error, or omission that may be discovered in the contents, or in the execution or acknowledgment, of this Mortgage or any Loan Document to which the Mortgagor is a party, and (ii) the Mortgagor itself shall, or shall cause the Board to execute, acknowledge, deliver, record, re-record, file, re-file, register, and re-register any and all such further acts, deeds, conveyances, security agreements, mortgages, assignments, estoppel certificates, financing statements and continuations thereof, termination statements, notices of assignment, transfers, certificates, assurances, and other instruments as reasonably may be required from time to time in order (A) to carry out more effectively the purposes of this Mortgage and any of the Loan Documents to which the Mortgagor is a party, (B) to more fully identify and subject to the Liens created by this Mortgage any of the properties, rights, or interests required to be encumbered hereby, including, specifically, any additions, substitutions, replacements, or appurtenances to the Collateral, (C) to perfect and maintain the validity, effectiveness, and priority of this Mortgage and the Liens intended to be created hereby and (D) to better assure, convey, grant, assign, transfer, preserve, protect, and confirm to the Mortgagee any of the rights granted or now or hereafter intended by the parties hereto to be granted to the Mortgagee hereunder or under any other instrument or agreement executed in connection herewith. The Mortgagor shall pay, directly or through the Board, all costs connected with any of the foregoing.

(b) Mortgagor hereby authorizes Mortgagee to file one or more financing or continuation statements and other records with respect to all or any part of the Collateral (including any amendments thereto, or continuation or termination statements thereof), without the signature or other authorization of Mortgagor, in such form and in such offices as Mortgagee reasonably determines appropriate, to perfect or maintain the perfection of the security interest of Mortgagee hereunder. Mortgagor acknowledges and agrees that it is not authorized to, and will not, authenticate or file, or authorize the filing of, any financing statements or other record with respect to the Collateral (including any amendments thereto, or continuation or termination statements thereof) except as permitted hereby, without the prior written approval and authorization by the Mortgagee, consenting to the form and substance of such filing or record. Mortgagor approves and ratifies any filing or recording of records made by or on behalf of Mortgagee in connection with the perfection of the security interest in favor of Mortgagee.

ARTICLE 6
EVENTS OF DEFAULT AND REMEDIES

Section 6.1 Events of Default. The occurrence and continuance of any one of the following shall constitute an event of default under this Mortgage (herein referred to as an "*Event of Default*");

(a) the failure to make punctual payment of the principal of, premium, if any, and interest on the Bonds and any Series 2010A Completion Bonds and Series 2010B Completion Bonds hereafter issued under the Indenture;

(b) the failure to make punctual payments of any amounts owed under this Mortgage or the Agreement;

(c) the occurrence of an event of default (other than an event of default described in (a) or (b) above) under the Indenture, the Agreement or any other Loan Document that is not cured within any applicable grace or cure period contained in such Loan Document;

(d) except as provided otherwise in this Mortgage, failure by Mortgagor to observe and perform any of the terms, covenants, or conditions to be observed or performed by Mortgagor contained in this Mortgage (other than those specified in (a) and (b) above) for a period of thirty (30) days after written notice, by registered or certified mail, specifying such failure and requesting that it be remedied, given to Mortgagor by Mortgagee, or for such longer period as Mortgagor and Mortgagee may agree to in writing; provided that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, such failure shall not constitute an Event of Default so long as Mortgagor institutes curative action within the applicable period and diligently pursues such action to completion;

(e) any representation or warranty of Mortgagor made herein or any representation or warranty made in any of the other Loan Documents or any representation or warranty made in any certificate, document, or financial or other statement furnished at any time under or in connection with this Mortgage or any of the other Loan Documents shall prove to have been incorrect in any material respect on or as of the date made or deemed made;

(f) Mortgagor commences any case, proceeding, or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution, or composition of Mortgagor or Mortgagor's debts under any law relating to bankruptcy, reorganization, or relief of debtors, or seeking appointment of a receiver, trustee, custodian, or other similar official for Mortgagor or for all or any substantial part of Mortgagor's property; or (ii) any such case, proceeding, or other action is commenced against Mortgagor and such case, proceedings, or other action either results in an order for relief against Mortgagor which is not fully stayed within ten (10) days after the entry thereof, or remains undismissed for a period of sixty (60) days;

(g) Mortgagor fails to pay its debts as they become due, admits in writing Mortgagor's inability to pay Mortgagor's debts, or makes a general assignment for the benefit of creditors.

(h) Mortgagor sells, conveys or otherwise transfers or disposes of all or any portion of the Collateral except as otherwise permitted herein or grants any mortgage or security interest affecting all or any portion of the Collateral, or permits any Lien against all or any portion of the Collateral, except as permitted by the terms of this Mortgage; or

(i) A writ or warrant of executory process, fieri facias, attachment or any similar process shall be issued by any court against the Collateral, and such writ or warrant is not released or bonded within thirty (30) days after its entry.

Section 6.2 Remedies.

(a) Upon the occurrence of an Event of Default under this Mortgage and in addition to any other remedy Mortgagee may have under this Mortgage, or any of the other Loan Documents, Mortgagee may accelerate the maturity of and declare all sums secured by this Mortgage (including without limitation the Obligations) immediately due and payable without presentment, demand, protest, notice of protest or dishonor, or other notice of default of any kind, all of which are hereby expressly waived by the Mortgagor. In addition to the foregoing, upon the occurrence of any Event of Default, the Mortgagee may take such action, without notice or demand or putting in default (all of which are hereby expressly waived by the Mortgagor), as it deems advisable to protect and enforce its rights against the Mortgagor and in and to the Collateral, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as the Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of the Mortgagee:

(i) institute proceedings for the complete foreclosure of this Mortgage, in which case the Collateral may be sold for cash or upon credit in one or more parcels under ordinary or executory process, at the Mortgagee's sole option, and with or without appraisal, appraisal being expressly waived; or

(ii) to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Mortgage for the portion of the Obligations then due and payable, subject to the continuing lien of this Mortgage for the balance of the Obligations not then due; or

(iii) institute an action, suit, or proceeding in equity for the specific performance of any covenant, condition, or agreement contained in this Mortgage or any Loan Document; or

(iv) apply for the appointment of a trustee, receiver, liquidator, or conservator of the Collateral, without regard for the adequacy of the security for the Obligations and without regard for the solvency of the Mortgagor or of any Person liable for the payment of the Obligations; or

(v) pursue such other remedies as the Mortgagee may have under applicable law, in equity, by virtue of any other security instrument, or otherwise.

(b) The proceeds or avails of any sale made under or by virtue of this ARTICLE 6, together with any other sums that then may be held by the Mortgagee under this Mortgage, whether under the provisions of this ARTICLE 6 or otherwise, shall be applied in such manner as the Mortgagee, in its sole discretion, shall determine.

(c) Upon any sale made under or by virtue of this ARTICLE 6, the Mortgagee may bid for and acquire the Collateral or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Obligations the net sales price after deducting therefrom the expenses of the sale and the costs of the action and any other sums which the Mortgagee is authorized to deduct under this Mortgage.

(d) The Mortgagee may proceed under this Mortgage solely as to the immovable property interests, or solely as to the movable property interests, or as to both the immovable and movable property interests in accordance with its rights and remedies in respect of the immovable property interests.

(e) Notwithstanding anything to the contrary in this Mortgage, any purchaser of the Mortgaged Property pursuant to a foreclosure sale under this Mortgage or a deed in lieu of foreclosure shall purchase said Mortgaged Property subject and subordinate to the ownership rights of the Board and shall be subject in all respects to the provisions of the Ground Lease. Such purchaser shall have no additional right to grant any mortgage or other lien on the Mortgaged Property or to sell, lease or otherwise alienate the Mortgaged Property without the prior written consent of the Board.

Section 6.3 Leases and Rentals.

(a) Upon the occurrence and continuation of any Event of Default, the Mortgagee may additionally take any one or more of the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as the Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of the Mortgagee:

(i) the Mortgagee may notify any and all Tenants to pay all Rentals due thereafter directly to the Mortgagee at the address set forth in the Mortgagee's notice to such Tenants. The Mortgagor irrevocably agrees that all such Tenants shall be authorized to pay the Rentals directly to the Mortgagee without liability of such Tenants for the determination of the actual existence of any default by the Mortgagor claimed by the Mortgagee. Tenants shall be expressly relieved of any and all duty, liability and obligation to the Mortgagor in connection with any and all Rentals so paid.

(ii) The Mortgagee may enter upon and take possession of the Mortgaged Property, to manage and operate the Mortgaged Property and the Mortgagor's business on the Mortgaged Property, subject to the rights of students, faculty, staff and Permitted Sublessees, as defined in the Indenture, and take possession of and use all books of account and financial records of the Mortgagor subject to, with respect to information concerning students, applicable privacy or other laws restricting the dissemination of such information and its property managers or representatives, if any, relating to the Mortgaged Property.

(iii) The Mortgagee may alter, modify, amend, terminate or permit the surrender of any or all Leases, and the Mortgagee may execute new Leases of any part of the Mortgaged Property, including Leases that extend beyond the maturity date of the Agreement.

(b) The enforcement of any and all such rights available to the Mortgagee hereunder shall continue for so long as the Mortgagee shall elect, until the collection and application of the Rentals have cured the Event of Default and all sums owed by Mortgagor to any person in connection with the enforcement of its remedies in connection with such Event of Default have been paid, in which event, the Mortgagee shall permit the Mortgagor to re-enter and take possession of the Mortgaged Property or any part thereof and to perform all acts necessary for the operation and maintenance of the Mortgaged Property, including the right to collect the Rentals, but the Mortgagee shall nevertheless have the right, effective upon written notice, to demand, sue for possession of and collect the Rentals under the Leases and otherwise exercise its rights under this Mortgage again if there occurs another Event of Default hereunder.

Section 6.4 General Authority. The Mortgagor hereby irrevocably appoints the Mortgagee its agent and attorney in fact, with full power of substitution, in the name of the Mortgagor or the Mortgagee, for the sole use and benefit of the Mortgagee, but at the Mortgagor's expense, to exercise, at any time and from time to time while an Event of Default has occurred and is continuing, all or any of the following powers with respect to all or any of the Collateral and the Proceeds:

(a) to endorse the name of the Mortgagor upon any check, draft, agreement or other instrument payable to the Mortgagor evidencing payment upon any Accounts or General Intangible;

(b) to notify postal service authorities to change the address for delivery of the Mortgagor's mail to a "lockbox" address designated and controlled by the Mortgagee, and to receive, open and dispose of all mail addressed to the Mortgagor;

(c) to demand, sue for, collect, receive and give acquittance for any and all Accounts and other monies due or to become due for or as Collateral (or Proceeds) or by virtue thereof;

(d) to settle, compromise, compound, prosecute or defend any action or proceeding with respect to any of the Collateral and the Proceeds; and

(e) to extend the time of payment of any or all of the Collateral and the Proceeds and to make any allowance and other adjustments with reference thereto.

The aforesaid mandate and power of attorney, being coupled with an interest, is irrevocable so long as any of the Obligations remains outstanding.

Section 6.5 Accounts. While an Event of Default has occurred and is continuing, the Mortgagor will make no material change to the terms of any Account without the prior written permission of the Mortgagee. Upon the occurrence of an Event of Default, and at any time thereafter, the Mortgagor upon request of the Mortgagee will promptly notify (and the Mortgagor hereby authorizes the Mortgagee so to notify) each account debtor in respect of any Account or General Intangible that such Collateral has been assigned to the Mortgagee hereunder, and that any payments due or to become due in respect of such Collateral are to be made directly to the Mortgagee or its designee.

Section 6.6 Sale. Upon the occurrence of an Event of Default, the Mortgagee may exercise all rights of a secured party under the UCC and other applicable law (including the Uniform Commercial Code as in effect in another applicable jurisdiction) and, in addition, the Mortgagee may, without being required to give any notice, except as herein provided or as may be required by mandatory provisions of law, (a) withdraw all cash in its possession and apply such cash then held by it as Collateral or Proceeds against the Obligations or (b) sell the Collateral and the Proceeds or any part thereof at public or private sale, for cash, upon credit or for future delivery, and at such price or prices as the Mortgagee may deem satisfactory. The Mortgagee may be the purchaser of any or all of the Collateral and Proceeds so sold at any public sale (or, if the Collateral and Proceeds is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, at any private sale). The Mortgagor will execute and deliver such documents and take such other action as the Mortgagee deems necessary or advisable in order that any such sale may be made in compliance with law. Upon any such sale the Mortgagee shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral and Proceeds so sold. Each purchaser at any such sale shall hold the Collateral and Proceeds so sold to it absolutely and free from any claim or right of whatsoever kind, including any equity or right of redemption of the Mortgagor which may be waived, and the Mortgagor, to the extent permitted by law, hereby specifically waives all rights of redemption, stay of appraisal which it has or may have under any law now existing or hereafter adopted; provided, however, that such purchaser shall be subject in all respects to the provisions of the Ground Lease. The Mortgagor agrees that twenty (20) days' prior written notice of the time and place of any sale or other intended disposition of any of the Collateral and Proceeds constitutes "reasonable notification" within the meaning of Section 9-611(b) of the UCC, except that shorter or no notice shall be reasonable as to any Collateral and Proceeds that is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market. The notice (if any) of such sale shall (i) in case of a public sale, state the time and place fixed for such sale, and (ii) in the case of a private sale, state the day after which such sale may be consummated. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Mortgagee may fix in the notice of such sale. At any such sale the Collateral and Proceeds may be sold in one lot as an entirety or in separate parcels or portions, as the Mortgagee may determine. The Mortgagee shall not be obligated to make any such sale pursuant to any such notice. The Mortgagee may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be so adjourned. In case of any sale of all or any part of the Collateral and Proceeds on credit or for future delivery, the Collateral or Proceeds so sold may be retained by the Mortgagee until the selling price is paid by the purchaser thereof, but the Mortgagee shall not incur any liability in case of the failure of such purchaser to take up and pay for the Collateral and Proceeds so sold and, in case of any such failure, such Collateral and Proceeds may again be sold upon like notice.

Section 6.7 Assemble Collateral. For the purpose of enforcing any and all rights and remedies under this Agreement the Mortgagee may: (a) require the Mortgagor to, and the Mortgagor agrees that it will, at its expense and upon the request of the Mortgagee, forthwith assemble all or any part of the Collateral (other than the Mortgaged Property) and Proceeds as directed by the Mortgagee and make it available at a place designated by the Mortgagee which is, in its opinion, reasonably convenient to the Mortgagee and the Mortgagor, whether at the

Mortgaged Property of the Mortgagor or otherwise, and Mortgagee shall be entitled to specific performance of this obligation; (b) to the extent permitted by applicable law of this or any other state, enter, with or without process of law and without breach of the peace, any premises where any of the Collateral or Proceeds is or may be located, and, without charge or liability, to it seize and remove such Collateral or Proceeds from such premises; (c) have access to and use the Mortgagor's books and records relating to the Collateral and Proceeds and (d) prior to the disposition of the Collateral and Proceeds, store or transfer it without charge in or by means of any storage or transportation facility owned or leased by the Mortgagor, process, repair or recondition it or otherwise prepare it for disposition in any manner and to the extent the Mortgagee deems appropriate and, in connection with such preparation and disposition, use without charge any trademark, trade name, copyright, patent or technical process used by the Mortgagor.

Section 6.8 Limitation on Duty of Mortgagee. Beyond the exercise of reasonable care in the custody thereof, the Mortgagee shall have no duty as to any Collateral or Proceeds in its possession or control or in the possession or control of any agent or bailee or any income thereon. The Mortgagee shall be deemed to have exercised reasonable care in the custody of the Collateral and Proceeds in its possession if the Collateral and Proceeds is accorded treatment substantially equal to that which it accords its own property, and shall not be liable or responsible for any loss or damage to any of the Collateral or Proceeds, or for any diminution in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee or other agent or bailee selected by the Mortgagee in good faith. The Mortgagor agrees that the Mortgagee shall not be obligated to preserve rights against prior parties obligated on any instruments.

Section 6.9 Appointment of Agent. At any time or times, in order to comply with any legal requirement in any jurisdiction, the Mortgagee may appoint a bank or trust company or one or more other Persons with such power and authority as may be necessary for the effectual operation of the provisions hereof and may be specified in the instrument of appointment.

Section 6.10 Set-Off. Upon the occurrence of any Event of Default, the Mortgagee shall have the right to set-off any revenues of the Mortgagor in the possession of the Mortgagee against any amounts then due by the Mortgagor to the Mortgagee pursuant to the Mortgage.

Section 6.11 Release of Property. The Mortgagee may at any time and without notice to the Mortgagor, release any part of the Collateral from the effect of this Mortgage, or grant an extension or deferment of time for the discharge of any obligation hereunder, without affecting the liability of the Mortgagor hereunder.

Section 6.12 Advances by Mortgagee. The Mortgagor authorizes the Mortgagee in the Mortgagee's discretion to advance any sums necessary for the purpose of paying: (a) insurance premiums; (b) any and all excise, property, sales, use and other taxes, forced contributions, service charges, local assessments and governmental charges on any of the Collateral; (c) any Liens affecting the Collateral (whether superior or subordinate to the lien of this Mortgage) not permitted by this Mortgage; (d) necessary repairs and maintenance expenses; or (e) any other amounts which the Mortgagee deems necessary and appropriate to preserve the validity and ranking of this Mortgage, to cure any Defaults or to prevent the occurrence of any Default

(collectively, the "*Advances*") of whatever kind; provided, however, that nothing herein contained shall be construed as making such Advances obligatory upon Mortgagee, or as making Mortgagee liable for any loss, damage, or injury resulting from the nonpayment thereof. The Mortgagor covenants and agrees that within five (5) days after demand therefor by the Mortgagee, the Mortgagor will repay the Advances to Mortgagee, together with interest thereon at the rate of eighteen (18%) percent per annum, and in addition to repay any other reasonable costs, attorneys' fees and expenses, charges and expenses of any and every kind for the full protection and preservation of the Collateral or this Mortgage, including payments required in respect to any Lien affecting the Collateral, together with interest thereon at the rate of eighteen (18%) percent per annum. All such Advances and amounts (including interest) shall be included in the Obligations secured hereby (subject to the maximum amount of the Obligations set forth above in this Mortgage).

Section 6.13 Authentic Evidence. Any and all declarations of facts made by authentic act before a notary public in the presence of two witnesses by a person declaring that such facts lie within his knowledge shall constitute authentic evidence of such facts for the purpose of executory process. The Mortgagor specifically agrees that such an affidavit by a representative of the Mortgagee as to the existence, amount, terms, and maturity of the Obligations and of a default thereunder shall constitute authentic evidence of such facts for the purpose of executory process.

Section 6.14 Keeper. In connection with each and all of the foregoing and acting pursuant to the authority granted under Louisiana Revised Statutes 9:5136-5140.2, as the same may hereafter be amended or supplemented, the Mortgagor and the Mortgagee hereby expressly designate the Mortgagee, or any agent, servant, employee, or other Person named by the Mortgagee, as "keeper" of each and all of the Collateral pending the judicial sale thereof, with all the powers set forth in said statutes (as hereafter amended), including the right to employ agents to operate the Collateral. All reasonable costs, expenses, and liabilities of every character incurred by the Mortgagee or any such other Person as keeper in connection with managing, operating, maintaining, and possessing the Collateral shall constitute a demand obligation owing by the Mortgagor to the Mortgagee, and shall draw interest from date of expenditure until paid at the rate provided in Section 6.12 hereof for Advances to bear. All of such costs, expenses, and liabilities shall constitute a portion of the Obligations secured by this Mortgage. The keeper shall be entitled to receive as compensation, in excess of such costs, expenses, and liabilities, a reasonable amount to be fixed by the court based upon the keeper's activities and the amounts expended in connection with the management, operation, and maintenance of the Collateral. The designation of keeper made herein shall not be deemed to require the Mortgagee to provoke the appointment of such a keeper.

Section 6.15 Certain Waivers. The Mortgagor hereby expressly waives any and all homestead exemptions and other exemptions to which the Mortgagor is or may be entitled under the Constitution and the laws and statutes of the State of Louisiana insofar as the Collateral is concerned. The Mortgagor further waives to the extent permitted by law: (a) the benefit of appraisal provided for in Articles 2332, 2336, 2723, and 2724 of the Louisiana Code of Civil Procedure, and all other laws conferring the same; (b) the demand and three (3) days delay provided for in Articles 2639 and 2721 of the Louisiana Code of Civil Procedure; (c) the notice of seizure provided for in Articles 2293 and 2721 of the Louisiana Code of Civil Procedure; (d)

the three (3) days delay provided for in Articles 2331 and 2722 of the Louisiana Code of Civil Procedure; and (e) other benefits provided in Articles 2331, 2722, and 2723 of the Louisiana Code of Civil Procedure.

Section 6.16 Waiver of Marshaling. Notwithstanding the existence of any other security interest in the Collateral held by the Mortgagee or by any other party, the Mortgagee shall have the right to determine the order in which any or all of the Collateral shall be subjected to the remedies provided in this Mortgage. The Mortgagor, any party who consents to this Mortgage, and any party who has actual or constructive notice of this Mortgage waive all right to require the marshaling of assets in connection with the exercise of any of the remedies permitted by law or provided in this Mortgage.

Section 6.17 Rights and Remedies Cumulative. All rights and remedies herein given to the Mortgagee shall be cumulative and in addition to every other right and remedy herein specifically given and now or hereafter existing; and each and every right and remedy, whether specifically given or otherwise existing, may be exercised from time to time and so often and in such order as may be deemed expedient by the Mortgagee, and the exercise or the beginning of the exercise of any such right or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right or remedy. No delay or omission by the Mortgagee in the exercise of any right or remedy shall impair any such right or remedy or operate as a waiver of any other right or remedy then or thereafter existing.

Section 6.18 Rights of Bond Insurer. So long the Bond Insurer insures any of Bonds and is not in default under the terms of the Bond Insurance Policy, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Mortgagee pursuant to this Mortgage. Without limiting the immediately preceding sentence, the Mortgagor agrees that any provision herein granting the Mortgagee any rights, including, without limitation, the (a) right to receive or give any notice, (b) the right to receive any reports, certifications or other information required to be delivered or disseminated hereunder, (c) the right to give any consent or approval or make any election, (d) the right to receive any indemnification, insurance coverage or reimbursement, (e) the right to cure any Event of Default or other failure in performance, or (f) the right to receive any other benefit afforded to the Mortgagee under this Mortgage, shall also hereby grant to the Bond Insurer the same such rights. All notices to the Bond Insurer shall be sent to Assured Guarantee Municipal Corp., 31 West 52nd Street New York, New York 10019, and any consent or approval by the Bond Insurer shall be effective only if in writing.

ARTICLE 7 MISCELLANEOUS

Section 7.1 Release of Mortgage. The Mortgage will remain in effect until: (a) all of the Obligations are fully paid and satisfied and there is no agreement or commitment to advance any additional indebtedness; and (b) Mortgagor cancels this Mortgage by filing a written cancellation instrument signed by Mortgagee. When all of the Obligations are fully paid and satisfied and there is no agreement or commitment to advance any additional indebtedness, Mortgagor may request Mortgagee to sign such a written cancellation instrument by writing

Mortgagee at the above address or at such other address as Mortgagee may advise. Mortgagee may delay providing Mortgagor with such a mortgage cancellation instrument for a period of sixty (60) days following receipt of Mortgagor's written request to verify that all conditions precedent for mortgage cancellation have been satisfied.

Section 7.2 Waivers. Any and all covenants in this Mortgage may from time to time, by instrument in writing signed by the Mortgagee and delivered to the Mortgagor, be waived to such extent and in such manner as the Mortgagee may desire, but no such waiver shall ever affect or impair the Mortgagee's rights or Liens hereunder, except to the extent specifically stated in such written instrument.

Section 7.3 No Waiver. No forbearance on the part of the Mortgagee and no extension of the time for the payment of the Obligations given by the Mortgagee shall operate to release, discharge, modify, change, or affect, in whole or in part, the liability of the Mortgagor hereunder or for the payment of the Obligations or performance of the obligations secured hereby or the liability of any other Person hereunder or for the payment of the Obligations.

Section 7.4 Severability. A determination that any provision of this Mortgage is unenforceable or invalid in any jurisdiction shall not affect the enforceability or validity of such provision in any other jurisdiction or the enforceability or validity of any other provision hereof in any jurisdiction, and the determination that the application of any provision of this Mortgage to any Person or circumstance is illegal or unenforceable in any jurisdiction should not affect the enforceability or validity of such provision in any other jurisdiction or the enforceability or validity of such provision as it may apply to other Persons or circumstances.

Section 7.5 Notices. Whenever this Mortgage requires or permits any consent, approval, notice, request, or demand from one party to another, the consent, approval, notice, request, or demand must be in writing and shall be deemed sufficiently given or furnished if delivered by personal delivery, by telegraph, telecopy, or telex, by expedited delivery service with proof of delivery, or by registered or certified United States mail, postage prepaid, at the following addresses, or to such address as may be hereafter notified in writing by the respective parties hereto:

If to the Mortgagor: University Facilities, Inc.
SLU Box 10709
Hammond, Louisiana 70402
Attn: President

If to the Mortgagee: Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department

If to the Board: Board of Supervisors for the University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Assistant Vice President for Facilities Planning & Capital
Improvements

If to Bond Insurer: Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Attention: Managing Director – Surveillance, Re: Policy No. 212858-N
Telephone: (212) 826-0100
Telecopier: (212) 339-3556

Section 7.6 Relationship of Parties. No right or benefit conferred on the Mortgagee under this Mortgage shall constitute or be deemed to constitute the Mortgagee a partner or a joint venturer with the Mortgagor. The Mortgagor and the Mortgagee specifically acknowledge that the relationship between the Mortgagor and the Mortgagee is solely that of borrower and a lender's agent and that all payments required to be made by the Mortgagor to the Mortgagee hereunder or under any Loan Document to which the Mortgagor is a party are required solely by reason of that relationship.

Section 7.7 Mortgage Absolute. The obligations of the Mortgagor under this Mortgage are independent of the obligations of the Mortgagor under the other Loan Documents, and a separate action or actions may be brought and prosecuted against the Mortgagor to enforce this Mortgage. All rights of the Mortgagee and the mortgage, assignment, and security interest hereunder, and all obligations of the Mortgagor hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of any Loan Document or any other agreement or instrument relating thereto;

(b) any change in the time, manner, or place of payment of, or in any other term of, all or any of the obligations of the Mortgagor under any of the Loan Documents, or any other amendment or waiver of or any consent to any departure from the Loan Documents;

(c) any taking, exchange, release, or nonperfection of any of the Collateral, or any taking, release, or amendment or waiver of or consent to departure from any guaranty, for all or any of the obligations of the Mortgagor under the Loan Documents; or

(d) any manner of application of the Collateral, or proceeds thereof, to all or any of the obligations of the Mortgagor under the Loan Documents, or any manner of sale or other disposition of any of the Collateral for all or any of such obligations.

Section 7.8 Interpretation. It is acknowledged and agreed that, in the preparation of this Mortgage, indistinguishable contributions were made by representatives of both the Mortgagor and the Mortgagee and that the Mortgagor and the Mortgagee each waives any and all

rights, both in law or in equity, to have the provisions of this Mortgage or any part thereof interpreted in favor of one over the other based upon a claim that representatives of one or the other were the principal draftsman of such document.

Section 7.9 Conflicts between Loan Documents. In the event that any of the Collateral hereunder is also subject to a valid and enforceable Lien under the terms of any Loan Document and the terms of such other Loan Document are inconsistent in any respect with the terms of this Mortgage, then with respect to all Collateral that is also subject to such other Loan Document, the terms that are most restrictive or, in the case of equally restrictive terms, the terms that are most specific shall be controlling; provided, however, that if any provision of either document is unenforceable with respect to any item of Collateral subject thereto, then the provision of the document that is enforceable with respect to such Collateral shall be controlling.

Section 7.10 Multiple Originals. This Mortgage may be executed in multiple originals, all of which such multiple originals together shall constitute one and the same mortgage.

Section 7.11 Binding Effect. This Mortgage is binding upon the Mortgagor and the Mortgagee and their respective successors and assigns, and shall inure to the benefit of the Mortgagee and its successors and assigns. The benefit of this Mortgage shall pass automatically with any assignment of the Obligations (or any portion thereof) to the extent of such assignment.

Section 7.12 Waiver of Certificates. The parties hereto expressly waive the production of conveyance, mortgage, or tax certificates and hereby relieve and release me, Notary, and my official surety and agree to hold me and said surety harmless from and by reason of the failure to procure and attach same to this Mortgage.

Section 7.13 Governing Law. This Mortgage and all matters relating or pertaining hereto shall be governed by and construed in accordance with the laws of the State of Louisiana.

Section 7.14 No Recourse Against Mortgagor. Mortgagee shall not look to Mortgagor or any principal of Mortgagor with respect to the Obligations. In enforcing its rights and remedies under this Mortgage, Mortgagee shall look solely to the Collateral for the payment of the Obligations secured hereby and for the performance of the provisions hereof. Mortgagee shall not seek a deficiency or other money judgment against Mortgagor or any principal of Mortgagor and shall not institute any separate action against Mortgagor by reason of any default which may occur in the performance of any term or condition of this Mortgage or the Obligations. This agreement by Mortgagee shall not be construed in any way so as to affect or impair the lien of this Mortgage or Mortgagee's right to foreclose hereunder as provided by law, or to limit or restrict any of Mortgagee's rights or remedies in any foreclosure proceedings or other enforcement of payment of the indebtedness secured hereby out of and from the security given therefor.

Section 7.15 Third Party Beneficiary. The Bond Insurer is hereby deemed a third party beneficiary of this Mortgage.

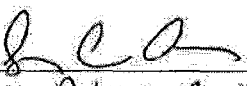
THUS DONE AND PASSED in the place and on the day, month and year first above written in the presence of the undersigned competent witnesses, who hereunto sign their names with Mortgagor and me, Notary, after due reading of the whole.

WITNESSES:

UNIVERSITY FACILITIES, INC.


Name: Cathy Dunbar

By: 
Phil K. Livingston, Chairperson


Name: Arvey C. Atchison



NOTARY PUBLIC
Name: Gene Prejeant
Notary ID/Bar Roll No. 010443
My Commission Expires AT DEATH

EXHIBIT A
DESCRIPTION OF PROPERTY

War Memorial Student Union Bond Lease Parcel

A certain tract or parcel of ground, designated as "WAR MEMORIAL STUDENT UNION BOND LEASE PARCEL", being a portion of Southeastern Louisiana University, located in Section 23, Township 6, South, Range 7 East, Greensburg Land District, Tangipahoa Parish, Louisiana, limits of said Lease Parcel being more particularly described as follows:

Beginning at a point located at N. 3276.84, E. 11096.39, of the Southeastern Louisiana University Coordinate System; thence N 75°30'00" E a distance of 440.00 feet to a point and turn; thence S 14°30'00" E a distance of 165.00 feet to a point and turn; thence N 75°30'00" E a distance of 160.00 feet to a point and turn; thence S 14°30'00" E a distance of 205.00 feet to a point and turn; thence S 75°30'00" W a distance of 150.00 feet to a point and turn; thence S 14°30'00" E a distance of 140.00 feet to a point and turn; thence S 75°30'00" W a distance of 155.00 feet to a point and turn; thence N 14°30'00" W a distance of 265.00 feet to a point and turn; thence S 75°30'00" W a distance of 85.00 feet to a point and turn; thence N 38°27'45" W a distance of 49.24 feet to a point and turn; thence S 75°30'00" W a distance of 190.00 feet to a point and turn; thence N 14°30'00" W a distance of 200.00 feet to a POINT OF BEGINNING, containing 3.94 acres or 171,425 square feet.

EXHIBIT B
DESCRIPTION OF THE FACILITIES

DESCRIPTION OF THE SERIES 2010A FACILITIES

This facility will contain some of the most important academic and non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. It will be the central core for the campus. The two major components in the 2010A Series will include the Student Union and the Center for Student Excellence. The square footage for this series of space will total approximately 121,430 square feet.

The Student Union will include a large event space and ballroom. It will also consist of a series of student support spaces such as conference and meeting rooms, student organization space, a theater, as well as other activity and lounge spaces. Several administrative offices will also be located in the Union including offices in Student Affairs and Auxiliary Services. Finally, it will be home to the Center for Student Excellence which provides programming and resources to students to enhance and in support of academic achievement, personal development and professional growth.

DESCRIPTION OF THE SERIES 2010B FACILITIES

This facility will contain some of the most important non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. The two major components in the 2010B Series will include Food Service and the Retail Bookstore totaling approximately 57,245 square feet.

The Food Service area will include a new residential and commuter dining facility as well as a food court and other smaller grab and go locations. The facility will include adequate support space such as seating, kitchens and production space. The Retail Bookstore will house retail textbooks, university paraphernalia, convenience items, reading areas and possibly a food and/or beverage concept. In addition to these two major components, approximately 3,600 square feet of space will be committed to other retail components providing additional services to our campus community.

Upon delivery of the Series 2010A Bonds, Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Bond Counsel, will render its opinion that, assuming continuing compliance with certain covenants designed to satisfy the applicable requirements of the Code, and subject to the matters discussed under the caption "TAX EXEMPTION" herein, under the law existing on the date thereof, interest on the Series 2010A Bonds will (i) be excludable from gross income of the beneficial owners thereof for federal income tax purposes and (ii) will not be an item of tax preference for purposes of determining the alternative minimum tax imposed on individuals and corporations under Section 57(a)(5) of the Code, but such interest will be includable in adjusted current earnings in computing the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, pursuant to the Act, the Series 2010A Bonds and the Series 2010B Bonds, together with interest thereof, income therefrom, and gain upon the sale thereof are exempt from all State of Louisiana taxes and local taxes. See "TAX EXEMPTION" herein.



\$25,410,000*
**LOUISIANA LOCAL GOVERNMENT
 ENVIRONMENTAL FACILITIES AND
 COMMUNITY DEVELOPMENT
 AUTHORITY TAX-EXEMPT REVENUE BONDS**
 (Southeastern Louisiana University Student Union/
 University Facilities, Inc. Project)
 Series 2010A

\$5,770,000*
**LOUISIANA LOCAL GOVERNMENT
 ENVIRONMENTAL FACILITIES AND
 COMMUNITY DEVELOPMENT
 AUTHORITY TAXABLE REVENUE BONDS**
 (Southeastern Louisiana University Student Union/
 University Facilities, Inc. Project)
 Series 2010B

Dated: Date of Delivery

Due: October 1, as shown below

The Series 2010A Bonds and the Series 2010B Bonds (collectively, the "Series 2010 Bonds") are being issued by the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") to provide a portion of the funds required (i) to demolish certain existing facilities and renovate, develop and construct the Student Union, the Center for Student Excellence, Student Health Center, Food Service Areas, the Bookstore and other related facilities on the campus of Southeastern Louisiana University (the "Facilities"); (ii) fund a deposit to the Debt Service Reserve Fund for the Series 2010 Bonds; and (iii) pay Costs of Issuance for the Series 2010 Bonds, including the premium for the bond insurance policy insuring the Series 2010 Bonds.

The land on which the Facilities will be constructed has been leased to the Corporation by the Board of Supervisors for the University of Louisiana System, acting on behalf of the University (the "Board"), pursuant to the Ground and Buildings Lease Agreement by and between the Corporation and the Board dated as of January 1, 2010, and the Facilities leased back to, and operated by, the Board pursuant to an Agreement to Lease With Option to Purchase by and between the Corporation and the Board dated as of January 1, 2010, as supplemented and amended by the First Amendment to Agreement to Lease with Option to Purchase dated as of November 1, 2010 by and between the Board and the Corporation (collectively, the "Facilities Lease"). The Issuer will lend the proceeds of the Series 2010 Bonds to University Facilities, Inc. (the "Corporation"), a non-profit corporation organized under the laws of the State of Louisiana (the "State") for the benefit of the University pursuant to a Loan Agreement dated as of November 1, 2010, between the Issuer and the Corporation (the "Loan Agreement"). The Corporation will be obligated pursuant to the Loan Agreement to pay to the Issuer such loan payments as will always be sufficient to pay the principal of, premium, if any, and interest on the Series 2010 Bonds, as the same mature and become due, and under the Loan Agreement, it will be the obligation of the Corporation to pay all expenses of operating and maintaining the Facilities in good repair, to keep it properly insured, and to pay all taxes, assessments, and other charges levied or assessed against or with respect to the Facilities.

The Facilities, as completed, will be leased back to, and operated by, the Board pursuant to the Facilities Lease. The Corporation will make the payments required by the Loan Agreement from revenues generated by the Facilities Lease. See "Sources of Payment for the Series 2010 Bonds" herein. The Facilities will be owned by the Board of Supervisors for the University of Louisiana System (the "Board").

Purchasers of the Series 2010 Bonds will not receive certificates representing their interest in the Series 2010 Bonds purchased. Series 2010 Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). Principal of and premium, if any, and interest on the Series 2010 Bonds will be payable by Regions Bank (the "Trustee") to Cede & Co., which will remit such payments to the DTC Participants (as defined herein) for subsequent disbursement to the purchasers of the Bonds. See "THE SERIES 2010 BONDS - BOOK ENTRY SYSTEM ONLY" herein.

The Series 2010 Bonds will mature on October 1 in each of the years and at the interest rates per annum (using a year of 360 days comprised of twelve 30-day months) indicated on the inside-cover page of this Official Statement. Interest on the Series 2010 bonds will be payable on April 1 and October 1 of each year (each an "Interest Payment Date"), commencing April 1, 2011.

THE SERIES 2010 BONDS AND THE INTEREST THEREON ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY, EXCEPT TO THE EXTENT PAID OUT OF MONEYS ATTRIBUTABLE TO PROCEEDS OF THE SERIES 2010 BONDS AND TEMPORARY INVESTMENTS THEREOF, FROM PAYMENTS DERIVED BY THE ISSUER UNDER THE LOAN AGREEMENT (AS DEFINED HEREIN), FROM THE ASSETS AND INTERESTS PLEDGED UNDER THE ACT OF LEASEHOLD MORTGAGE, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT, AND FROM THE BOND INSURANCE POLICY (AS DEFINED HEREIN). THE SERIES 2010 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NOT CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE SERIES 2010 BONDS SHALL NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAXES OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE ISSUER HAS NO POWER TO TAX.

As further described herein, the scheduled payments of principal of and interest on the Series 2010 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2010 Bonds by Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (the "Bond Insurer"). See "MUNICIPAL BOND INSURANCE" herein and Appendix E herein.



AN INVESTMENT IN THE SERIES 2010 BONDS INVOLVES A DEGREE OF RISK BECAUSE OF THE VARIOUS RISKS DESCRIBED HEREIN. See "BONDHOLDERS' RISKS" herein.

The Series 2010 Bonds are offered when, as, and if issued by the Issuer and received by the Underwriter and are subject to prior sale and the approval of legality by Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Baton Rouge, Louisiana, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Issuer by Custer & Pearce, A.P.L.C., Shreveport, Louisiana; for the Corporation by Seale & Ross, P.L.C., Hammond, Louisiana; and for the Underwriter by McGlinchey Stafford PLLC, Baton Rouge, Louisiana. Delivery of the Series 2010 Bonds to DTC in New York, New York is expected on or about November 17, 2010.

Morgan Keegan

_____, 2010

* Preliminary, subject to change.

This Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The definitive Official Statement with respect to these securities will be made available concurrent with their sale.

The Series 2010 Bonds will be issuable as fully registered bonds without coupons. The Series 2010 Bonds will be issued in the denominations of \$5,000 or any integral multiple thereof. The Series 2010 Bonds will bear interest from their date of delivery. Interest on the Series 2010 Bonds will be payable on each Interest Payment Date (as defined herein). Principal of and premium, if any, on the Series 2010 Bonds will be payable at the corporate trust office of Regions Bank (the "*Trustee*"), in Baton Rouge, Louisiana (the "*Office of the Trustee*") at maturity or upon redemption, upon surrender of the Series 2010 Bonds, and interest will be payable by check or draft mailed to the registered owners of Series 2010 Bonds, as shown on the registration books of the bond registrar as of the close of business on the Record Date (as defined herein) for the Series 2010 Bonds or by wire transfer to the bank account number filed with the Trustee in writing prior to the close of business on the Record Date by the person in whose name such Series 2010 Bond shall be registered if such owner shall be the registered owner of not less than \$1,000,000 in aggregate principal amount of Series 2010 Bonds Outstanding. **The Series 2010A Bonds will be subject to prior mandatory, optional, and extraordinary redemption as described herein. The Series 2010B Bonds will not be subject to mandatory or optional redemption prior to their maturity, but will be subject to extraordinary redemption as described herein. See "THE SERIES 2010 BONDS" herein.**

MATURITY SCHEDULE

SERIES 2010A BONDS

\$10,100,000 _____% Term Bonds due October 1, 20____, Yield _____%, CUSIP _____
 \$15,310,000 _____% Term Bonds due October 1, 20____, Yield _____%, CUSIP _____

**SERIES 2010B BONDS
 \$5,770,000 SERIAL BONDS**

<u>Maturity October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2011	\$420,000			
2012	\$575,000			
2013	\$585,000			
2014	\$600,000			
2015	\$615,000			
2016	\$635,000			
2017	\$660,000			
2018	\$685,000			
2019	\$715,000			
2020	\$280,000			

No dealer, broker, salesman, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Issuer, the Corporation, or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2010 Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation, or sale.

The information set forth herein has been obtained from the Issuer, the Corporation, the Board, the University, or other sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriter. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Corporation since the date hereof.

The Issuer has provided only that information in this Official Statement that is contained under the heading "THE ISSUER" and, as to the Issuer, under the heading "LITIGATION." The Issuer has not furnished or verified any other information or statements contained in this Official Statement and is not responsible for the sufficiency, completeness, or accuracy of such other information or statements.

The Trustee has not furnished or verified any information or statements contained in this Official Statement and is not responsible for the sufficiency, completeness, or accuracy of such other information or statements.

THE BOND INSURER MAKES NO REPRESENTATION REGARDING THE SERIES 2010 BONDS OR THE ADVISABILITY OF INVESTING IN THE SERIES 2010 BONDS. IN ADDITION, THE BOND INSURER HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING ASSURED GUARANTY SUPPLIED BY ASSURED GUARANTY AND PRESENTED UNDER THE HEADING "MUNICIPAL BOND INSURANCE" AND "APPENDIX E - SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2010 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Series 2010 Bonds will not be registered under the Securities Act of 1933, as amended, and neither the Issuer or the Underwriter intend to list the Series 2010 Bonds on any stock or other security exchange. The Securities and Exchange Commission has not passed upon the accuracy or adequacy of this Official Statement. With respect to the various states in which the Series 2010 Bonds may be offered, no attorney general, state official, state agency or bureau, or other state or local governmental entity has passed upon the accuracy or adequacy of this Official Statement or passed upon or endorsed the merits of this offering or the Series 2010 Bonds.

In making an investment decision, investors must rely on their own examination of the Issuer, the University, the Corporation, the Underwriter or the Bond Insurer and the terms of the offering, including the merits and risks involved. Those securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

This Official Statement is being provided to prospective purchasers either in bound printed form (the "*Original Bound Format*") or in electronic format on the following website: <https://www.munios.com>. This Official Statement may be relied upon only if it is in its Original Bound Format or as printed in its entirety directly from such website.

This Preliminary Official Statement has been deemed to be final as of its date within the meaning of the rule 15c2-12 under the Securities and Exchange Act of 1934. Except for the omissions of the offering prices(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery date, ratings, and other terms of the Series 2010 Bonds depending on such matters.

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- Appendix E – Specimen Municipal Bond Insurance Policy
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SUMMARY STATEMENT

The following Summary Statement is qualified in its entirety by the more detailed information and financial statements contained elsewhere in this Official Statement and the Appendices hereto (collectively, the “Official Statement”). The offering of the Series 2010 Bonds to potential investors is made only by means of this entire Official Statement, and no person is authorized to detach this Summary Statement from the Official Statement or otherwise use it otherwise without the entire Official Statement.

The Issuer

The Louisiana Local Government Environmental Facilities and Community Development Authority (the “**Issuer**”) is a political subdivision of the State of Louisiana (the “**State**”) and is authorized pursuant to Sections 33:4548.1 through 4548.16, inclusive, of the Louisiana Revised Statutes of 1950, as amended (the “**Act**”) to issue bonds to provide funds for and to fulfill and achieve its authorized public functions or corporate purposes as set forth in the Act.

The Corporation

University Facilities, Inc. (the “**Corporation**”) is a non-profit corporation duly organized and existing under the laws of the State for the benefit of Southeastern Louisiana University (the “**University**”) and is an exempt organization under §501(c)(3) of the Internal Revenue Code of 1986, as amended. The proceeds of the Series 2010 Bonds will be loaned to the Corporation pursuant to a Loan Agreement dated as of November 1, 2010 (the “**Loan Agreement**”) between the Issuer and the Corporation to finance the costs described below under “**The Series 2010 Bonds.**” See “**THE CORPORATION**” herein.

The Board

The Board of Supervisors for the University of Louisiana System (the “**Board**”) is a public constitutional corporation and agency of the State whose responsibility is the supervision and management of State colleges and universities not managed by a separate higher education board created by the Louisiana Constitution. See “**THE BOARD**” herein.

The Series 2010 Bonds

The Issuer will issue \$25,410,000* principal amount of revenue bonds to be designated “Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A” (the “**Series 2010A Bonds**”) and \$5,770,000* principal amount of revenue bonds to be designated “Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B” (the “**Series 2010B Bonds**”) and together with the Series 2010A Bonds, the “**Series 2010 Bonds**”), for the purpose of providing a portion of the funds required (i) to demolish certain existing facilities and renovate, develop and construct the Student Union, the Center for Student Excellence, the Student Health Center, the Food Service Areas, the Bookstore and other related facilities on the campus of Southeastern Louisiana University (the “**Facilities**”); (ii) fund a deposit to the Debt Service Reserve Fund for the Series 2010 Bonds; and (iii) pay Costs of Issuance for the Series 2010 Bonds, including the premium for the bond insurance policy insuring the Series 2010 Bonds.

The Trustee

Regions Bank, Baton Rouge, Louisiana will act as trustee, bond registrar, and paying agent for the Series 2010 Bonds.

* Preliminary, subject to change.

The Bond Insurer	Simultaneously with the issuance of the Series 2010 Bonds, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), a New York stock insurance company, will issue its municipal bond insurance policy (the “ <i>Policy</i> ”) relating to the Series 2010 Bonds. See “ MUNICIPAL BOND INSURANCE ” herein.
The University	The University is a member of the eight (8) member University of Louisiana System (the “ <i>System</i> ”). The System is governed by the Board. The University is a tax-supported, comprehensive regional university that is co-educational and is located in Tangipahoa Parish, Hammond, Louisiana. See “ THE UNIVERSITY ” herein.
The Facilities	The proceeds of the Series 2010 Bonds, together with an extraordinary rental payment of \$6,500,000 made by the Board, pursuant to the Facilities Lease, will be used for the renovation and expansion of the University’s student union, including, but not limited to, the addition of the Center for Student Excellence, Student Health Center and renovations to the Food Service Areas and Bookstore. See “ THE FACILITIES ” herein. The Facilities will be owned by the Board. The land on which the Facilities will be located has been leased to the Corporation by the Board pursuant to a Ground and Buildings Lease Agreement dated as of January 1, 2010, between the Board, as lessor, and the Corporation, as lessee (the “ <i>Ground Lease</i> ”), and the Facilities leased back (as completed) to, and operated by, the Board pursuant to an Agreement to Lease With Option to Purchase dated as of January 1, 2010, between the Corporation, as lessor, and the Board, as lessee, as supplemented and amended by that certain First Amendment to Facilities Lease dated as of November 1, 2010 by and between the Board and the Corporation (collectively, the “ <i>Facilities Lease</i> ”).
The Ground Lease	Pursuant to the Ground Lease, the Board has leased the land on which the Facilities will be located (the “ <i>Property</i> ”) to the Corporation, for a term of forty (40) years, subject to early termination in accordance with the terms of the Ground Lease. The rental payable under the Ground Lease is \$1.00 per year. See “ THE GROUND LEASE ” herein.
The Facilities Lease	Pursuant to the Facilities Lease, the Corporation has leased the Facilities (as completed) to the Board, for a term of forty (40) years, subject to early termination in accordance with the terms of the Facilities Lease. The rental payable under the Facilities Lease is equal to the amount of principal of and premium, if any, and interest due on the Series 2010 Bonds, the amounts required to be deposited in the various funds or accounts established under the Indenture in accordance with the terms of the Indenture, and all other expenses arising out of or relating to the ownership or operation of the Facilities or the issuance of the Series 2010 Bonds. Payments by the Board under the Facilities Lease will be subject to, and dependent upon, designation of Capital Funds and Student Fees by the Board. The Corporation’s rights under the Facilities Lease will be assigned to the Trustee as security for the payment of the Series 2010 Bonds. See “ THE FACILITIES LEASE ” herein.
Security for the Bondholders	To secure the Corporation’s obligations to the Issuer to repay the moneys loaned to the Corporation pursuant to the Loan Agreement, the Corporation will execute and deliver to the Trustee an Act of Leasehold Mortgage, Assignment of Leases and Security Agreement (the “ <i>Mortgage</i> ”) dated as of November 1, 2010, pursuant to which the Corporation will grant to the

Trustee (i) a first mortgage lien on its leasehold interest in (A) the Property and (B) the equipment, furnishings, and other tangible personal property included in the Facilities and (ii) a first priority security interest in the leases and subleases affecting the Property and/or the Facilities, including, without limitation, the Facilities Lease (collectively, the "**Leases**") and all revenues, rentals, and other sums due or becoming due under the Leases. As security for its obligations under the Series 2010 Bonds, the Issuer will enter into the Indenture with the Trustee. Pursuant to the Indenture, the Issuer will pledge to the Trustee its interest in the Loan Agreement. The sum of \$ _____, the amount required for the amount in the Debt Service Reserve Fund created under the Indenture (the "**Debt Service Reserve Fund**") to equal the Debt Service Reserve Fund Requirement, will be used to pay the debt service payments on the Series 2010 Bonds if insufficient funds are on deposit with the Trustee on the date such payments are due and will be available to be used to pay the cost of replacing property, placed upon or used in connection with the Facilities. See "**SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS**" and "**BONDHOLDERS' RISKS**" herein.

Bondholders' Risks

There are certain considerations relating to an investment in the Series 2010 Bonds that are set forth in the sections of this Official Statement, including the heading "**BONDHOLDERS' RISKS**," and that should be carefully reviewed by prospective purchasers of the Series 2010 Bonds. These considerations include that (i) the Corporation's ability to generate revenues and make timely payment under the Loan Agreement, failure to do which may result in the Series 2010 Bonds' not being paid or being paid before maturity or applicable redemption dates and which may result in forfeiture of redemption premiums, may be adversely affected by a wide variety of future events and conditions including a decline in the enrollment of the University, increased competition from other schools, loss of accreditation, failure to meet federal guidelines or some other event that results in students being ineligible for federal financial aid, and cost overruns in connection with the Facilities or other capital improvements, (ii) the obligation of the Board on behalf of the University to pay rental to the Corporation under the Facilities Lease is subject to, and dependent upon, designation of funds necessary to make payments of rental required under the Facilities Lease, and if such amounts are not designated for such purpose, the Corporation may be unable to make timely payment under the Loan Agreement, (iii) the Board is obligated to make payments of Base Rental under the Facilities Lease solely from Capital Funds and Student Fees; (iv) Capital Funds are currently generated by the Food Service Contract, by and between the Board and a third party provider, for the operation and management of the University's Food Service Areas. If the current Food Services Contract is terminated or expires, it is possible a subsequent contract, if any, would not generate comparable Capital Funds; (v) the ability of the Board to increase or assess new fees may require approval by the Louisiana Legislature, (vi) the Series 2010 Bonds constitute limited obligations of the Issuer and the only significant sources of payment therefor are the deposits received by the Trustee pursuant to the Loan Agreement and, if such deposits prove insufficient, payments by the Bond Insurer pursuant to the Policy, (vii) the Facilities will be constructed to serve as student facilities and the special use nature of the Facilities and the fact that the Facilities are located on the campus of the University and the interest of the Corporation serving as collateral is in the nature of a leasehold interest and subject to the terms of the Ground Lease, may curtail its value as collateral, (viii) there are risks associated with the construction of the Facilities, (ix) future clean-up costs with respect to the Facilities could be

imposed under environmental statutes and liens relating thereto may adversely affect the security for the owners of the Series 2010 Bonds, (x) certain statutory provisions and interests and claims of others may impair the security interest of the Trustee in the revenues derived by the Corporation from its interest in the Facilities, (xi) judicial actions may impair the remedies available to the Trustee and the owners of the Series 2010 Bonds under the Indenture and the Mortgage providing security for the Series 2010 Bonds, (xii) interest on the Series 2010A Bonds could, in certain events, become includable in the gross income of the owners thereof and owners of the Series 2010A Bonds would be subject to adverse federal tax consequences, (xiii) there can be no assurance that there will be a secondary market for the Series 2010 Bonds, (xiv) Completion Bonds payable from the Trust Estate or Additional Debt (all as hereinafter defined) on a parity with the Bonds may in the future dilute the security for the Series 2010 Bonds, (xv) a change in the Corporation's or the University's status as a 501(c)(3) organization could cause interest on the Series 2010A Bonds to become includable in the gross income of the owners thereof, (xvi) if the Issuer should fail to make payment of the principal of or interest on the Series 2010 Bonds when the same shall become due, any owner of Series 2010 Bonds will have recourse against the Bond Insurer for such payments, and if the Bond Insurer is unable to make payments of and interest on the Series 2010 Bonds, such Series 2010 Bonds will be payable solely from moneys received by the Trustee pursuant to the Indenture and the Loan Agreement, (xvii) the Bond Insurance Policy does not insure the principal of or interest on the Series 2010 Bonds coming due by reason of acceleration or redemption (other than mandatory sinking fund redemption), nor does it insure the payment of any redemption premium payable upon the Series 2010 Bonds, and under no circumstances, including the situation in which the interest on the Series 2010A Bonds becomes subject to federal or Louisiana income taxation for any reason, the maturities of the Series 2010 Bonds may not be accelerated without the consent of the Bond Insurer, (xviii) so long as the Bond Insurer performs its obligations under the Bond Insurance Policy (hereinafter defined), the Bond Insurer may direct, and its consent must be obtained before the exercise of, any remedies to be undertaken by the Trustee under the Indenture, and (xix) the obligations of the Bond Insurer under the Bond Insurance Policy is a general obligation of the Bond Insurer and rank equally in priority of payment and in all other respects with all other unsecured obligations of the Bond Insurer, and in the event of insolvency of the Bond Insurer, the Owners of the Series 2010 Bonds would have to depend entirely on the ability of the Corporation to pay the principal of and interest on the Series 2010 Bonds. See "BONDHOLDERS' RISKS" herein.

Tax Status of Interest

Upon delivery of the Series 2010 Bonds, Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Bond Counsel, will render its opinion that, assuming continuing compliance with certain covenants designed to satisfy the applicable requirements of the Code, and subject to the matters discussed under the caption "TAX EXEMPTION" herein, under the law existing on the date thereof, interest on the Series 2010A Bonds will (i) be excludable from gross income of the beneficial owners thereof for federal income tax purposes and (ii) will not be an item of tax preference for purposes of determining the alternative minimum tax imposed on individuals and corporations under Section 57(a)(5) of the Code, but such interest will be includable in adjusted current earnings in computing the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, pursuant to the Act, the Series 2010 Bonds together

with interest thereof, income therefrom, and gain upon the sale thereof are exempt from all State of Louisiana taxes and local taxes. In addition, Bond Counsel will opine that the Series 2010A Bonds are a “qualified tax-exempt obligation” under Section 265(b)(3) of the Code, as amended by the American Recovery and Reinvestment Tax Act of 2009 of the United States Congress. See “**TAX EXEMPTION**” herein.

Continuing Disclosure

The Board will agree to provide such information as may be required by the provisions of Rule 15c2-12 (“**Rule 15c2-12**”) promulgated by the Securities and Exchange Commission, and neither the Corporation, the Trustee, nor the Issuer will undertake any responsibility with respect to continuing disclosure under Rule 15c2-12.

Underwriter

The Issuer is offering the Series 2010 Bonds through Morgan Keegan & Company, Inc., New Orleans, Louisiana (the “**Underwriter**”), pursuant to a Bond Purchase Agreement. The obligation of the Underwriter to sell the Series 2010 Bonds will be subject to various conditions contained in the Bond Purchase Agreement.

Rating

Moody’s Investors Service, Inc. (“**Moody’s**”) is expected to assign the Series 2010 Bonds the rating of “Aa3” (negative outlook), with the understanding that upon delivery of the Series 2010 Bonds, a municipal bond insurance policy will be issued by the Bond Insurer. Further, Moody’s has assigned an underlying rating of “A3” (stable outlook) to the Series 2010 Bonds. An explanation of the significance of such rating may be obtained from Moody’s. Such rating reflects only the view of Moody’s, and neither the Issuer, the University, the Bond Insurer, nor the Underwriter makes any representation as to the appropriateness thereof.

General

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the Official Statement in final form will be deposited with the Municipal Securities Rulemaking Board, 1818 N Street, N.W., Suite 800, Washington, D.C. 20036-2491. Copies of the Official Statement and other relevant documents and information regarding the documents are available upon request from the Underwriter prior to the issuance and delivery of the Series 2010 Bonds and from the Trustee after the issuance and delivery of the Series 2010 Bonds. The Official Statement, including the cover page and the attached Appendices, contains specific information relating to the Series 2010 Bonds, the Issuer, and the Corporation and other information pertinent to this issue.

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OFFICIAL STATEMENT

\$25,410,000*

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES
AND COMMUNITY DEVELOPMENT AUTHORITY TAX-EXEMPT REVENUE BONDS
(SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION /
UNIVERSITY FACILITIES, INC. PROJECT)
SERIES 2010A

AND

\$5,770,000*

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES
AND COMMUNITY DEVELOPMENT AUTHORITY TAXABLE REVENUE BONDS
(SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION /
UNIVERSITY FACILITIES, INC. PROJECT)
SERIES 2010B

INTRODUCTORY STATEMENT

This Official Statement, including the cover page and the Appendices hereto, furnishes certain information in connection with the sale by the Louisiana Local Government Environmental Facilities and Community Development Authority (the "**Issuer**") of \$25,410,000* in aggregate principal amount of its Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A (the "**Series 2010A Bonds**") and \$5,770,000* in aggregate principal amount of its Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B (the "**Series 2010B Bonds**") and, together with the Series 2010A Bonds, the "**Series 2010 Bonds**") to be issued by the Issuer pursuant to a Trust Indenture dated as of November 1, 2010 (the "**Indenture**"), between the Issuer and Regions Bank, as Trustee (the "**Trustee**") for the purpose of providing a portion of the funds required (i) to demolish certain existing facilities and renovate, develop and construct the Facilities, (ii) to fund a deposit to the Debt Service Reserve Fund, and (iii) to pay the costs of issuing the Series 2010 Bonds, including the premium for the bond insurance policy insuring the Series 2010 Bonds. **Definitions of certain capitalized terms used in this Official Statement are set forth in APPENDIX C hereto.**

The land on which the Facilities will be constructed (the "**Property**") has been leased to University Facilities, Inc. (the "**Corporation**"), a non-profit corporation organized under the laws of the State of Louisiana (the "**State**") for the benefit of the University pursuant to a Ground and Buildings Lease Agreement dated as of January 1, 2010, between the Board of Supervisors for the University of Louisiana System (the "**Board**"), as lessor, and the Corporation, as lessee (the "**Ground Lease**"), and the Facilities leased back (as completed) to, and operated by, the Board pursuant to an Agreement to Lease With Option to Purchase between the Corporation, as lessor, and the Board, as lessee, dated as of January 1, 2010, as supplemented and amended by the First Amendment to Agreement to Lease with Option to Purchase dated as of November 1, 2010 by and between the Board and the Corporation (collectively, the "**Facilities Lease**"). The Issuer will lend the proceeds of the Series 2010 Bonds to the Corporation pursuant to a Loan Agreement dated as of November 1, 2010, between the Issuer and the Corporation (the "**Loan Agreement**"). The Corporation will be obligated pursuant to the Loan Agreement to pay to the Issuer such loan payments as will always be sufficient to pay the principal of, premium, if any, and interest on the Series 2010 Bonds, as the same mature and become due, and under the Loan Agreement, it will be the obligation of the Corporation to pay all expenses of operating and maintaining the Facilities in good repair, to keep it properly insured, and to pay all taxes, assessments, and other charges levied or assessed against or with respect to the Facilities.

To secure the Corporation's obligations to the Issuer to repay the moneys loaned to the Corporation pursuant to the Loan Agreement, the Corporation will execute and deliver to the Trustee an Act of Leasehold Mortgage, Assignment of Leases and Security Agreement (the "**Mortgage**") dated as of November 1, 2010, pursuant to which the Corporation will grant to the Trustee (i) a first mortgage lien on its leasehold interest in (A) the Property and (B) the equipment, furnishings, and other tangible personal property included in the Facilities, and (ii) a first priority security interest in the leases and subleases affecting the Property and/or the Facilities, including, without limitation, the

* Preliminary, subject to change.

Facilities Lease (collectively, the “*Leases*”) and all revenues rentals, and other sums due or becoming due under the Leases.

The Issuer, pursuant to the Indenture, will pledge to the Trustee its interest in the Loan Agreement (except for rights relating to exculpation, indemnification, and payment of expenses thereunder). See “**SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS**” herein.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Issuer, the Corporation, the Bond Insurer, the Board, the University, the Facilities, the Series 2010 Bonds, the Loan Agreement, the Ground Lease, the Facilities Lease, and the Indenture. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Ground Lease, the Facilities Lease, the Loan Agreement, and the Indenture are qualified in their entirety by reference to such documents, and references herein to the Series 2010 Bonds are qualified in their entirety to the forms thereof included in the Indenture.

THE ISSUER

The Issuer is a political subdivision created and existing under the laws of the State of Louisiana (the “*State*”) pursuant to the provisions of the laws of the State, including the Act. Any political subdivision, the State, or agency of the State may participate as a member of the Issuer by adopting a resolution indicating its intention to do so. The Issuer is governed by its Board of Directors, whose membership is limited to those members of the Issuer whose governing authorities have previously adopted a resolution indicating their membership in the Issuer. Each member appoints a director to the Board of Directors of the Issuer in accordance with the Act. Directors are appointed to serve two (2)-year terms and may be removed for just cause by the Board of Directors. Officers of the Issuer are elected by and from the ranks of the members of the Board of Directors and consist of a Chairman, Vice-Chairman and Secretary-Treasurer. Officers serve two (2)-year terms and may not be re-elected for successive terms in any one office; however, officers may be elected to another office, but, in no event may a person serve more than two (2) terms in a particular office. The Issuer is authorized to issue the Series 2010 Bonds, to finance the costs of the Facilities and to secure the Series 2010 Bonds by an assignment of the payments to be received under the Loan Agreement. In order to accomplish the foregoing, the Issuer is authorized to enter into and/or accept delivery of the Indenture and the Loan Agreement.

Pursuant to the Issuer’s bylaws, the Board of Directors has established an Executive Committee and delegated certain duties and authorities of the Board of Directors to the Executive Committee in accordance with the Act, including the authority to approve “Authorized Projects” (as defined in the Act) and authorize the issuance of bonds by the Issuer. The Executive Committee consists of seven (7) members, three of whom are the Chairman, the Vice-Chairman, and the Secretary-Treasurer of the Issuer. The Chairman, the Vice-Chairman, and the Secretary-Treasurer serve on the Executive Committee as *ex officio* members for as long as they remain officers of the Board of Directors. The four at-large members of the Executive Committee serve one (1) year terms. A member of the Executive Committee may be removed by the Board of Directors for just cause at any special or emergency meeting called for that purpose. The Executive Committee is required to make an annual report to the Board of Directors at its annual meeting.

The current members of the Executive Committee, their positions, terms of office and respective Participating Political Subdivisions are as follows:

Present Committee Members	Position	Term Expires	Participating Political Subdivision
Julian Dufreche	Chairman	12/31/10	Tangipahoa Parish Clerk
Mary Sue Adams	Vice Chairman	12/31/10	Varnado Waterworks District
Mayor David C. Butler, II	Secretary-Treasurer	12/31/10	Town of Woodworth
William A. Lazaro, Jr.	Member	12/31/10	Jefferson Parish
Lynn Austin	Member	12/31/11	City of Bossier City
Mike Grimmer	Member	12/31/13	Livingston Parish Council

One seat on the Executive Committee is currently vacant.

Pursuant to the Act, the Issuer's bylaws and resolutions adopted by the Issuer on June 12, 2008 and December 16, 2008, the Issuer has duly authorized the issuance of the Series 2010 Bonds and the execution, delivery, and performance of the Indenture and the Loan Agreement.

EXCEPT FOR INFORMATION CONCERNING THE ISSUER IN THE SECTIONS HEREOF CAPTIONED "**THE ISSUER**" AND "**LITIGATION - The Issuer,**" NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE ISSUER, AND THE ISSUER MAKES NO REPRESENTATIONS OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH OTHER INFORMATION.

The Series 2010 Bonds will be limited obligations of the Issuer as described under the caption "**THE SERIES 2010 BONDS -- Series 2010 Bonds Are Limited Obligations**" herein.

THE FACILITIES

The project will include the renovation of existing space, as well as the addition of newly constructed space, which will result in a student union facility that better meets the needs of the students and the University. The current student union building was constructed in 1966. Two (2) additions were later added, one in 1984 and another in 1999, bringing the total square footage of the facility to approximately 91,000 square feet of space, housing the bookstore, food service areas, meeting rooms, a post office and other services vital for student life. The student body served by the student union facility has continued to increase, serving just over 10,000 students in 1990 and more than 15,000 students in 2010.

The proceeds of the Series 2010 Bonds, along with the \$6,500,000 contribution from the Board, will be used to renovate and/or construct five (5) major components, all encompassed as part of a student union renovation and expansion project: the Student Union, Center for Student Excellence, the Health Center, Food Service Areas and Bookstore (collectively, the "**Facilities**"). The project will include the renovation of approximately 91,000 square feet and the addition of approximately 89,920 square feet of new space, collectively providing a student union that provides a series of spaces central to campus life.

The combining of the five (5) components (the Student Union, the Center for Student Excellence, the Health Center, the Food Service Areas and the Bookstore) into a single construction and financing project will allow each of them to be completed in a more timely and efficient manner. It will also afford the University the opportunity, through its design, function, and placement, to move forward in the implementation of the University's Master Plan. The Facilities will guide change that will impact the University for many years to come. In addition, the sharing of necessary facilities, such as meeting and gathering spaces, will provide significant savings to the overall project and the University.

Construction of the Facilities is expected to begin construction in May, 2011 with completion by November, 2013.

Student Union

While the student body of the University has experienced significant growth, the one facility that serves as the hub of campus has not grown at the same pace. As a result, the current student union does not have adequate space to provide the types and levels of service that students have come to expect. The improvements designated as part of the general student union portion of the project will include renovation/construction space for a large ballroom/banquet room, meeting rooms, lounge and study areas, offices and storage for student activities.

Center for Student Excellence

The Center for Student Excellence's (the "**Center**") mission is to provide specific programming and resources that enable students to develop skills and strategies that enhance academic achievement and personal and

professional growth. The Center provides career exploration and academic advising to students who need information for making life-impacting decisions. Learning assistance is also provided in the form of tutoring and supplemental instruction, promoting the academic success of students.

A reception area will provide a one-stop information point to answer student questions, schedule appointments with specific staff, and direct students to specific rooms and resources. Classrooms and computer lab facilities will be "smart" classrooms with full technology access to campus networks as well as the internet. Classrooms will be multi-purpose, usable for scheduled classes at certain times of the day and for Center functions at other times.

In addition, the Center will provide appropriate office space for both professional and clerical staff. It will include work stations for graduate assistants and student workers, storage areas, conference rooms, a break/vending room, a Career Resources Center, group tutoring rooms, computer classrooms, faculty training rooms, an Excellence Resource Center, equipment storage and repair areas, and a video recording room.

Adequate space to accommodate other similar and related resources available to students will also be adjacent to the Center for Student Excellence.

Health Center

The student union renovation and expansion project will enable the establishment of a one-stop-shop for all health services including both physical and mental health care as the space will house the University Counseling Center and Health Center.

The Vera W. Thomason Health Center was originally built in 1966. Consisting of approximately 7,769 square feet, it currently houses all medical health services for students. Services provided at the center include an outpatient clinic and infirmary for the care of most minor illnesses and injuries. Physicians are also available for consultation during appointed clinic hours.

The University Counseling Center is currently housed in approximately 3,472 square feet of space in a facility originally designed as an ROTC facility, which was built in 1970. The Counseling Center provides free mental health counseling services to students, faculty and staff. Staffed by licensed mental health professionals as well as master's level interns, the University Counseling Center offers individual counseling, group counseling, couples counseling, and family counseling as well as workshops and consultation.

Food Service Areas

Food Service Operations are currently housed in a space originally built in 1956 and expanded in 1966. The space served as a traditional cafeteria and, due to both the age and design of the facility, the space is extremely inefficient. The space consists of approximately 64,891 square feet. In addition to serving as the main residential dining facility, the space also houses a banquet facility, as well as a couple of branded concept offerings. Additional food service operations are made available in approximately 17,138 square feet of space in the existing Student Union facility. The space includes a food court as well as other retail options such as Subway and Starbucks. Due to the lack of space in the food court area, access to retail offerings by residential students has been restricted during peak times as the space is not adequate to serve the residential population while also serving commuter students, faculty and staff.

The renovated Food Service Areas will contain space for the Fresh Food Company, which will serve as residential/commuter dining, as well as an extensive food court and smaller grab-and-go convenience-type locations.

Bookstore

The current Bookstore is housed in approximately 9,000 square feet of space in the Student Union Annex. The space, originally housing a bowling alley, was renovated in 1998, at which time the University Bookstore was relocated to the facility. The new Bookstore, which will be relocated to a larger space within the Student Union, will occupy approximately 12,000 square feet of space and will be designed and laid out with current retail trends in

mind. It will house retail textbooks, university paraphernalia, convenience items, reading areas and possibly a food and/or beverage service spot. This will enable the Bookstore to better serve its students, faculty, staff, alumni, community members and guests.

Construction of the Facilities

Construction of the Facilities will be coordinated by representatives of the University’s Facility Planning and Physical Plant offices, representatives of the architect and a Corporation-selected on-site project manager or clerk of the works. Through a competitive bid process, the Corporation intends to select a project construction contractor to construct the Facilities (the “*General Contractor*”). The proposed construction contract will obligate the General Contractor to complete the Facilities within a specified period of time for a fixed construction price. The construction contract will also require the General Contractor to furnish a performance and payment bond.

A project budget of \$34,900,000 was prepared by the University and the architect. This consists of preliminary construction costs of \$32,500,000, which includes permanent equipment and project contingencies, and professional fees of \$2,400,000. The project will be funded from proceeds of the Series 2010 Bonds and a additional Board contribution of approximately \$6,500,000 (the “*Board Contribution*”). Approximately \$668,400 of the Board Contribution has been expended to date to pay for part of the design costs associated with the project.

SOURCES AND USES OF FUNDS*

	<u>Series 2010A Bonds</u>	<u>Series 2010B Bonds</u>	<u>Total Series 2010 Bonds</u>
Par Amount of Bonds	\$	\$	\$
Original Issue Premium	\$	\$	\$
Board Initial Lease Payment	\$	\$	\$
Total Sources of Funds	\$	\$	\$
Deposit to Project Fund	\$	\$	\$
Debt Service Reserve Fund	\$	\$	\$
Cost of Issuance & Underwriter’s Discount	\$	\$	\$
Bond Insurance Premium	\$	\$	\$
Total Uses of Funds	\$	\$	\$

SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS

The Series 2010 Bonds will be payable solely from payments made by the Board, on behalf of the University, pursuant to the Facilities Lease.

Revenues Available for Debt Service

The Board’s revenues available to make the required payments under the Facilities Lease include: (i) Student Union Bond Fee, Health Center Bond Fee, Building Use Fee and Student Union Expansion Fee (collectively, the “*Student Fees*”) and (ii) annual Capital Improvement Funds received by the University from the University’s food service provider (the “*Capital Funds*”) and together with the Student Fees, “*Revenues*”).

Student Fees

A history of the collection of the Student Fees is provided in the chart below.

* Preliminary, subject to change.

Student Fee Historical Collections

FEE HISTORY OVERVIEW

Fee Description	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2008</u>	<u>FY 2007</u>	<u>FY 2006</u>	<u>FY 2005</u>
Student Union Bond Fees	\$319,953	\$312,590	\$303,566	\$309,670	\$321,226	\$321,226
Health Center Bond Fees	\$191,960	\$187,554	\$182,139	\$185,802	\$192,736	\$194,747
Building Use Fee	\$349,615	\$339,707	\$329,852	\$345,468	\$345,468	\$351,783
Student Union Expansion Fee	\$1,411,064	\$1,376,380	\$1,339,195	-----	-----	-----

Source: Southeastern Budget Office

Student Union Bond Fee

A Student Union Bond Fee of \$10.00 per student, per semester is being assessed by the University on all students for the use and availability of the student union facilities. The fee has been collected annually since the fee was effective in Fall, 1964. The Student Union Bond Fee generated \$319,933 in fiscal year 2010.

Health Center Bond Fee

A Health Center Bond Fee of \$6.00 per student, per semester is being assessed by the University on all students for the use and availability of on-campus health center facilities. The Health Center Bond Fee has been collected annually since the fee was effective in Fall, 1964. The Health Center Bond Fee generated \$191,960 in fiscal year 2010.

Building Use Fee

A Building Use Fee of \$10.00 per student, per semester is being assessed by the University on all students for the renovation, construction and development of on-campus facilities. **One half (\$5.00 per student) of the Building Use Fee is dedicated to this project.** The Building Use Fee was originally approved on June 10, 1967. The Building Use Fee generated \$349,615 in fiscal year 2010.

Student Union Expansion Fee

A Student Union Expansion Fee of \$44.00 per student, per semester is being assessed by the University on all students for the planning, development, construction and equipping of a student union facility. The fee was effective in Summer, 2007. The Student Union Expansion Fee generated \$1,411,064 in fiscal year 2010.

Food Service Capital Improvement Funds

Food Service Capital Improvement Funds are additional annual payments required by the University's contract with its Food Service Operator, initially Aramark Educational Services. The purpose of these additional annual payments is to facilitate renovations and additions to the Student Union which will house the Fresh Food Company (residential dining facility). The current food service contract (the "**Food Service Contract**"), effective July 1, 2008 through June 30, 2023, provides the University, on October 1 of each year, an annual amount of \$675,000 for the first two fiscal years, \$760,000 in fiscal years three and four and \$990,000 in fiscal years five through fifteen. The University's previous food service contract, ending June 30, 2008, provided for a food service capital improvement fund payment of \$450,000 annually each October 1 payable over a 10-year period.

In the event the Food Service Contract is terminated and the Corporation or the Board begins providing operations and management services for the Food Services Areas, as required by the Ground Lease, the Board will agree, pursuant to the Facilities Lease, to pay amounts sufficient to make up any shortfall in the payment of Base Rental of debt service on the Series 2010 Bonds payable solely from Auxiliary Revenues of the University after payment of annual debt service of the Corporation's (Southeastern Louisiana University Student Housing/University Facilities, Inc. Project) Series 2004 Bonds and the Corporation's (Southeastern Louisiana University/University Facilities, Inc.: Phase Four Parking Project) Series 2007 Bonds.

Pro-forma Debt Service Coverage

The following presentation shows on a pro forma basis for the next seven years, the University's expected revenues available to the Board for Rental payments under the Facilities Lease to satisfy aggregate debt service requirements on the Series 2010 Bonds. This presentation has been prepared based on enrollment figures provided by the University. Neither the Authority nor Underwriter make representation with respect to the revenue forecast or the University's ability to pay Base Rental under the Facilities Lease. The Pro-forma projections below relating to the Revenues and the University's ability to generate Revenues through the seven fiscal years ending June 30, 2017 have been prepared assuming the Series 2010 Bonds will be issued in the aggregate par amount of \$31,165,000, will bear interest at an average rate of approximately 4.65% and is structured to produce approximately level annual fiscal year debt service.

FISCAL YEAR ENDING	<u>6/30/11</u>	<u>6/30/12</u>	<u>6/30/13</u>	<u>6/30/14</u>	<u>6/30/15</u>	<u>6/30/16</u>	<u>6/30/17</u>
Project Revenue Sources							
Student Fees¹							
Student Union Bond	\$310,000	\$310,000	\$310,000	\$310,000	\$310,000	\$310,000	\$310,000
Health Center Bond	185,000	185,000	185,000	185,000	185,000	185,000	185,000
Building Use Fee	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Student Union Fee	1,375,000	1,375,000	1,375,000	1,375,000	1,375,000	1,375,000	1,375,000
Food Service Capital Improvement Funds	760,000	760,000	990,000	990,000	990,000	990,000	990,000
Series 2010 estimated DSRF Earnings ²	<u>14,215</u>	<u>38,525</u>	<u>38,525</u>	<u>38,525</u>	<u>38,525</u>	<u>38,525</u>	<u>38,525</u>
Total Project Revenues	\$2,814,215	\$2,838,525	\$3,068,525	\$3,068,525	\$3,068,525	\$3,068,525	\$3,068,525
Pro-Forma Series 2010 Debt Service							
Series 2010 Principal	\$0	\$420,000	\$575,000	\$585,000	\$600,000	\$615,000	\$635,000
Series 2010 Interest	<u>504,448</u>	<u>1,361,433</u>	<u>1,351,405</u>	<u>1,338,348</u>	<u>1,323,378</u>	<u>1,306,510</u>	<u>1,287,115</u>
Annual Debt Service	\$504,448	\$1,781,433	\$1,926,405	\$1,923,348	\$1,923,378	\$1,921,510	\$1,922,115
Net Annual Cash Flow to University	\$2,309,767	\$1,057,093	\$1,142,120	\$1,145,178	\$1,145,148	\$1,147,015	\$1,146,410
Pro-Forma Debt Service Coverage	5.58	1.59	1.59	1.60	1.60	1.60	1.60

Source: Southeastern Louisiana University

NOTES:

- 1) See "SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS – Student Fees" herein for Student Fee historical collections.
- 2) Debt Service Reserve Fund earnings assumed at 2.00%.

The assumptions described above and elsewhere herein could cause actual results to differ materially from those expressed in any forward-looking statement. All of the forward-looking statements made in this Official Statement are qualified by these cautionary statements. There can be no assurance that the actual results or developments anticipated will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the University's business or operations. All subsequent forward-looking statements attributable to the University or persons acting on its behalf are expressly qualified in their entirety by the factors and assumptions described above and in any documents containing those forward-looking statement. No person has any obligation to prepare or release any updates or revisions to any forward-looking statement.

Extraordinary Lease Payments

In the Facilities Lease, the Board will covenant to make an extraordinary Rental payment to fund a portion of the cost of the Facilities in an amount not to exceed \$6,500,000 from funds on hand and/or collected by the Board within the fiscal year ending June 30, 2011 (the "**Board Contribution**"). To date, \$668,400 of the Board Contribution has been expended on design costs associated with the project. The balance of the Board Contribution will be deposited into the Project Fund at the closing for the Series 2010 Bonds.

Trust Estate and Mortgaged Property

The Series 2010 Bonds are special limited obligations of the Issuer payable from the Trust Estate held for the benefit of the Bondholders pursuant to the Indenture and from property pledged under the Mortgage. The Series 2010 Bonds are not payable from any other revenues, funds, or assets of the Issuer. The Trust Estate will include: (i) all right, title, and interest of the Issuer in, to and under the Loan Agreement; (ii) all right, title and interest of the Issuer in, to and under the Facilities Lease assigned by the Corporation to the Issuer under the Agreement; (iii) moneys held in funds and accounts (other than the Rebate Fund) established pursuant to the Indenture; and (iv) all cash, securities and investment that may at any time be held by the Trustee under the Mortgage. The property pledged under the Mortgage will include all right, title, and interest of the Corporation in, to and under the Facilities Lease, including all Rental payments received pursuant to the Facilities Lease. The obligation of the Board to make rental payments under the Facilities Lease is subject to, and dependent upon, the University budgeting and designating funds necessary to make payments required under the Facilities Lease. Any discussion in this Official Statement concerning the Trust Estate or any other source of payment for the Series 2010 Bonds should be construed to be limited to the extent described in this paragraph. The Trustee has no authority to extend the time for any Payment of principal, premium, or interest without the prior written consent of or authorization of the owners of the Series 2010 Bonds so affected.

Limitation of Issuer's Obligations

THE SERIES 2010 BONDS AND THE INTEREST THEREON ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY, EXCEPT TO THE EXTENT PAID OUT OF MONEYS ATTRIBUTABLE TO PROCEEDS OF THE SERIES 2010 BONDS AND TEMPORARY INVESTMENTS THEREOF, FROM PAYMENTS DERIVED BY THE ISSUER UNDER THE LOAN AGREEMENT (AS DEFINED HEREIN), FROM THE ASSETS AND INTERESTS PLEDGED UNDER THE ACT OF LEASEHOLD MORTGAGE, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT, AND FROM THE BOND INSURANCE POLICY (AS DEFINED HEREIN). THE SERIES 2010 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NOT CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE SERIES 2010 BONDS SHALL NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAXES OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE ISSUER HAS NO POWER TO TAX.

Funds and Accounts

The Indenture will create the following funds and accounts which will be held by the Trustee:

- (i) a Bond Proceeds Fund consisting of the following accounts and sub-accounts:
 - (A) Series 2010A Bonds Proceeds Account including a Series 2010A Bonds Cost of Issuance Sub-Account
 - (B) Series 2010B Bonds Proceeds Account including a Series 2010B Bonds Cost of Issuance Sub-Account;
- (ii) a Debt Service Fund including a Series 2010A Bonds Debt Service Account and a Series 2010B Bonds Debt Service Account therein;
- (iii) a Debt Service Reserve Fund, including a Series 2010A Bonds Debt Service Reserve Account and a Series 2010B Bonds Debt Service Reserve Account therein;
- (iv) a Project Fund, including a Series 2010A Bonds Project Account and a Series 2010B Bonds Project Account therein;
- (v) a Series 2010 Bonds Replacement Fund; and

- (vi) a Series 2010A Bonds Rebate Fund.

Bond Proceeds Fund. The Bond Proceeds Fund will be used to receive the proceeds of the Series 2010 Bonds. On the Closing Date, the Trustee will disburse amounts held in the Bond Proceeds Fund as follows:

- (i) to retain such sum in the Series 2010A Bonds Costs of Issuance Sub-Account and the Series 2010B Bonds Costs of Issuance Sub-Account as may be specified in the request and authorizations delivered pursuant to the Indenture;

- (ii) to the Series 2010A Bonds Debt Service Reserve Account and the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund an amount equal to the Debt Service Reserve Fund Requirement; and

- (iii) to the Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund the balance of the proceeds of the Bonds.

Amounts deposited on the Closing Date into the Costs of Issuance Accounts of the Bond Proceeds Fund will be disbursed, pursuant to the written instructions of the Issuer, to pay Costs of Issuance. Any amounts remaining in the Costs of Issuance Accounts one hundred eighty (180) days after delivery of the Series 2010 Bonds will be deposited into the Project Fund.

Debt Service Fund. (i) Semiannually, on or before the third Business Day preceding each Interest Payment Date to the Series 2010A Bonds Debt Service Account and the Series 2010B Bonds Debt Service Account of the Debt Service Fund the Issuer will transfer or cause to be transferred to the Trustee an amount equal to the interest due and payable on the respective Series 2010 Bonds on such Interest Payment Date;

- (ii) Annually, on or before the third Business Day preceding each Principal Payment Date to the Series 2010A Bonds Debt Service Account and the Series 2010B Bonds Debt Service Account of the Debt Service Fund the Issuer shall transfer or cause to be transferred to the Trustee an amount equal to the principal due and payable on the Series 2010 Bonds on such Principal Payment Date;

- (iii) At the written request of the Corporation, all or any part of the moneys in the Debt Service Fund will be invested in accordance with the provisions of the laws of the State of Louisiana in Permitted Investments, in which event all income derived from such investments will be credited to the Debt Service Fund.

- (iv) In the event of the refunding of the Bonds pursuant to the Indenture, the Trustee will, if the Corporation so directs, withdraw from the appropriate account of the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service Requirements on the Series 2010 Bonds being refunded and deposit such amounts with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Series 2010 Bonds being refunded; provided that such withdrawal will not be made unless immediately thereafter the Series 2010 Bonds being refunded will be deemed to have been paid pursuant to the Indenture and provided, further, that at the time of such withdrawal, there will exist no deficiency in any Fund or Account held under the Indenture and all Bond Insurer Amounts shall have been indefeasibly paid in full. In the event of such refunding, the Issuer, through the Corporation and the Board, may also direct the Trustee to withdraw from the appropriate account of the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service Requirements on the Series 2010 Bonds being refunded and deposit such amounts in any Fund or Account under the Indenture and all Bond Insurer Amounts shall have been indefeasibly paid in full.

Notwithstanding anything to the contrary, at the option of the Board, moneys in the Series 2010 Bonds Replacement Fund may be used to pay debt service on the Series 2010 Bonds in the event there are insufficient monies in the Debt Service Fund on the date such principal and/or interest is due, before moneys in the Debt Service Reserve Fund are expended for such purpose. Use of moneys in the Series 2010 Bonds Replacement Fund to pay debt service on the Series 2010 Bonds shall not be considered an Event of Default.

Project Fund. The Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund will be maintained by the Trustee in trust and be used to receive: (i) the immediate transfer from

the balance of the proceeds of the Series 2010 Bonds as provided in the Indenture and (ii) a capital contribution by the Board. Moneys in the Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund will be applied to the payment of the Costs of the Facilities pursuant to the procedure established in the Indenture and, pending such application, will be subject to a lien and charge in favor of the Bondholders and the Bond Insurer, if any, for the further security of such Bondholders until paid out or transferred as provided in the Indenture. Funds in the Series 2010A Bonds Project Account of the Project Fund may not be transferred to the Series 2010B Bonds Project Account of the Project Fund, and vice versa unless such transfer is approved by Bond Counsel.

Debt Service Reserve Fund. On the date of issuance of the Series 2010 Bonds, the Trustee will deposit from the proceeds of the Series 2010 Bonds into the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund an amount equal to \$ _____ and into the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund an amount equal to \$ _____. Monies in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund will be used solely for transfer to the Series 2010A Bonds Debt Service Account of the Debt Service Fund in amounts required to prevent any default in the payment of the principal of and interest on the Series 2010A Bonds. Monies in the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund may be used for transfer to the Series 2010A Bonds Debt Service Account of the Debt Service Fund in the event that the transfer of monies from the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund to the Series 2010A Bonds Debt Service Account of the Debt Service Fund should prove insufficient to prevent any default in the payment of the principal of and interest on the Series 2010A Bonds. Monies in the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund will be used for transfer to the Series 2010B Bonds Debt Service Account of the Debt Service Fund in amounts required to prevent any default in the payment of the principal of and interest on the Series 2010B Bonds. The Weighted Average Maturity of investments in the accounts of the Debt Service Reserve Fund will not at any time exceed five (5) years.

Whenever the amount in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund, together with the amount in the Series 2010A Bonds Debt Service Account of the Debt Service Fund is sufficient to pay in full all Series 2010A Bonds Outstanding in accordance with their terms (including principal and interest thereon), the funds on deposit in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund will be transferred to the Series 2010A Bonds Debt Service Account of the Debt Service Fund and will be available to pay all of the Series 2010A Bonds Outstanding. Prior to said transfer, all investments held in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund will be liquidated to the extent necessary in order to provide for the timely payment of principal and interest on the Series 2010A Bonds. Funds in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund may be transferred only to the Series 2010A Bonds Debt Service Account of the Debt Service Fund, unless such transfer is approved by Bond Counsel and by the prior written consent of the Bond Insurer, if any.

Series 2010 Replacement Fund. The Trustee will, in accordance with the Indenture, deposit an amount equal to the Series 2010 Bonds Replacement Fund Requirement into the Series 2010 Bonds Replacement Fund. The Series 2010 Bonds Replacement Fund Requirement may be reduced with the approval of the staff of the Board of Regents of the State of Louisiana ("*Regents*"), the Board and, with the written consent of the Bond Insurer, if any.

Pursuant to Regents policy, as an alternative to annual payments in the Series 2010 Bonds Replacement Fund, the Corporation may direct the Trustee to make a one time deposit in an amount equal to the Series 2010 Bonds Replacement Fund Requirement into the Series 2010 Bonds Replacement Fund upon substantial completion of the Facilities. In the event that the Corporation directs the Trustee to deposit the Series 2010 Bonds Replacement Fund Requirement into the Series 2010 Bonds Replacement Fund, the Trustee shall not be required to make the annual deposits referenced above.

All moneys in the Series 2010 Bonds Replacement Fund will be part of the Trust Estate subject to the lien of the Indenture and may be drawn on and used by the Board or the Corporation to (i) replace any worn out, obsolete, inadequate, unsuitable or undesirable property, furniture, equipment, fixtures and other property owned by the Board or the Corporation and located on the Facilities; and (ii) maintain the Facilities and to make all alterations, repairs, restorations and replacements to the Facilities as and when needed to preserve the Facilities in good working order, condition and repair, each as required by the Facilities Lease. Withdrawals from the Series 2010 Bonds

Replacement Fund for the purposes set forth above shall be made by the Trustee upon its receipt of a requisition from the Board or the Corporation in accordance with the Indenture and shall not require replenishment. Moneys in the Series 2010 Bonds Replacement Fund may, with the consent of the Board and shall, at the direction of the Board or the Bond Insurer, if any, also be used to pay debt service on the Series 2010 Bonds in the event there are insufficient moneys in the Debt Service Fund therefor on the date such principal and/or interest is due. If moneys in the Series 2010 Bonds Replacement Fund are used to pay debt service, said deficiency shall be replenished in accordance with the Indenture.

Any funds remaining in the Series 2010 Bonds Replacement Fund at the time the Series 2010 Bonds are paid in full or provision for their payment is made in accordance with the Indenture and the fees, charges and expenses of the Issuer, the Bond Insurer, if any, and the Trustee are paid in full will be paid to the Board on behalf of the University.

Series 2010A Bonds Rebate Fund. Moneys in the Series 2010A Bonds Rebate Fund will be used to make any rebate payments required to be made to the United States under the Code. The Series 2010A Bonds Rebate Fund shall be held for the sole benefit of the United States of America and will not be pledged under the Indenture. Moneys required to be paid to the United States of America will be deposited in the Series 2010A Bonds Rebate Fund by the Board as Base Rental under the Facilities Lease as required thereby and by the Indenture.

Flow of Funds

The Issuer will covenant and agree to cause the Corporation to make Payments, which payments will be made directly to the Trustee and applied by the Trustee in the following priority:

(i) At such time as may be required by the Tax Regulatory Agreement but not less often than annually, to the Series 2010A Bonds Rebate Fund the amount required to be deposited thereunder;

(ii) At such time as may be required by the Indenture, to the Debt Service Fund to make the payments set forth therein;

(iii) On the dates required in the Indenture, to the Trustee for deposit into the Debt Service Reserve Fund, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by the Indenture. Following any drawing on the Debt Service Reserve Fund in accordance with the Indenture, to the Trustee for deposit into the Debt Service Reserve Fund: (A) in twenty-four (24) equal monthly installments beginning in the month following any withdrawal, or (B) in four (4) consecutive equal monthly installments beginning in the month following any calculation of the value of the Debt Service Reserve Fund at an amount less than the Debt Service Reserve Fund Requirement, an amount necessary to cause the amount on deposit in the Debt Service Reserve Fund to equal the Debt Service Reserve Fund Requirement; and

(iv) On the dates required in the Indenture, into the Series 2010 Bonds Replacement Fund, an amount sufficient to meet the requirements of the Indenture.

THE BOARD

General

The Board is a public constitutional corporation and agency of the State whose responsibility is the supervision and management of State colleges and universities not managed by a separate higher education board created by the Louisiana Constitution. The colleges and universities supervised by the Board are the following: Grambling State University, Grambling, Louisiana; Louisiana Tech University, Ruston, Louisiana; McNeese State University, Lake Charles, Louisiana; Nicholls State University, Thibodeaux, Louisiana; Northwestern State University, Natchitoches, Louisiana; Southeastern Louisiana University, Hammond, Louisiana; University of Louisiana at Lafayette, Lafayette, Louisiana; and University of Louisiana at Monroe, Monroe, Louisiana.

The Board adopted a resolution on October 24, 2008 authorizing the development of the Facilities and the execution of the Ground Lease and the Facilities Lease.

The address of the University of Louisiana System is 1201 North Third Street, Suite 7-300, Baton Rouge, Louisiana 70802.

Membership

The Board is governed by a sixteen (16)-member Board of Trustees. Members are appointed by the Governor and serve six-year overlapping terms (except for the student member whose term is one year) or until their successors are appointed, whichever occurs later. There are two members from each congressional district, one at-large member and one student member. There are currently two (2) vacancies. The current Board members are as follows:

<u>Name</u>	<u>Profession/Occupation</u>	<u>Term</u>
Mr. Paul G. Aucoin	Attorney	12/31/12
Mrs. Elsie P. Burkhalter	Educator/Administrator	12/31/10
Mr. Andre G. Coudrain	Attorney Cash, Lewis, Moody & Coudrain	12/31/14
Mr. Edward J. Crawford III	Partner Atco Investment Co.	12/31/14
Dr. Mildred G. Gallot	Retired Educator	12/31/10
Mr. E. Gerald Hebert	President Patriot Services Corporation	12/31/12
Mr. Jeffrey S. Jenkins	Vice President of Special Projects The Shaw Group	12/31/10
Ms. Renee A. Lapeyrolerie	Executive Director Louisiana Democratic Party	12/31/12
Mr. Jimmy D. Long, Sr.	Retired State Legislator	12/31/12
Mr. Russell L. Mosely	Attorney Mosely Law Firm, L.L.P.	12/31/12
Mr. D. Wayne Parker	Retired	12/31/14
Mr. Carl Shetler	Owner, Car Dealership	12/31/10
Mr. Winfred F. Sibille	Retired Educator	12/31/12
Ms. Brook Sebren	Student	5/31/11

Senior Administrative Officer

Dr. Randy Moffett, President

Dr. Randy Moffett became the seventh President of the University of Louisiana System in July, 2008. Dr. Moffett previously served seven years as President of Southeastern Louisiana University. Prior to his campus presidency, he worked at Southeastern in various staff, faculty and administrative positions for more than 25 years. Dr. Moffett oversaw Southeastern's transition from being an open-admissions institution to one that embraced admission standards ahead of the state's time schedule. In spite of this move, the University, under the leadership of Dr. Moffett, maintained a strong enrollment of approximately 15,000 students, making it the third largest university in the state of Louisiana.

During his first year at the helm, the UL System implemented and completed a comprehensive economic and community impact study, partnered with the Louisiana Department of Education to establish mentoring programs at all eight universities, and established a cost containment and efficiencies committee to streamline operations.

Governor Bobby Jindal recently appointed Dr. Moffett to serve as a Louisiana representative on the Southern Regional Education Board (SREB). SREB is a non-profit organization that works with leaders and policy-makers in 16 member states to improve pre-K through postsecondary education.

Active in community affairs, Dr. Moffett has served on the Board of Directors of the Hammond Chamber of Commerce and has been active with the United Way. He is a strong advocate of student service learning, where students combine academic pursuits with service to their communities. He served as Vice Chair of Louisiana Campus Compact, a coalition of state college and university presidents committed to the civic purposes of higher education. He also served on the President's Leadership Group of the U.S. Department of Education's Higher Education Center for Alcohol and Other Drug Prevention.

Under Dr. Moffett's leadership, the University opened the Southeast Louisiana Business Center to help facilitate the economic development of the north shore area; launched the opening of the Columbia Theatre for the Performing Arts, the region's foremost performance facility; fostered a close partnership with Charter Communications to facilitate the operation of the Southeastern Channel, an educational access TV channel that reaches into more than 94,000 north shore homes. He also guided Southeastern through the devastation of Hurricane Katrina, when the university opened its doors and accepted more than 1,600 New Orleans area college students so that they could continue their higher education pursuits even though their home colleges and universities were forced to close temporarily.

Dr. Moffett is a graduate of Louisiana Tech University and earned a master's degree from Northwestern State University. In 1980, he was awarded a doctorate in educational administration from LSU and received an honorary doctorate from the Ibero-American Council for Excellence in Education in 2007. He has also completed studies at the Institute for Educational Management at Harvard University.

THE UNIVERSITY

The University is located in Hammond, Louisiana, the heart of Louisiana's "Florida Parishes." Hammond is located at the intersection of Interstate Highways 55 and 12, approximately 60 miles north of New Orleans, Louisiana's largest city, and 40 miles east of Baton Rouge, the state's capital. The University has a current enrollment of approximately 15,351 students with a faculty and staff population of 1,434.

The University is the outgrowth of Hammond Junior College, which was established in 1925. By Act No. 136 of 1928 of the Louisiana Legislature, the institution was made part of the state educational system under control of the State Board of Education. The same act of the legislature granted the college the right to establish four-year curricula and to grant the baccalaureate degrees when the facilities of the college permitted and the State Board approved.

In 1937, the State Board of Education authorized the President to submit curricula extending through four years and leading to the baccalaureate degrees. Four-year curricula in the liberal arts, teacher education, business administration, music, the social sciences, and health and physical education were submitted to the State Board and were formally approved. The first degrees were conferred in May 1939.

On July 15, 1970, the Hon. John J. McKeithen, Governor of the State of Louisiana, signed the legislative act changing the name of the institution to Southeastern Louisiana University.

The 1974 Constitution of the State of Louisiana created the Louisiana State Board of Regents with certain powers, duties, and responsibilities relative to all public institution of higher education in the State of Louisiana. The 1974 Constitution also established three higher education management boards, placing the University under the Board of Trustees for State Colleges and Universities (now known as the University of Louisiana System).

THE CORPORATION

The Corporation is a Louisiana non-profit corporation created exclusively to promote, assist, and benefit the educational, scientific, research, and public service mission of the University by engaging in any lawful activity in which a non-profit corporation meeting the requirements of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "*Code*") may participate. The business affairs of the Corporation are administered by a Board of three (3) of Directors, who also comprise the entire membership of the Corporation. Officers of the Corporation are the President and Vice President. Information concerning the members of the Board of Directors of the Corporation is set forth below.

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>	<u>Employment</u>
Phil K. Livingston	President	June 30, 2012	Banking Officer-AmSouth Bank (Retired)
Jack Gautier	Vice President	June 30, 2011	Banking Officer-AmSouth Bank (Retired)
Stephen M. Smith	Member	June 30, 2013	Vice President of Finance and Administration of the University

Management of the Corporation has been delegated to Joseph Morris, Executive Director, 8 White Drive, Hammond, Louisiana 70401. Dr. Morris is an Associate Professor. See "**CONFLICTS OF INTEREST; RELATIONSHIPS**" herein.

In accordance with its Articles of Incorporation, the Corporation may specifically engage in acquiring, constructing, developing, managing, leasing, mortgaging, or conveying student housing and other facilities on the campus of the University.

THE SERIES 2010 BONDS

General Provisions

The Series 2010 Bonds will be issued pursuant to the Indenture in fully registered form without coupons in book-entry only form. So long as Cede & Co., as nominee of The Depository Trust Company, New York, New York, ("*DTC*"), is the registered owner of the Series 2010 Bonds, references herein to the Bondholders or registered owners of the Series 2010 Bonds mean Cede & Co. and not the beneficial owners of the Series 2010 Bonds. See "**Book-Entry Only System**" below. The Series 2010 Bonds will be issued in the denominations of \$5,000 and any multiple thereof. The Series 2010 Bonds will bear interest at the rates shown on the cover hereof. Interest shall be computed on the basis of a 360-day year consisting of twelve (12) thirty (30) day months.

Payments of Principal and Interest

Principal on the Series 2010 Bonds is payable upon maturity or redemption to the registered owners upon presentation and surrender of the Series 2010 Bonds at the principal corporate trust office of the Trustee. Interest on the Series 2010 Bonds is payable semiannually on April 1 and October 1 of each year (each an "Interest Payment Date"), commencing on April 1, 2011

The Series 2010A Bonds will be issued in the aggregate principal amount of \$25,410,000*, will be dated their date of delivery, and will mature on October 1, 2040, subject to earlier redemption as stated herein.

* Preliminary, subject to change.

The Series 2010B Bonds will be issued in the aggregate principal amount of \$5,770,000*, will be dated their date of delivery, and will mature on October 1, 2020*. The Series 2010B Bonds will not be subject to redemption prior to their maturity except as stated herein.

The payment of principal of and premium, if any, on the Series 2010 Bonds will be payable to the registered owners thereof upon surrender of the Series 2010 Bonds at the principal corporate trust office of the Trustee. The interest on the Series 2010 Bonds when due and payable, will be paid by check or draft mailed by the Trustee on such date to each person in whose name a Series 2010 Bond is registered, at the address(es) as they appear on the Bond Register maintained by the Trustee at the close of business on the applicable Record Date, irrespective of any transfer or exchange of the Series 2010 Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the Issuer shall default in payment of interest due on such Interest Payment Date. Owners of \$1,000,000 or more in aggregate principal amount of Series 2010 Bonds may request payment by wire transfer if such owners have requested such payment in writing to the Trustee, which request shall be made no later than a Record Date and shall include all relevant bank account information and be otherwise acceptable to the Trustee. Such request will be irrevocable until a new request is delivered not later than a Record Date. In the event of any such default, such defaulted interest will be payable on a payment date established by the Trustee to the persons in whose names the Series 2010 Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of the Series 2010 Bonds not fewer than fifteen (15) days preceding such special record date. Payment of interest will be made in such coin or currency of the United States of America as is legal tender for payment of public and private debts.

Annual Debt Service Requirements

The following table sets forth, for each Fiscal Year (ending June 30) of the Corporation, the payment obligations of the Corporation under the Loan Agreement to pay debt service on the Series 2010A Bonds and the Series 2010B Bonds. Numbers may not add due to rounding.

* Preliminary, subject to change.

<u>Fiscal Year</u>	<u>Series 2010A Bonds</u>		<u>Series 2010B Bonds</u>		<u>Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
TOTAL					

Redemption Prior to Maturity

Optional Redemption.*

(i) The Series 2010A Bonds maturing October 1, 2021 and thereafter are subject to redemption prior to maturity at the option of the Corporation, upon written direction to the Issuer, on or after October 1, 2020 as a whole at any time, or in part on any Interest Payment Date, the maturity of said Series 2010A Bonds to be redeemed to be designated by the Corporation and selected within a maturity by the Trustee in such manner as the Trustee may determine, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

(ii) During the terms of the Ground Lease and the Facilities Lease, consent of the Board is required for optional redemption. To exercise such option, the Corporation will give written notice to the Issuer, the Trustee and the Bond Insurer, if any, and will specify therein the date of such prepayment, which prepayment date will not be fewer than thirty-five (35) days from the date such notice is received by the Trustee.

(iii) Series 2010B Bonds are not subject to optional redemption prior to maturity.

* Preliminary, subject to change.

Mandatory Redemption.* The Series 2010A Bonds will be redeemed as a whole on the Interest Payment Date on or after October 1, 2020, on or after which the Board exercises its option to purchase the Corporation's interest in the Facilities pursuant to the Facilities Lease, at a price equal to the then Outstanding principal amount of the Series 2010 Bonds plus accrued and unpaid interest to the date of redemption. The Series 2010B Bonds are not subject to mandatory redemption prior to maturity.

Extraordinary Redemption.

(i) The Series 2010 Bonds will be subject to redemption in part at the option of the Corporation, upon written direction to the Issuer, on any Interest Payment Date from amounts transferred by the Trustee from the Project Fund to the respective account of the Debt Service Fund upon completion of construction of the Facilities in accordance with the Indenture. The Series 2010 Bonds to be redeemed will be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine, at a price equal to the principal of the Bonds so redeemed plus accrued and unpaid interest to the date of redemption.

(ii) Series 2010 Bonds will be redeemed as a whole or in part (in an integral multiple of \$5,000) on the first Interest Payment Date at least thirty (30) days after the Trustee receives notice from the Corporation that any insurance proceeds, condemnation award or payment in lieu of condemnation with respect to the Facilities will not be applied to the restoration, repair or reconstruction of the Facilities, and subject to the prior written consent of the Bond Insurer, if any, at a price equal to the principal amount of the Series 2010 Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not used for restoration, repair or reconstruction. If in part, the Series 2010 Bonds to be redeemed will be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine. If the amount of any insurance proceeds, condemnation award or payment in lieu of condemnation to be applied in redemption of the Series 2010 Bonds is not an integral multiple of \$5,000, the principal amount of Series 2010 Bonds to be redeemed pursuant to this paragraph shall be decreased to the next lower multiple of \$5,000.

Mandatory Sinking Fund Redemption. Those Series 2010 Bonds maturing on the dates set forth below, will be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

(i) Series 2010A Bonds. The Series 2010A Bonds maturing on the dates set forth below, will be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

Series 2010A Bonds
due October 1, ____

<u>Redemption Date</u>	<u>Principal Amount</u>
------------------------	-------------------------

+Final Maturity

Series 2010A Bonds
due October 1, ____

<u>Redemption Date</u>	<u>Principal Amount</u>
------------------------	-------------------------

+Final Maturity

* Preliminary, subject to change.

Partial Redemption of Series 2010 Bonds

Unless otherwise specified above, if fewer than all of the Series 2010 Bonds of any series are called for redemption, the maturity of the Series 2010 Bonds to be redeemed will be in inverse order of their maturity, and selected by the Trustee within a maturity in such manner as the Trustee may determine; provided, however, that the portion of any Series 2010 Bond to be redeemed will be in the principal amount of an Authorized Denomination. If a portion of any Series 2010 Bonds shall be called for redemption, a new Series 2010 Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

Notice of Redemption

At least thirty (30) days before the redemption date of any Series 2010 Bonds redeemed other than by mandatory sinking fund redemption, the Trustee will cause a notice of any such redemption, signed by an authorized officer of the Trustee to be mailed, postage prepaid, to all Bondholders of record owning Series 2010 Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice will set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Series 2010 Bonds then outstanding shall be called for redemption, the numbers of such Series 2010 Bonds to be redeemed and, in the case of Series 2010 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Series 2010 Bond is to be redeemed in part only, the notice of redemption will state also that on or after the redemption date, upon surrender of such Series 2010 Bond, a new Series 2010 Bond in principal amount equal to the unredeemed portion of such Series 2010 Bond will be issued.

On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided and money for payment of the redemption price being held in the Debt Service Fund in trust for the owners of the Series 2010 Bonds or portions thereof to be redeemed, the Series 2010 Bonds or portions of Series 2010 Bonds so called for redemption will become and be due and payable at the redemption price provided for redemption of such Series 2010 Bonds or portions of Series 2010 Bonds on such date, interest on the Series 2010 Bonds or portions of Series 2010 Bonds so called for redemption shall cease to accrue, such Series 2010 Bonds or portions of Series 2010 Bonds shall cease to be entitled to any benefit or security under the Indenture, and the owners of such Series 2010 Bonds or portions of Series 2010 Bonds will not have rights in respect thereof except to receive payment of the redemption price thereof and, in the case of partial redemption, to receive Series 2010 Bonds for any unredeemed portions of Series 2010 Bonds.

Series 2010 Bonds and portions of Series 2010 Bonds which have been duly called for redemption, or with respect to which irrevocable instructions to call for redemption have been given to the Trustee in form satisfactory to it, and for the payment of the redemption price for which moneys, or Defeasance Obligations, shall be held by the Trustee in a segregated account in trust for the owners of the Series 2010 Bonds or portions thereof to be redeemed, will not thereafter be deemed to be outstanding under the provisions of the Indenture and will cease to be entitled to any security or benefit under the Indenture other than the right to receive payment from such moneys.

Completion Bonds

Subject to the requirements set forth concerning Additional Debt below, Completion Bonds may be issued in one or more series by the Authority on a parity with the Series 2010 Bonds at the request of the Corporation as advised by the Board, pursuant to a supplement to the Indenture to pay all or part of the additional cost of the Facilities so long as no Event of Default or event which with notice or the lapse of time or both would constitute an Event of Default under the Indenture has occurred and is then continuing.

Refunding Bonds

Refunding Bonds may be issued under and secured by a supplement to the Indenture for the purpose of providing funds for the refunding of the Series 2010 Bonds and any Completion Bonds. Refunding Bonds will not be subject to the requirements regarding Additional Debt provided that the total Maximum Annual Debt Service Requirement for all then Outstanding Bonds immediately after issuance of any such Refunding Bonds is not greater

than 110% of the total Maximum Annual Debt Service Requirement for all then Outstanding Bonds immediately preceding the issuance of such Refunding Bonds.

Book-Entry Only System

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT ISSUER BELIEVES TO BE RELIABLE, BUT ISSUER TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

The Depository Trust Company ("**DTC**"), New York, NY, will act as securities depository for the Series 2010 Bonds. The Series 2010 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2010 Bond will be issued for each maturity of the Series 2010 Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2010 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2010 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2010 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2010 Bonds, except in the event that use of the book-entry system for the Series 2010 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2010 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2010 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2010 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2010 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by

arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2010 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2010 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the financing documents. For example, Beneficial Owners of Series 2010 Bonds may wish to ascertain that the nominee holding the Series 2010 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2010 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2010 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2010 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2010 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Trustee or the Issuer, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2010 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2010 Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2010 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

NEITHER THE ISSUER, THE CORPORATION, THE BOARD, THE UNIVERSITY, NOR THE TRUSTEE HAS ANY RESPONSIBILITY OR OBLIGATIONS TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2010 BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (D) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2010 BONDS; OR (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS REGISTERED BONDHOLDER.

Series 2010 Bonds Are Limited Obligations

The Series 2010 Bonds and the interest thereon are special, limited obligations of the Issuer payable solely, except to the extent paid out of moneys attributable to proceeds of the Series 2010 Bonds and temporary investments thereof, from payments derived by the Issuer under the Loan Agreement (as defined herein), from the assets and interests pledged under the Mortgage, and from the Bond Insurance Policy (as defined herein). The Series 2010 Bonds shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit of the State or of any political subdivision thereof. The issuance of the Series 2010 Bonds shall not, directly, indirectly or contingently obligate the State or any political subdivision thereof to levy any taxes or to make any appropriation for their payment. The Issuer has no power to tax.

BONDHOLDERS' RISKS

Introduction

AN INVESTMENT IN THE SERIES 2010 BONDS INVOLVES A DEGREE OF RISK BECAUSE OF THE VARIOUS RISKS DESCRIBED IN THIS OFFICIAL STATEMENT. No person should purchase any of the Series 2010 Bonds without carefully reviewing the following information, which summarizes some, but not all, of the factors that should be carefully considered prior to such a purchase. Furthermore, the tax-exempt feature of the Series 2010A Bonds is relatively more valuable to high tax bracket investors than to investors who are in the lower tax brackets, and so the value of the interest compensation to any particular investor will vary with his or her marginal tax rate. Each prospective investor should, therefore, determine his or her present and anticipated marginal tax rate before investing in the Series 2010 Bonds. Each prospective investor should also carefully examine this Official Statement and his or her own financial condition (including the diversification of his or her investment portfolio) in order to make a judgment as to whether the Series 2010 Bonds are an appropriate investment.

Identified and summarized below are a number of "Bondholders' Risks" that could adversely affect the operation of the Facilities and/or the Series 2010 Bonds and that should be considered by prospective investors. The following discussion is not intended to be exhaustive, but includes certain major factors that should be considered along with other factors set forth elsewhere in this Official Statement, including the Appendices hereto.

Student Fee and Capital Improvement Fund Revenues

If the Board is unable to generate sufficient revenues from the Student Fee and Capital Improvement Fund Revenues to make Rental Payments under the Facilities Lease, an Event of Default may occur under the Indenture. Upon an Event of Default, the Series 2010 Bonds may not be paid or may be paid before maturity or applicable redemption dates and a forfeiture of redemption premiums may result. The Board's ability to generate these revenues and its overall financial condition may be adversely affected by a wide variety of future events and conditions including (i) a decline in the enrollment of the University, (ii) increased competition from other schools, (iii) loss of accreditation, (iv) failure to meet applicable federal guidelines or some other event that results in students being ineligible for federal financial aid, and (v) cost overruns in connection with the Facilities or other capital improvements.

Selective Admissions Standards

Prior to the Fall 2000 semester, the University maintained an open admissions standard, whereby persons with high school diplomas or their equivalent could enroll as a new student at the University regardless of grades or college entrance exam scores. Beginning the Fall 2000 semester, the University implemented selective admissions standards, whereby students may, with certain exceptions, enroll at the University only if they achieve certain standards with grades and college entrance exams. Following implementation of the selective admissions standards, enrollment at the University dropped slightly and, although enrollment is currently reaching levels maintained prior to the implementation of the selective admissions standards, no assurance can be given that current enrollment levels will be maintained. Admissions standards were raised again in 2004 and 2005 and additional admissions standards were implemented in 2010.

Operating Budget Environment

In January 2009 the University experienced a State-mandated, mid-year budget cut of \$3,425,153 (or approximately 4.5%) due to a drop in State funding. The University targeted budget reductions so as not to affect its core academic mission. The reduction in budgeted expenditures was realized among all areas with some of the major reductions taking place in personal services, including the reduction of permanent, full-time staff positions and student labor. Other reductions included decreases in deferred maintenance, travel, professional services and a \$400,000 reduction to athletics.

The University later received a reduction of nearly \$6,700,000 in state appropriations for the 2009-10 operating fund budget. Attempting to accommodate a budget reduction of this magnitude, the University remained focused on preserving the instructional capacity for the upcoming academic year, while limiting the negative impact on student recruitment and retention. In addition to cutting additional dollars from those areas previously reduced, including deferred maintenance, supplies, and travel, the University also instituted a stratified furlough plan for employees for the year, deferred merit pay increases and reduced library acquisitions. The University was again cut in January of 2010 by approximately \$3,500,000, requiring that further reductions be made. However, the University held steadfast in maintaining and protecting its core mission.

The final cut to the University in fiscal year 2009-10 was in the amount of \$1,800,000. The University applied these cuts to additional positions, both filled and vacant, as well as building maintenance, facility repair and various contingency accounts. In fiscal year 2010-11, the University incurred a budget reduction resulting from a state shortfall realized at year end, 2009-10. Southeastern's portion of the cut is estimated to be \$750,000; however, the University expects to offset the majority of this cut through savings yielded from the reorganization of various academic programs.

The University increased tuition by 10% in Fall 2010 which has helped offset some of the reductions in state funds. This tuition increase generated \$4,200,000 in additional revenue. In addition, demand for entry into the University remains high. Even with increased admission standards implemented in Fall 2010, the number of student applications increased to more than 12,000, a 12.5% increase over the previous year, and overall enrollment was up from 15,160 to 15,351. The number of entering freshmen with a 24 or higher ACT exceeded 700, with the average ACT score of all entering freshmen increasing from a 21.7 to a 22.1. Such results suggest that the University has been extremely successful in its commitment to protect the core mission of the University even given the challenging budget situation.

Housing on the University campus also remains in high demand. The University has experienced a waiting list for on-campus housing for the past two fall semesters. In an effort to accommodate some of the demand, private rooms are being rented as shared spaces. As a result, occupancy has exceeded 100% for the second consecutive year.

Even with the major budget reductions and increases in tuition, the University remains vibrant. Tuition rates, even given the increases, remain low when compared to other peer institutions; population growth in key markets remains high; and the University's position as a college of "choice" for higher quality students continues to increase. Given a stable enrollment, the fees and other revenue committed to this project will not be impacted directly by further reductions in state appropriations. However, based on the magnitude of any future cuts, and given the significance of cuts realized to-date, the ability of the University to make payments of base rental under the Facilities Lease could be indirectly impacted should such reductions have a significant negative impact on enrollment.

LA GRAD Act

In response to the budget shortfalls, Act. No. 741 of the 2010 Regular Session of the Louisiana Legislature, known as the Louisiana Granting Resources and Autonomy for Diplomas Act ("LA GRAD Act"), was enacted to enable the State's public post-secondary institutions to remain competitive and increase their overall effectiveness and efficiency by achieving specific, measurable objectives aimed at improving college completion rates. Beginning with the State's fiscal year ending June 30, 2011, any public post-secondary education institution may enter into an initial performance agreement with Regents to be granted limited operational autonomy and flexibility in exchange

for committing to meet established targets for certain performance objectives as applicable to the institution as determined by Regents. Among other objectives, the performance objectives included in the LA GRAD Act include the following:

- improve graduation and retention rates that are consistent with institutional peers;
- increase the percentage of program completers at all levels annually;
- eliminate academic program offerings that have low student completion rates or are not aligned with workforce needs of the State and eliminate associate degree, remedial and developmental study offerings that are available at community colleges in the institution's area;
- increase use of technology for distance learning;
- increase research productivity and technology transfer consistent with the institution's peers;
- demonstrate progress in student job placement and increase the performance of associate degree recipients who transfer to institutions offering baccalaureate and graduate degrees; and
- with some exceptions, increase nonresident tuition to the average tuition charged to Louisiana residents attending peer institutions in other states.

Each institution that enters into a performance agreement as provided in the LA GRAD Act will be granted the authority, among other autonomies, as follows:

- for the fiscal year 2010-11, to increase tuition and mandatory fee amounts by up to five percent (5%) annually;
- for the fiscal year 2011-12, if Regents has determined that the institution has met the short-term targets established in the performance agreement, to increase tuition and mandatory fee amounts by up to five percent (5%) annually; and
- beginning with fiscal year 2012-13 and thereafter, if Regents has determined that the institution has met the short-term targets established in the performance agreement and demonstrated progress on long-term targets, within certain guidelines, increase tuition and fee amounts by up to ten percent annually, without legislative approval, until the institution reaches the average tuition and fees of its peer institutions and, thereafter, maintain tuition and fees as close to that average as practicable.

Each initial performance agreement will be for a period of six years. At the end of the initial performance agreement period and subsequent renewal periods, Regents, upon a comprehensive review and evaluation of the institution's progress in meeting the performance objectives, will determine whether to recommend renewal of an institution's performance agreement, subject to the approval of the Joint Legislative Committee on the Budget. In the event the performance agreement is renewed for additional six year periods, the institution will be required to meet and/or maintain increased graduation rate goals and continue to make progress in other performance objectives. Regents may revoke a performance agreement at any time if it determines that an institution has failed to abide by the terms of such agreement.

Some of the primary uses of the funds generated as a result of the LA GRAD Act will be to fund hardship waivers (as required by state law), as well as increases in scholarships and other legislative fee waivers that will increase as a result of tuition increases. A large portion of the funds will be used to offset the loss of stimulus dollars and/or reductions in state appropriations to the University. Other uses of funds will cover increases in mandated costs, as well as the additional annual increases in such costs.

Designation of Rental by the University

The Facilities are being leased by the Corporation to the Board on behalf of the University pursuant to the Facilities Lease. The obligation of the Board on behalf of the University to pay rental to the Corporation under the Facilities Lease is subject to, and dependent upon, designation by the Board in its budget process of funds necessary to make payments of rental required under the Facilities Lease. Although each of the Board and University acknowledges its obligation to budget annually an amount sufficient to make payments of rental under the Facilities Lease, notwithstanding this obligation such amounts may or may not ultimately be designated by the Board for such purpose. Further, both the Corporation and the Board acknowledge the Board's obligation on behalf of the

University to pay rental shall not be construed as a debt of the Board, nor a pledge, lien, or encumbrance upon any specific tax or other revenues of the Board.

Non-designation of Funds

In the event no funds or insufficient funds are lawfully designated in any Fiscal Year enabling the payment of Base Rental and Additional Rental payments due during the next succeeding Fiscal Year, the Board will be required to notify the Corporation immediately of such occurrence. On the first day of the month following the Base Rental payment date on which the last payment of Base Rental can be made in full from the Student Fees and Capital Improvement Funds, the Facilities Lease will terminate without penalty or expense to the Board of any kind whatsoever, except as to the portions of Base Rental and Additional Rental payments therein agreed upon for Fiscal Years for which sufficient funds shall have been lawfully appropriated. In the event of such termination, the Board will agree to surrender possession of the Facilities to the Corporation peaceably on the date of such termination in its original condition (normal wear and tear excepted). The Corporation will have all legal and equitable rights and remedies to take possession of the Facilities and re-let or sell the Facilities as the Corporation determines and as granted in the Facilities Lease. The Board will acknowledge that the Corporation's rights to take possession and to re-let or sell the Facilities under the Facilities Lease may be assigned to the Trustee for the benefit of the owners of the Series 2010 Bonds, and the Board will agree that the Trustee will be entitled to exercise all of the rights of the Corporation under the Facilities Lease. The inability by the Board to cause the designation of sufficient funds for the payment of sums due under the Facilities Lease will not constitute a default thereunder, but will, *ipso facto*, terminate the Facilities Lease. This provision will be operative notwithstanding any provisions of the Facilities Lease to the contrary. The Board will be considered in default thereunder if sufficient funds shall have been lawfully designated for the payment of Rental required under the Facilities Lease and the Board shall fail to use lawfully designated funds for the payment of Rental. In such event, the Corporation will be entitled to the rights and remedies set forth in the Facilities Lease.

Constitutional Limitations – Approval for Fees and Civil Fines

Article VII, §2.1 of the Louisiana Constitution requires that any new fee or civil fine or increase in an existing fee or civil fine imposed or assessed by the State or any board, department, or agency of the State shall require the enactment of a law by a two-thirds vote of the elected members of each house of the legislature. It is unclear whether this constitutional provision should be applied to any fees, rates and charges for the use and enjoyment of the Auxiliary Facilities and the services provided thereby or any increases thereof which form part of the Auxiliary Revenues. On October 9, 1996 the Louisiana Attorney General issued Opinion Number 96-353, which opined that, for purposes of Article VII, § 2.1 of the Louisiana Constitution, the word "fee" does not include charges for auxiliary and self-generated operations of the University, such as for food services, book store merchandise, medical or veterinary services, student housing and admittance to extracurricular events. This opinion was based on the rationale that the term "fee" as used in Article VII, § 2.1 should be restricted to only those charges assessed by a governmental entity for the purpose of defraying the costs of providing a governmental service or the costs of regulating a particular area. Therefore, according to the opinion, charges assessed by the University for the provision of higher education would be considered fees, but charges which are for services or products which are not directly a part of the delivery of an education are not considered fees. Opinions of the Louisiana Attorney General are advisory only, and are not binding on any court of law.

In litigation brought by an LSU student against the Board (civil action filed on October 16, 2003 captioned "Donald C. Hodge, Jr. vs. Board of Supervisors of Louisiana State University and Agricultural and Mechanical College," Number 512,930, Sect. "D") which sought to enjoin the Board from implementing a football ticket pricing policy as violative of Article VII, § 2.1 of the Constitution of Louisiana, the 19th Judicial District Court (the "**Trial Court**") ruled that the Board's adoption of a new general pricing policy for home football games did not constitute implementation or assessment of a fee under said Article VII, Section 2.1 which would otherwise require approval by a vote of two-thirds of each house of the Legislature. The Trial Court decision was appealed by Hodge to the Louisiana First Circuit Court of Appeal (the "**Appeal Court**"). In affirming the Trial Court's decision, the Appeal Court, as did the Trial Court, agreed with the reasoning of the Louisiana Attorney General that the Legislature has evidenced no intent to have oversight over "fees" with respect to LSU, other than those fees directly connected with the principal governmental function of providing higher education to the citizens of the State.

The Trial Court ruled on the Hodge action on November 18, 2003 and the Appeal Court rendered its affirming decision on December 23, 2001. The Louisiana Supreme Court denied writs on March 11, 2004. While the Hodge action does not directly address Auxiliary Revenues, the above described reasoning of the Attorney General was followed by the courts in this first judicial interpretation of Article VII, Section 2.1 of the Constitution.

In the event the Food Service Contract is terminated and the University or the Corporation begins providing operation and management services for the Food Services Areas, there can be no assurance absent favorable judicial interpretation that this Constitutional provision does not apply to charges which generate Auxiliary Revenues. In the event this provision does apply, neither the Board nor the University could increase an Auxiliary Revenue charge or impose a new Auxiliary Revenue charge without a two-thirds favorable vote of the Louisiana Legislature.

Litigation

While there may be lawsuits pending involving either the University or the Board, it is not possible to confer with every attorney handling such matters. Furthermore, it would be impossible to predict the outcome of all such cases. However, to the extent that there are adverse judgments in excess of the Board's insurance policy limits, such judgment may be satisfied only through appropriation by the Louisiana Legislature because Board assets are not available to satisfy such judgments. See "Difficulties in Enforcing Rights and Remedies" below.

Risk Factors Inherent in Higher Education

There are a number of factors affecting institutions of higher education in general, including the University, that could have an adverse effect on the Board's financial position and its ability to make the payments of Rental required under the Facilities Lease. These factors include the rising costs of providing higher education services; the expected decline in the number of college-age persons in the country generally; the failure to maintain or increase in the future the funds obtained by the Board from other sources, including gifts and contributions from donors, grants or appropriations from governmental bodies and income from investment of endowment funds; adverse results from the investment of endowment funds; increasing costs of compliance with federal or State regulatory laws or regulations, including, without limitation, laws or regulations concerning environmental quality, work safety and accommodating the handicapped; and legislation or regulation which may affect student aid and other program funding. The Board cannot assess or predict the ultimate effect of these factors on its operation or financial results of operations.

Limited Obligations of the Issuer

The Series 2010 Bonds constitute limited obligations of the Issuer and have three potential sources of payment. The sources of payment are as follows:

- (1) Loan Payments received by the Trustee from the Corporation pursuant to the terms of the Indenture and the Loan Agreement.

The Issuer has no obligation to pay the Series 2010 Bonds except from the related Trust Estate, including the loan payments derived from the Loan Agreement. See "**FORM OF TRUST INDENTURE – Definitions**" in **APPENDIX C-1** hereto for the definition of "**Trust Estate**." The Series 2010 Bonds, together with interest and premium, if any, thereon, will not be or constitute general obligations or indebtedness of the State, the University, the Board, or any other political subdivision of the State, but will be limited obligations of the Issuer. Neither the faith and credit nor the taxing power of the State or any other agency or political subdivision thereof is pledged to the payment of the debt service payments on the Series 2010 Bonds, and the owners of the Series 2010 Bonds, will not have the right to compel any exercise of the taxing power of the State or any other political subdivision of the State to pay the Series 2010 Bonds, any premium thereon, or the interest thereon. The Issuer has no taxing power. The Corporation will be required to make loan payments (the interest in which the Trustee has received by assignment from the Issuer) to the Trustee in amounts sufficient to enable the Trustee to pay the debt service payments on the Series 2010 Bonds. See "**FORM OF TRUST INDENTURE – Debt Service Fund**" in **APPENDIX C-1** hereto. The Loan Payments will be derived solely from Student Fee and Capital Improvement Fund Revenues received under the Facilities Lease. No assurance can be made that the Corporation will generate sufficient revenues from the Student Fee and Capital Improvement Fund Revenues to pay debt service payments on the Series 2010 Bonds.

- (2) Revenues received from operation of the Facilities by a receiver upon a default under the Indenture.

It has been the experience of lenders in recent years that attempts to have a receiver appointed to take charge of properties with respect to which loans have been made are frequently met with defensive measures such as the initiation of protracted litigation and the initiation of bankruptcy proceedings. Such defensive measures can prevent the appointment of a receiver or greatly increase the expense and time involved in having a receiver appointed. See “**BONDHOLDERS’ RISKS - Enforceability of Remedies**” herein. Accordingly, prospects for uninterrupted payment of principal and interest on the Series 2010 Bonds in accordance with their terms are largely dependent upon Loan Payments from the Corporation described in the preceding paragraph, which are wholly dependent upon the success of the University in the collection of Student Fee and Capital Improvement Fund Revenues.

- (3) Proceeds available for payment of the Series 2010 Bonds.

Prospects for uninterrupted payment of principal and interest on the Series 2010 Bonds in accordance with their terms are largely dependent upon the Loan Payment described in paragraph (1) above, which are largely dependent upon the University’s collection of Student Fee and Capital Improvement Fund Revenues and the Board’s payments under the Facilities Lease. Even if the Facilities are operating in an efficient manner other factors could affect the ability of the Corporation to make Loan Payments under the Loan Agreement. The Corporation also may become engaged in other ventures in the future.

Special Use Nature of the Facilities

The Facilities will be constructed to serve as student facilities and are located on the campus of the University. For all practical purposes, payment of the Series 2010 Bonds will be almost solely dependent upon the University’s collection of the Student Fee and Capital Improvement Fund Revenues.

Assignment of Agreements and Documents

The Corporation will grant to the Trustee a first priority security interest in the leases and subleases affecting the Land and/or the Facilities, including, without limitation, the Facilities Lease (collectively, the “*Leases*”) and all revenues, rentals, and other sums due or becoming due under the Leases. Nevertheless, certain interests and claims of others may be on a parity with or prior to the grant of security interest and certain statutes and other provisions may limit the Corporation’s and the Issuer’s rights to make such pledges, assignments, and/or grants of security interests. Examples of such claims, interests, and provisions are:

- (1) statutory liens,
- (2) the Louisiana Uniform Commercial Code may not recognize a security interest in future revenues derived from the Facilities,
- (3) constructive trusts, equitable liens, or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction,
- (4) federal bankruptcy laws as they affect amounts earned with respect to the Facilities after any effectual institution of bankruptcy proceedings by or against the Corporation or the Issuer,
- (5) as to those items in which a security interest can be perfected only by possession, including items converted to cash, the rights of third parties in such items not in the possession of the Trustee,
- (6) items not in possession of the Trustee, the records to which are located or moved outside the State of Louisiana, which are thereby not subject to or are removed from the operation of Louisiana law, and
- (7) the requirement that appropriate continuation statements be filed in accordance with the Louisiana Uniform Commercial Code as from time to time in effect.

Enforceability of Remedies

The Series 2010 Bonds are payable from the Trust Estate and from the property pledged under the Mortgage, including payments to be made under the Loan Agreement and the Indenture. The payments to be made by the Corporation under the Loan Agreement are secured by a first mortgage lien on the Corporation's leasehold interest in the Facilities and the Land and in the furnishings, equipment, and other personal property included in the Facilities and by first priority security interest in the Leases and all revenues, rentals, and other sums due or becoming due thereunder. Pursuant to the Indenture, the Bonds are secured by the Trust Estate, including the pledge to the Trustee of the Issuer's interest in the Loan Agreement. The practical realization of value upon any default will depend upon the exercise of various remedies specified by the Indenture and the Mortgage. These and other remedies may, in many respects, require judicial actions, which are often subject to discretion and delay. Under existing law (including, particularly, federal bankruptcy law), the remedies specified by the Indenture and the Mortgage may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Indenture and the Mortgage. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies, including judicial discretion in the application of the principles of equity, and by bankruptcy, reorganization, or other laws affecting the enforcement of creditors' rights generally.

Effect of Determination of Taxability

The Corporation will covenant not to take any action that would cause the Series 2010A Bonds to be arbitrage bonds or that would otherwise adversely affect the federal income tax status of interest in the Series 2010A Bonds. The Corporation will also make representations with respect to certain matters within their knowledge that have been relied on by Bond Counsel and that Bond Counsel has not independently verified. Failure to comply with such covenants could cause interest on the Series 2010A Bonds to become subject to federal income taxation retroactively from their date of issuance.

It is possible that a period of time may elapse between the occurrence of the event that causes interest to become taxable and the determination that such an event has occurred. In such a case, interest previously paid on the Series 2010A Bonds could become retroactively taxable from the date of their issuance. Additionally, certain owners of the Series 2010A Bonds are subject to possible adverse tax consequences. See "**TAX EXEMPTION**" herein.

Market for the Series 2010 Bonds

There can be no assurance that a secondary market exists, or that the Series 2010 Bonds can be sold for any particular price. Accordingly, a purchaser of the Series 2010 Bonds should recognize that an investment in the Series 2010 Bonds will in all likelihood not be liquid and be prepared to have his or her funds committed until the Series 2010 Bonds mature or are redeemed.

Completion Bonds

The Issuer has the right to issue Completion Bonds under the Indenture that will be equally and ratably secured on a parity basis with the Series 2010 Bonds. See "**THE SERIES 2010 BONDS - COMPLETION BONDS**" herein and "**FORM OF TRUST INDENTURE**" in APPENDIX C-1 hereto. **SUCH COMPLETION BONDS COULD DILUTE THE SECURITY FOR THE SERIES 2010 BONDS.**

Consequences of Changes in the Corporation's or the University's Tax Status

The Corporation has obtained a determination letter from the Internal Revenue Service stating that it will be treated as an exempt organization as described in §501(c)(3) of the Code and can reasonably be expected to not be classified as a "private foundation." In order to maintain its exempt status and to not be considered a private foundation, the Corporation will be subject to a number of requirements affecting its operation. The possible modification or repeal of certain existing federal income tax laws, the change of Internal Revenue Service policies or positions, the change of the Corporation's method of operations, purposes or character or other factors could result in loss by the foundation of its tax-exempt status.

The Corporation will covenant to cause to remain eligible for such tax-exempt status and to avoid operating the Facilities as an unrelated trade or business (as determined by applying §512(a) of the Code). Failure of the Facilities to remain so qualified or of the Corporation so to operate the Facilities could affect the funds available to the Corporation for payments under the Loan Agreement by subjecting the Corporation to federal income taxation and could result in the loss of the excludability of interest on the Series 2010A Bonds from gross income for purposes of federal income taxation. Potential investors should note that in such event, the provisions of the Indenture relating to a Determination of Taxability may be applicable. Continuation of the tax-exempt status of the Series 2010A Bonds may also be dependent upon the continuing tax-exempt status of the University. See “**BONDHOLDERS’ RISKS - Effect of Determination of Taxability**” above.

Taxation of Series 2010A Bonds

An opinion of Bond Counsel will be obtained as described under “**TAX EXEMPTION**” herein. Such an opinion is not binding on the Internal Revenue Service. Application for a ruling from the Internal Revenue Service regarding the status of the interest on the Series 2010A Bonds has not been made. The opinion of Bond Counsel contains certain exceptions and is based on certain assumptions described herein under the heading “**TAX EXEMPTION.**” Failure by the Issuer or the Corporation to comply with certain provisions of the Code and covenants contained in the Indenture, the Loan Agreement, and the Tax agreement could result in interest on the Series 2010A Bonds becoming includable in gross income for federal tax purposes.

An opinion of Bond Counsel will be obtained regarding the exemption of interest on the Series 2010 Bonds from certain taxation by the State of Louisiana, as described under “**TAX EXEMPTION**” herein. Bond Counsel has not opined as to whether interest on the Series 2010 Bonds is subject to state or local income taxation in jurisdictions other than Louisiana. Interest on the Series 2010 Bonds may or may not be subject to state or local income taxation in jurisdictions other than Louisiana under applicable state or local laws. Each purchaser of the Series 2010 Bonds should consult his or her own tax advisor regarding the taxable status of the Series 2010 Bonds in a particular state or local jurisdiction.

Municipal Bond Insurance

If the Issuer should fail to make payment of the principal of or interest on the Series 2010 Bonds when the same shall become due, any owner of Series 2010 Bonds will have recourse against the Bond Insurer for such payments; however, the Policy does not insure the principal of or interest on the Series 2010 Bonds coming due by reason of acceleration or redemption (other than mandatory sinking fund redemption), nor do they insure the payment of any redemption premium payable upon the Series 2010 Bonds, and under no circumstances, including the situation in which the interest on the Series 2010 Bonds becomes subject to federal or Louisiana income taxation for any reason, may the maturities of the Series 2010 Bonds be accelerated without the consent of the Bond Insurer. Furthermore, so long as the Bond Insurer shall perform its obligations under the Policy, the Bond Insurer may direct, and its consent must be obtained before the exercise of, any remedies to be undertaken by the Trustee under the Indenture. If the Bond Insurer should be unable to make payments of and interest on the Series 2010 Bonds, such Series 2010 Bonds will be payable solely from moneys received by the Trustee pursuant to the Indenture and the Loan Agreement. See the heading “**MUNICIPAL BOND INSURANCE**” herein and **APPENDIX E** attached hereto for more information about the Bond Insurer and the Policy.

Insolvency of the Bond Insurer

The obligations of the Bond Insurer under the Policy are general obligations of the Bond Insurer and rank equally in priority of payment and in all other respects with all other unsecured obligations of the Bond Insurer. In the event of insolvency of the Bond Insurer, the Owners of the Series 2010 Bonds would have to depend entirely on the ability of the Corporation to pay the principal of and interest on the Series 2010 Bonds.

MUNICIPAL BOND INSURANCE

The following information has been furnished by the Bond Insurer for use in this Official Statement. Reference is made to **APPENDIX E** for a specimen of the Policy.

The Bond Insurance Policy

Concurrently with the issuance of the Series 2010 Bonds, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (the “*Bond Insurer*”) will issue its municipal bond insurance policy (the “*Policy*”) for the Series 2010 Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included in **APPENDIX E** attached hereto.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

The Bond Insurer

The Bond Insurer is a New York stock insurance company and a wholly owned subsidiary of Assured Guaranty Municipal Holdings Inc. (“*Holdings*”). Holdings is an indirect subsidiary of Assured Guaranty Ltd. (“*AGL*”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO”. AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. No shareholder of AGL, Holdings or the Bond Insurer is liable for the obligations of the Bond Insurer.

Effective November 9, 2009, Financial Security Assurance Inc. changed its name to Assured Guaranty Municipal Corp.

The Bond Insurer’s financial strength is rated “AA+” (stable outlook) by Standard and Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“*S&P*”) and “Aa3” (negative outlook) by Moody’s Investors Service, Inc. (“*Moody’s*”). On February 24, 2010, Fitch, Inc. (“*Fitch*”), at the request of AGL, withdrew its “AA” (Negative Outlook) insurer financial strength rating of the Bond Insurer at the then current rating level. Each rating of the Bond Insurer should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of the Bond Insurer in its sole discretion. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of any security guaranteed by the Bond Insurer. The Bond Insurer does not guarantee the market price of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength

On October 25, 2010, S&P published a Research Update in which it downgraded the Bond Insurer’s counterparty credit and financial strength rating from “AAA” (negative outlook) to “AA+” (stable outlook). At the same time, S&P continued its negative outlook on the Bond Insurer. Reference is made to the Research Update, a copy of which is available at www.standardandpoors.com, for the complete text of S&P’s comments.

In a press release dated February 24, 2010, Fitch announced that, at the request of AGL, it had withdrawn the “AA” (Negative Outlook) insurer financial strength rating of the Bond Insurer at the then current rating level. Reference is made to the press release, a copy of which is available at www.fitchratings.com, for the complete text of Fitch’s comments.

On December 18, 2009, Moody’s issued a press release stating that it had affirmed the “Aa3” insurance financial strength rating of the Bond Insurer, with a negative outlook. Reference is made to the press release, a copy of which is available at www.moody.com, for the complete text of Moody’s comments.

There can be no assurance as to any further ratings action that Moody’s or S&P may take with respect to the Bond Insurer.

For more information regarding the Bond Insurer’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2009, which was filed by AGL with the SEC on March 1, 2010, AGL’s Quarterly Report on Form 10-Q for the quarterly period ended March 31,

2010, which was filed by AGL with the SEC on May 10, 2010, and AGL's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010, which was filed by AGL with the SEC on August 9, 2010.

Capitalization of the Bond Insurer

At June 30, 2010, the Bond Insurer's consolidated policyholders' surplus and contingency reserves were approximately \$2,264,680,337 and its total net unearned premium reserve was approximately \$2,259,557,420, in each case, in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the SEC that relate to the Bond Insurer are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) The Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (which was filed by AGL with the SEC on March 1, 2010); and

(ii) The Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010 (which was filed by AGL with the SEC on May 10, 2010); and

(iii) The Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010 (which was filed by AGL with the SEC on August 9, 2010).

All information relating to the Bond Insurer included in, or as exhibits to, documents filed by AGL pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, after the filing of the last document referred to above and before the termination of the offering of the Series 2010 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.): 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 826-0100).

Any information regarding the Bond Insurer included herein under the caption "**MUNICIPAL BOND INSURANCE – The Bond Insurer**" or included in a document incorporated by reference herein (collectively, the "**Bond Insurer Information**") shall be modified or superseded to the extent that any subsequently included the Bond Insurer Information (either directly or through incorporation by reference) modifies or supersedes such previously included the Bond Insurer Information. Any Bond Insurer Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

The Bond Insurer makes no representation regarding the Series 2010 Bonds or the advisability of investing in the Series 2010 Bonds. In addition, the Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Bond Insurer supplied by the Bond Insurer and presented under the heading "**MUNICIPAL BOND INSURANCE**".

DISCLAIMER

The information relating to the Bond Insurer and the Policy contained herein and in **APPENDIX E** has been furnished by the Bond Insurer. No representation is made by the Issuer or the Underwriter as to the accuracy, completeness, or adequacy of such information or as to the absence of material adverse changes in the condition of the Bond Insurer subsequent to the date of this Official Statement. Reference is made to **APPENDIX E** for a copy of a specimen municipal bond insurance policy.

NO ASSURANCE CAN BE GIVEN THAT THE BOND INSURER WILL BE ABLE TO MEET ITS OBLIGATIONS UNDER THE POLICY.

THE GROUND LEASE

General

The Ground Lease has been entered into between the Board, on behalf of the University, as Lessor, and the Corporation, as Lessee, for lease of the Facilities. As a consideration for the Ground Lease, the Corporation has agreed to perform its obligations under the Facilities Lease and all other documents contemplated by and ancillary to the Ground Lease and the Facilities Lease.

The Corporation's obligations under the Ground Lease may be suspended if by reason of *force majeure*, as described in the Ground Lease, the Corporation is unable to carry out such obligations.

Default and Remedies

Each of the following is an Event of Default under the Ground Lease:

(a) failure by the Corporation to make timely payment of any sum required to be paid to the Board under the Ground Lease that remains uncured after thirty (30) days following receipt of written notice from the Board of such failure;

(b) the taking by execution of the Corporation's leasehold estate (other than a foreclosure of the Mortgage) for the benefit of any Person;

(c) failure by the Corporation to perform any other covenant or agreement, other than the payment of money, on its part under the Ground Lease and such failure remaining uncured for more than ninety (90) days following receipt of written notice from the Board of such failure; provided that if during such ninety (90) day period, the Corporation shall take action to cure such failure but shall be unable, by reason of the nature of the work involved, to cure such failure within such period and shall continue such work thereafter diligently and without unnecessary delays, such failure will not constitute an Event of Default hereunder until the expiration of a period of time after such ninety (90) day period as may be reasonably necessary to cure such failure;

(d) a court of competent jurisdiction shall enter an order for relief in any involuntary case commenced against the Corporation, 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 over the Facilities appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for the Corporation or any substantial part of the properties of the Corporation or ordering the winding up or liquidation of the affairs of the Corporation, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days;

(e) commencement by the Corporation of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted, or the consent or acquiescence by the Corporation to the commencement of a case under such Code or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for the Corporation or any substantial part of the properties of the Corporation; and

(f) the Corporation, after commencement of construction but prior to substantially completing construction of the Facilities, abandons (with no intent to continue) demolition, renovation, or construction for a period of forty-five (45) consecutive days.

Whenever an Event of Default shall have occurred and be continuing, the Board will be permitted to seek any and all damages or other remedies available at law or in equity, including specific performance. The Board will not have the right to terminate the Ground Lease prior to its Expiration Date, but upon ninety (90) days' written notice and opportunity to cure provided to the Bond Insurer and the Trustee, will be permitted to terminate the Corporation's right to occupancy of the Property and to take possession of the Property and the Facilities and to re-let the same or take possession in its own right for the remainder of the Term. Upon such re-letting, the Corporation will agree to release its leasehold interest and all of its rights under the Ground Lease and the Facilities Lease to the

new lessee of the Property (or to the Board, if the Board wishes to remain in possession on its own behalf) in consideration for the new lessee (or the Board, if applicable) agreeing to assume all of the Corporation's obligations under the Ground Lease, the Facilities Lease, and under any debt incurred by or for the Corporation in connection with the Facilities.

The Bond Insurer, if any, will be required to be notified by the University in the Event of Default and will have an opportunity to cure said default.

THE FACILITIES LEASE

General

Under the Facilities Lease, the Corporation has leased the Facilities (as completed) to the Board.

Rental

The Board has agreed to pay Base Rental and Additional Rental as set forth in the Facilities Lease. The Base Rental amount is an amount equal to the principal of, premium, if any, and interest due on the Series 2010 Bonds and any Completion Bonds, payable prior to the dates that such debt shall become due and payable. The Base Rental also includes any amounts required to be paid into any funds established in the Indenture, including the Debt Service Reserve Fund or to make up any deficiency or to restore any loss resulting from investment and any other payment required to be made to such fund by the Indenture.

In addition, the Board has agreed in the Facilities Lease, to pay as Additional Rental any and all expenses incurred by or on behalf of the Corporation on behalf of the Board and/or by the Board in the management, operation, ownership, and/or maintenance of the Facilities, owed to the Issuer or the Trustee.

In the event the Food Service Contract is terminated and the Corporation or the Board begins providing operations and management services for the Food Service Areas as required by the Ground Lease, the Board will agree to pay amounts sufficient to make up any shortfall in the payment of Base Rental of debt service on the Series 2010 Bonds payable solely from Auxiliary Revenues of the University after payment of annual debt service on the Corporation's (Southeastern Louisiana University Student Housing/University Facilities, Inc. Project) Series 2004 Bonds and the Corporation's (Southeastern Louisiana University/University Facilities Inc.: Phase Four Parking Project) Series 2007 Bonds.

Extraordinary Lease Payments

Pursuant to the Facilities Lease, the Board has covenanted to make an extraordinary Rental payment to fund a portion of the capital costs of the Facilities from funds on hand or collected by the Board within the fiscal year ending June 30, 2011, not to exceed \$6,500,000 on or before the closing date of the Series 2010 Bonds.

Additional Debt

Without the prior written consent of the Bond Insurer, if any, neither the Corporation, the University nor the Board will issue or incur or permit to be issued and incurred, any Additional Debt, unless each of the following conditions have been satisfied:

(i) no Event of Default or event which with notice for lapse of time, or both, would constitute an Event of Default shall have occurred and be continuing (unless such Event of Default or other event would be cured by such issuance or incurrence) or will occur upon the issuance or incurrence by the Board of any such obligations;

(ii) the Debt Service Coverage Ratio for the most recently completed Fiscal Year, taking into account the Additional Debt proposed to be issued or incurred, would not have been less than 1.25:1.00. If the Additional Debt is being issued to finance the construction of facilities which generate available revenues or additional student fees, the Board may include in the calculation of Debt Service Coverage Ratio the proposed revenues to be generated by the future Facilities and/or the additional student fees attributable thereto; and

(iii) the Debt Service Coverage Ratio set forth above for the two most recently completed Fiscal Years has been met.

Rate Maintenance Covenant

The Board has covenanted that, as long as any bonds, notes or lease obligations remain outstanding that are payable from the Capital Funds and the Student Fees, if the Debt Service Coverage Ratio falls below 1.20:1.00, the Board will use its best efforts to raise its fees, rentals, rates and charges relating to the Facilities so that within two (2) full semesters after the Debt Service Coverage Ratio becomes deficient, the Debt Service Coverage Ratio at least equals 1.20:1.00. At the end of two (2) full semesters, if the Debt Service Coverage Ratio is still below 1.20:1.00, the Board shall hire an outside consultant, approved by the Bond Insurer, if any, and the Board shall follow any reasonably feasible recommendations of such consultant regarding the operation and management of the Facilities, including raising fees and rents, and reducing expenses. So long as the Board is working in good faith with such consultant to increase any deficient Debt Service Coverage Ratio, there shall not be an Event of Default hereunder unless the Debt Service Coverage Ratio is less than 1.00:1.00 at the end of any Fiscal Year. For purposes of the foregoing, when establishing such fees, rentals, rates and charges and calculating the Debt Service Coverage Ratio for this Section, the Board shall take into account payments required to be made into the Debt Service Reserve Fund pursuant to the Indenture. The Board has further covenanted that it will seek any required approval necessary in order to comply with this covenant.

Insurance

(a) The University, at the direction of the Board, is required to secure and maintain or cause to be secured and maintained at the University's cost and expense:

(i) A policy or policies covering the Facilities against loss or damage by fire, lightning, earthquake, collapse, vandalism and malicious mischief, flood and storm surge, and against such other perils as are included in so-called "extended coverage" and against such other insurable perils as, under good insurance practice, from time to time are insured for properties of similar character and location, which insurance will be required to be not less than the full replacement cost of the Facilities, without deduction for depreciation. In the event that the Facilities shall not be repaired or replaced, insurance proceeds will be no greater than the actual cash value (replacement cost less depreciation) of the Facilities at the time of the loss. The policy will be required to be adjusted to comply with any applicable co-insurance provisions of such insurance policy. Full payment of insurance proceeds shall not be contingent on the degree of damage sustained at other facilities leased by the Board. The policy or policies covering such loss must explicitly waive any co-insurance penalty.

(ii) A policy of comprehensive public liability insurance with respect to the Facilities and the operations related thereto, whether conducted on or off the Facilities, against liability for personal injury (including bodily injury and death) and property damage, of not less than \$2,000,000 in combined single limit liability coverage. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability, water damage legal liability, motor vehicle liability for all owned and non-owned vehicles, including rented or leased vehicles.

(iii) Boiler and machinery insurance coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus, but only if steam boilers, pressure vessels or similar apparatus are installed on the Facilities, in an amount not less than \$5,000,000 with deductible provisions not exceeding \$100,000 per accident.

(iv) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State, or any act hereafter enacted as an amendment thereto or in lieu thereof, such worker's compensation insurance to cover all persons employed by the Corporation in connection with the Facilities and to cover full liability for compensation under any such act aforesaid.

(b) The Corporation shall cause all of the construction professionals to secure and maintain:

- (i) Comprehensive or Commercial General Liability insurance;
- (ii) Errors and Omissions insurance;
- (iii) Automobile Liability insurance;
- (iv) Worker's Compensation insurance;
- (v) an all Risk Builder's Policy upon the construction of the Facilities; and
- (vi) boiler and machinery or additional property insurance;

all as required by the terms of any construction contracts entered into with regards to the demolition of certain existing facilities and the renovation, development and construction of the Facilities.

All insurance required in the Facilities Lease and all renewals of such insurance (excepting self insurance or commercial insurance through ORM) are required to be issued by commercial insurers authorized to transact business in the State, and rated at least A- by Best's Insurance Reports (property liability) or in the two highest rating categories of S&P and Moody's. All insurance policies provided or caused to be provided by the Corporation are required to expressly provide that the policies shall not be canceled or altered without thirty (30) days prior written notice to the University and the Trustee; and will, to the extent obtainable, be required to provide that no act or omission of the Corporation or other provider of insurance that would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained.

All policies of liability insurance that the University is obligated to maintain according to the Facilities Lease (other than any policy of worker's compensation insurance) are required to name the Corporation, the Trustee, and such other Persons or firms as the Board specifies from time to time as additional insureds and will be required to expressly provide that the policies shall not be cancelled or altered without thirty (30) days' prior written notice to the Corporation and the Trustee and will, to the extent obtainable, be required to provide that no act or omission of the University that would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained. All public liability, property damage liability, and casualty policies maintained by the University will be required to be written as primary policies.

Proceeds of insurance received and/or the amount of any loss that is self-insured through ORM with respect to destruction of or damage to any portion of the Facilities by fire, earthquake, or other casualty or event will be required to be paid to the Trustee for application in accordance with the provisions of the Facilities Lease and the Indenture.

The Corporation will certify annually to the Bond Insurer, if any, that all insurance policies required by the Facilities Lease are as of the date of such certification in place and in effect.

Condemnation, Casualty, and Other Damage

The risk of loss or decrease in the enjoyment and beneficial use of the Facilities due to any damage or destruction thereof by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion or otherwise (collectively "*Casualty*") or in consequence of any foreclosures, attachments, levies or executions; or the taking of all or any portion of the Facilities by condemnation, expropriation, or eminent domain proceedings (collectively "*Expropriation*") is expressly assumed by the Board. The Corporation and the Trustee will in no event be answerable, accountable or liable therefor, nor shall any of the foregoing events entitle the Board to any abatements, set-offs or counter claims with respect to its Base Rental, Additional Rental or any other obligation hereunder.

Application of Insurance Proceeds: Condemnation Award

If, during construction, all or any portion of the Facilities shall be damaged or destroyed by a Casualty, or shall be taken by Expropriation proceedings, the Board will be required to instruct the Corporation, as expeditiously as possible, to continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof; provided however, that the Corporation will in no way be liable for any costs of the repair, restoration, or

replacement of the Facilities in excess of the proceeds of any insurance or of any Expropriation award received because of such Casualty or Expropriation. Following the completion of construction and acceptance of the Facilities by the Board on behalf of the Corporation, the Board will be required, as expeditiously as possible, to continuously and diligently prosecute or cause to be prosecuted, the repair, restoration, or replacement thereof. The proceeds of any insurance, including the proceeds of any self-insurance through ORM, or of any Expropriation award or payment in lieu of Expropriation, received on account of any damage, destruction, or taking of all or any portion of the Facilities will be required to be delivered to the Trustee and held by the Trustee in a special account to be established upon receipt of any such funds and held by the Trustee in trust (or in the case of self insurance through ORM, as set forth in the third succeeding paragraph below), and will be made available for, and to the extent necessary be applied to, such restoration, repair, and replacement. Any amounts so held by the Trustee will be required to be disbursed to pay the costs of restoration, replacement, and repair of the Facilities with respect to which they shall be held, in each case promptly after receipt of a written request of the Corporation stating that the amount to be disbursed pursuant to such request will be used to pay costs of replacing, repairing, or restoring the Facilities and that no amount previously shall have been disbursed by the Trustee for payment of the costs to be so paid. In making such payments, the Trustee will be permitted to rely conclusively upon such written requests and will have no liability or responsibility to investigate any matter stated therein or for any inaccuracy or misstatement therein. In no event will the Trustee be responsible for the adequacy of the plans and specifications or construction contract relating to the replacement, restoration, or repair of the Facilities or for the improper use of moneys properly disbursed pursuant to request made under the Facilities Lease. Any proceeds remaining on deposit with Trustee following completion of the repairs, restoration, or replacement of the Facilities will be required to be paid by Trustee in accordance with the terms of the Indenture.

In the event the proceeds of any insurance, and any additional funds deposited with the Trustee, are insufficient to fully repair, restore, or replace the Facilities, the proceeds shall be paid to the Trustee and used to redeem the outstanding Bonds.

Notwithstanding the foregoing, the Corporation's obligation to replace the Facilities in the event of Expropriation Proceedings will be dependent on the Board's entering into a lease with a different portion of the campus of the University as provided in the Ground Lease. In the event it shall be necessary to restore or replace the Facilities in a different location because of the Expropriation of all or a portion of the Facilities, the Corporation and the Board will agree to amend or enter into a new Facilities Lease and Ground Lease in accordance with the Ground Lease. In the event the Board, pursuant to the Ground Lease, shall decide not to repair, restore or replace the Facilities for any reason, all insurance proceeds received or payable as a result of such Casualty, or all proceeds received or payable as a result of Expropriation proceedings (including payments received or payable in lieu of Expropriation) will be required to be paid to the Board for immediate delivery to the Trustee and applied to the prepayment of the Bonds in accordance with the terms of the Indenture, and the Facilities Lease and the Ground Lease will terminate.

In the event that ORM insures the Facilities, the Board will be required to use the insurance proceeds received from ORM in accordance with the policies and procedures of ORM (requiring invoices to be submitted to ORM for payment to vendors, or alternatively, production of invoices paid by the Board to ORM for reimbursement of vendor payments) to effect the repair, restoration, or replacement of the Facilities

Default by the Board

If (i) the Board shall fail to deposit with the Trustee any Base Rental payment required to be so deposited pursuant to the Facilities Lease by the close of business on the day such deposit is required pursuant to the Facilities Lease, and shall fail to remedy such breach within five (5) days thereof, but in no event later than the date on which such payment is required to enable the Corporation to make payment on the Series 2010 Bonds (without use of moneys held in the Debt Service Reserve Fund), or (ii) the Board shall fail to pay or discharge any monetary obligation under the Lease (other than the payment of Base Rental) as and when due, or within thirty (30) days after receipt of Notice from the Corporation that such sums are due and owing; or (iii) the Board shall breach any non-monetary terms, covenants, or conditions therein, and shall fail to remedy any such breach with all reasonable dispatch within a reasonable period of time (or such longer period as the Trustee may approve) after written notice thereof from the Corporation to the Board, then and in any such event the Board will be deemed to be in default under the Facilities Lease, and the Corporation will have the right, at its option, without any further demand or

notice to terminate the Facilities Lease on the earliest date permitted by law or on any later date specified in any Notice given to the Board in which case the Board's right to possession of the Facilities will cease, and the Facilities Lease will be terminated, without, however, waiving the Corporation's right to collect all Rental and other payments due or owing for the period up to the time the Corporation regains possession (and which have been appropriated for payment to the Corporation under the Facilities Lease, but not paid by the Board), and to enforce other obligations of the Board that survive termination of the Facilities Lease, and in such event the Corporation may without any further demand or notice re-enter the Facilities and eject all parties in possession thereof, subject to the rights of students, faculty, staff, and Permitted Sublessees. The foregoing remedies of the Corporation are in addition to and not exclusive of any other remedy of the Corporation. Any such re-entry will be required to be allowed by the Board without hindrance, and the Corporation will not be liable in damages for any such re-entry or be guilty of trespass. The Corporation will agree that upon its termination of the Board's right to possession of the Facilities or termination of the Facilities Lease, the Corporation upon its re-entry of the Facilities will only be allowed to use the Facilities for the Permitted Use and will be subject to all applicable Governmental Regulations heretofore or hereafter enacted by any Governmental Authority relating to the use and operation of the Facilities.

Notwithstanding any other provision of the Facilities Lease, (i) in no event will the Corporation have the right to accelerate the payment of any Base Rental payment under the Facilities Lease, and (ii) the Bond Insurer will have ninety (90) days to cure an Event of Default thereunder.

Notwithstanding anything contained in the Facilities Lease to the contrary, a failure by the Board to pay when due any payment required to be made under the Facilities Lease or a failure by the Board to observe and perform any covenant, condition, or agreement on its part to be observed or performed under the Facilities Lease, resulting from a failure by the Board to designate moneys will not constitute an Event of Default thereunder, and the Corporation will not have any of the remedial rights set forth in the Facilities Lease. Notwithstanding the foregoing, in such event, the Facilities Lease will terminate and the University will be required to vacate the Facilities immediately and deliver the Facilities to the Corporation.

Cumulative Remedies

Each right and remedy provided for in the Facilities Lease shall be cumulative and shall be in addition to every other right or remedy provided for in the Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Corporation of any one or more of the rights or remedies provided for in the Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by the Corporation of any or all other rights or remedies provided for in the Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise. All costs incurred by the Corporation in collecting any amounts and damages owing by the Board pursuant to the provisions of the Facilities Lease or to enforce any provision of the Facilities Lease, including reasonable Litigation Expenses from the date any such matter is turned over to an attorney, whether or not one or more actions are commenced by the Corporation, will also be recoverable by the Corporation from the Board. The waiver by the Corporation of any breach by the Board and the waiver by the Board of any breach by the Corporation of any term, covenant, or condition of the Facilities Lease will not operate as a waiver of any subsequent breach of the same or any other term, covenant, or condition thereof.

LITIGATION

The Issuer

There is no litigation now pending or threatened against the Issuer, of which the Issuer has knowledge, that restrains or enjoins the issuance or delivery of the Series 2010 Bonds or questions or affects the validity of the Series 2010 Bonds or the proceedings and authority under which they are to be issued. To the Issuer's knowledge, neither the creation, organization, or existence of the Issuer, nor the title of the present members or other officers of the Issuer to their respective offices, is being contested or questioned. There is no litigation now pending or threatened against the Issuer, of which the Issuer has knowledge, that in any manner questions the right of the Issuer to enter into the Indenture or the Loan Agreement to secure the Series 2010 Bonds in the manner provided in the Indenture.

The Corporation

There is no litigation now pending or threatened against the Corporation, of which the Corporation has knowledge, that in any manner questions the right of the Corporation to enter into or perform its obligations under the Loan Agreement or the Mortgage or that individually or in the aggregate would adversely affect the operations of the Corporation, financial or otherwise.

CONFLICTS OF INTEREST; RELATIONSHIPS

Stephen M. Smith is a member of the Board of Directors of the Corporation and is also Vice President of Administration and Finance of the University. Joseph Morris is the Executive director of the Corporation and is also an Associate Professor at the University.

Regions Bank, an Alabama banking corporation is serving as Trustee under the Indenture. Morgan Keegan & Company, Inc., the Underwriter, is a wholly-owned subsidiary of Regions Financial Corporation.

TAX EXEMPTION

General

In the opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Baton Rouge, Louisiana, Bond Counsel, subject to the discussion below, interest on the Series 2010A Bonds (and original issue discount treated as interest (see discussion below)) is excludable from gross income for federal income tax purposes under existing statutes, regulations, published rulings, and judicial decisions. Except as hereinafter described under the subheading “**Alternative Minimum Tax Considerations**,” interest on Series 2010A Bonds (and original issue discount treated as interest) will not be an item of tax preference for purposes of the federal alternative minimum tax on individuals and corporations.

The Internal Revenue Code of 1986, as amended (the “*Code*”) imposes a number of requirements that must be satisfied for interest on state and local obligations to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of certain bond proceeds be paid periodically to the United States government, except under certain circumstances, and a requirement that information reports be filed with the Internal Revenue Service.

In rendering the foregoing opinions, Bond Counsel will assume continuing compliance by the Corporation with the provisions of the Indenture and the Loan Agreement by the Issuer and the Corporation subsequent to the issuance of the Series 2010A Bonds which affect the exclusion from gross income of all amounts treated as interest on the Series 2010A Bonds. In addition, Bond Counsel will rely upon certain representations and certifications of the Corporation made in certificates dated the date of initial delivery of the Series 2010A Bonds pertaining to the use, expenditure and investment of the proceeds of the Series 2010A Bonds. These representations relate to matters that are solely within the knowledge of the Corporation, which Bond Counsel has not verified. The Indenture and the Loan Agreement contain certain covenants by the Issuer and the Corporation with respect to, among other matters, the above requirements. Failure of the Corporation to comply with any of the covenants may result in interest on the Series 2010A Bonds being included in the gross income of the owners thereof from the date of issue of the Series 2010A Bonds.

Prospective purchasers of the Series 2010A Bonds should be aware that ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred to continued indebtedness to purchase or carry tax-exempt obligations. In addition, certain foreign corporations doing business in the United States may be subject to the “branch profits tax” on their effectively connected earnings and profits including tax-exempt interest such as interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences.

Alternative Minimum Tax Considerations

As stated above, interest on the Series 2010A Bonds will not be an item of tax preference for purposes of computing the federal alternative minimum tax on individuals and corporations. The Code, however, imposes a 20% alternative minimum tax on the “alternative minimum taxable income” of a corporation, if the amount of such alternative minimum tax is greater than the amount of the corporation’s regular income tax. Generally, a corporation’s alternative minimum taxable income will include 75% of the amount by which a corporation’s “adjusted current earnings” exceeds a corporation’s alternative minimum taxable income. Because interest on tax-exempt obligations is included in a corporation’s “adjusted current earnings,” ownership of the Series 2010A Bonds could subject a corporation to alternative minimum tax consequences.

Original Issue Premium and Discount

Certain maturities of the Series 2010 Bonds (the “**Premium Bonds**”) may be offered and sold to the public at a price in excess of their stated principal amounts. Such excess is characterized as a “bond premium.” For federal income tax purposes, bond premium on the Premium Bonds must be amortized by an investor purchasing a Premium Bond on a constant yield basis over the remaining term of the Premium Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium related to a tax-exempt bond for federal income tax purposes..

Certain maturities of the Series 2010 Bonds may be offered and sold at an original issue discount (the “**OID Bonds**”). The difference between the initial public offering price of the OID Bonds (as set forth on the front cover hereon) and their stated principal amount payable at maturity constitutes original issue discount treated as interest. OID on the OID Bonds is treated as interest that is excluded from gross income for federal income tax purposes and which is exempt from all taxation in the State subject to the caveats and provisions described above.

In the case of an owner of an OID Bond, the amount of original issue discount which is treated as having accrued with respect to such OID Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such OID Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such an OID Bond which are attributable to accrued original issue discount will be treated as interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual OID Bond, on days which are determined by reference to the maturity date of such OID Bond. The amount treated as original discount on such OID Bond for a particular semiannual period is equal to (i) the product of (a) the yield to maturity for such OID Bond and (b) the amount which would have been the tax basis of such OID Bond at the beginning of the particular semiannual period if held by the original purchaser, (ii) less the amount of any payments on such OID Bond during the semiannual period. The tax basis is determined by adding to the initial public offering price on such OID Bond the sum of the amounts which would have been treated as original issue discount for such purposes during all prior periods. If such an OID Bond is sold between compounding dates, original issue discount which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Investors who purchase an OID Bond should consult their own tax advisors with respect to the determination for federal income tax purposes of original issue discount accrued with respect to such OID Bonds as of any date, with respect to the accrual of original issue discount for such OID Bonds purchased on the secondary markets and with respect to the state and local tax consequences of owning such OID Bonds.

Louisiana Taxes

In the opinion of Bond Counsel and in accordance with the Act, the Series 2010 Bonds together with interest thereof, income therefrom, and gain upon the sale thereof are exempt from all State taxes and local taxes.

Qualified Tax-Exempt Obligations (Bank Deductibility)

Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a "financial institution", on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible by such taxpayer in determining taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer which is a "financial institution" allocable to tax-exempt obligations, other than "private activity bonds", which are designated by an issuer as "qualified tax-exempt obligations". Section 265(b)(5) of the Code defines the term "financial institution" as referring to any corporation described in Section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person's trade or business which is subject to federal or state supervision as a financial institution.

The Series 2010A Bonds will be designated by the Issuer as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, as amended by the American Recovery and Reinvestment Tax Act of 2009 of the United States Congress.

No Other Opinions

Except as stated above, Bond Counsel expresses no other opinions with respect to any tax consequences resulting from the ownership of, receipt of interest on, or disposition of the Series 2010 Bonds.

UNDERWRITING

The Issuer is offering the Series 2010 Bonds through Morgan Keegan & Company, Inc., New Orleans, Louisiana (the "*Underwriter*"), pursuant to a Bond Purchase Agreement. The obligation of the Underwriter to sell the Series 2010 Bonds will be subject to various conditions contained in the Bond Purchase Agreement.

The Underwriter is purchasing the Series 2010 Bonds and intends to offer the Series 2010 Bonds to the original purchasers thereof at the offering prices set forth on the cover page of this Official Statement, which offering prices may subsequently be changed without any requirement of prior notice. The Underwriter will purchase the Series 2010 Bonds at an aggregate price equal to \$_____. The Underwriter has reserved the right to permit other securities dealers who are members of the National Association of Securities Dealers, Inc. to assist in selling the Series 2010 Bonds. The Underwriter may offer and sell Series 2010 Bonds to certain dealers at prices lower than the public offering price or otherwise allow concessions to such dealers who may re-allow concessions to other dealers. Any discounts and/or commissions that may be received by such dealers in connection with the sale of the Series 2010 Bonds will be deducted from the Underwriter's discount.

The Corporation will agree to indemnify the Underwriter against certain civil liabilities, including certain liabilities under federal securities law. Under existing statutes, regulations and court decisions, the enforceability of such an agreement to indemnify is uncertain.

Regions Bank, an Alabama banking corporation is serving as Trustee under the Indenture. Morgan Keegan & Company, Inc., the Underwriter is also a wholly-owned subsidiary of Regions Financial Corporation.

RATING OF THE SERIES 2010 BONDS

Moody's Investors Service, Inc. ("*Moody's*") is expected to assign the Series 2010 Bonds the rating of "Aa3" (negative outlook), with the understanding that upon delivery of the Series 2010 Bonds, a municipal bond insurance policy will be issued by the Bond Insurer. Further, Moody's has assigned an underlying rating of "A3" (stable outlook) to the Series 2010 Bonds. An explanation of the significance of such rating may be obtained from Moody's. Such rating reflects only the view of Moody's, and neither the Issuer, the University, the Bond Insurer, nor the Underwriter makes any representation as to the appropriateness thereof.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely, if in the judgment of Moody's,

circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse affect on the market price of the Series 2010 Bonds.

LEGAL MATTERS

All legal matters incidental to the authorization and issuance of the Series 2010 Bonds will be subject to the approving opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Baton Rouge, Louisiana, Bond Counsel, the form of which is included as **APPENDIX D** hereto. Certain legal matters will be passed on for the Issuer by its counsel, Casten & Pearce, A.P.L.C., Shreveport, Louisiana, for the Corporation by its counsel, Seale & Ross, P.L.C., Hammond, Louisiana, and for the Underwriter by its counsel, McGlinchey Stafford PLLC, Baton Rouge, Louisiana.

Bond Counsel has been employed primarily for the purpose of preparing certain legal documents and supporting certificates, reviewing the transcript of proceedings by which the Series 2010 Bonds have been authorized to be issued, and rendering opinions in conventional form as to the validity and legality of the Series 2010 Bonds and to the exemption of interest on the Series 2010 Bonds from income taxation by the United States of America and the State of Louisiana. While Bond Counsel has assisted in the preparation of this Official Statement and is of the opinion that the statements made herein under the headings “**SUMMARY STATEMENT, - The Series 2010 Bonds,**” “**THE SERIES 2010 BONDS,**” “**TAX EXEMPTION,**” “**LEGAL MATTERS**” and “**FORM OF PRINCIPAL FINANCING DOCUMENTS**” in **APPENDIX C** hereto fairly summarize the matters there referred to, such counsel has not been requested to check or verify, has not checked or verified, and will express no opinion with respect to the accuracy, completeness, or fairness of any other information contained in this Official Statement (other than the form of legal opinion set forth in **APPENDIX D**).

None of the legal counsel referenced in this Official Statement has (a) participated in the underwriting of the Series 2010 Bonds, (b) provided any advice regarding the creditworthiness of the Series 2010 Bonds or (c) assisted in determining the value of the collateral for the Series 2010 Bonds upon the occurrence of an event of default. Legal counsel have solely and exclusively opined to those matters which are expressly set forth in their opinions which are attached hereto or which have been delivered in connection herewith and no holder of a Series 2010 Bond shall be authorized or entitled to infer that such legal counsel have rendered opinions beyond those stated in their written opinions or to rely on the participation of counsel in this transaction. Except for negligent errors in their express written opinions, legal counsel shall have no obligations to holders of the Series 2010 Bonds and holders of the Series 2010 Bonds must not rely either expressly or implicitly upon such counsel in determining whether the Series 2010 Bonds represent suitable investments or otherwise meet their creditworthiness and risk tolerance standards.

CONTINUING DISCLOSURE

The Board will agree to provide such information as may be required by the provisions of the Rule, and neither the Corporation, the Trustee, the University, nor the Issuer will undertake any responsibility with respect to continuing disclosure under the Rule.

The Issuer has determined that no financial or operating data concerning the Issuer is material to an evaluation of the offering of the Series 2010 Bonds or to any decisions to purchase, hold or sell the Bonds, and the Issuer will not provide any such information. The Board has undertaken all responsibilities for any continuing disclosure to Owners of the Series 2010 Bonds as described below, and the Authority will have no liability to the Owners of the Series 2010 Bonds or any other person with respect to such disclosures.

The Board will covenant, pursuant to a Continuing Disclosure Certificate, for the benefit of Bondowners to provide, or cause its Dissemination Agent to provide, certain financial information and operating data relating to the Board by not later than December 31 in each year commencing December 31, 2010, (the “**Annual Report**”), and to provide notices of the occurrence of certain enumerated events, if deemed by the Issuer to be material (the “**Undertaking**”). The Annual Report will be filed by the Board with the internet-based portal referred to as the Electronic Municipal Market Access system (“**EMMA**”) operated by the Municipal Securities Rulemaking Board (the “**MSRB**”) and the State information depository, if any, and in the case of notice of certain material events, to EMMA and the MSRB pursuant to the requirements of Section (b)(5) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, §240. 15c2-12 (the “**Rule**”). The specific nature of the information to be contained in the Annual

Report or the notices of material events is set forth in their respective captions in “**APPENDIX F – FORM OF CONTINUING DISCLOSURE CERTIFICATE.**” The covenants have been made in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

The Board failed to comply with its prior undertakings due December 31, 2007 and December 31, 2008 and was late filing its annual report and annual financial statements for the Fiscal Year ended June 30, 2009 (due December 31, 2009) in connection with previous bond issues. The Board is implementing internal and external procedures to insure timely compliance with its undertakings in the future.

Additional Information

The Board will not be obligated to provide additional or more frequent information than is described above. The Board may, however, elect to disseminate other information, using the means of dissemination described above or any other means of communication, or include other information in any annual financial information or event disclosure in addition to that required by the Loan Agreement.

Failure to Comply

UNDER NO CIRCUMSTANCES WILL THE BOARD BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY SERIES 2010 BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE BOARD WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT DESCRIBED UNDER THIS HEADING, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH WILL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the Board in observing or performing its obligations described under this heading will comprise a breach of or default under the Loan Agreement for purposes of any other provision thereof.

FINANCIAL ADVISOR TO THE UNIVERSITY

Sisung Securities Corporation serves as independent financial advisor (the “*Financial Advisor*”) to the University in connection with the issuance of the Series 2010 Bonds. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the University to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information. The Financial Advisor may receive additional compensation in conjunction with the investment of certain bond proceeds.

MISCELLANEOUS

The information set forth herein relating to the Corporation has been furnished by the Corporation.

The information set forth herein regarding the University has been furnished by the University.

The Issuer has furnished only the information included herein under the headings, “**THE ISSUER,**” and “**LITIGATION - The Issuer.**”

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as a contract with the owners of the Series 2010 Bonds.

The Corporation has duly authorized the execution, delivery, and distribution of this Official Statement in connection with the offering of the Series 2010 Bonds.

UNIVERSITY FACILITIES, INC.

By: _____
Phil K. Livingston, President

APPENDIX A

DEMOGRAPHIC AND SUMMARY INFORMATION CONCERNING THE UNIVERSITY

THE UNIVERSITY

Southeastern Louisiana University (the "*University*") is located in Hammond, Louisiana, the heart of Louisiana's "Florida Parishes." Hammond is located at the intersection of Interstate Highways 55 and 12, approximately 60 miles north of New Orleans, Louisiana's largest city, and 40 miles east of Baton Rouge, the state's capital. The University has a current enrollment of approximately 15,351 students with a faculty and staff population of 1,434.

HISTORY OF THE UNIVERSITY

The University began as a grass roots movement by the people of Hammond and the surrounding area, who recognized the need for an institution of higher education in order to further the educational, economic, and cultural development of southeast Louisiana. What began as a junior college supported by local taxes has developed into a major university as the University has grown to meet the evolving needs of southeast Louisiana and the Florida parishes.

On July 7, 1925, the voters overwhelmingly approved a bond issue that created Hammond Junior College. Operated under the auspices of the Tangipahoa Parish School Board, President Linus A. Sims opened the doors on September 14, 1925 with a faculty of three women, two men and forty students. The two-year coeducational institution offered basic undergraduate work in arts and sciences that culminated in a teaching certificate.

Rapidly increasing enrollments quickly forced the college out of its two rooms in Hammond High School. In 1927, voters supported the purchase of the Hunter Leake estate on Hammond's north end. In 1928 Hammond Junior College became Southeastern Louisiana College, formally adopted into the state educational system under the control of the State Board of Education. The purchase of sixty acres adjoining the original fifteen-acre plot provided the space to develop a suitable campus, and in 1934, a state bond issue provided for the construction of McGehee Hall and a gymnasium.

In 1937, the State Board of Education authorized curricula for four-year programs in liberal arts, teacher education, business administration, music, social sciences, and physical education. The first baccalaureate degrees were conferred in May, 1939.

Voter approval of Act No. 388 in 1938, an amendment to the 1920 Louisiana Constitution, granted Southeastern Louisiana College the same legal status as other four-year colleges. The amendment did not, however, require the state to fund the University at the level of other institutions of higher education, despite strong local support.

On January 18, 1946, the State Board made available funds to purchase seven city blocks east and west of the campus, and 275 acres of land north and northwest of the campus, increasing the University's total area to approximately 365 acres.

On March 3, 1946, the University was formally approved and accepted into full membership in the Southern Association of Colleges and Schools (SACS), as a four-year degree-granting institution.

In 1960, the State Board authorized the University to offer master's degrees through the newly-formed Division of Graduate Studies. The University began awarding the Education Specialist degree in 1967. Governor John J. McKeithen on June 16, 1970 signed into law the legislative act turning Southeastern Louisiana College into Southeastern Louisiana University. The early 1970's also saw the construction of D. Vickers, the Athletics Building, and the C.E. Cate Teacher Education Building.

In October of 1986, a group of faculty members launched Fanfare, a festival celebrating the arts, humanities and sciences. Since then, Fanfare has become an acclaimed month long event, drawing nationally and internationally recognized artists and providing recognition for those closer to home. In addition to providing entertainment for the North Shore, Fanfare has an educational outreach program that works closely with local schools. In October of 2005, Fanfare proudly celebrated its 20th anniversary.

The University's enrollment, continually increasing since its inception, reached an important milestone in 1997, registering over fifteen thousand students for the fall semester. Since 1925 the University has conferred over fifty thousand degrees.

As the University celebrated its 75th anniversary in 2000, the Fall semester marked an exciting change as the University implemented screened admissions standards for the first time. Also during the 2000-2001 academic year, the Village, Fayard Hall and the Claude B. Pennington, Jr. Student Activity Center were completed.

In May of 2001, the University received full approval from the Board of Regents for its first new graduate degree program in more than a decade, a MS in Integrated Science and Technology. Since then, Southeastern received approval for seven additional masters-level programs: MA in Organizational Communications, MS in Applied Sociology, BS in Athletic Training, BS in Health Education & Promotion, BS in Health Studies, BS in Occupational Health, Safety & Environment, and Master of Arts in Teaching. In 2006, the University was given approval to offer its first doctoral level program, a doctorate in educational leadership designed to prepare a new generation of school principals, district superintendents, and other administrators. The program is offered in consortium with the University of Louisiana at Lafayette.

During the Fall of 2003, the University hit a record enrollment of 15,662 students. Fall, 2003 also saw the return of football to Strawberry Stadium. The Lions completed the season 5-7.

During the Fall of 2004, the University began implementing portions of the Board of Regents Master Plan admissions criteria, a full year ahead of schedule and before any other schools in the state. In the Fall of 2005, the University began its first year under the full Board of Regents Master Plan admissions criterion.

On August 29, 2005, just six days into the semester, Hurricane Katrina hit southeast Louisiana, devastating the parishes of St. Bernard, Orleans, Jefferson, Plaquemines, and St. Tammany, as well as the Mississippi Gulf Coast. Southeastern fared well and suffered no major structural damages (although the University campus did lose many trees). After the storm, Southeastern was able to play an instrumental role in the relief effort by providing housing for the National Guard, disaster relief teams from across the country, and utility workers. The University also provided housing for its displaced faculty, staff, and students as it re-opened its doors on September 6, 2005. In addition, the University re-opened enrollment and provided housing for many displaced students from other universities and community colleges in the disaster area; this also included the hiring of several displaced faculty from these institutions. By the 14th class day, in spite of Katrina, the University had again enrolled a record breaking number of students, 16,068.

Since 1925, many dedicated individuals have led the University from a junior college to the vibrant university it is today. Those individuals are: Linus A. Sims, Yves Leon Fontenot, J. Leon Clark, George W. Bond, Gladney Jack Tinsley, Luther Dyson, Clark LeBlanc Barrow, J.B. Wooley, Clea Parker, J. Larry Crain, G. Warren Smith, Sally Clausen, Randy Moffett, and John Crain.

ORGANIZATION AND ADMINISTRATION

The University is governed by the Board of Supervisors for the University of Louisiana System (the "**Board**"). The Board determines broad administrative and educational policies for the institutions under its management and control.

The administrative officers of the University are responsible for its operation and maintenance in accordance with the rules and policies established by the Board. The following are brief resumes of the principal administrators of the University:

Dr. John L. Crain was named President of Southeastern Louisiana University on February 17, 2009 by the Board of Supervisors of the University of Louisiana System, after serving as Interim President since July 2008.

Crain served as Provost and Vice President for Academic Affairs for seven years prior to his appointment as President. His 23 years of experience on the Hammond campus includes head of the Department of Accounting, chair of the Council of Department Heads, president of the Faculty Senate, director of the Small Business Development Center, and 13 years as a full-time member of the accounting faculty.

An alumnus of the University, Crain headed the University's Accounting Department from 1999-2001. As department chair, he led efforts to reaffirm the department's accreditation by the Association to Advance Collegiate Schools of Business.

Crain is a native of Franklinton and 1978 graduate of Franklinton High School. He received a Bachelor of Science degree in accounting from the University in 1981 and Master of Business Administration in 1984. He attained Certified Public Accountant status in 1983. He received his doctoral degree in accountancy from the University of Mississippi in 1988.

Crain's scholarly accomplishments include publication of more than 50 refereed journal articles and presentations at academic conferences. He was the 1992 recipient of the University's highest faculty award, the President's Award for Excellence in Research. He was a member of the Louisiana Blue Ribbon Commission on Educational Excellence, the Louisiana Board of Regents Master Plan National Advisory Panel Workgroup on Retention and Completion, and chair of the Accounting Education Issues Committee of the Society of Louisiana CPAs.

He is a member of numerous professional, civic and academic organizations, currently serving on the Boards of the Lake Pontchartrain Basin Maritime Museum, the North Shore Business Council, GNO, Inc., and the Committee of 100 for Economic Development. He previously served on the Board of the Louisiana Children's Discovery Museum from 2006 to 2009. He is a member of the Hammond Rotary Club.

Dr. Tammy Bourg served in an interim capacity as Provost and Vice President of Academic Affairs at Southeastern Louisiana University since June 2008, and was named permanently to the position following a nationwide search in 2010. Dr. Bourg served as dean of the Southeastern College of Arts and Sciences from 2003 to 2005 and as dean of the new College of Arts, Humanities and Social Sciences from 2005-2008. She also served on the psychology faculty at California State University, Sacramento, for 17 years, and headed its Department of Psychology during her last four years there. In 1992 and 1993, she was a visiting scholar at the Center for Research in Learning, Perception, and Cognition at the University of Minnesota. Dr. Bourg holds a doctorate and master's degree in psychology, with a specialization in child development, from the University of Houston and an undergraduate degree in psychology from the University of New Orleans.

Stephen Smith has been serving as Vice President of Administration and Finance at Southeastern Louisiana University since December, 1990. Mr. Smith has more than 32 years in managerial positions of ever-increasing scope and responsibility. He has a proven track record of success in fiscal management, budgeting administration, support services, information processing, and other related areas. He began his career at Southeastern in 1977 and has served in various roles since including Controller, Assistant Vice President of Finance and Controller; and, currently, Vice President of Administration and Finance. Prior to joining Southeastern, he worked as a staff auditor for private accounting firms in Louisiana. He has an earned Bachelor of Science in Accounting and a Master of Business Administration both from Southeastern. He received his license to practice as a Certified Public Accountant in 1980 and is a member of the American Institute of CPAs.

ACCREDITATION

The University is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award Associate, Baccalaureate, Master's, and Doctoral degrees. The University is a Level V institution.

The University's role, mission, and scope statement addresses the role of the University as a regional university and describes the variety of degree programs the University is authorized to award. The University focuses on providing relevant and current instruction through credit and non-credit offerings as well as learning experiences beyond the traditional classroom. In addition, service to the region (particularly through partnerships with others) and the scope of appropriate research are addressed as important aspects to the University's mission.

The University is a member of and is fully accredited by the:

- Accreditation Board for Engineering and Technology (B.S. in Computer Science)
- American Association of Family and Consumer Sciences (B.S. in Family & Consumer Science)
- American Chemical Society (B.S. in Chemistry)
- Association to Advance Collegiate Schools of Business (B.S. in Accounting, B.B.A. in Business Administration, B.S. in Finance, B.A. in Marketing, B.A. in Management, M.B.A., B.S. In Supply Chain Management)
- Commission on Accreditation of Athletic Training Education (B.S. in Athletic Training)
- Commission on Collegiate Nursing Education (B.S. in Nursing, M.S.N. in Nursing)
- Council on Academic Accreditation in Audiology and Speech-Language Pathology (M.S. in Communication Sciences & Disorders)
- Council for Accreditation of Counseling and Related Educational Programs (M.Ed. in Counselor Education)
- Council on Social Work Education (B.A. in Social Work)
- Association of Technology, Management, and Applied Engineering (A.A.S. and B.S. in Industrial Technology)
- National Association of Schools of Music (B.M. and M.Mus. in Music, B.M.Ed. in Music Education)
- National Council for Accreditation of Teacher Education (Ed.D. in Educational Leadership; M.Ed. in Curriculum & Instruction; M.Ed. in Educational Technology Leadership; M.Ed. in Educational Leadership; M.Ed. in Counselor Education; M.Ed. and B.A. in Special Education; B.S. in Elementary Education; B.A. in Art Education; B.A. in English Education; B.S. in Mathematics Education; B.M.Ed. in Music Education; B.S. in Science Education; B.A. in Social Studies Education; B.A. in French Education; B.A. in Spanish Education; B.S. in Speech Education; B.S. in Family & Consumer Science Education; B.S. in Health & Physical Education; B.S. in Computer Science Education)
- National Association of Schools of Art and Design (B.A. in Art)

UNIVERSITY DEMOGRAPHIC INFORMATION

	<u>2010*</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Total Students	15,351	15,160	15,224	14,757	15,118	16,068	15,472
Total Hours	187,239	189,207	189,059	187,745	193,420	198,438	191,896
Students, By Class							
Freshmen	5,185	4,919	5,255	4,808	4,927	5,732	5,002
Sophomore	2,459	2,693	2,626	2,578	2,712	2,787	2,880
Junior	2,441	2,399	2,353	2,328	2,405	2,356	2,348
Senior	<u>3,865</u>	<u>3,773</u>	<u>1,641</u>	<u>3,539</u>	<u>3,508</u>	<u>3,488</u>	<u>3,434</u>
Undergraduate Total	13,950	13,784	13,875	13,253	13,552	14,363	13,664
Grad/Spec	1,401	1,376	1,349	1,504	1,566	1,705	1,808
New Students							
Undergraduate							
New Freshmen	3,074	2,998	3,320	2,950	2,744	2,330	2,387
Transfers	559	562	596	634	659	798	734
Other	<u>228</u>	<u>197</u>	<u>187</u>	<u>60</u>	<u>77</u>	<u>33</u>	<u>35</u>
Undergraduate Total	3,861	3,757	4,103	3,644	3,430	3,161	3,156
Graduate	265	288	311	349	372	323	374
Beginning Freshman ACT	22.1	21.7	21.4	21.2	21.1	21.0	21.0
Average H.S. GPA	N/A	3.019	3.076	3.003	3.093	3.065	2.993
Graduated in Top 20% of Class	N/A	23.5%	23.9%	22.4%	22.4%	22.1%	21.6%

*Preliminary

Source: Southeastern Institutional Research and Assessment

COMPOSITION OF STUDENT BODY (FTES)

Fall Semester of Academic Year

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Average Age							
Undergraduate	21.9	22	21.8	22	22.4	22.7	23
Graduate	33.2	32.8	32.7	33	33.2	33.3	33.3
Undergraduates							
Males	5,799	5,312	5,269	5,370	5,148	5,476	5,246
	38%	39%	38%	36%	38%	38%	38%
Females	9,552	8,472	8,606	9,387	8,404	8,887	8,418
	62%	61%	62%	64%	62%	62%	62%
Race (Undergraduate)							
White	11,650	10,436	10,459	11,368	12,372	10,904	10,822
African American	2,577	2,381	2,407	2,515	2,364	2,630	2,217
Hispanic	407	290	314	310	279	346	206
Other	717	677	695	504	537	533	419
Federal Financial Aid (# of Students)	6,859*	7,587	6,840	6,906	6,688	8,320	8,131

*Awards through September 30, 2010. Awards are continuing to be made.

Source: Southeastern Institutional Research and Assessment

UNIVERSITY STUDENT DEMAND

All Entering Undergraduate Students	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall
	2010	2009	2008	2007	2006	2005	2004
Applications	12,084	10,745	9,884	9,401	8,540	7,354	6,987
Accept %	48.2%	51.2%	53.3%	50.4%	54.7%	60.6%	61.8%
Accepts	5,823	5,503	5,269	4,738	4,673	4,458	4,320
Capture %	83.4%	83.9%	85.2%	87.8%	84.7%	82.2%	78.1%
Enrolled in Fall	4,857	4,618	4,488	4,160	3,958	3,663	3,373

First Time Freshmen	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall
	2010	2009	2008	2007	2006	2005	2004
Applications	8,710	7,552	7,154	6,472	6,227	5,128	4,963
Accept %	49.2%	53.2%	54.9%	49.0%	56.1%	60.9%	62.7%
Accepts	4,282	4,015	3,930	3,173	3,494	3,123	3,113
Capture %	85.1%	84.9%	86.4%	87.7%	85.0%	85.3%	81.2%
Enrolled in Fall	3,643	3,408	3,395	2,782	2,970	2,664	2,527

Transfers	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall
	2010	2009	2008	2007	2006	2005	2004
Applications	2,210	2,092	1,847	2,128	1,986	1,951	1,702
Accept %	38.1%	38.4%	42.4%	42.8%	47.4%	58.0%	57.1%
Accepts	841	803	783	911	942	1,131	971
Capture %	78.7%	84.2%	84.5%	86.6%	83.9%	84.2%	82.8%
Enrolled in Fall	662	676	662	789	790	952	804

New Graduate Students	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall
	2010	2009	2008	2007	2006	2005	2004
Applications	1,348	1,293	1,196	1,150	1,168	1,319	1,186
Accept %	58.9%	61.8%	59.3%	56.3%	66.6%	61.6%	64.7%
Accepts	794	799	709	647	778	812	767
Capture %	65.4%	65.8%	75.6%	80.1%	74.9%	63.1%	60.8%
Enrolled in Fall	519	526	536	518	583	512	466

Source: Southeastern Institutional Research and Assessment

STATEWIDE GRADUATION RATES

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
ULS Schools						
Grambling State University	29.9%	37.3%	35.3%	39.8%	37.7%	35.9%
McNeese State University	37.9%	38.6%	37.3%	33.0%	35.8%	31.4%
Nicholls State University	31.9%	30.1%	29.7%	32.1%	32.1%	33.5%
Louisiana Tech University	53.2%	53.1%	52.3%	53.5%	55.0%	55.5%
University of Louisiana at Monroe	32.7%	32.8%	34.7%	32.2%	32.1%	30.2%
Northwestern Louisiana University	35.3%	33.9%	38.6%	38.1%	37.0%	35.3%
Southeastern Louisiana University	34.8%	31.2%	35.0%	32.7%	30.0%	28.8%
University of Louisiana at Lafayette	46.4%	44.3%	46.3%	45.0%	43.1%	35.6%
ULS System Graduation Rates	39.0%	38.3%	39.7%	38.9%	38.1%	35.4%

Note: The statewide graduation rate credits the initial institution for a student graduating from any state public university.

Source: Southeastern Institutional Research and Assessment

UNIVERSITY FACULTY

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Full-time Faculty	N/A	542	554	542	518	496	497
Part-time Faculty	N/A	118	155	156	181	197	233
Number Tenured**	N/A	203	196	192	167	181	164
Number with Terminal Degree**	N/A	331	336	340	384	394	382
Total:		1194	1241	1230	1250	1268	1276

** Only includes full-time faculty

Source: Southeastern Institutional Research and Assessment

TUITION AND FEES

The University meets the cost of its educational program primarily through tuition, fees, state appropriations and federal grants contracts. The following table sets forth the base tuition and fees charged each semester to full-time undergraduate students on the basis of in-state residence for the year.

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Tuition	\$1,496.50	\$1,273.00	\$1,188.00	\$1,108.00	\$1,108.00	\$1,108.00	\$1,063.60
Student Union Bond Fee	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Health Center Bond Fee	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Student Rec Building Fee	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Academic Excellence Fee	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00
Student Union Expansion/ Operations Fee	\$44.00	\$44.00	\$44.00	\$44.00	N/A	N/A	N/A
Other Fees	<u>\$303.30</u>	<u>\$339.30</u>	<u>\$297.30</u>	<u>\$297.30</u>	<u>\$322.50</u>	<u>\$281.50</u>	<u>\$202.90</u>
TOTAL	\$1,999.80	\$1,812.30	\$1,685.30	\$1,605.30	\$1,586.50	\$1,545.50	\$1,422.50
Dormitory and Meal Plan	\$3,155.00	\$3,055.00	\$2,945.00	\$2,835.00	\$2,715.00	\$2,470.00	\$1,820.00

Source: Southeastern Controller's Office

STATE APPROPRIATIONS 2004-2011

The chart shows the appropriations received by the University from the State of Louisiana annually since 2004.

FISCAL YEAR	STATE HIGHER EDUCATION TOTAL APPROPRIATION	SYSTEM APPROPRIATION	% OF STATE	UNIVERSITY APPROPRIATION	% OF SYSTEM
2010-2011+*	\$1,508,841,602	\$388,765,475	25.77%	\$63,915,964	16.00%
2009-2010++*	\$1,500,259,749	\$375,285,654	25.01%	\$63,704,975	17.00%
2008-2009	\$1,564,400,608	\$447,415,885	28.60%	\$75,839,584	17.00%
2007-2008	\$1,569,649,952	\$441,609,891	28.13%	\$74,000,335	17.00%
2006-2007	\$1,332,872,517	\$342,433,156	25.69%	\$52,794,476	15.00%
2005-2006	\$1,105,152,585	\$317,024,613	28.69%	\$46,015,098	15.00%
2004-2005	\$1,045,065,101	\$303,100,479	29.00%	\$45,694,764	15.00%

The State General Fund appropriations include the Statutory Dedication appropriations.

* These amounts contain funds directed to higher education pursuant to the American Recovery Reinvestment Act of 2009 ("ARRA"). The ARRA funds were directed to higher education to help offset lower State appropriations to higher education. ARRA funds are allocated at the State level by the Board and are not a permanent source of funding.

+These amounts provided include approximately \$289,000,000 of ARRA funds in the total higher education appropriation and \$95,309,823 of ARRA funds in the System's appropriations.

++ These amounts provided include approximately \$189,000,000 of ARRA funds in the total higher education appropriation and \$59,971,982 of ARRA funds in the System's appropriations.

Note: FY 2010-2011 Appropriations are budget, all other Fiscal Years are actual.

Source: University of Louisiana System

SOURCES OF UNRESTRICTED REVENUE

	<u>2010</u>		<u>2009</u>		<u>2008</u>		<u>2007</u>		<u>2006</u>		<u>2005</u>	
State Appropriations	\$53,482,495	40%	\$75,839,584	54%	\$74,000,335	54%	\$52,794,476	46%	\$46,015,098	43%	\$45,694,764	46%
ARRA Funds	\$10,222,480	8%	\$-	0%	\$--	0%	\$--	0%	\$--	0%	\$--	0%
Tuition and Fees	\$44,585,703	34%	\$39,644,771	28%	\$37,011,087	27%	\$37,844,957	33%	\$38,950,557	36%	\$37,529,680	37%
Auxiliary Revenue	\$17,023,671	13%	\$17,006,489	12%	\$20,602,165	15%	\$18,305,190	16%	\$17,352,890	16%	\$11,689,506	12%
Other Revenue	\$7,025,323	5%	\$7,247,037	5%	\$6,653,564	5%	\$6,384,397	6%	\$5,861,868	5%	\$5,273,348	5%

Source: Southeastern Louisiana University Budget Office

DEBT MANAGEMENT

The following is a list of the bonded indebtedness of the University and the principal amount outstanding as of October 1, 2010:

\$7, 690,000 Board of Trustees for the University of Louisiana System Revenue Bonds (Southeastern Louisiana University Student Recreation Center Project, Series 1998

Issue Date: June 30, 1998

Final Maturity: June 1, 2020

Outstanding Balance: \$4,455,000

Purpose: The Series 1998 Bonds were issued to provide funds for: (i) the planning and construction of the Student Recreation and Activity Center (the "*Recreation Center*"); (ii) the funding of a reserve fund and (iii) paying the costs of issuance for the Series 1998 Bonds.

Security: The Series 1998 Bonds are secured by: (i) all revenue generated by Pledged Student Fees; (ii) any other student fees collected and dedicated to the Recreation Center and (iii) membership fees imposed on users of the Recreation Center (other than students of the University). "Pledged Student Fees" consist of (i) a \$25 per student, per regular semester (\$12.50 for summer) dedicated to the planning, construction, staffing, equipment and operation of the Recreation Center and (ii) a \$5 per student per regular semester (\$2.50 for summer) fee to be placed in the Intramural/Recreational Sports department budget to increase the scope and range of the intramural program.

Historical Debt Coverage:

	<u>FY 2009-2010</u>	<u>FY 2008-2009</u>	<u>FY 2007-2008</u>
Pledged Revenues	\$814,339	\$806,785	\$866,320
Annual Debt Service	\$581,850	\$577,600	\$578,960
Debt Service Coverage	1.40	1.40	1.50

Source: Southeastern Controller's Office

**\$60,985,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Housing/University Facilities, Inc. Project) Series 2004A
AND**

\$15,000,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Housing/University Facilities, Inc. Project) Series 2004B

Issue Date: August 13, 2004

Final Maturity: Series 2004A: August 1, 2031
Series 2004B: August 1, 2034

Outstanding Balance: Series 2004A: \$58,620,000
Series 2004B: \$15,000,000

Purpose: The Series 2004 Bonds (the Series 2004A Bonds, the Series 2004B Bonds and the Series 2004C Bonds) were issued to provide funds (i) to finance the cost of (a) acquiring, constructing, furnishing and equipping two student housing facilities containing 1,514 beds, including the buildings, furniture, fixtures and equipment therefore and related facilities (the "*New Facilities*"), (b) renovating an existing student housing facility (the "*Renovated Facility*") and (c) demolishing four existing student housing facilities, all on the campus of the University, (ii) to fund the costs of marketing the New Facilities and the Renovated Facility, (iii) to provide working capital for the New Facilities and the Renovated Facility, (iv) to fund interest on the Series 2004A Bonds, the Series 2004B Bonds and the Series 2004C Bonds during construction, (v) to provide funds to repay certain indebtedness of University Facilities, Inc., (vi) to fund a Debt Service Reserve Fund, (vii) to fund a replacement fund, and (viii) to pay the costs of issuing the Series 2004 Bonds. The Series 2004C Bonds are no longer outstanding.

Security: The Series 2004A Bonds are secured by the revenues generated by an Agreement to Lease With Option to Purchase (the "*Facilities Lease*") between the Corporation and the Board. The Board is obligated to make payments under the Facilities Lease from revenues from the operation of the New Facilities and the Renovated Facility.

Historical Debt Coverage:

	Fiscal Year 6/30/10	Fiscal Year 6/30/09	Fiscal Year 6/30/08	Fiscal Year 6/30/07	Fiscal Year 6/30/06
University Auxiliary Services Revenues					
Auxiliary Services Revenue	\$7,691,242	\$7,406,893	\$7,234,350	\$6,078,602	\$6,019,540
Auxiliary Expenditures	5,655,606	5,928,431	6,072,539	5,467,125	4,963,016
<i>Pledged Funds Available from Auxiliary Revenues</i>	\$2,035,636	\$1,478,463	\$1,161,811	\$611,477	\$1,056,524
University Housing Services/University Facilities, Inc.					
Housing/UFI Revenues	\$11,204,597	\$10,722,375	\$10,483,891	\$10,379,165	\$9,215,058
Housing/UFI Expenditures	4,422,297	4,417,307	4,920,108	5,092,097	5,348,974
<i>Pledged Funds Available from Housing/UFI Revenues</i>	\$6,782,300	\$6,305,068	\$5,563,783	\$5,287,068	\$3,866,084
Total Pledged Funds Available:	\$8,817,936	\$7,783,531	\$6,725,594	\$5,898,545	\$4,922,608
Annual Debt Service	\$4,050,907	\$4,243,934	\$4,276,348	\$3,653,241	\$3,279,112
Debt Service Coverage (Housing Revenues Only)	1.67	1.49	1.3	1.45	1.18
Debt Service Coverage (Available Auxiliary/Housing)	2.18	1.83	1.57	1.61	1.5

Source: Southeastern Controller's Office

**\$5,545,000 Louisiana Local Government Environmental Facilities and Community Development Authority
Revenue Bonds (Southeastern Louisiana University Student Housing/University Facilities, Inc.
Parking Project) Series 2007A**

AND

**\$2,490,000 Louisiana Local Government Environmental Facilities and Community Development Authority
Revenue Bonds (Southeastern Louisiana University Student Housing/University Facilities, Inc.
Parking Project) Series 2007B**

Issue Date: March 14, 2007

Final Maturity: Series 2007A: February 1, 2031
Series 2007B: February 1, 2037

Outstanding Balance: Series 2007A: \$5,085,000
Series 2007B: \$330,000

Purpose: The Series 2007 Bonds (the Series 2007A Bonds and the Series 2007B Bonds) were issued to provide funds (i) to finance a portion of the cost of construction of a new intermodal parking facility located on the campus of the University, (ii) to fund a deposit to the Debt Service Reserve Fund, and (iii) to pay the costs of issuing the Series 2007 Bonds.

Security: The Series 2007 Bonds are secured by the revenues generated by the Agreement to Lease With Option to Purchase (the "*Facilities Lease*") between the Corporation and the Board. The Board is obligated to make payments under the Facilities Lease from: (i) the proceeds of a student parking fee being assessed on all students for the planning, building and maintaining of a University parking garage, in the amount of \$20 per semester (\$10 for summer) and (ii) the funds and revenues held by the University derived by its Auxiliary Enterprises and any earnings thereof from the self generated fees, rates, charges or income received by students, faculty or the public in connection with the utilization or operation of Auxiliary Enterprises after payment of any auxiliary expenses.

Historical Debt Coverage:

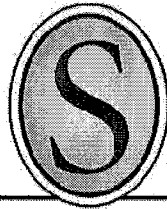
	<u>FY 2009-2010</u>	<u>FY 2008-2009</u>	<u>FY 2007-2008</u>
Pledged Revenues	\$1,390,701	\$1,237,048	\$866,320
Annual Debt Service	\$534,262	\$372,523	\$578,960
Debt Service Coverage	2.60	3.32	1.50

Source: Southeastern Controller's Office

APPENDIX B

FINANCIAL STATEMENT OF THE UNIVERSITY

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SOUTHEASTERN

LOUISIANA UNIVERSITY

Annual Financial Statements

**for the fiscal year ended
June 30, 2010**

STATE OF LOUISIANA
COLLEGE AND UNIVERSITY SYSTEMS
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STATE OF LOUISIANA
COLLEGE AND UNIVERSITY SYSTEMS
END OF YEAR REPORT PACKET

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STATE OF LOUISIANA
Annual Financial Statement
Fiscal Year Ended June 30, 2010

Southeastern Louisiana University
SLU 10720
Hammond, LA 70402

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

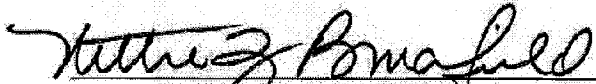
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Physical Address:
1201 N. Third Street
6th Floor, Suite 130
Baton Rouge, Louisiana 70802

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Nettie L. Burchfield, Controller of Southeastern Louisiana University, who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Southeastern Louisiana University at June 30, 2010 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 1st day of September, 2010.



Signature of Agency Official



NOTARY PUBLIC

Prepared by: Nettie L. Burchfield

Title: Controller

Telephone No.: (985) 549-2088

Email address: nburchfield@selu.edu

Date: 9/1/10

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UNIVERSITY OF LOUISIANA SYSTEM
SOUTHEASTERN LOUISIANA UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

The Management's Discussion and Analysis of Southeastern Louisiana University's financial performance presents a narrative overview and analysis of Southeastern's financial activities for the year ended June 30, 2010. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with Southeastern's financial statements, which begin on page 1.

FINANCIAL HIGHLIGHTS

Southeastern Louisiana University's net assets changed from \$95,666,138 to \$91,195,058 or 4.67% from July 1, 2009 to June 30, 2010. The overall reasons for this change include a decrease in state appropriations, an increase in capital appropriations, and an increase in the Other Post Employment Benefits (OPEB) liability.

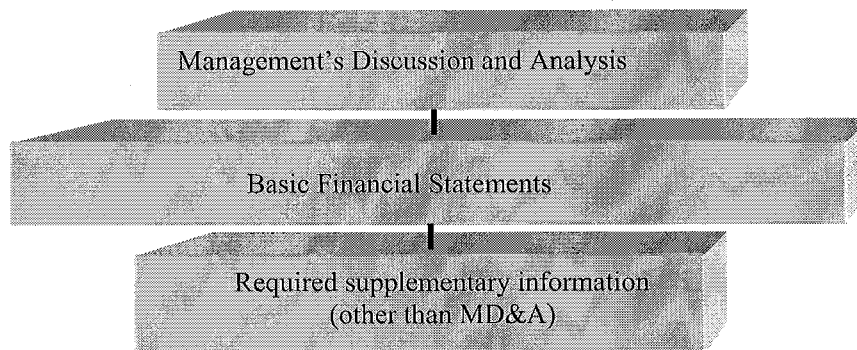
Enrollment changed from 34,029 (Summer 5,358, Fall 15,224, Spring 13,447) to 34,832 (Summer 5,555, Fall 15,160, Spring 14,117) from July 1, 2009 to June 30, 2010, a change of 2.36%. The reason for this change is attributed in large part to two specific initiatives impacting new student enrollment. The university marketed its programs and scholarship opportunities heavily in the southeast region of the state which resulted in an increased number of applications from new and transfer students. The increase in new student enrollment is also due to an increased number of "Early Start" students. Early Start is a Louisiana Board of Regents sponsored program that allows qualified high school juniors and seniors at participating schools to earn both high school and college credit for certain courses.

Southeastern Louisiana University's operating revenues changed from \$74,633,314 to \$80,375,030 or 7.69% from July 1, 2009 to June 30, 2010. Operating expenses, however, changed by 5.85% to \$165,513,312 for the year ended June 30, 2010. The changes in enrollment as discussed above, a decrease in state appropriations, and an additional increase in OPEB expenses are the primary reasons for this change.

Non-operating revenues (expenses) fluctuate depending upon levels of state operating and capital appropriations. The change to \$78,144,289 in 2010 from \$87,717,735 in 2009 is attributed to a reduction in state appropriations and an increase in federal non-operating revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

UNIVERSITY OF LOUISIANA SYSTEM
SOUTHEASTERN LOUISIANA UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

Basic Financial Statements

The basic financial statements present information for Southeastern Louisiana University as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets (SNA); the Statement of Revenues, Expenses, and Changes in Net Assets (SRECNA); and the Statement of Cash Flows.

The Statement of Net Assets (page 1) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of Southeastern Louisiana University is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets (page 2) presents information showing how Southeastern Louisiana University's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 4-5) presents information showing how Southeastern Louisiana University's cash changed as a result of current year operations. The Statement of Cash Flows is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

The financial statements provide both long-term and short-term information about Southeastern Louisiana University's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

Southeastern Louisiana University's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statement of Revenues, Expenses, and Changes in Net Assets. All assets and liabilities associated with the operation of the University are included in the Statement of Net Assets.

UNIVERSITY OF LOUISIANA SYSTEM
SOUTHEASTERN LOUISIANA UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

FINANCIAL ANALYSIS

Statement of Net Assets
as of June 30, 2010
(in thousands)

	Total	
	2010	2009
Current and other assets	\$ 85,512	\$ 80,262
Capital assets	150,461	154,129
Total assets	235,973	234,391
Other liabilities	11,380	12,934
Long-term debt outstanding	133,398	125,791
Total liabilities	144,778	138,725
Net assets:		
Invested in capital assets, net of debt	82,714	80,763
Restricted	44,526	43,514
Unrestricted	(36,045)	(28,611)
Total net assets	\$ 91,195	\$ 95,666

This schedule is prepared from Southeastern Louisiana University's Statement of Net Assets as shown on page 1, which is presented on an accrual basis of accounting. Significant SNA changes for 2010 include:

- Intangible assets are included as part of Capital Assets in compliance with Governmental Accounting Standard Board Statement 51, *Accounting and Reporting for Intangible Assets*;
- An increase in Accounts Receivable;
- A decrease in Bonds Payable; and
- An increase in the OPEB liability

Net assets invested in capital assets, net of related debt, consists of capital assets net of accumulated depreciation, reduced by the amount of outstanding indebtedness attributable to the acquisition, construction, or improvement of those assets. Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that have no limitations on how these amounts may be spent.

UNIVERSITY OF LOUISIANA SYSTEM
SOUTHEASTERN LOUISIANA UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

Statement of Revenues, Expenses, and Changes in Net Assets
(in thousands)

	2010	2009
Operating Revenues:		
Student tuition and fees, net	\$ 43,871	\$ 41,328
Grants and contracts	22,015	12,571
Sales and services of educational departments	1,032	1,124
Auxiliary enterprises, net	11,040	17,007
Other	2,418	2,603
Total operating revenues	\$ 80,376	\$ 74,633
Operating Expenses:		
Education and general:		
Instruction	\$ 65,546	\$ 70,786
Research	2,178	2,215
Public service	3,711	4,589
Academic support	13,440	15,198
Student services	10,839	11,611
Institutional support	15,340	16,676
Operations and maintenance of plant	14,795	17,527
Depreciation	7,082	7,079
Scholarships and fellowships	19,321	14,610
Auxiliary enterprises	12,579	14,286
Other operating expenses	683	1,226
Total operating expenses	165,514	175,803
Operating income (loss)	\$ (85,138)	\$ (101,170)
Nonoperating Revenues (Expenses)		
State appropriations	\$ 53,482	\$ 75,840
Gifts	778	487
Federal nonoperating revenues (expenses)	20,900	14,876
Other nonoperating revenues (expenses)	2,984	(3,485)
Net nonoperating revenues (expenses)	78,144	87,718
Income (loss) before other revenues, exp, gains, losses	\$ (6,994)	\$ (13,452)
Capital appropriations	\$ 2,223	\$ 627
Capital grants and gifts		
Additions to permanent endowments	300	700
Other additions, net		
Change in Net Assets	\$ (4,471)	\$ (12,125)
Net assets at the beginning of the year	95,666	107,791
Net assets at the end of the year	\$ 91,195	\$ 95,666

State appropriations changed from \$75.8 to \$53.4 million due to the current state of the economy. This reduction was offset by ARRA funding of \$10.3 million.

UNIVERSITY OF LOUISIANA SYSTEM
SOUTHEASTERN LOUISIANA UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2010, Southeastern Louisiana University had invested approximately \$150 million in capital assets, net of accumulated depreciation. This amount represents a net decrease (including additions and disposals, net of depreciation) of approximately \$3,668,195 or 2.38% over the previous fiscal year. More detailed information about the university's capital assets is presented in Note E to the financial statements.

**Capital Assets at Year-end
(Net of Depreciation, in thousands)**

	2010	2009
Land	\$ 1,544	\$ 1,544
Non-depreciable Land Improvements	5,829	5,829
Capitalized Collections	315	205
Construction in Progress	4,172	8,362
Land Improvements	605	644
Buildings	132,376	130,683
Equipment (Including Library Books)	5,620	6,862
Totals	\$ 150,461	\$ 154,129

The primary difference is due to a decrease in construction in progress, a decrease in equipment, and an increase in buildings.

Debt

Southeastern Louisiana University had \$83 million in bonds and notes outstanding at year-end, compared to \$87 million last year, a decrease of 4.6% as shown in the table below.

**Outstanding Debt at Year-end
(in thousands)**

	2010	2009
General Obligation Bonds	\$ -	\$ -
Revenue Bonds and Notes	83,490	87,345
Total	\$ 83,490	\$ 87,345

Southeastern Louisiana University had no new debt for the year ended June 30, 2010.

See Notes I and P for details relating to changes in and the composition of long-term liabilities and capital leases.

UNIVERSITY OF LOUISIANA SYSTEM
SOUTHEASTERN LOUISIANA UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The following currently known facts, decisions, or conditions are expected to have a significant effect on financial position or results of operations:

- Increase in Tuition and Fees
- Decrease in State Appropriations

CONTACTING SOUTHEASTERN LOUISIANA UNIVERSITY'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of Southeastern Louisiana University's finances and to show Southeastern's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Nettie L. Burchfield at (985) 549-2088.

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

Assets	2010	Component Units
Current Assets		
Cash and cash equivalents	\$ 22,130,706	\$
Investments	6,655,056	
Derivative instrument		
Deferred outflow of resources		
Receivables, net (Note D)	5,184,175	
Pledges receivable		
Due from Other Campuses (Note D)	83,173	
Due from State Treasury		
Due from Federal Government (Note D)	2,502,258	
Inventories	776,726	
Deferred charges and prepaid expenses	409,760	
Notes receivable	286,337	
Other current assets	2,561,301	
Total current assets	\$ 40,589,492	\$ -
Noncurrent Assets		
Restricted assets:		
Cash and cash equivalents	24,069,879	
Investments	15,344,650	
Accounts receivable, net (Note D)		
Notes receivable, net	2,294,468	
Other		
Investments		
Pledges receivable		
Notes receivable, net		
Capital assets, net (Note E)	150,460,810	
Other noncurrent assets	3,213,738	
Total noncurrent assets	195,383,545	-
Total assets	\$ 235,973,037	\$ -
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 4,425,845	\$
Derivative instrument		
Deferred inflow of resources		
Due to State Treasury	761	
Due to Federal Government		
Deferred revenues	3,775,500	
Amounts held in custody for others	399,636	
Other Liabilities		
Current Portion of Noncurrent Liabilities:		
Compensated absences payable (Note I)	936,940	
Capital lease obligations (Note I)		
Claims and litigation payable (Note I)		
Notes payable (Note I)		
Pollution remediation obligation (Note I)		
Contracts payable (Note I)		
Reimbursement contracts payable (Note I)		
Bonds payable (Note I)	1,835,000	
Other current liabilities	6,030	
Total current liabilities	\$ 11,379,712	\$ -
Long-term Portion of Noncurrent Liabilities:		
Compensated absences payable	5,107,423	
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Pollution remediation obligation		
Contracts payable		
Reimbursement contracts payable		
OPEB payable	46,428,585	
Bonds payable	81,655,000	
Other noncurrent liabilities	207,259	
Total noncurrent liabilities	133,398,267	-
Total liabilities	\$ 144,777,979	\$ -
Net Assets		
Invested in capital assets, net of related debt	82,713,839	
Restricted for: Nonexpendable	8,517,529	
Expendable	36,008,351	
Unrestricted	(36,044,661)	
Total net assets	91,195,058	-
Total liabilities and net assets	\$ 235,973,037	\$ -

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

Operating Revenues	<u>2010</u>	<u>Component Unit</u>
Student tuition and fees	\$ 56,883,543	\$
Less scholarship allowances	(13,012,926)	
Net student tuition and fees	<u>43,870,617</u>	<u>-</u>
Gifts received by the foundations <i>(for comp. units only)</i>		
Endowment income <i>(for comp. units only)</i>		
Federal appropriations		
Federal grants and contracts	7,356,645	
ARRA revenues	10,326,141	
State and local grants and contracts	4,135,563	
Nongovernmental grants and contracts	196,402	
Sales and services of educational departments	1,032,260	
Hospital income		
Auxiliary enterprise revenues, (see note HH for revenue amounts pledged as security for bond issues)	15,117,291	
Less scholarship allowances	(4,077,063)	
Net auxiliary revenues	<u>11,040,228</u>	<u>-</u>
Other operating revenues	<u>2,418,319</u>	
Total operating revenues	<u>\$ 80,376,175</u>	<u>\$ -</u>
Operating Expenses		
Education and general:		
Instruction	\$ 65,546,296	\$
Research	2,177,470	
Public service	3,710,891	
Academic support	13,439,855	
Student services	10,839,427	
Institutional support	15,340,225	
Operations and maintenance of plant	14,795,304	
Depreciation	7,082,162	
Scholarships and fellowships	19,321,287	
Auxiliary enterprises	12,578,794	
Hospital		
Other operating expenses	682,746	
Total operating expenses	<u>\$ 165,514,457</u>	<u>\$ -</u>
Operating income (loss)	<u>(85,138,282)</u>	<u>-</u>
Nonoperating Revenues (Expenses)		
State appropriations	\$ 53,482,495	\$
Gifts	777,700	
Federal nonoperating revenues (expenses)	20,900,496	
Net investment income (loss)	439,647	
Interest expense	(3,083,973)	
Payments to or on behalf of the university		
Other nonoperating revenues (expenses)	5,627,924	
Net nonoperating revenues (expenses)	<u>78,144,289</u>	<u>-</u>
Income (loss) before other revenues, exp, gains, losses	<u>(6,993,993)</u>	<u>-</u>
Capital appropriations	2,222,913	
Capital grants and gifts		
Additions to permanent endowments	300,000	
Other additions, net		
Increase (decrease) in Net Assets	<u>(4,471,080)</u>	<u>-</u>
Net assets at the beginning of the year, as restated	<u>95,666,138</u>	
Net assets at the end of the year	<u>\$ 91,195,058</u>	<u>\$ -</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SIMPLIFIED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	Component Units	Eliminations	Combined Total
	Expenses	Charges for Services	Operating Grants and Contributions				
University	\$ (168,598,430)	\$ 55,943,105	\$ 22,314,751	\$ 2,222,913	\$ (88,117,661)		
Component Units							
Eliminations							
Combined Total	\$ (168,598,430)	\$ 55,943,105	\$ 22,314,751	\$ 2,222,913	\$ (88,117,661)		
General revenues:							
State appropriations					\$ 53,482,495	\$	\$ 53,482,495
Grants and contributions not restricted to specific programs					21,678,196		21,678,196
Interest					439,647		439,647
Miscellaneous					8,046,243		8,046,243
Special items							
Extraordinary item - loss on impairment of capital assets							
Transfers							
Total general revenues, special items, and transfers					83,646,581	-	83,646,581
Change in net assets					(4,471,080)	-	(4,471,080)
Net assets, beginning of year					95,666,138		95,666,138
Net assets, ending of year					91,195,058	\$	\$ 91,195,058

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010

Cash flow from operating activities		
Tuition and fees	\$ 43,123,436	
Federal appropriations		
ARRA receipts	10,326,141	
Grants and contracts	10,926,301	
Sales and services of educational departments	883,734	
Hospital income		
Auxiliary enterprise receipts	11,248,990	
Payments for employee compensation	(78,497,752)	
Payments for benefits	(22,483,286)	
Payments for utilities	(4,230,177)	
Payments for supplies and services	(26,249,714)	
Payments for scholarships and fellowships	(15,256,950)	
Loans to students	(245,875)	
Collection of loans to students	379,017	
Other receipts (payments)	103,246	
Net cash provided (used) by operating activities	<u>\$ (69,972,889)</u>	
Cash flows from non-capital financing activities		
State appropriations	\$ 52,104,660	
Gifts and grants for other than capital purposes		
Private gifts for endowment purposes	300,000	
TOPS receipts	11,656,304	
TOPS disbursements	(11,433,136)	
Pell grant receipts	19,599,588	
FEMA receipts		
FEMA disbursements		
Federal non-operating receipts	1,300,908	
Federal non-operating disbursements		
Direct lending receipts	132,961	
Direct lending disbursements	(171,057)	
Federal Family Education Loan Program receipts	44,415,618	
Federal Family Education Loan Program disbursements	(44,428,593)	
Other receipts (payments)	7,510,401	
Net cash provided (used) by noncapital financing sources	<u>\$ 80,987,654</u>	
Cash flows from capital financing activities		
Proceeds from capital debt	\$	
Capital appropriations received	2,222,913	
Capital grants and gifts received		
Proceeds from sale of capital assets		
Purchases of capital assets	(4,518,743)	
Principal paid on capital debt and leases	(3,854,834)	
Interest paid on capital debt and leases	(3,083,973)	
Deposit with trustees		
Other sources	80,405	
Net cash provided (used) by capital financing activities	<u>\$ (9,154,232)</u>	
Cash flows from investing activities		
Proceeds from sales and maturities of investments	\$ 525,034	
Interest received on investments	439,647	
Purchases of investments	(1,330,491)	
Net cash provided (used) by investing activities	<u>\$ (365,810)</u>	
Net increase (decrease) in cash and cash equivalents	<u>1,494,723</u>	
Cash and cash equivalents at beginning of the year	<u>44,705,862</u>	
Cash and cash equivalents at end of the year	<u>\$ 46,200,585</u>	

STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2010

**Reconciliation of Net Operating Revenues (Expenses) to
 Net Cash Provided (Used) by Operating Activities**

Operating income (loss)	\$ (85,138,282)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation expense	7,082,161
Changes in assets and liabilities:	
(Increase) decrease in accounts receivables, net	(1,047,513)
(Increase) decrease in inventories	21,821
(Increase) decrease in deferred charges and prepaid expenses	(378,229)
(Increase) decrease in notes receivable	133,142
(Increase) decrease in other assets	(656,470)
Increase (decrease) in accounts payable and accrued liabilities	(983,558)
Increase (decrease) in deferred revenue	(940,188)
Increase (decrease) in amounts held in custody for others	(100,709)
Increase (decrease) in compensated absences	164,010
Increase (decrease) in OPEB payable	11,870,926
Increase (decrease) in other liabilities	
Net cash provided (used) by operating activities:	<u>\$ (69,972,889)</u>

**Noncash Investing, Noncapital Financing, and Capital and
 Related Financing Transactions**

Capital appropriations for construction of capital assets	\$ 2,222,913
Library donations	16,710
Net increase in the fair value of investments	556,000
	<u>\$ 2,795,623</u>

Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets

Cash and cash equivalents classified as current assets	\$ 22,130,706
Cash and cash equivalents classified as noncurrent assets	24,069,879
	<u>\$ 46,200,585</u>

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NOTES TO FINANCIAL STATEMENTS

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In July of 1984, the GASB issued Statement No. 1, which provided that all statements and interpretations issued by the National Council on Governmental Accounting (NCGA) continue as generally accepted accounting principles until altered, amended, supplemented, revoked or superseded by subsequent GASB pronouncements.

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This was followed in November 1999 by GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. As a component unit of the State of Louisiana, Southeastern Louisiana University is required to report its financial statements in accordance with GASBs 34 and 35 as amended by GASBs 37 and 38. The financial statement presentation required by GASBs 34 and 35 provides a comprehensive, entity-wide perspective of the institution's assets, liabilities, net assets, revenues, expenses, changes in net assets, and cash flows, and replaces the fund-group perspective previously required.

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. Therefore, the accompanying financial statements of the university contain sub-account information of the various funds of the State of Louisiana. As such, the accompanying financial statements present information only as to the transactions of the programs of the university as authorized by Louisiana statutes and administrative regulations.

2. REPORTING ENTITY

Southeastern Louisiana University is a publicly supported institution of higher education. Using the criteria established in GASB Statement 14, *The Financial Reporting Entity* as amended by GASB 39, the institution is reported as a discrete component unit of the State of Louisiana since it is legally separate from and is financially accountable to the State.

Annually, the State of Louisiana issues a comprehensive financial report, which includes the activity contained in the accompanying financial statements. The Louisiana Legislative Auditor audits the basic financial statements.

3. BASIS OF ACCOUNTING

For financial reporting purposes, the university is considered a special-purpose government engaged in only business-type activities. Accordingly, the institution's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

The institution has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The institution has elected not to apply FASB pronouncements issued after the applicable date.

The financial statements of the university have been prepared on the accrual basis of accounting.

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

4. CASH EQUIVALENT

The institution considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

5. INVESTMENTS

The institution accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in the carrying value of investments resulting in unrealized gains or losses are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Assets.

6. INVENTORIES

Inventories are valued at the lower of cost or market on the weighted average basis. The institution accounts for its inventories using the consumption method.

7. NONCURRENT CASH AND INVESTMENTS

Cash and investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, are classified as noncurrent assets in the Statement of Net Assets.

8. CAPITAL ASSETS

Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. For movable property, the institution's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 40 years for buildings and infrastructure, 20 years for depreciable land improvements, and 3 to 10 years for most movable property. Library collections regardless of age, with a total acquisition value of \$5,000,000 or more will be capitalized and depreciated.

9. DEFERRED REVENUES

Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year, but are related to the subsequent accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

10. NONCURRENT LIABILITIES

Noncurrent liabilities include (1) principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as noncurrent assets.

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

11. NET ASSETS

The institution's net assets are classified as follows:

(a) INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT

This represents the institution's total investment in capital assets, net of accumulated depreciation and reduced by outstanding debt obligations related to acquisition, construction, or improvement of those capital assets.

(b) RESTRICTED NET ASSETS – EXPENDABLE

Restricted expendable net assets include resources that the institution is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

(c) RESTRICTED NET ASSETS – NONEXPENDABLE

Restricted nonexpendable net assets consist of endowment and similar type funds for which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

(d) UNRESTRICTED NET ASSETS

Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the university, and may be used at the discretion of the governing board to meet current expenses and for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the university's policy is to first apply the expense towards unrestricted resources, and then towards restricted resources.

12. CLASSIFICATION OF REVENUES

The institution has classified its revenues as either operating or nonoperating revenues according to the following criteria:

(a) OPERATING REVENUE - Operating activity include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, and (3) most Federal, state, and local grants and contracts and Federal appropriations.

(b) NON-OPERATING REVENUE – Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions.

13. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Assets. Scholarship discounts and allowances are the difference between the stated charge

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for goods and services provided by the institution, and the amount that is paid by students and/or third parties making payments on the student's behalf.

14. ELIMINATING INTERFUND ACTIVITY

Activities between Southeastern Louisiana University and the institution's service units are eliminated for purposes of preparing the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Net Assets.

15. COMPONENT UNITS

Southeastern Louisiana University does not have any reportable component units.

B. BUDGETARY PRACTICES

The annual budget for the General Fund of the university is established by annual Legislative action and by Title 39 of the Louisiana Revised Statutes. The submission of the budget for approval by the Board of Regents and the Legislative budget process is required. Budgets of the university's other funds, although subject to internal budgeting, are not required to be submitted for approval through the Legislative budget process.

State law provides that appropriations lapse at the end of the fiscal year with the exception noted in Note H, General Fund. In compliance with these legal restrictions, budgets are adopted on the accrual basis of accounting with some exceptions. The following is a list of exceptions, but is not all inclusive, (1) depreciation is not recognized; (2) leave costs are treated as budgeted expenditures to the extent that they are expected to be paid; (3) summer school tuition and fees and summer school faculty salaries and related benefits for June are not prorated but are recognized in the succeeding year; and (4) certain capital leases are not recorded.

BUDGETARY COMPARISON

The following is an appropriation budgetary comparison for current year General Fund appropriation:

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	<u>Budgeted</u>		<u>Actual</u>	<u>Adjustment to Budget Basis</u>	<u>Actual on Budget Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>				
REVENUES:						
Appropriated by Legislature:						
State General Fund (Direct)	\$ 51,274,932	\$ 50,998,368	\$ 50,998,368	\$	\$	\$ 0
State General Fund by Self-Generated Revenues	51,282,680	52,272,680	51,593,441			(679,239)
State General Fund by Interagency Transfers	10,222,480	10,222,480	10,222,480			
Interim Emergency Board Federal Funds						
Statutory Dedications	2,209,032	2,640,830	2,484,127			(156,703)
Other						0
Total Revenues	114,989,124	116,134,358	115,298,416			(835,942)
EXPENDITURES:						
Program Expenditures	114,989,124	116,134,358	115,292,524			841,834
Unallotted Expenditures						
Total Expenditures	114,989,124	116,134,358	115,292,524			841,834
UNEXPENDED APPROPRIATION						
-CURRENT YEAR	\$ -	\$ -	\$ 5,892	\$	\$	\$ 5,892

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Further, the university may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of savings and loan associations and savings banks; and share accounts and share certificate accounts of federally or state chartered credit unions.

As reflected on the Statement of Net Assets, the university had deposits with financial institutions totaling \$46,156,775 at June 30, 2010. Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the state treasurer.

The deposits at June 30, 2010, consisted of the following:

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	<u>Cash</u>	<u>Nonnegotiable Certificates of Deposit</u>	<u>Other</u>	<u>Total</u>
Deposits per Statement of Net Assets	\$ 44,656,775	\$ 1,500,000	\$	\$ 46,156,775
Deposits in bank accounts per bank	<u>\$ 50,840,925</u>	<u>\$</u>	<u>\$</u>	<u>\$ 50,840,925</u>
 Bank Balances of Deposits Exposed to Custodial Credit Risk:				
a. Uninsured and uncollateralized	<u></u>	<u></u>	<u></u>	<u>-</u>
b. Uninsured and collateralized with securities held by the pledging institution	<u></u>	<u></u>	<u></u>	<u>-</u>
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, <u>but not in the entity's name-UFI</u>	<u>4,769,024</u>	<u></u>	<u></u>	<u>4,769,024</u>

At year end, the deposits reflected in the bank accounts totaled \$50,840,925. Of the bank balances, \$4,769,024 was held in the name of University Facilities, Inc. (UFI), a blended component. UFI's cash balances are deposited with high quality, credit worthy, financial institutions. Management monitors the soundness of these financial institutions and considers the custodial credit risk insignificant.

Petty cash totaling \$43,810 is included in the Statement of Net Assets but is excluded from the note above.

The following is a breakdown by banking institution, program, and amount of the "deposits in bank accounts per bank" balances shown above:

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<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1. Whitney National Bank	Disbursement-Operating Account	\$ 40,508,780
2. Whitney National Bank	Payroll	1,181,338
3. Whitney National Bank	Nursing Loan	1,764
4. Whitney National Bank	Perkins / NDSL	1,574,656
5. Whitney National Bank	Charge Card Processing Account	60,357
6. Whitney National Bank	Federal Direct Loan Funds	15
7. First Guaranty Bank	UFI - Operating Account	7,353
8. First Guaranty Bank	UFI - NOW Account	134,506
9. Regions Bank	UFI - Project Account	101,045
10. Whitney National Bank	UFI - Rental Revenue	96,083
11. Bank of New York	UFI - Student Housing Debt Service Prin 2004A	1,214,616
12. Bank of New York	UFI - Student Housing Receipts 2004A	1,729,089
13. Bank of New York	UFI - Student Housing Debt Service Int 2004A	1,152,201
14. Bank of New York	UFI - Student Housing Debt Service Int 2004B	1,459
15. Bank of New York	UFI - Student Housing Surplus 2004A	42,476
16. Bank of New York	UFI - Student Housing Debt Service Int FD 2007	108,734
17. Bank of New York	UFI - Student Housing Debt Service Prin FD 2007	64,605
18. Bank of New York	UFI - Student Housing Receipts FD 2007	14,152
19. Federated Money Market	UFI - Federated Money Market	102,705
20. U.S. Bank	Federal Loan Billing Service	5,754
21. Hancock Bank	98 Stu Rec Center Bonds Interest	18,749
22. Hancock Bank	98 Stu Rec Center Bonds Principal	29,594
23. Hancock Bank	98 Stu Rec Center Bonds Reserve	578,750
24. Hancock Bank	SEMPRA Reserve	612,144
25. Florida Parishes Bank	Certificate of Deposit	750,000
26. First Guaranty Bank	Certificate of Deposit	750,000
Total		\$ <u>50,840,925</u>

2. Investments

Southeastern Louisiana University maintains investment accounts as authorized by Louisiana Revised Statute 49:327. These investments are stated at fair market value. All investment income, including changes in the fair market value of investments, is reported as revenue on the financial statements.

Investments held by the Bond Trustees for University Facilities, Inc. are primarily stated at cost, which approximates market value. Investment income in excess of capitalized interest is reflected as a change in net assets.

The market values of investments at June 30, 2010 are as follows:

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<u>Type of Investment</u>	<u>Uninsured, Unregistered, and Held by Counterpart</u>	<u>Unregistered, and Held by Counterparty's Trust Dept. or Agent not in Entity's Name</u>	<u>Reported Amount</u>	<u>Fair Value</u>
Negotiable CDs	\$ _____	\$ _____	\$ _____	\$ _____
Repurchase Agreements	_____	_____	_____	_____
U.S. Government Obligations	_____	_____	_____	_____
U.S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Mortgages (including CMOs & MBSs)	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Real estate	_____	_____	_____	_____
External Investment Pool	_____	_____	_____	_____
Other:	_____	_____	_____	_____
Mutual Funds	_____	_____	_____	_____
Vanguard Federal Money Market	_____	_____	2,047,745	2,047,745
Vanguard Prime Money Market	_____	_____	317,792	317,792
Vanguard Wellington Fund	_____	_____	2,335,676	2,335,676
Vanguard Inflation-Protected Fund	_____	_____	750,039	750,039
Vanguard Total Bond Market Index Fund	_____	_____	1,901,961	1,901,961
Vanguard Mid-Cap Index Fund	_____	_____	160,233	160,233
Vanguard REIT Index Fund	_____	_____	141,982	141,982
Vanguard Small-Cap Index Fund	_____	_____	167,103	167,103
Vanguard Total International Stock	_____	_____	146,919	146,919
UFI-BNY-Fidelity Treas. Daily Money #58	11,882,001	_____	11,882,001	11,882,001
UFI-BNY-Federated Treas. Obl.#68	534,171	_____	534,171	534,171
Investments Held by Foundations	_____	_____	_____	_____
Cash	_____	_____	27,742	27,742
U.S. Agency Obligations	_____	_____	60,180	60,180
Common & preferred stock	_____	_____	107,100	107,100
Mutual Funds	_____	_____	1,341,447	1,341,447
Money Market Accounts	_____	_____	77,615	77,615
Total investments	\$ 12,416,172	\$ -	\$ 21,999,706	\$ 21,999,706

The cost of these investments at June 30, 2010 was \$21,902,824.

The market value of investments at June 30, 2010 totaled \$21,999,706. Of this amount, \$1,614,084 is held by the Southeastern Development Foundation and mainly consists of money market funds, mutual funds, and U.S. Government and Agency obligations. Investments related to the 2004 and the 2007 Series Bond Issuances are valued at \$12,416,172 and are held by bond trustees for University Facilities, Inc. These funds are invested under the terms of the various trust indentures. These documents direct the types of investments and collateralization requirements, and work to mitigate the credit risk of these investments.

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3. Derivatives

Southeastern Louisiana University does not invest in derivatives as part of its investment policy.

4. Credit Risk, Interest Rate Risk, Concentration of Credit Risk, and Foreign Currency Risk Disclosures

A. Credit Risk of Debt Investments

<u>Rating Agency Used</u>	<u>Rating</u>	<u>Fair Value</u>
Moody's	Aaa	15,213,957
Moody's	Aa1	317,792
Moody's	Aa1/Aa2	1,901,961
Moody's	Aa3	2,335,675
	Unrated	616,237
Total		\$ 20,385,622

B. Interest Rate Risk

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government Obligations	\$	\$	\$	\$	
U.S. Agency Obligations					
Mortgage Backed Securities					
Collateralized mortgage obligations					
Corporate bonds					
Other bonds					
Mutual Funds:					
Vanguard Federal Money Market	2,047,745	2,047,745			
Vanguard Prime Money Market	317,792	317,792			
Vanguard Wellington Fund	2,335,676		2,335,676		
Vanguard Inflation-Protected Fund	750,039		750,039		
Vanguard Total Bond Mkt Index Fd	1,901,961		1,901,961		
Vanguard Mid-Cap Index Fund	160,233	160,233			
Vanguard REIT Index Fund	141,982	141,982			
Vanguard Small-Cap Index Fund	167,103	167,103			
Vanguard Total International Stock	146,919	146,919			
UFI-BNY-Fidelity Treas. Daily Money #58	11,882,001	11,882,001			
UFI-BNY-Federated Treas. Obl.#68	534,171	534,171			
Other					
Total debt investments	\$ 20,385,622	\$ 15,397,946	\$ -	\$ 4,987,676	\$ -

C. Concentration of Credit Risk

No concentration of credit risk with any one issuer exceeds 5% or more of the total investments, exclusive of U.S. government securities, mutual funds, and external investment pools.

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D. Foreign Currency Risk

All investments are denominated in U.S. currency and are not exposed to foreign currency risk.

5. Policies

Endowments are maintained in investment accounts as authorized by policies and procedures established by the Board of Regents. To reduce overall volatility of investment returns and to provide a hedge against the effects of economic downturns, these policies require that at least 40% of assets be invested in fixed income funds. No more than 60% of funds may be invested in equities. The fixed income funds are diversified among various sectors of the fixed income market. The overall average quality of debt investments must be "AA" and, with exception of the U.S. government and its agencies, no more than 5% of the fixed income fund may be invested in the securities of any one issuer. Investments in foreign stocks and foreign fixed income are limited to 15% and 5% of the equity and fixed income funds, respectively.

6. Other Disclosures Required for Investments

Southeastern does not directly participate in reverse repurchase agreements and does not have any unrealized investment losses.

D. ACCOUNTS RECEIVABLE

Accounts receivable are shown on the Statement of Net Assets net of an allowance for doubtful accounts as follows:

	<u>Accounts Receivable</u>	<u>Doubtful Accounts</u>	<u>Net Accounts Receivable</u>	<u>Amts. not scheduled for collection within a year</u>
Student tuition and fees	\$ 3,448,151	\$ (1,067,774)	\$ 2,380,377	\$ -
Auxiliary enterprises	232,351		232,351	
Contributions and gifts			-	
State and private grants and contracts	194,056		194,056	
Due from Federal Government	2,502,258		2,502,258	
Other miscellaneous	2,460,564		2,460,564	
Total	<u>\$ 8,837,380</u>	<u>\$ (1,067,774)</u>	<u>\$ 7,769,606</u>	<u>\$ -</u>

E. CAPITAL ASSETS

Capital assets for the year ended June 30, 2010 were as follows:

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SCHEDULE OF CAPITAL ASSETS
(schedule includes capital leases)

	Balance 6/30/2009	Prior Period Adjustment	Restated Balance 6/30/2009	Additions	Transfers	Retirements	Balance 6/30/2010
Capital assets not depreciated:							
Land	\$ 1,544,209		\$ 1,544,209	\$ -	\$ -	\$ -	\$ 1,544,209
Non-depreciable land improvements	5,828,837		5,828,837				5,828,837
Non-depreciable easements							
Capitalized collections	205,002		205,002		109,619		314,621
Livestock							
Software - development in progress							
Construction in progress	8,362,065		8,362,065	2,663,690	(6,854,133)		4,171,622
Total capital assets not being depreciated	\$ 15,940,113	\$ -	\$ 15,940,113	\$ 2,663,690	\$ (6,744,514)	\$ -	\$ 11,859,289
Other capital assets							
Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation							
Total infrastructure							
Depreciable land improvements	770,427		770,427				770,427
Accumulated Depreciation	(126,451)		(126,451)	(38,522)			(164,973)
Total land improvements	643,976		643,976	(38,522)			605,454
Buildings	205,212,159		205,212,159	1,043,289	6,744,514	(1,043,289)	211,956,673
Accumulated Depreciation	(74,529,274)		(74,529,274)	(5,050,989)			(79,580,263)
Total buildings	130,682,885		130,682,885	(4,007,700)	6,744,514	(1,043,289)	132,376,410
Equipment (including library books)	23,749,780	(1,066,242)	22,683,538	828,474		(1,681,966)	21,830,046
Accumulated Depreciation	(16,887,749)	1,066,242	(15,821,507)	(1,992,651)		1,603,769	(16,210,389)
Total equipment	6,862,031		6,862,031	(1,164,177)		(78,197)	5,619,657
Software (internally generated and purchased)							
Other intangibles							
Accumulated Amortization - Software		1,066,242	1,066,242				1,066,242
Accumulated Amortization - Other intangibles		(1,066,242)	(1,066,242)				(1,066,242)
Total intangibles							
Total other capital assets	\$ 138,188,892	\$ -	\$ 138,188,892	\$ (5,210,399)	\$ 6,744,514	\$ (1,121,486)	\$ 138,601,521
Capital Asset Summary:							
Capital assets not being depreciated	\$ 15,940,113	\$ -	\$ 15,940,113	\$ 2,663,690	\$ (6,744,514)	\$ -	\$ 11,859,289
Other capital assets, at cost	229,732,366		229,732,366	1,871,763	6,744,514	(2,725,255)	235,623,388
Total cost of capital assets	245,672,479		245,672,479	4,535,453		(2,725,255)	247,482,677
Less accumulated depreciation	(91,543,474)		(91,543,474)	(7,082,162)		1,603,769	(97,021,867)
Capital assets, net	\$ 154,129,005	\$ -	\$ 154,129,005	\$ (2,546,709)	\$ -	\$ (1,121,486)	\$ 150,460,810

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Recap of Adjustments to Beginning Balance of Capital Assets
(schedule includes capital leases)

	Southeastern Louisiana University		Component Unit(s)		Total by Category	
	Adjustments to AFR after OSRAP	Restatements	Adjustments to AFR after OSRAP	Restatements	Adjustments to AFR after OSRAP	Restatements
Capital assets not depreciated:						
Land			\$ -			
Non-depreciable land improvements						
Non-depreciable easements						
Capitalized collections						
Livestock						
Software - development in progress						
Construction in progress						
Total capital assets not being depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets						
Infrastructure						
Accumulated Depreciation						
Total infrastructure						
Depreciable land improvements						
Accumulated Depreciation						
Total land improvements						
Buildings						
Accumulated Depreciation						
Total buildings						
Equipment (including library books)		(1,066,242)				(1,066,242)
Accumulated Depreciation		1,066,242				1,066,242
Total equipment		-				-
Software (internally generated and purchased)		1,066,242				1,066,242
Other intangibles						
Accumulated Amortization - Software		(1,066,242)				(1,066,242)
Accumulated Amortization - Other intangibles						
Total intangibles		-				-
Total other capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Asset Summary:						
Capital assets not being depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets, at cost						
Total cost of capital assets						
Less accumulated depreciation						
Capital assets, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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F. COLLECTIONS (WORKS OF ART and HISTORICAL TREASURES)

Southeastern Louisiana University does capitalize collections. These collections include the following:

- Works of art – such as murals, sculptures, statues, portraits, etc.
- Historical items – such as book collections, war artifacts, an antique piano, maps, etc.

G. NOT USED

H. GENERAL FUND

At June 30, 2010, the General Fund had no unexpended appropriation due to the State Treasury. However, the university did have \$5,892 unexpended, which will be reappropriated as required by law and outlined below.

As provided by Louisiana Revised Statute 17:3386(A), the university adopted a building and facility preventative maintenance program, which was approved by the Louisiana Board of Regents. This program allows the university to retain any funds appropriated or allocated that were unexpended and unobligated at the end of the fiscal year. At least 50% of the retained funds will be maintained in a preventative maintenance reserve fund and will be used solely for preventative maintenance purposes in accordance with the approved plan, subject to approval by the supervisory board, the Louisiana Board of Regents, and the Joint Legislative Committee on the Budget. All retained funds will be spent for non-recurring projects. As shown in the Statement of Net Assets at June 30, 2010, included in restricted net assets are amounts totaling \$2,946, which will be retained for these purposes.

I. LONG-TERM LIABILITIES (Current and Noncurrent Portion)

The following is a summary of bond, notes, reimbursement contracts and other long-term debt transactions of the university for the year ended June 30, 2010:

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Southeastern Louisiana University	Year ended June 30, 2010				
	Balance June 30, 2009	Additions	Reductions	Balance at June 30, 2010	Amounts due within one year
Notes & bonds payable:					
Notes payable	\$ 34,834	\$ -	\$ 34,834	\$ -	\$ -
Bonds payable	87,310,000	-	3,820,000	83,490,000	1,835,000
Total bonds and notes payable	<u>87,344,834</u>	<u>-</u>	<u>3,854,834</u>	<u>83,490,000</u>	<u>1,835,000</u>
Other liabilities:					
Compensated absences payable	5,880,353	1,075,527	911,517	6,044,363	936,940
Capital lease obligations	-	-	-	-	-
Claims and litigation payable	-	-	-	-	-
Pollution remediation obligations	-	-	-	-	-
Contracts payable	-	-	-	-	-
Reimbursement contracts payable	-	-	-	-	-
OPEB payable	34,557,659	14,407,400	2,536,474	46,428,585	-
Total other liabilities	<u>40,438,012</u>	<u>15,482,927</u>	<u>3,447,991</u>	<u>52,472,948</u>	<u>936,940</u>
Total long-term liabilities	<u>\$ 127,782,846</u>	<u>\$ 15,482,927</u>	<u>\$ 7,302,825</u>	<u>\$ 135,962,948</u>	<u>\$ 2,771,940</u>
Component Units					
Notes & bonds payable:					
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds payable	-	-	-	-	-
Total bonds and notes payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other liabilities:					
Compensated absences payable	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
Claims and litigation payable	-	-	-	-	-
Pollution remediation obligations	-	-	-	-	-
Contracts payable	-	-	-	-	-
Reimbursement contracts payable	-	-	-	-	-
OPEB payable	-	-	-	-	-
Total other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total long-term liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Combined Total					
Notes & bonds payable:					
Notes payable	\$ 34,834	\$ -	\$ 34,834	\$ -	\$ -
Notes payable	87,310,000	-	3,820,000	83,490,000	1,835,000
Bonds payable	87,344,834	-	3,854,834	83,490,000	1,835,000
Total bonds and notes payable	<u>174,689,668</u>	<u>-</u>	<u>7,709,668</u>	<u>166,980,000</u>	<u>3,670,000</u>
Other liabilities:					
Compensated absences payable	5,880,353	1,075,527	911,517	6,044,363	936,940
Capital lease obligations	-	-	-	-	-
Claims and litigation payable	-	-	-	-	-
Pollution remediation obligations	-	-	-	-	-
Contracts payable	-	-	-	-	-
Reimbursement contracts payable	-	-	-	-	-
OPEB payable	34,557,659	14,407,400	2,536,474	46,428,585	-
Total other liabilities	<u>40,438,012</u>	<u>15,482,927</u>	<u>3,447,991</u>	<u>52,472,948</u>	<u>936,940</u>
Total long-term liabilities	<u>\$ 127,782,846</u>	<u>\$ 15,482,927</u>	<u>\$ 7,302,825</u>	<u>\$ 135,962,948</u>	<u>\$ 2,771,940</u>

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J. SHORT-TERM DEBT

Not Applicable.

K. COMPENSATED ABSENCES

Employees accrue and accumulate annual and sick leave in accordance with state law and administrative regulations. The leave is accumulated without limitation; however, nine-month faculty members do not accrue annual leave, but are granted faculty leave during holiday periods when students are not in classes. Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave (K-time) earned.

Upon separation or termination of employment, classified and non-classified personnel (or their heirs) are compensated for accumulated annual leave not to exceed 300 hours. In addition, academic personnel or their heirs are compensated for accumulated sick leave not to exceed 25 days upon retirement or death. Act 343 of 1993 allows members of the Louisiana State Employees' Retirement System, upon application for retirement, the option of receiving an actuarially determined lump sum payment for annual and sick leave that would otherwise have been used to compute years of service for retirement. Upon retirement, any sick or annual leave not compensated for is used as credited service in either Louisiana Teachers' Retirement System or Louisiana State Employees' Retirement System.

Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on employees' hourly rate of pay at termination or transfer.

The liability for unused annual leave, sick leave, and compensatory leave at June 30, 2010, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards Section C60.104 – C60.105, is estimated to be \$2,749,588, \$3,139,768, and \$155,007, respectively. The leave payable is recorded in the accompanying financial statement.

Southeastern Louisiana University's liability for compensated absences (annual, sick, and compensatory leave) at June 30, 2010 is as follows:

Current liability – estimated to be paid within one year	\$	936,940
Long-term liability		5,107,423
Total liability for compensated absences	\$	6,044,363

L. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

On-behalf payments for fringe benefits and salaries are direct payments made by one entity to a third-party recipient for the employees of another, legally separate entity. On-behalf payments include pension plan contributions, employee health and life insurance premiums, and salary supplements or stipends. For example, a nongovernmental fund-raising foundation affiliated with a governmental university may supplement salaries of certain university employees. Those payments constitute on-behalf payments for purposes of reporting by the university if they are made to the faculty members in their capacity as employees of the university (GASB 24).

Southeastern Louisiana University does not have any on-behalf payments for fringe benefits and salaries for the year ending June 30, 2010.

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M. CONTINGENT LIABILITIES

As of June 30, 2010, Southeastern Louisiana University has no anticipated liability for current pending litigation or litigation is being handled by the Office of Risk Management or the Attorney General.

N. RELATED PARTY TRANSACTIONS

Not Applicable.

O. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

Not Applicable.

P. LEASES

Lease agreements have non-appropriation exculpatory clauses that allow lease cancellation if the Legislature does not make an appropriation for continuation during any future fiscal period.

Operating Leases

Total operating lease expenditures for fiscal year 2009-10 amounted to \$857,804. The annual rental payments for the next five years are presented as follows:

Nature of lease:	a. Office Space	b. Equipment	c. Land	d. Other	Total Minimum Future Rentals
FY2011	238,665			622,997	861,662
FY2012	6,665			622,575	629,240
FY2013	2			620,325	620,327
FY2014	2			618,700	618,702
FY2015	2			621,200	621,202
FY2016 - 2020	10			3,103,017	3,103,027
FY2021 - 2025	10			930,863	930,873
FY2026 - 2030	10				10
FY2031 - 2035	10				10
FY2036 - 2040	10				10
Total Minimum Future Rentals	\$ 245,386	\$ -	\$ -	\$ 7,139,677	\$ 7,385,063

Rental revenue/expense for operating leases with scheduled rent increases is based on the relevant lease agreement except in those cases where a temporary rent reduction is used as an inducement to enter a lease. In those instances, rental revenue/expense is determined on either a straight-line or interest basis over the term of the lease and not in accordance with lease terms as required by GASB 13.

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Capital Leases

The university records items under capital leases as an asset and an obligation in the accompanying financial statements.

Capital leases are defined as an arrangement in which any one of the following conditions apply (1) ownership transfers at the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life, or (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

Southeastern Louisiana University does not have capital leases or future minimum lease payments under capital leases as of and for the period ending June 30, 2010.

Lessor Direct Financing Leases

Southeastern Louisiana University does not have any lessor direct financing leases as of and for the period ending June 30, 2010.

Lessor - Operating Lease

Southeastern Louisiana University's leasing operations consist primarily of the leasing of property for the purposes of providing food services to students, bookstore operations, office space for postal services, banking services, and vending operations.

The following schedule provides the cost and carrying amount, if different, of property on lease or held for leasing organized by major class of property and the amount of accumulated depreciation as of June 30, 2010.

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Carrying Amount</u>
a. Office space	\$ 2,573,837	\$ (2,198,507)	\$ 375,330
b. Buildings	_____	_____	_____
c. Equipment	_____	_____	_____
d. Land	_____	_____	_____
e. Other	_____	_____	_____
 Total	 \$ 2,573,837	 \$ (2,198,507)	 \$ 375,330

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The following is a schedule of minimum future rentals on noncancellable operating leases as of June 30, 2010:

	Office Space	Equipment	Land	Other
2011	\$ 250,500	\$ _____	\$ _____	\$ _____
2012	250,000	_____	_____	_____
2013	250,000	_____	_____	_____
2014	250,000	_____	_____	_____
2015	250,000	_____	_____	_____
2016-2020	1,250,000	_____	_____	_____
2021-2025	750,000	_____	_____	_____
Total minimum future rentals	\$ 3,250,500	\$ -	\$ -	\$ -

Contingent rentals received from operating leases for the fiscal year were \$178,904 for office space.

Q. NET ASSETS

Restricted Expendable Net Assets

Southeastern Louisiana University had the following restricted expendable net assets as of June 30, 2010.

<u>Account title</u>	<u>Amount</u>
Loans	\$ 3,241,301
Endowments	1,423,883
Capital Projects	8,335,750
Debt Service	8,929,280
Auxiliary	2,836,644
Enabling Legislation	7,016,728
Other	4,224,765
Total	\$ 36,008,351

Net Assets Restricted By Enabling Legislation (GASB Statement 46)

Restricted Expendable Net Assets reported above include net assets that are restricted by enabling legislation. Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation. Listed below are the net assets restricted by enabling legislation, the purpose of the restriction, and the Louisiana Revised Statute (LRS) that authorized the revenue:

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Purpose of Restriction	LA Revised Statute Authorizing Revenue	Amount
Student Technology Fee	LRS 17:3351.1(A)(1)	2,250,322
Building Use Fee	Act 15 - 1967 Regular Session	3,141,746
Vehicle Registration Fee	LRS 17:1804	1,137,349
Academic Excellence Fee	LRS 17:3351.9(A)	186,389
Operational Fee	LRS 17:3351(A)(5)(d)(i)	-
Preventive Maintenance	LRS 17:3386(A)	300,922
Total		<u>\$ 7,016,728</u>

Restricted Nonexpendable Net Assets

Southeastern Louisiana University had the following restricted nonexpendable net asset as of June 30, 2010:

<u>Account title</u>	<u>Amount</u>
Endowments	\$ 8,517,529
Total	<u>\$ 8,517,529</u>

R. OTHER POSTEMPLOYMENT BENEFITS

Plan description - Employees of Southeastern Louisiana University voluntarily participate in the State of Louisiana's health insurance plan. The Office of Group Benefits (OGB) provides medical and life insurance benefits to eligible retirees and their beneficiaries. Participants are eligible for retiree benefits if they meet the retirement eligibility as defined in the applicable retirement system, and they must be covered by the active medical plan immediately prior to retirement. The postemployment benefits plan is a cost sharing multiple-employer defined benefit plan. Louisiana Revised Statute (LRS) 42:801-883 provides the authority to establish and amend benefit provisions of the plan. OGB does not issue a publicly available financial report; however, the entity is included in Louisiana Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

Funding Policy - The contribution requirements of plan members and the University are established and may be amended by LRS 42:801-883. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. OGB offers three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) plan, the Exclusive Provider Organization (EPO) plan, and the Health Maintenance Organization (HMO) plan. Retired employees who have Medicare Part A and Part B coverage also have access to five OGB Medicare Advantage plans - three HMO plans and two private fee-for-service (PFFS) plans. The three HMO plans are Humana Regional HMO Plan, Peoples Health Regional HMO-POS Plan, and Vantage HMO-POS Plan. The two PFFS plans are Humana PFFS Plan, and Secure Horizons Medicare Direct PFFS Plan.

Employees hired before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Total annual per capita medical contribution rates for 2009-2010 are shown in the Premium Rates table that follows.

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Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate upon retirement based on the following schedule:

<u>Service</u>	<u>Employer Contribution Percentage</u>	<u>Employee Contribution Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

Total Premium Rates are as follows:

	<u>PPO</u>	<u>EPO</u>	<u>HMO</u>
<u>Active</u>			
Single	558.64	581.04	536.36
With Spouse	1,186.56	1,234.04	1,139.12
With Children	681.32	708.60	654.12
Family	1,251.40	1,301.44	1,201.36
<u>Retired No Medicare & Re-employed Retiree</u>			
Single	1,039.28	1,080.80	997.72
With Spouse	1,835.20	1,908.56	1,761.72
With Children	1,157.64	1,203.92	1,111.40
Family	1,826.32	1,899.36	1,753.28
<u>Retired with 1 Medicare</u>			
Single	337.96	351.48	324.44
With Spouse	1,248.72	1,298.64	1,198.68
With Children	584.96	608.36	561.60
Family	1,663.80	1,730.32	1,597.20
<u>Retired with 2 Medicare</u>			
With Spouse	607.48	631.72	583.16
Family	752.16	782.24	722.08

All members who retire on or after July 1, 1997, must have Medicare Parts A and B in order to qualify for the reduced premium rates.

<u>Medicare Supplemental Rates</u>	Retired with	
	<u>1 Medicare</u>	<u>2 Medicare</u>
Humana FFS	174.00	348.00
Humana HMO	137.00	274.00
People's Health	142.00	284.00
Secure Horizons	269.64	539.26
Vantage	178.00	356.00

OGB also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life and Employee Accidental Death and Dismemberment coverage, which is underwritten by The Prudential Insurance Company of America. The total premium is approximately \$1 per thousand dollars of coverage of which the employer pays fifty cents for retirees and twelve

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cents for spouses. Maximum coverage is capped at \$50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with accidental death and dismemberment coverage ceasing at age 70 for retirees.

Annual Other Post Employment Benefit Cost and Liability - The University's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) over a period of thirty years. A 30-year, open amortization period had been used. The total ARC for fiscal year 2010 is \$14,345,600.

The following schedule presents the University's OPEB Obligation for fiscal year 2010:

Annual required contribution	\$14,345,600
Interest on Net OPEB Obligation	1,382,300
ARC Adjustment	<u>(1,320,500)</u>
OPEB Cost	14,407,400
Contributions made (current year retiree premiums)	<u>(2,536,473)</u>
Increase in Net OPEB Obligation	11,870,927
Beginning net OPEB Obligation at July 1, 2009	<u>34,557,659</u>
Ending Net OPEB Obligation at June 30, 2010	\$46,428,586

Using the pay-as-you-go method, the University contributed 17.7% of the annual post-employment benefits cost during 2010.

Funded Status and Funding Progress - During fiscal year 2010, neither the University nor the State of Louisiana made contributions to its post-employment benefits plan trust. A trust was established during fiscal year 2008, but was not funded at all, has no assets, and hence has a funded ratio of zero. Since the plan was not funded, the University's entire actuarial accrued liability of \$165,841,800 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2009, was as follows:

Actuarial accrued liability (AAL)	\$165,841,800
Actuarial value of plan assets	<u>0</u>
Unfunded actuarial accrued liability	165,841,800
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	48,361,800
UAAL as a percentage of covered payroll	343%

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the State of Louisiana's CAFR, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include

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techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2009, Office of Group Benefits actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return and an initial annual health care cost trend rate of 8.5% and 9.6% for pre-Medicare and Medicare eligible, respectively, scaling down to ultimate rates of 5% per year. The RP 2000 Mortality Table was used in making actuarial assumptions. Retirement rate assumptions differ by employment group and date of plan participation. The State's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls over an open amortization period of 30 years. The remaining amortization period at June 30, 2010, was 27 years. Annual per capita medical claims costs were updated to reflect an additional year of actual experience. The actuarial accrued liability decreased significantly since the last actuarial evaluation. A number of issues contributed to this change since the prior valuation. The current actuary determined that the prior actuary was overly conservative in estimating the per capita cost and statewide retirement system pension actuaries updated demographic assumptions, such as retirement, turnover, and mortality rates. There were no other changes in assumptions.

S. ACCOUNTING CHANGES

None.

T. PRIOR-YEAR RESTATEMENT OF NET ASSETS

Southeastern Louisiana University had no changes to beginning net assets for the year ended June 30, 2010.

U. PLEDGES OF GIFTS

Not Applicable.

V. SEGMENT INFORMATION

University Facilities, Inc. issues revenue bonds to finance certain of Southeastern's auxiliary enterprises. The revenues generated by the auxiliary enterprise are used to pay the interest and principal of these revenue bonds.

Condensed financial information for each of the institution's segments follows:

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CONDENSED STATEMENT OF NET ASSETS

	<u>University Facilities, Inc.</u>
Assets	
Current assets	\$ 12,332,467
Due from other funds	
Capital assets	61,195,959
Other assets	9,029,931
Total Assets	82,558,357
Liabilities	
Current liabilities	3,434,213
Due to other funds	
Long-term liabilities	77,683,702
Total Liabilities	81,117,915
Net Assets	
Invested in capital assets, net of related debt	
Restricted net assets - expendable	
Restricted net assets - nonexpendable	
Unrestricted net assets	1,440,442
Total Net Assets	\$ 1,440,442

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS:

	<u>University Facilities, Inc.</u>
Operating Revenue	\$ 13,053,748
Operating Expenses	(8,070,202)
Depreciation Expense	(1,935,655)
Net Operating Income	3,047,891
Nonoperating Revenues (Expenses):	
Investment Income	19,700
Gifts of Equipment	
Gift Income	
Interest Expense	(3,083,769)
Other (net)	(133,634)
Capital contributions/additions to permanent and term endowments	
Changes in Net Assets	(149,812)
Net Assets, beginning of the year	1,590,254
Net Assets, end of the year	\$ 1,440,442

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CONDENSED STATEMENT OF CASH FLOWS

		<u>University Facilities, Inc.</u>
Net cash flows provided (used) by:		
Operating activities	\$	3,529,538
Noncapital financing		
Capital and related financing		(3,480,000)
Investing activities		98,157
Net increase (decrease) in cash		<u>147,695</u>
Cash, beginning of the year		<u>191,293</u>
Cash, end of the year	\$	<u><u>338,988</u></u>

W. PER DIEM PAID TO BOARD MEMBERS

Southeastern Louisiana University made no per diem payments to board members.

X. PENSION PLANS

Substantially all of the employees of the university are members of the State Employees (LASERS), Teacher's (TRSL), or School Employee's Retirement System, all of which are cost sharing multiple employer defined pension plans.

Name of retirement system or plan	ID of the plan (A, B, or C see below)	Percentage of covered salaries that employees contribute	University's employer contributions to the plan for the year ended June 30, 2010
LA State Employees' Retirement System	C	7.5 if hired before 07/01/06	\$ 2,301,755
LA State Employees' Retirement System	C	8.0 if hired after 07/01/06	\$ 525,445
LA State Employees' Retirement System	C	11.5 for Judges Plan	\$ 419
LA School Employees' Retirement System	C	7.5	\$ 15,647
Teachers' Retirement System of Louisiana	C	8.0	\$ 4,404,720

Identification of retirement plans:

- A) Single-employer defined benefit plan
- B) Agent multiple-employer defined benefit plan
- C) Cost-sharing multiple-employer defined benefit plan
- D) Defined-contribution plan

Each System or plan is a statewide public employee retirement system and is available to all eligible employees. Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service. Article 10, Section 29 of the Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The Systems publish yearly annual financial reports that include detailed historical, financial, and actuarial information.

LRS 11:921 created an optional retirement plan (ORP) for academic and administrative employees of public institutions of higher education. This is a defined contribution plan that provides for full and immediate vesting of all contributions remitted on behalf of the participants. Participants contribute 8.0% and the university contributes 15.5% of the covered payroll. Benefits payable to participants

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are not obligations of the State of Louisiana or the retirement systems; but are the liability and responsibility solely of the designated company or companies to whom contributions have been made. Employer and employee contributions to the optional retirement plan totaled \$3,898,593 and \$1,993,869 respectively, for the year ended June 30, 2010.

Y. DEBT REFUNDING

Not Applicable.

Z. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

Not Applicable.

AA. DONOR RESTRICTED ENDOWMENTS

If a donor has not provided specific instructions, state law permits the Board of Regents to authorize expenditure of the net appreciation (realized and unrealized) of the investments of endowment funds. Any net appreciation that is spent is required to be spent for the purposes for which the endowment was established.

At June 30, 2010, net appreciation of \$1,006,393 is available to be spent and is restricted to specific purposes.

The maximum spending allowed is 5% of the market value of program assets averaged for the previous five-year period. The maximum spending rate may be used if the average annual real total return (investment return less fees less inflation) exceeds the annual spending level.

BB. NOT USED

CC. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2010, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Operating Fund	\$ 333,429	\$ 1,445,673	\$ -	\$ -	\$ 1,779,102
Revenue Fund	205,625	83,937	-	-	289,562
Restricted Fund	253,090	129,124	-	-	382,214
Plant Fund	49,680	-	-	-	49,680
Agency Fund	26,812	24,006	-	-	50,818
UFI	627,206	-	1,247,263	-	1,874,469
Total payables	<u>\$ 1,495,842</u>	<u>\$ 1,682,740</u>	<u>\$ 1,247,263</u>	<u>\$ -</u>	<u>\$ 4,425,845</u>

DD. SUBSEQUENT EVENTS

The Health Care and Education Affordability Reconciliation Act of 2010 ("HCEARA"-H.R. 4872) mandated, effective July 1, 2010, all federal student loans (Stafford, PLUS, and Grad PLUS) be originated through the Federal Direct Loan Program. The Family Federal Education Loan Program which permitted private lenders to originate these loans was eliminated effective June 30, 2010. Southeastern began participating in the Federal Direct Loan Program in June 2010 with the summer semester.

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EE. NOT USED

FF. IMPAIRMENT OF CAPITAL ASSETS AND INSURANCE RECOVERIES

Southeastern Louisiana University has no impaired capital assets as of June 30, 2010.

GG. EMPLOYEE TERMINATION BENEFITS

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Involuntary termination benefits include benefits such as severance pay or continued access to health insurance through the employer's group insurance plan. Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan.

A retirement incentive plan for tenured faculty was initiated during the 2010 fiscal year. The one-time incentive compensation payment was 50% of the employee's actual nine-month salary for the academic year, not to exceed \$50,000.

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. For the fiscal year ending June 30, 2010, the cost of providing those benefits for 14 voluntary terminations totaled \$521,074.

HH. REVENUES – PLEDGED OR SOLD (GASB 48)

1. PLEDGED REVENUES

Pledged revenues are specific revenues that have been formally committed to directly collateralize or secure debt of the pledging government, or directly or indirectly collateralize or secure debt of a component unit. Pledged revenues are disclosed for each period in which the secured debt remains outstanding and for each secured debt issued.

Board of Trustees for State College and Universities State of Louisiana Revenue Bonds (Southeastern Louisiana University Student Recreation and Activity Center Project) Series 1998 – Revenue pledged for this bond includes all revenue related to the Student Recreation and Activity Center, including student fees, membership fees, and other miscellaneous revenue related to the Recreation Center. The bond was originally issued for \$7,690,000. As of June 30, 2010, principal and interest outstanding was \$4,455,000 and \$1,313,800, respectively. The revenue was pledged for the purpose of this bond for the period July 1995 through June 2020.

The debt secured by the revenue pledged was for the planning and construction of the Recreation Center, the funding of a Reserve Fund, and the funding of certain expenses related to the issuance of the bond. Pledged revenue related to this bond includes (1) all revenue from the Pledged Student Fee; (2) any other student fees collected to pay for the Recreation Center; (3) membership fees imposed on users of the Recreation Center other than Southeastern students; and (4) all funds and accounts held pursuant to the Bond Resolution, except the Rebate Fund and the Costs of Issuance Account of the Bond Proceeds Fund created for the payment of costs associated with the issuance of the bonds. A self assessed student fee consisting of a \$30 per student per regular semester (\$15 for summer) fee composed of, collectively, (a) the Pledged Student Fee and (b) a \$5 per student per regular semester (\$2.50 for summer) fee to be placed in the Intramural/Recreational Sports department budget to increase the scope and range of the

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intramural program. The Pledged Student Fee is equal to \$25 per student per regular semester (\$12.50 for summer) dedicated to the planning, construction, staffing, equipment and operation of the Recreation Center.

For the year ending June 30, 2010, principal and interest requirements were \$340,000 and \$237,650, respectively. Pledged revenues recognized for the period were \$1,067,832.

2. FUTURE REVENUES REPORTED AS A SALE

Future revenues reported as a sale are proceeds that an agency/entity received in exchange for the rights to future cash flows from specific future revenues and for which the agency/entity's continuing involvement with those revenues is effectively terminated.

Southeastern Louisiana University does not have any future revenues reported as a sale for the year ended June 30, 2010.

II. POLLUTION REMEDIATION OBLIGATIONS

A site assessment has been performed that revealed asbestos on Southeastern Louisiana University's property. The University paid \$8,048 in remediation costs for the fiscal year 2010. No further liability is expected as a result of the asbestos removal.

JJ. DEBT SERVICE RESERVE REQUIREMENTS

The following is a summary of the debt service reserve requirements of the various bond issues outstanding at June 30, 2010.

Bond Issue	Reserve Available	Reserve Requirement	Excess
Student Recreation and Activity Center Revenue Bonds	\$ 627,094	\$ 578,750	\$ 48,344
University Facilities, Inc. (UFI) Revenue Bonds 2004	5,278,130	5,265,837	12,293
University Facilities, Inc. (UFI) Revenue Bonds 2007	482,986	482,969	17

KK. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

ARRA expenses incurred in FY 2010 (on the full accrual basis) consisted of the following programs and amounts.

Program	Amount
State Fiscal Stabilization Fund Program	\$ 10,222,480
Trans-NSF Recovery Act Research Support	2,500
Federal Work Study Program	100,738
Habitat Conservation Program	423
	<u>\$ 10,326,141</u>

SCHEDULES

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STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF BONDS PAYABLE

June 30, 2010

Issue	Date of Issue	Original Issue	Principal Outstanding (Redeemed) 6/30/09	(Issued)	Principal Outstanding 6/30/10	Interest Rates	Interest Outstanding 6/30/10
Student Recreation & Activity Center Revenue Bonds	June 30, 1998	\$7,690,000	\$4,795,000	(\$340,000)	\$4,455,000	3.75- 5.00%	\$1,313,800
UFI Revenue Bonds Series 2004	August 13, 2004	76,910,000	74,790,000	(1,170,000)	73,620,000	3.00- 5.00%	52,273,360
UFI Revenue Bonds Series 2007, Series A & B	March 14, 2007	8,035,000	7,725,000	(2,310,000)	5,415,000	4.000- 4.375%	3,025,029
Total		<u>\$92,635,000</u>	<u>\$87,310,000</u>	<u>(\$3,820,000)</u>	<u>\$83,490,000</u>		<u>\$56,612,189</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
June 30, 2010

Not Applicable

SCHEDULE 1-B

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF NOTES PAYABLE
June 30, 2010

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/09	(Redeemed) Issued	Principal Outstanding 6/30/10	Interest Rates	Interest Outstanding 6/30/10
Copiers	20-Sep-04	\$641,861	\$34,834	(34,834)	\$0	3.51%	\$0
Total		\$641,861	\$34,834	(34,834)	\$0		\$0

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2010

Fiscal Year Ending:	<u>Principal</u>	<u>Interest</u>
2011	1,835,000	3,815,095
2012	2,030,000	3,741,781
2013	2,240,000	3,657,537
2014	2,450,000	3,554,263
2015	2,595,000	3,451,613
2016	2,680,000	3,343,849
2017	2,815,000	3,211,963
2018	2,940,000	3,092,737
2019	3,060,000	2,970,405
2020	3,190,000	2,840,004
2021	2,750,000	2,702,312
2022	2,890,000	2,559,030
2023	3,040,000	2,410,565
2024	3,175,000	2,274,529
2025	3,335,000	2,111,313
2026	3,515,000	1,937,737
2027	3,675,000	1,773,058
2028	3,860,000	1,591,707
2029	4,045,000	1,401,915
2030	4,240,000	1,210,190
2031	4,450,000	1,001,598
2032	4,350,000	781,937
2033	4,550,000	574,894
2034	4,730,000	391,626
2035	4,930,000	202,656
2036	60,000	5,250
2037	60,000	2,625
Total	<u>\$ 83,490,000</u>	<u>\$ 56,612,189</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF NOTES PAYABLE AMORTIZATION
For The Year Ended June 30, 2010

Not Applicable

SCHEDULE 2-B

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2010

Not Applicable

SCHEDULE 2-C

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
For The Year Ended June 30, 2010

Not Applicable

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF PER DIEM PAID
For The Year Ended June 30, 2010

Not Applicable

SCHEDULE 3

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF EXPENSES BY UNIVERSITY
For The Year Ended June 30, 2010

Name of Campus:	University Amount	Foundation Amount	Total Expenses
Southeastern Louisiana University	<u>\$ 168,598,430</u>	<u>\$ -</u>	<u>\$ 168,598,430</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2010

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name	CFDA or Other Identifying No.	Pass-through Entity's Number
Direct Awards:				
U.S. Department of Housing and Urban Development		Supportive Housing Program	14.235	
U.S. Department of Education		Bilingual Education - Professional Development	84.195	
U.S. Department of Education		Bilingual Education - Professional Development	84.195	
U.S. Department of Education		Stepping Stones of Technology Innovation	84.327	
U.S. Department of Education		Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	
U.S. Department of Health and Human Services		Advanced Education Nursing Traineeships	93.358	
U.S. Library of Congress		No Program Name	42.GA08C0022	
U.S. Small Business Administration		No Program Name	59.SBAHQ-08-I-0127	
Federal Transit Cluster				
U.S. Department of Transportation		Federal Transit_Capital Investment Grants	20.500	
Research & Development Cluster (R&D)				
U.S. Department of Defense, Department of the Navy		Basic and Applied Scientific Research	12.300	
U.S. Department of Defense, Department of the Navy		Basic and Applied Scientific Research	12.300	
U.S. Department of Defense, Department of the Navy		Basic and Applied Scientific Research	12.300	
U.S. Department of the Interior		Marine Turtle Conservation	15.645	
U.S. Department of the Interior		Marine Turtle Conservation	15.645	
U.S. Department of Labor		WIA Pilots, Demonstrations, and Research Projects-Earmarks	17.261	
National Science Foundation		Mathematical and Physical Sciences	47.049	
National Science Foundation		Geosciences	47.050	

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 DUNS Number: 883227324

Basis of Accounting Used to Prepare Schedule: Full Accrual

Project Name	Award ID Number	Award Period	Disbursements/ Expenditures	Receipts/ Issues	Total
Northlake Homeless Management Information System Data Project 2009-2010	LA0120B6H060801	7/1/2009-6/30/2010	\$ 133,870	\$	133,870
		Sub-Total	\$ 133,870	\$	133,870
Project TEACH 2002 - 2007	T195N020027	9/30/2002-9/14/2007	\$ (875)	\$	(875)
Project IMPACT 2004 - 2009	T195N040141	7/15/2004-7/14/2009	\$ 8,486	\$	8,486
		Sub-Total	\$ 7,611	\$	7,611
Stepping Stones - Vision 3D - Digital Discovery for the Deaf	H327A090042	6/1/2009-5/30/2011	\$ 202,216	\$	202,216
		Sub-Total	\$ 202,216	\$	202,216
GEAR UP Program 2007-2008	P334A020142-07	9/15/2007-6/30/2009	\$ 661	\$	661
		Sub-Total	\$ 661	\$	661
MSN Southeastern Advanced Education Traineeship	2-A10HP00231-10-00	7/1/2009-6/30/2010	\$ 26,392	\$	26,392
		Sub-Total	\$ 26,392	\$	26,392
Teaching With Primary Sources	GA08C0022	12/20/2007-5/6/2013	\$ 146,723	\$	146,723
		Sub-Total	\$ 146,723	\$	146,723
The Hispanic Business and Leadership Institute	SBAHQ-08-I-0127	8/1/2008-7/31/2011	\$ 39,629	\$	39,629
		Sub-Total	\$ 39,629	\$	39,629
Bus and Bus Facilities (Intermodal Unit)	LA-04-0009-00	10/1/2005-9/30/2009	\$ 745,144	\$	745,144
		Sub-Total	\$ 745,144	\$	745,144
Algorithm Development for Battle Space on Demand (BonD)	N62306-09-P-3S09	9/11/2009-9/10/2010	\$ 44,614		44,614
Physics Markup Language Using Geometric Algebra	N00173-08-1-G034	8/31/2008-5/31/2010	\$ 2,139		2,139
Content Dictionaries for Geometric Algebra in OMDoc Format	N00173-08-1-G034	8/31/2008-5/31/2010	\$ 1,373	\$	1,373
		Sub-Total	\$ 48,126	\$	48,126
Global Assessment of Arribada Olive Ridley Sea Turtles 2009-2010	96200-9-G005	3/18/2009-6/17/2010	\$ 45,113		45,113
Global Assessment of Arribada Olive Ridley Sea Turtle Populations	96200-0-G037	2/25/2010-2/24/2011	\$ 3,719	\$	3,719
		Sub-Total	\$ 48,832	\$	48,832
Southeastern Louisiana University Initiative for Economic/Workforce Development and Community Planning/Smart Growth	EA-20110-10-60-A-22	4/1/2010-10/31/2011	\$ 10,615	\$	10,615
		Sub-Total	\$ 10,615	\$	10,615
RUI: End to End Modeling of Advanced LIGO In-Out Optics	PHY-0653233	7/1/2007-6/30/2011	\$ 45,097	\$	45,097
		Sub-Total	\$ 45,097	\$	45,097
CEDAR: Investigation of High-Spectral Width HF Radar Ionospheric Backscatter with Coordinated ISR Diagnostic Observations	ATM-0535377	1/1/2006-12/31/2009	\$ 14,574	\$	14,574
		Sub-Total	\$ 14,574	\$	14,574

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2010

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name	CFDA or Other Identifying No.	Pass-through Entity's Number
National Science Foundation		Computer and Information Science and Engineering	47.070	
National Science Foundation		Biological Sciences	47.074	
National Science Foundation		Biological Sciences	47.074	
National Science Foundation		Biological Sciences	47.074	
National Science Foundation		ARRA Trans-NSF Recovery Act Research Support	47.082	
U.S. Environmental Protection Agency		Surveys, Studies, Investigations and Special Purpose Grants	66.606	
U.S. Environmental Protection Agency		Surveys, Studies, Investigations and Special Purpose Grants	66.606	
U.S. Environmental Protection Agency		Surveys, Studies, Investigations and Special Purpose Grants	66.606	
U.S. Environmental Protection Agency		Surveys, Studies, Investigations and Special Purpose Grants	66.606	
U.S. Environmental Protection Agency		Surveys, Studies, Investigations and Special Purpose Grants	66.606	
U.S. Environmental Protection Agency		Surveys, Studies, Investigations and Special Purpose Grants	66.606	
U.S. Environmental Protection Agency		Surveys, Studies, Investigations and Special Purpose Grants	66.606	
U.S. Environmental Protection Agency		Surveys, Studies, Investigations and Special Purpose Grants	66.606	
U.S. Environmental Protection Agency		Surveys, Studies, Investigations and Special Purpose Grants	66.606	
U.S. Department of Health and Human Services		Heart and Vascular Diseases Research	93.837	
U.S. Department of Health and Human Services		Allergy, Immunology and Transplantation Research	93.855	
U.S. Department of Health and Human Services		Biomedical Research and Research Training	93.859	

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Basis of Accounting Used to Prepare Schedule: Full Accrual

Project Name	Award ID Number	Award Period	Disbursements/ Expenditures	Receipts/ Issues	Total
CPATH-1: Collaborative Research: A Verification-Driven Learning Model that Enriches CS and Related Undergraduate Programs	CCF-0939015	9/1/2009-8/31/2012	\$ 16,022	\$	16,022
		Sub-Total	\$ 16,022	\$	16,022
RUI: The Evolution of Sperm Ducts and Accessory Sex Glands in Squamate Reptiles: An Empirical Study of Cellular Complexity	DEB-0809831	9/15/2008-8/31/2011	\$ 79,581	\$	79,581
RUI: Diversity and Dynamics of Forest Butterflies in Ghana's Indigenous Sacred Groves and Forest Reserves	DEB-0612119	11/1/2005-8/31/2008	\$ (122)	\$	(122)
RUI: Diversification of New World Silversides (Atherinopsidae: Tribe Menidina)	DEB-0918073	8/15/2009-7/31/2012	\$ 4,511	\$	4,511
		Sub-Total	\$ 83,970	\$	83,970
IRES: Interdisciplinary Research on Characterization of Mechanical Properties of Materials	OISE-0927033	9/15/2009-8/31/2012	\$ 2,500	\$	2,500
		Sub-Total	\$ 2,500	\$	2,500
EPA IV - General and Administrative	X-83262201	10/1/2005-9/30/2010	\$ 695	\$	695
EPA IV - Western Lake Pontchartrain Basin Research Program Education Outreach Component	X-83262201	10/1/2005-9/30/2010	\$ 2,092	\$	2,092
EPA IV - Development of White Paper, How-To Manual, Outreach Workshops and Website for Mitigation Banking in the Manchac Swamp	X-83262201	10/1/2005-9/30/2010	\$ 13,991	\$	13,991
EPA IV-A - Administrative Component of Lake Pontchartrain Basin Research Program	X-83262201	10/1/2005-9/30/2010	\$ 27,970	\$	27,970
EPA IV-A - Development of an Index of Biological Integrity for Lake Pontchartrain Basin Wetlands	X-83262201	10/1/2005-9/30/2010	\$ 28,471	\$	28,471
EPA IV-A - Mitigating the Spread of Zebra Mussels into Wetlands from Mississippi River Diversions	X-83262201	10/1/2005-9/30/2010	\$ 23,128	\$	23,128
EPA IV-A - Establishment of Baseline Concentrations and Elucidation of Environmental Processes Controlling the Bioavailability and Bioaccumulation of Mercury and Other Toxic Metals	X-83262201	10/1/2005-9/30/2010	\$ 8,667	\$	8,667
EPA IV-A - Technology Transfer and Outreach for the Lake Pontchartrain Basin Research Program	X-83262201	10/1/2005-9/30/2010	\$ 16,773	\$	16,773
EPA IV - Establishment of Baseline Concentrations and Elucidation of Environmental Processes Controlling the Bioavailability and Bioaccumulation of Mercury and Other Toxic Metals	X-83262201	10/1/2005-9/30/2010	\$ 94	\$	94
		Sub-Total	\$ 121,881	\$	121,881
Molecular Role of Segment 6 in Heart Na Channel Slow Inactivation	2 R15 HL080009-02	5/1/2005-4/30/2011	\$ 64,031	\$	64,031
		Sub-Total	\$ 64,031	\$	64,031
Spatiotemporal Comparison of Aberrant & Ectopic VDJ Recombination Events in Vivo	1 R15 AI084023-01A1	4/3/2010-3/31/2013	\$ 1,348	\$	1,348
		Sub-Total	\$ 1,348	\$	1,348
Combined Substrate Polymerase Inhibitors	2 R15 GM067686-02	1/8/2007-12/31/2010	\$ 2,197	\$	2,197
		Sub-Total	\$ 2,197	\$	2,197

STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2010

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name	CFDA or Other Identifying No.	Pass-through Entity's Number
U.S. Department of Education		Federal Supplemental Educational Opportunity Grants	84.007	
U.S. Department of Education		Federal Supplemental Educational Opportunity Grants	84.007	
U.S. Department of Education		Federal Supplemental Educational Opportunity Grants	84.007	
U.S. Department of Education		Federal Supplemental Educational Opportunity Grants	84.007	
U.S. Department of Education		Federal Work-Study Program	84.033	
U.S. Department of Education		Federal Work-Study Program	84.033	
U.S. Department of Education		ARRA Federal Work-Study Program	84.033	
U.S. Department of Education		Federal Work-Study Program	84.033	
U.S. Department of Education		Federal Work-Study Program	84.033	
U.S. Department of Education		Federal Perkins Loan Program-Federal Capital Contributions	84.038	
U.S. Department of Education		Federal Perkins Loan Program-Federal Capital Contributions	84.038	
U.S. Department of Education		Federal PELL Grant Program	84.063	
U.S. Department of Education		Federal PELL Grant Program	84.063	
U.S. Department of Education		Federal PELL Grant Program	84.063	
U.S. Department of Education		Federal PELL Grant Program	84.063	
U.S. Department of Education		Federal PELL Grant Program	84.063	
U.S. Department of Education		Federal PELL Grant Program	84.063	
U.S. Department of Education		Federal PELL Grant Program	84.063	
U.S. Department of Education		Federal PELL Grant Program	84.063	

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Basis of Accounting Used to Prepare Schedule: Full Accrual

Project Name	Award ID Number	Award Period	Disbursements/ Expenditures	Receipts/ Issues	Total
Federal Supplemental Educational Opportunity Grants-Direct Payments 05-06	P007A051668	7/1/2005-6/30/2006	\$ (250)	\$	(250)
Federal Supplemental Educational Opportunity Grants-Administrative Costs 05-06	P007A051668	7/1/2005-6/30/2006	\$ (13)	\$	(13)
Federal Supplemental Educational Opportunity Grants-Direct Payments 09-10	P007A091668	7/1/2009-6/30/2010	\$ 375,730	\$	375,730
Federal Supplemental Educational Opportunity Grants-Administrative Costs 09-10	P007A091668	7/1/2009-6/30/2010	\$ 18,786	\$	18,786
		Sub-Total	\$ 394,253	\$	394,253
Federal Work-Study Program-Administrative Costs 2008 - 2009	P033A081668	7/1/2008-6/30/2009	\$ (433)	\$	(433)
Federal Work-Study Program-Compensation Paid to Students 2009 - 2010	P033A091668	7/1/2009-6/30/2010	\$ 412,622	\$	412,622
Federal Work-Study Program-Compensation Paid to Students 2009 - 2010	P033A091668	7/1/2009-6/30/2010	\$ 100,738	\$	100,738
Federal Work-Study Program-Administrative Costs 2009 - 2010	P033A091668	7/1/2009-6/30/2010	\$ 25,669	\$	25,669
Federal Work-Study Program-Job Location and Development 2009 - 2010	P033A091668	7/1/2009-6/30/2010	\$ 49,600	\$	49,600
		Sub-Total	\$ 588,196	\$	588,196
Federal Perkins Loans-Administrative Costs 2008 - 2009	P038A081668	7/1/2008-6/30/2009	\$ 433	\$	433
Federal Perkins Loans-Administrative Costs 2009 - 2010	P038A091668	7/1/2009-6/30/2010	\$ 12,294	\$	12,294
		Sub-Total	\$ 12,727	\$	12,727
Federal PELL Grant Program-Direct Payments 2004 - 2005	P063P041524	7/1/2004-6/30/2005	\$ (197)	\$	(197)
Federal PELL Grant Program-Direct Payments 2005 - 2006	P063P051524	7/1/2005-6/30/2006	\$ (6,642)	\$	(6,642)
Federal PELL Grant Program-Direct Payments 2006 - 2007	P063P051524	7/1/2006-6/30/2007	\$ (325)	\$	(325)
Federal PELL Grant Program-Direct Payments 2007 - 2008	P063P071524	7/1/2007-6/30/2008	\$ (1,989)	\$	(1,989)
Federal PELL Grant Program-Direct Payments 2008 - 2009	P063P081524	7/1/2008-6/30/2009	\$ (6,966)	\$	(6,966)
Federal PELL Grant Program-Direct Payments 2009 - 2010	P063P091524	7/1/2009-6/30/2010	\$ 19,615,707	\$	19,615,707
Federal PELL Grant Program-Administrative Costs 2008 - 2009	P063Q081524	7/1/2008-6/30/2009	\$ 585	\$	585
Federal PELL Grant Program-Administrative Costs 2009 - 2010	P063Q091524	7/1/2009-6/30/2010	\$ 23,875	\$	23,875
		Sub-Total	\$ 19,624,048	\$	19,624,048

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2010

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name	CFDA or Other Identifying No.	Pass-through Entity's Number
U.S. Department of Education		Academic Competitiveness Grants	84.375	
U.S. Department of Education		National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376	
U.S. Department of Education		Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379	
TRIO Cluster				
U.S. Department of Education		TRIO Student Support Services	84.042	
U.S. Department of Education		TRIO Student Support Services	84.042	
U.S. Department of Education		TRIO Talent Search	84.044	
U.S. Department of Education		TRIO Talent Search	84.044	
U.S. Department of Education		TRIO Talent Search	84.044	
U.S. Department of Education		TRIO Talent Search	84.044	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Educational Opportunity Centers	84.066	
U.S. Department of Education		TRIO Educational Opportunity Centers	84.066	

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Basis of Accounting Used to Prepare Schedule: Full Accrual

Project Name	Award ID Number	Award Period	Disbursements/ Expenditures	Receipts/ Issues	Total
Academic Competitiveness Grants 2009 - 2010	P375A091524	7/1/2009-6/30/2010	\$ 751,829		\$ 751,829
		Sub-Total	\$ 751,829		\$ 751,829
National Science and Mathematics Access to Retain (SMART) Grants 2009 - 2010	P376S091524	7/1/2009-6/30/2010	\$ 154,562		\$ 154,562
		Sub-Total	\$ 154,562		\$ 154,562
TEACH Grant 2009 - 2010	P379T101524	7/1/2009-6/30/2010	\$ 52,750		\$ 52,750
		Sub-Total	\$ 52,750		\$ 52,750
Student Support Services 2008 - 2009	P042A060884	9/1/2006-8/31/2010	\$ 53,130		\$ 53,130
Student Support Services 2009 - 2010	P042A060884	9/1/2006-8/31/2010	\$ 297,436		\$ 297,436
		Sub-Total	\$ 350,566		\$ 350,566
Tangipahoa Talent Search 2008 - 2009	P044A070770	9/1/2007-8/31/2011	\$ 60,466		\$ 60,466
Tangipahoa Talent Search 2009 - 2010	P044A070770	9/1/2007-8/31/2011	\$ 302,694		\$ 302,694
Talent serach Washington/St. Helena 2008 - 2009	P044A070678	9/1/2007-8/31/2011	\$ 36,157		\$ 36,157
Talent serach Washington/St. Helena 2009 - 2010	P044A070678	9/1/2007-8/31/2011	\$ 190,954		\$ 190,954
		Sub-Total	\$ 590,271		\$ 590,271
Math Science Upward Bound 2003 - 2007	P047M030233	10/1/2003-9/30/2007	\$ (175)		\$ (175)
Math Science Upward Bound 2008 - 2009	P047M070230	10/1/2007-9/30/2011	\$ 117,833		\$ 117,833
Math Science Upward Bound 2009 - 2010	P047M070230	10/1/2007-9/30/2011	\$ 231,858		\$ 231,858
Upward Bound Livingston, St. Helena, Washington Parishes 2003 - 2008	P047A030223	10/1/2003-9/30/2008	\$ (165)		\$ (165)
Upward Bound Livingston, St. Helena, Washington Parishes 2008 - 2009	P047A080830	10/1/2008-9/30/2012	\$ 79,972		\$ 79,972
Upward Bound Livingston, St. Helena, Washington Parishes 2009 - 2010	P047A080830	10/1/2008-9/30/2012	\$ 243,812		\$ 243,812
Upward Bound Tangipahoa Parish 2003 - 2008	P047A031154	10/1/2003-9/30/2008	\$ (235)		\$ (235)
Upward Bound Tangipahoa Parish 2008 - 2009	P047A081000	10/1/2008-9/30/2012	\$ 130,948		\$ 130,948
Upward Bound Tangipahoa Parish 2009 - 2010	P047A081000	10/1/2008-9/30/2012	\$ 294,735		\$ 294,735
Jefferson Upward bound 2008 - 2009	P047A081001	12/1/2007-11/30/2011	\$ 109,725		\$ 109,725
Jefferson Upward bound 2009 - 2010	P047A081001	12/1/2007-11/30/2011	\$ 153,269		\$ 153,269
Math Science Upward Bound Livingston/St Helena/Washington Parishes	P047M090285	9/1/2009-8/31/2013	\$ 137,850		\$ 137,850
Veterans Upward Bound 2003 - 2008	P047A031018	9/1/2003-8/31/2008	\$ (407)		\$ (407)
Veterans Upward Bound 2008 - 2009	P047V080080	9/1/2008-8/31/2012	\$ 51,194		\$ 51,194
Veterans Upward Bound 2009 - 2010	P047V080080	9/1/2008-8/31/2012	\$ 281,512		\$ 281,512
		Sub-Total	\$ 1,831,726		\$ 1,831,726
Educational Opportunity Center 2008 - 2009	P066A060146	9/1/2006-8/31/2010	69,465		69,465
Educational Opportunity Center 2009 - 2010	P066A060146	9/1/2006-8/31/2010	\$ 340,381		\$ 340,381
		Sub-Total	\$ 409,846		\$ 409,846

STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2010

18000000

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name	CFDA or Other Identifying No.	Pass-through Entity's Number
U.S. Department of Education	National Writing Project Corporation	National Writing Project	84.928	
U.S. Department of Health and Human Services	University of Texas Health Science Center at Tyler	Occupational Safety and Health Program	93.262	5U50OH007541-07
U.S. Department of Health and Human Services	University of Massachusetts Lowell	Occupational Safety and Health Program	93.262	R01 OH 008254 -01A2
Corporation for National and Community Service	Northern Kentucky University Research Foundation	Learn and Serve America Higher Education	94.005	06LHHKY001
Corporation for National and Community Service	Northern Kentucky University Research Foundation	Learn and Serve America Higher Education	94.005	06LHHKY001
Corporation for National and Community Service	Louisiana Campus Compact	Learn and Serve America Higher Education	94.005	06LHHKY001
Corporation for National and Community Service	Jumpstart for Young Children, Inc.	AmeriCorps	94.006	170200
Head Start Cluster				
U.S. Department of Health and Human Services	Regina Coeli Child Development Center	Head Start	93.600	
Research & Development Cluster				
U.S. Department of Energy	The Pennsylvania State University	Office of Science Financial Assistance Program	81.049	DE-FG02-07 -ER46414

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 Phone Number: (985) 549-3816
 Preparer's E-Mail Address: cblades@selu.edu
 EIN Number: 72-6000816
 DUNS Number: 883227324

Basis of Accounting Used to Prepare Schedule: Full Accrual

Project Name	Award ID Number	Award Period	Disbursements/ Expenditures	Receipts/ Issues	Total
Southeastern Louisiana Writing Project	92-LA05	7/1/1992-6/30/2011	\$ 54,138	\$ 54,138	\$ 54,138
		Sub-Total	\$ 54,138	\$ 54,138	\$ 54,138
Worker Health Protection Among Shrimp Fishermen of the Gulf Coast	SC08-11	6/1/2008-9/29/2010	\$ 11,014	\$ 11,014	\$ 11,014
Knee Disorders and Occupational Biomechanical Risks - Health Data Analysis and Synthesis	S11108610000008	5/1/2009-8/31/2009	\$ 7,726	\$ 7,726	\$ 7,726
		Sub-Total	\$ 18,740	\$ 18,740	\$ 18,740
Project PIE (Puppetry Impact on Education)	4000120-SL-004	1/1/2009-5/31/2010	\$ 5,986	\$ 5,986	\$ 5,986
Service Learning for Math 367	4000120-SL-001	1/1/2009-12/31/2009	\$ 22	\$ 22	\$ 22
Service Learning Train-the-Trainer Grant	NK 2007-27	7/1/2009-9/15/2009	\$ 176	\$ 176	\$ 176
		Sub-Total	\$ 6,184	\$ 6,184	\$ 6,184
Jumpstart Hammond 2008 - 2009	CFDA-94.006-JS-SITE #17	9/1/2008-8/31/2009	\$ 7,390	\$ 7,390	\$ 7,390
		Sub-Total	\$ 7,390	\$ 7,390	\$ 7,390
Regina Coeli Child Development Center Support of the SLU Head Start Child Development Center		7/1/2009-6/30/2010	\$ 1,145	\$ 1,145	\$ 1,145
		Sub-Total	\$ 1,145	\$ 1,145	\$ 1,145
Nanocolloidal Forces for Stability of Assembly	3540-SLU-DOE-6414	8/15/2007-8/14/2010	\$ 35,892	\$ 35,892	\$ 35,892
		Sub-Total	\$ 35,892	\$ 35,892	\$ 35,892
		Total	\$ 26,645,702	\$ 26,645,702	\$ 26,645,702

STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 SCHEDULE OF FIXED PRICE CONTRACTS
 For the Year Ended June 30, 2010

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name
<u>Awards From a Pass-Through Entity: Research & Development Cluster</u>		
U.S. Environmental Protection Agency	Lake Pontchartrain Basin Foundation	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(B)(3) of the Clean
U.S. Department of Energy	MECOM, Inc.	No Program Name Available

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Basis of Accounting Used to Prepare Schedule: Full Accrual

CFDA or Other Identifying No.	Pass-through Entity's Number	Project Name	Award ID Number	Award Period	Revenues
66.436	Various	E. coli Analyses for Lake Pontchartrain Basin Foundation		01/16/2006- 06/30/2010	\$ 67,816
81.DE-FG02-03ER86172	DE-FG02-03ER86172	Sequestration and Bioconversion of Carbon Dioxide to Methane - Department of Energy STTR Program - Phase II		06/27/2003- 06/30/2010	\$ 616
				Total	\$ <u>68,432</u>

STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 SCHEDULE OF DISCLOSURES FOR FEDERALLY ASSISTED LOANS
 For the Year Ended June 30, 2010

Cluster Name (if applicable) & Federal Grantor	Program Name	CFDA No. or Other Identifying No.	Loans Made or Disbursed During the Year (09-10)	Loans Received During the Year (09-10)	Outstanding Loan Balance at 6/30/10	Principal and Interest Canceled
U.S. Department of Education	Perkins Loan Cancellations - Teacher/Military	84.037	\$	\$	\$	\$ 14,971
U.S. Department of Education	Perkins Loan Cancellations - Law Enforcement	84.037	\$	\$	\$	\$ 1,798
U.S. Department of Education	Perkins Loan Cancellations - Nurse/Medical Technician	84.037	\$	\$	\$	\$ 7,529
U.S. Department of Education	Perkins Loan Cancellations - Child/Family and Early Intervention	84.037	\$	\$	\$	\$ 225
U.S. Department of Education	Perkins Loan Cancellations - Teacher Shortage	84.037	\$	\$	\$	\$ 4,635
U.S. Department of Education	Perkins Loan Cancellations - Teacher-SPED	84.037	\$	\$	\$	\$ 5,038
Student Financial Assistance Cluster (SFA)						
U.S. Department of Education	Federal Family Education Loans (FFEL)	84.032	\$	44,066,165 \$	\$	\$
U.S. Department of Education	Federal Perkins Loan Program - Federal Capital Contributions	84.038	\$	245,875 \$	\$ 2,915,149 \$	
U.S. Department of	Federal Direct Student Loans	84.268	\$	171,057 \$	\$	\$
U.S. Department of	Nursing Student Loans	93.364	\$	\$	\$ 17,500 \$	

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Basis of Accounting Used To Prepare Schedule: Full Accrual

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2010

TABLE 1

Finding Title: NONE

"Pass-Through Entity Name," if applicable: _____

Reference Number(s): _____
(from attached schedule of findings, may include more than one)

Single Audit Report Year: _____

Initial Year of Finding: _____

Amount of Questioned Costs in Finding (if applicable): \$ _____

Page Number (from Single Audit Report): _____

Program Name(s): _____

Federal Grantor Agency: _____

CFDA Number(s): _____

Status of Questioned Costs (check one):

Resolved: _____ Unresolved: _____ No Further Action Needed: _____

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

Status of Finding (check one):

Fully Corrected	_____	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____	{See OMB A-133 Section 315(b)(4)}	

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

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STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SCHEDULE OF NON-STATE SUB-RECIPIENTS OF MAJOR FEDERAL PROGRAMS
For the Year Ended June 30, 2010

Federal Grantor	CFDA or Other Identifying No.	Award or Subaward Number	Project Number	Major Program Name and Cluster Name, when applicable	Amount of Major Program Funds Disbursed to Non-State Subrecipient	Name of Non-State Subrecipient
Fish and Wildlife Cluster						
U.S. Department of the Interior	15.605	CFMS 670148		Sport Fish Restoration	\$ 7,750	The University of Georgia
					Sub-total \$	7,750
Research & Development Cluster (R&D)						
U.S. Department of the Interior	15.645	96200-9-G005		Marine Turtle Conservation	\$ 3,000	The Fauna and Flora Preservation Society
U.S. Department of the Interior	15.645	96200-9-G005		Marine Turtle Conservation	\$ 12,000	FUNDECODS
U.S. Department of the Interior	15.645	96200-9-G005		Marine Turtle Conservation	\$ 8,000	Ashoka Trust for Research in Ecology
					Sub-total \$	23,000
					Total \$	30,750

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DUNS Numbers: 883227324
Basis of Accounting Used To
Prepare Schedule: Full Accrual

STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 SCHEDULE OF STATE ENTITY SUB-RECIPIENTS OF FEDERAL PROGRAMS
 For the Year Ended June 30, 2010

Federal Grantor and CFDA or Other Identifying No.	Award or Sub-award Number	Project Number	Federal Program Name and Cluster Name, when applicable	Amount of Federal Program Funds Disbursed to State Agency, Hospital, College, or University	Name of State Agency Hospital, College, or University Sub-recipient
66.606	X-83262201		Research & Development Cluster (R&D) Surveys, Studies, Investigations and Special Purpose Grants	8,761	University of Louisiana at Lafayette
			Sub-total \$	<u>8,761</u>	
			Total \$	<u><u>8,761</u></u>	

Preparer's Name: Clarice R. Blades
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 EIN Number: 72-6000816
 DUNS Numbers: 883227324
 Basis of Accounting
 Used To Prepare
 Schedule: Full Accrual

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SCHEDULE OF COOPERATIVE ENDEAVORS
For The Year Ended June 30, 2010

Not Applicable

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APPENDIX C

PRINCIPAL FINANCING DOCUMENTS

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APPENDIX C-1

FORM OF TRUST INDENTURE

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FORM OF
TRUST INDENTURE

by and between

Louisiana Local Government Environmental Facilities and
Community Development Authority

and

Regions Bank
(as Trustee)

Dated as of November 1, 2010

in connection with:

§
Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

§
Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

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Exhibit A-1 Form of Series 2010A Bond
 Exhibit A-2 Form of Series 2010B Bond
 Exhibit B-1 Form of Requisition from Series 2010A Bonds Project Account of the Project Fund
 Exhibit B-2 Form of Requisition from Series 2010B Bonds Project Account of the Project Fund
 Exhibit C Form of Series 2010 Bonds Replacement Fund Requisition

TRUST INDENTURE

This TRUST INDENTURE dated as of November 1, 2010 (together with any amendments hereto, this “*Indenture*”), is between the LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY, a political subdivision of the State of Louisiana (the “*Issuer*”), and REGIONS BANK, an Alabama state banking corporation having a corporate trust office in the City of Baton Rouge, Louisiana and duly authorized to accept and execute trusts, as trustee (the “*Trustee*”).

WITNESSETH:

WHEREAS, the Issuer is a political subdivision established for public purposes under and pursuant to the provisions of Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 to 4548.16, inclusive) (the “*Act*”) and other constitutional and statutory authority;

WHEREAS, the Act empowers the Issuer to issue bonds to provide funds for and to fulfill and achieve its authorized public functions or corporate purposes as set forth in the Act;

WHEREAS, the Board of Supervisors for the University of Louisiana System (the “*Board*”) is a body corporate created pursuant to the provisions of Article VIII, §6(A) of the Constitution of the State of Louisiana of 1974 and authorized pursuant to La. R.S. 17:3217;

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Issuer is authorized to issue revenue bonds and loan the funds derived from the sale thereof to the University Facilities, Inc. (the “*Corporation*”), a nonprofit corporation organized and existing under the laws of the State for the benefit of Southeastern Louisiana University (the “*University*”), for the purpose of providing financing to the Corporation for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food services areas, a bookstore and related facilities for students, faculty, staff and the general public, including all furnishings, fixtures and facilities incidental or necessary in connection therewith on the campus of the University (the “*Facilities*”) in Tangipahoa Parish, Hammond, Louisiana;

WHEREAS, the Corporation is a nonprofit corporation organized and existing under the laws of the State of Louisiana (the “*State*”) for the benefit of the University and is empowered to consummate the transactions contemplated hereunder and to do all acts and exercise all powers and assume all obligations necessary or incident thereto;

WHEREAS, the Corporation has requested that the Issuer issue \$_____ aggregate principal amount of Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A (the “*Series 2010A Bonds*”) and \$_____ aggregate principal amount of Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B (the “*Series 2010B Bonds*”) and, together with the Series 2010A Bonds, the “*Bonds*”) the proceeds of the sale of such Bonds to be loaned to the Corporation

pursuant to the Loan and Assignment Agreement dated as of the date hereof (the "Agreement") for the purpose of (a) demolishing certain existing facilities and renovating, developing and constructing the Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance (as defined herein) of the Bonds, including the premium for any bond insurance policy insuring the Bonds (the "Project");

WHEREAS, the Issuer is authorized under the provisions of the Act and other constitutional and statutory authority to issue the Bonds for such purposes and the Issuer has determined that it is most advantageous to the Issuer and necessary for it to issue its revenue bonds as hereinafter provided for such purposes;

WHEREAS, pursuant to the Agreement, the Corporation will assign its rights under that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010 by and between the Board and the Corporation (the "Original Facilities Lease") as supplemented and amended by that certain First Amendment to Facilities Lease dated as of November 1, 2010 by and between the Board and the Corporation (the "Amendment to Facilities Lease" and, together with the Original Facilities Lease, the "Facilities Lease"), pursuant to which the Corporation, as lessor, leases the Facilities to the Board, as Lessee, including its right to all Rental (as defined in the Facilities Lease) received thereunder, to the Issuer, and agrees to make payments in an amount sufficient to make timely payments of principal of, premium, if any, and interest on the Bonds and to pay such other amounts as are required by the Agreement;

WHEREAS, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (the "Bond Insurer") will issue its municipal bond insurance policy unconditionally and irrevocably guaranteeing the full and complete payment of the principal of and interest on the Bonds as such payments shall become due but shall be unpaid;

WHEREAS, the fully registered Series 2010A Bonds and Series 2010B Bonds and the certificate of authentication by the Trustee to be endorsed thereon with respect to the Series 2010A Bonds and Series 2010B Bonds are to be in substantially the form attached as Exhibit A-1 and Exhibit A-2, respectively, hereto with all necessary and appropriate variations, omissions and insertions as permitted or required under this Indenture;

WHEREAS, the Series 2010A Bonds and the Series 2010B Bonds will bear interest at a fixed rate to the maturity thereof in accordance with the terms of this Indenture;

WHEREAS, all acts, conditions and things required by the laws of the State to happen, exist and be performed precedent to and in the execution and delivery of this Indenture have happened, exist and have been performed as so required in order to make this Indenture a valid and binding agreement in accordance with its terms;

WHEREAS, the execution and delivery of this Indenture have been duly authorized by the Issuer and the Trustee; and

WHEREAS, each of the parties hereto represents that it is fully authorized to enter into and perform and fulfill the obligations imposed upon it under this Indenture and the parties are now prepared to execute and deliver this Indenture.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Issuer and the Trustee hereby covenant and agree as follows:

ARTICLE 1 DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions All capitalized terms not otherwise defined herein shall have the meanings assigned in the preamble hereto or in the Agreement. In addition to words and terms elsewhere defined in this Indenture, the following words and terms as used herein shall have the following meanings, unless some other meaning is plainly intended:

"Accounts" shall mean the accounts and subaccounts created pursuant to Article 4 hereof.

"Act" shall mean Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 to 4548.16, inclusive) and all future acts supplemental thereto and amendatory thereof.

"Additional Debt" means any obligation (whether present or future, contingent or otherwise, as principal or security or otherwise), that is secured by or payable from the Capital Funds and the Student Fees: (i) in respect of borrowed money, including without limitation, bonds, notes and similar obligations; or (ii) under a lease arrangement, installment sale agreement or other similar arrangement.

"Additional Rental" shall mean the amounts specified as such in Section 6(c) of the Facilities Lease.

"Administrative Expenses" means the necessary, reasonable and direct out-of-pocket expenses incurred by the Issuer or the Trustee pursuant to the Indenture and the Agreement, the compensation of the Trustee under the Indenture (including, but not limited to any annual administrative fee charged by the Trustee), the compensation of the Issuer, any amounts due to the Bond Insurer, if any, under the Reimbursement Agreement and the necessary, reasonable and direct out-of-pocket expenses of the Trustee incurred by the Trustee in the performance of its duties under the Indenture.

"Agreement" shall mean the Loan and Assignment Agreement dated as of November 1, 2010 between the Corporation and the Issuer, including any amendments and supplements thereof and thereto as permitted thereunder.

"Annual Debt Service" means, with respect to any series of Bonds, the amount required to pay all principal of and interest on such respective series of Bonds in any Fiscal Year.

"Aramark" means Aramark Educational Services, LLC, a Delaware limited liability company having its principal place of business Philadelphia, Pennsylvania

"Authorized Corporation Representative" means any person at the time designated to act on behalf of the Corporation by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Corporation by an

officer of the Corporation. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“*Authorized Denomination*” shall mean \$5,000 or any integral multiple thereof.

“*Authorized Issuer Representative*” shall mean the person(s) at the time designated to act under the Agreement and this Indenture on behalf of the Issuer by a written certificate furnished to the Corporation and the Trustee containing the specimen signature of such person(s) and signed on behalf of the Issuer by the Chairman, Vice Chairman, Executive Director or Assistant Secretary of the Issuer. Such certificate may designate an alternate or alternates.

“*Auxiliary Enterprises*” means the fees, commissions and other revenues generated by the following University auxiliary enterprises as the same may be modified from time to time: (a) student service fees for operation of the University’s Text book rental, ID Card Services, Student Health Center and Student Union; (b) certain commissions received from Food Service contractors, Retail Bookstore operations and Vending Operations; and (c) the sales of copying services.

“*Auxiliary Revenues*” means the amount of all funds or revenues held by the University derived by Auxiliary Enterprises and any earnings thereof from self generated fees, rates charges or income received by students, faculty or the public in connection with the utilization or operation of Auxiliary Enterprises after payment of any Auxiliary Enterprise expenses. Auxiliary Revenues shall not include student fees specifically assessed by the University to service any outstanding obligations or any capital funds received by outside contractors required to make building improvements for their delivery of services.

“*Base Rental*” shall mean the amounts referred to as such in Section 6(b) of the Facilities Lease (as such amounts may be adjusted from time to time in accordance with the terms thereof) but does not include Additional Rental.

“*Beneficial Owner*” shall mean, so long as a book entry system of registration is in effect pursuant to Section 3.13 hereof, the actual purchaser of the Bonds.

“*Board*” shall mean the Board of Supervisors for the University of Louisiana System or its legal successor as the management board of the University, acting on behalf of the University and on its own behalf.

“*Board Representative*” means the Person or Persons designated by the Board in writing to serve as the Board’s representative(s) in exercising the Board’s rights and performing the Board’s obligations under the Facilities Lease; the Board Representative shall be the President of the Board of Supervisors for the University of Louisiana System, or his or her designee, the Assistant Vice President for Facilities Planning, or his or her designee, or any other representative designated by resolution of the Board, of whom the Corporation has been notified in writing.

“*Bond Insurance Policy*” shall mean the insurance policy issued by Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2010 Bonds when due.

“*Bond Insurer*”, if any, shall mean Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), a New York stock insurance company, or any successor thereto or assignee thereof.

“*Bond Insurer Amounts*” means all amounts payable to the Bond Insurer, if any, under the terms of the Agreement or the Indenture or any Facilities Documents whether in the form of a direct reimbursement, or indemnity, payment obligation of the Corporation and including any amounts that become due during the Residual Payment Obligation Period.

“*Bond Proceeds Fund*” shall mean the fund of that name created under Section 4.1 of this Indenture.

“*Bond Purchase Agreement*” means the agreement by that name dated November 1, 2010 entered into between the Issuer, the Underwriter and the Corporation providing for the purchase of the Bonds.

“*Bond Register*” shall mean, when used with respect to the Bonds, the registration books maintained by the Trustee pursuant to Section 3.8 of this Indenture.

“*Bondholder*” or “*owner*”, when used with reference to a Bond or Bonds, shall mean the registered owner of any Outstanding Bond or Bonds.

“*Bonds*” means, collectively, the Series 2010 Bonds and any Series 2010A Completion Bonds or Series 2010B Completion Bonds issued pursuant to a supplemental Indenture as authorized hereby.

“*Bookstore*” means the locations described as such on Exhibit A-2 to the Facilities Lease and any improvements thereon or placed thereon during the Term (as defined in the Facilities Lease) of the Facilities Lease.

“*Building Use Fee*” means one-half of the building use fee being assessed by the University on all students for the renovation, construction and development of on-campus facilities.

“*Business Day*” means any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York, or Baton Rouge, Louisiana, are authorized or required not to be open for the transaction of regular banking business, or (d) a day on which the New York Stock Exchange is closed.

“*Campus*” means the campus of the University.

“*Capital Funds*” means payments to the University, or to the Board on behalf of the University, for capital improvements and made in connection with the operation and/or management of the Food Service Areas whether pursuant to the Food Service Contract, the Facilities Lease or other lease, management agreement or operating agreement.

“*Closing Date*” shall mean the date on which the Bonds are delivered and payment therefor is received by the Issuer.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

"Completion Bonds" means bonds, if any, issued in one or more series on a parity with the Series 2010 Bonds pursuant to Article 5 of this Indenture.

"Construction Team" shall mean all construction professionals performing services under the Contract.

"Contract" shall mean those certain contracts between the Corporation and the Design Team and the Corporation and the Construction Team for the design and construction of the Facilities.

"Corporate Trust Office" shall mean initially II City Plaza, 400 Convention Street, 3rd Floor, Baton Rouge, Louisiana 70802, or such other location to be designated by the Trustee.

"Corporation" means University Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payment or provision for the payment of all of the Bonds.

"Costs of Issuance" shall mean all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of the Bonds, including publication costs, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any fiduciary, legal fees and charges, fees and disbursements of consultants and professionals, including financial advisors, costs of liquidity facilities, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of the Bonds, premiums for the Bond Insurance and any other cost, charge or fee paid by the Issuer in connection with the original issuance of the Bonds.

"Costs of Issuance Account" shall mean the account so designated that is established pursuant to this Indenture.

"Costs of the Facilities" shall mean those costs incurred by the Corporation in connection with the Facilities, as set forth in Section 4.14 of this Indenture.

"Debt Service Coverage Ratio" means, for any Fiscal Year, the ratio determined by the Vice-President for Administration and Finance of the University by dividing (a) the combined amount of (i) the Capital Funds for such Fiscal Year, (ii) the Student Fees for such Fiscal Year and (iii) earnings generated by the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement by (b) Annual Debt Service on the Bonds outstanding and on any Additional Debt issued and proposed to be issued for such Fiscal Year.

"Debt Service Fund" shall mean the fund of that name created under Section 4.1 of this Indenture.

"Debt Service Requirements" shall mean for any particular Fiscal Year an amount equal to the sum of (a) all interest payable during such Fiscal Year on all Outstanding Bonds, plus (b)

the Principal Installment of Outstanding Bonds falling due during such Fiscal Year. Such interest and Principal Installments for the Bonds shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof.

"Debt Service Reserve Fund" means the fund of that name created under the Indenture to be funded from Bond proceeds with respect to the Series 2010A Bonds Debt Service Reserve Account and to be funded with a Board contribution with respect to the Series 2010B Bonds Debt Service Reserve Account.

"Debt Service Reserve Fund Requirement" means with respect to the Series 2010 Bonds, and any Completion Bonds, at the time of determination, the least of (a) ten percent (10%) of the stated principal amount thereof (less any original issue discount that exceeds a *de minimis* amount), (b) one hundred twenty five percent (125%) of the average Annual Debt Service thereon from the date of calculation to the final maturity thereof, (c) the Maximum Annual Debt Service thereon, or (d) such lesser sum as shall be required by the Code and the Regulations to ensure the exclusion of the interest thereon from the gross income of the owners thereof for federal income tax purposes; provided, however, that the amount of principal due in any Bond Year shall be determined, in the case of Bonds subject to mandatory sinking fund redemption pursuant to the Indenture and similar provisions in any supplemental indenture, by the principal amount of Bonds to be redeemed by mandatory sinking fund redemption in such Bond Year.

"Defeasance Obligations" shall mean cash (insured at all times by the Federal Deposit Insurance Corporation) or direct obligations (including obligations issued or held in book entry form on the books of) the Department of Treasury of the United States of America, which obligations shall be non-callable and non-prepayable.

"Design Team" shall mean all design professionals performing services under the Contract.

"DTC" or "Securities Depository" shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depositories appointed pursuant to this Indenture.

"Events of Default" means those events of default described in Article 8 hereof.

"Facilities" means, collectively, the Series 2010A Facilities and the Series 2010B Facilities.

"Facilities Documents" shall mean collectively, the Agreement, the Ground Lease, the Facilities Lease, the Mortgage, the Plans and Specifications, the Contract and amendments thereto, other contract documents and agreements, and surety bonds and instruments pertaining to the Facilities.

"Facilities Lease" shall mean that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010 by and between the Board, as lessee, and the Corporation, as lessor, as supplemented and amended by that certain First Amendment to Facilities Lease dated as of November, 1, 2010 by and between the Board and the Corporation, whereby the Corporation has

leased the Facilities to the Board on behalf of the University, and any amendment or supplement thereto entered into from time to time in accordance with its terms.

"*Fiscal Year*" shall mean any period of twelve consecutive months adopted by the Corporation as its Fiscal Year for financial reporting purposes, currently the period beginning on July 1 and ending on June 30 of each year.

"*Food Service Areas*" means the locations described as such on Exhibit A-2 to the Facilities Lease and any improvements thereon or placed thereon during the Term of this Facilities Lease.

"*Food Service Contract*" means that certain Agreement dated July 1, 2010 by and between the Board and Aramark, as amended, modified, extended or replaced; provided the University will make its best efforts to require an annual payment of at least \$990,000 for capital improvements to the Food Service Areas in any such amended, modified, extended or replaced contract.

"*Funds*" shall mean the funds created pursuant to Article 4 hereof.

"*Ground Lease*" shall mean that certain Ground and Buildings Lease Agreement dated as of January 1, 2010 by and between the Board, as lessor on behalf of the University, and the Corporation, as lessee, and any amendment or supplement thereto entered into from time to time in accordance with the terms thereof.

"*Health Center Bond Fee*" means the health center bond fee being assessed by the University on all students for the use and availability of on-campus health center facilities.

"*Indenture*" shall mean this Trust Indenture dated as of November 1, 2010 between the Issuer and the Trustee, as it may be amended or supplemented from time to time by supplemental indentures in accordance with the provisions hereof.

"*Interest Payment Date*" or "*interest payment date*", when used with respect to the Bonds, means each April 1 and October 1, commencing April 1, 2011.

"*Issuer*" shall mean the Louisiana Local Government Environmental Facilities and Community Development Authority, a political subdivision of the State of Louisiana, created by the provisions of the Act, or any agency, board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Issuer by said provisions shall be given by law.

"*Land*" means the real property more particularly described on Exhibit A attached to the Ground Lease upon which certain existing facilities are to be demolished and upon which the Facilities are to be renovated, constructed and located.

"*Letter of Representations*" shall mean the Blanket Letter of Representations from the Issuer to DTC or any agreement between the Issuer, the Trustee and a successor securities depository appointed pursuant to Section 3.13 hereof, as such may be amended from time to time.

"*Maximum Annual Debt Service*", with respect to each series of Bonds issued under the Indenture, means the maximum Annual Debt Service thereon in the then current Fiscal Year or in any future Fiscal Year, whether at maturity or subject to mandatory sinking fund redemption.

"*Maximum Annual Debt Service Requirement*", with respect to each series of Bonds issued under the Indenture, means the maximum Annual Debt Service thereon in the then current Fiscal Year or in any future Fiscal Year, whether at maturity or subject to mandatory sinking fund redemption.

"*Moody's*" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall for any reason no longer perform the functions of a securities rating agency, "*Moody's*" shall be deemed to refer to any other nationally recognized securities rating agency or service designated by the Issuer and approved by the Corporation and the Bond Insurer, if any. Whenever rating categories of Moody's are specified in this Indenture, such categories shall be irrespective of gradations within a category.

"*Mortgage*" shall mean the Act of Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement dated November 1, 2010, by the Corporation in favor of the Trustee, mortgaging the Corporation's leasehold interest pursuant to the Ground Lease.

"*Mortgaged Property*" shall mean all the Property (as defined in the Mortgage) mortgaged, granted, conveyed, assigned and pledged to the Trustee by the Corporation pursuant to the Mortgage in order to secure the full and punctual payment and performance of the Secured Obligations (as defined in the Mortgage).

"*Outstanding*" or "*outstanding*", when used with reference to Bonds, shall mean all Bonds that have been authenticated and issued under this Indenture (including, without limitation, Bonds Outstanding pursuant to Section 1.2.1(c) hereof) except:

- (a) Bonds canceled by the Trustee pursuant to this Indenture;
- (b) Bonds for which moneys or Defeasance Obligations shall be held in trust for their payment by the Trustee as provided in the defeasance provisions of this Indenture;
- (c) Bonds that have been duly called for redemption and for which the redemption price thereof is held in trust by the Trustee as provided in this Indenture;
- (d) Bonds in exchange for which other Bonds shall have been authenticated and delivered by the Trustee as provided in this Indenture; and
- (e) for all purposes regarding consents and approvals or directions of Bondholders under the Agreement or this Indenture, Bonds held by or for the Issuer, the Corporation or any person controlling, controlled by or under common control with either of them.

"*Participant*" shall mean any broker dealer, bank and other financial institution from time to time for which DTC holds Bonds as securities depository.

"Payments" shall mean the amounts of repayments under the Agreement with respect to the Bonds to be made by the Corporation as provided in Article 4 of the Agreement.

"Permitted Investments" means the following securities:

To the extent permitted by State law, the Bond Insurer, if any, will allow the following obligations to be used as permitted investments for all purposes, including defeasance investments in refunding escrow accounts:

(a) Cash deposits (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in the next paragraph).

(b) Direct obligations of (including obligations issued or held in book entry form on the books of the Department of Treasury) the United States of America. In the event these securities are used for defeasance, they shall be non-callable and non-prepayable.

(c) Obligations of the following federal agencies so long as such obligations are backed by the full faith and credit of the United States of America (in the event these securities are used for defeasance, they shall be non-callable and non-prepayable):

- (i) U.S. Export-Import Bank (Eximbank);
- (ii) Rural Economic Community Development Administration;
- (iii) Federal Financing Bank;
- (iv) U.S. Maritime Administration;
- (v) U.S. Department of Housing and Urban Development (PHAs);
- (vi) General Services Administration;
- (vii) Small Business Administration;
- (viii) Government National Mortgage Association (GNMA);
- (ix) Federal Housing Administration; and
- (x) Farm Credit System Financial Assistance Corporation.

To the extent permitted by law, Bond Insurer, if any, will allow the following obligations to be used as permitted investments for all purposes other than defeasance investments in refunding escrow accounts:

(a) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

(i) Senior debt obligations rated in the highest long-term rating category by at least two nationally recognized rating agencies issued by Fannie Mae (FNMA) or Freddie Mac (FHLMC).

(ii) Senior debt obligations of the Federal Home Loan Bank System.

(iii) Senior debt obligations of other Government Sponsored Agencies approved by Bond Insurer, if any.

(b) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which either (i) have a rating on their short-term certificates of deposit on the date of purchase in the highest short-term rating category of at least two nationally recognized rating agencies, (ii) are insured at all times by the Federal Deposit Insurance Corporation, or (iii) are collateralized with direct obligations of the United States of America at one hundred two percent (102%) valued daily. All such certificates must mature no more than three hundred sixty (360) days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank).

(c) Commercial paper which is rated at the time of purchase in the highest short-term rating category of at least two (2) nationally recognized rating agencies and which matures not more than two hundred seventy (270) days after the date of purchase.

(d) Investments in (i) money market funds subject to SEC Rule 2a-7 and rated in the highest short-term rating category of at least two nationally recognized rating agencies and (ii) public sector investment pools operated pursuant to SEC Rule 2a-7 in which the issuer's deposit shall not exceed 5% of the aggregate pool balance at any time and such pool is rated in one of the two highest short-term rating categories of at least two nationally recognized rating agencies.

(e) Pre-refunded municipal obligations defined as follows: (i) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and, a. which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest long-term rating category of at least two (2) nationally recognized rating agencies; or (ii) (A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or direct obligations of the United States of America, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

(f) Bonds, debentures, notes, or other evidence of indebtedness issued by the state of Louisiana or any of its political subdivisions; however:

government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

- (c) As to certificates of deposit and bankers acceptances, the face amount thereof, plus accrued interest; and
- (d) As to any investment not specified above, the value thereof established by prior agreement among the Issuer, the Trustee and Bond Insurer, if any.

"Plans and Specifications" means the plans and specifications for the construction of the Facilities, as implemented and detailed from time to time, as the same may be revised from time to time prior to the completion of the Facilities in accordance with the Agreement and the Ground Lease.

"Principal Instalment" shall mean, for any Fiscal Year, as of any date of calculation, the Principal amount of Outstanding Bonds coming due in that Fiscal Year.

"Principal Payment Date" or "principal payment date", when used with respect to the Bonds, means each October 1, commencing October 1, 2011.

"Project Fund" shall mean the fund of that name created under Section 4.1 of this Indenture.

"Rating Agency", at any point in time, means any nationally recognized securities rating agency or service then rating the Bonds (collectively, the "Rating Agencies").

"Record Date" shall mean with respect to an Interest Payment Date, the close of business on the fifteenth (15th) day of the calendar month, immediately preceding an Interest Payment Date, whether or not a Business Day.

"Rental" shall mean and includes the Base Rental and Additional Rental.

"Residual Payment Obligation Period" means the time during which the Bond Insurer, if any, remains contingently liable for a preference payment under the Bankruptcy Code, as described in the Bond Insurance Policy.

"S&P" or "Standard & Poor's Ratings Group" mean Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., a New York corporation, its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer with the approval of the Corporation and the Bond Insurer, if any.

"Series 2010 Bonds" shall mean the Series 2010A Bonds and the Series 2010B Bonds.

"Series 2010 Bonds Replacement Fund" shall mean the Fund established pursuant to Section 4.1 of this Indenture.

- (i) No political subdivision may purchase its own indebtedness.

(ii) The indebtedness shall have a minimum investment grade rating of Baa3 or higher by Moody's, a rating of BBB- or higher by the S&P or a rating of BBB- or higher by Fitch, Inc. and have a final maturity of no more than three years, except that such three year limitation shall not apply to (A) funds held by a trustee, escrow agent, paying agent, or other third party custodian in connection with a bond issue or (B) investment of funds held by either a hospital service district, a governmental 501(c)(3), or a public trust authority.

(g) Bonds, debentures, notes, or other indebtedness issued by a state of the United States of America other than Louisiana or any such state's political subdivisions provided that all of the following conditions are met:

- (i) The indebtedness has a minimum rating of A3 or higher by Moody's or a rating of A- or higher by S&P a rating of A- or higher by Fitch, Inc.

(ii) The indebtedness has a final maturity of no more than three years, except that such three-year limitation shall not apply to funds held by a trustee, escrow agent, paying agent, or other third-party custodian in connection with a bond issue nor to investment of funds held by either a hospital service district, a governmental 501(c)(3) organization, or a public trust authority;

(iii) Prior to purchase of any such indebtedness and at all times during which such indebtedness is owned, the purchasing Louisiana political subdivision retains the services of an investment advisor registered with the United States Securities and Exchange Commission.

(h) Investment agreements approved in writing by Bond Insurer, if any, (and supported by appropriate opinions of counsel).

- (i) Other forms of investments (including repurchase agreements) approved in writing by Bond Insurer, if any, (and supported by appropriate opinions of counsel).

The value of the above investments, other than cash, shall be determined as follows:

"Value", which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(a) As to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) As to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such price at such time of determination for such investments by any two nationally recognized

"Series 2010 Bonds Replacement Fund Requirement" shall mean:

(a) if completely funded when the Series 2010 Bonds are issued, an amount required to be deposited into the Replacement Fund in accordance with Section 4.21 hereof and equal to approximately ten percent (10%) of the hard construction costs (not including professional services and fees) payable from Rental or any lesser amount approved by the staff of the Board of Regents of the State of Louisiana, the Board and the Bond Insurer, if any, or

(b) if funded in annual installments, an amount required to be deposited into the Replacement Fund in accordance with Section 4.21 hereof and equal to one and one-half percent (1.5%) of the hard construction costs (not including professional services and fees) payable from Rental or any lesser amount approved by the staff of the Board of Regents of the State of Louisiana, the Board and the Bond Insurer, if any.

"Series 2010A Bonds" means the Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A, authorized to be issued by the Issuer in the aggregate principal amount of \$ _____, including such Series 2010A Bonds issued in exchange for other such Series 2010A Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Series 2010A Bonds pursuant to this Indenture.

"Series 2010A Bonds Rebate Fund" shall mean the Fund of that name created under Section 4.1 of this Indenture.

"Series 2010A Completion Bonds" means bonds, if any, issued in one or more series on parity with the Series 2010A Bonds for completion of the Series 2010A Facilities.

"Series 2010A Facilities" means the Student Union, the Center for Student Excellence and related facilities described in Exhibit A-1 attached to the Facilities Lease, as amended and supplemented from time to time, which are to be renovated and/or constructed with the proceeds of the Series 2010A Bonds and any Completion Bonds.

"Series 2010B Bonds" means the Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B, authorized to be issued by the Issuer in the aggregate principal amount of \$ _____, including such Series 2010B Bonds issued in exchange for other such Series 2010B Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Series 2010B Bonds pursuant to this Indenture.

"Series 2010B Completion Bonds" means bonds, if any, issued in one or more series on parity with the Series 2010B Bonds for completion of the Series 2010B Facilities.

"Series 2010B Facilities" means the Food Service Areas, the Bookstore and related facilities described in Exhibit A-2 attached to the Facilities Lease, as amended and supplemented from time to time, which are to be renovated and/or constructed with the proceeds of the Series 2010B Bonds and any Series 2010B Completion Bonds.

"State" shall mean the State of Louisiana.

"Student Fees" means, collectively, (a) the Building Use Fee, (b) the Health Center Bond Fee, (c) the Student Union Bond Fee and (d) the Student Union Expansion Fee.

"Student Union Bond Fee" means the student union bond fee being assessed by the University on all students for the use and availability of the Student Union.

"Student Union Expansion Fee" means the student union fee being assessed by the University on all students for the planning, development, construction and equipping of the Student Union

"Tax Regulatory Agreement" shall mean the Tax Regulatory Agreement and Arbitrage Certificate dated the Closing Date, among the Corporation, the Trustee, the Board and the Issuer.

"Trust Estate" shall mean all the property mortgaged, pledged, transferred and assigned to the Trustee by the Issuer pursuant to this Indenture and by the Corporation pursuant to the Mortgage as security for the Bonds.

"Trustee" means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Bonds issued and secured under the terms of this Indenture, initially Regions Bank.

"Underwriter" means Morgan Keegan & Company, Inc.

"University" means Southeastern Louisiana University in Hammond, Louisiana.

"University Representative" means the Person or Persons designated by the University in writing to serve as the University's representative hereunder; the University Representative shall be the Vice President for Administration and Finance of the University, or any other representative designated by the President of the University, of whom the Issuer and the Trustee have been notified in writing.

"Weighted Average Maturity" means the dollar-weighted average length of time until bonds held by the portfolio reach maturity and are repaid.

Section 1.2 Rules of Construction.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) Unless the context shall otherwise indicate, the word "person" shall include the plural as well as the singular number, and "person" shall mean any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

(c) Provisions calling for the redemption of Bonds or the calling of Bonds for redemption do not mean or include the payment of Bonds at their stated maturity or maturities.

(d) All references in this Indenture to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Indenture. The words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(e) Unless otherwise expressly provided herein, any transfer of moneys from a Series 2010A Bonds account shall only be transferred to another Series 2010A Bonds account and vice versa with respect to transfer from a Series 2010B Bonds account to another Series 2010B Bonds account.

ARTICLE 2

GRANTING CLAUSES AND PLEDGES

Section 2.1 Granting Clauses. In consideration of the acceptance by the Trustee of the trusts and duties set forth in this Indenture on behalf of the owners of all Bonds issued and secured hereunder, of the purchase and acceptance of the Bonds issued and secured by this Indenture by the owners thereof, of the payment of the purchase price of the Bonds to the Trustee for application as provided hereinafter, and in order to secure the payment of any and all Bonds at any time outstanding hereunder, according to the tenor and effect thereof and the premium and interest thereon, the payment of all costs, fees and charges specified herein, and the payment of all other sums if any, from time to time due to the owners of all Bonds secured hereunder, to the Trustee or its successors and assigns, and to the Bond Insurer, if any, or to others, according to the intent and meaning of all such Bonds and this Indenture, up to a maximum principal amount of \$_____, and for the purpose of securing the performance and observance by the Issuer of all the covenants and conditions herein contained, the Issuer does hereby TRANSFER, ASSIGN AND DELIVER TO AND IN FAVOR OF the Trustee, and its successor or successors in trust, for the benefit of the owners of all Bonds secured hereunder, its interest in the following described properties, rights, interests and benefits which, together with the Mortgaged Property, are collectively called the "Trust Estate":

All right, title and interest of the Issuer in, to and under the Agreement (except for rights of the Issuer relating to exculpation, indemnification and payment of fees and expenses thereunder), all payments, proceeds, revenues, income, receipts, issues, benefits and other moneys received or derived by the Issuer under the Agreement including, without limitation, the Payments to be paid by the Corporation to the Trustee pursuant to Section 4.2 of the Agreement.

All right, title and interest of the Issuer in, to and under the Facilities Lease assigned by the Corporation to the Issuer under the Agreement and all proceeds of insurance received or receivable by the Corporation, as a result of any damage to or destruction of the Facilities, or any part thereof, all amounts received or receivable by the Corporation, as compensation for the taking or transfer of the Facilities, or any part thereof, in lieu of a taking or use of the Facilities, under the powers of eminent domain, all amounts received or receivable by the Corporation, from the sale of the Facilities, or any part thereof, all amounts collected under payment and performance bonds, if any, maintained with respect to the Facilities, and any and all additional

revenues, income, receipts and other payments (including, without limitation, grants, donations, gifts and appropriations received from any private or public source) that hereafter are received by the Corporation, for or relating to the Facilities or that hereafter may be assigned by the Corporation pursuant to the Mortgage or by the Issuer hereunder, which receipt shall not affect the tax-exempt status of the Series 2010A Bonds;

All cash, moneys, securities and investments and earnings thereon that may at any time and from time to time, pursuant to the provisions of this Indenture, be paid to the Trustee or be held by the Trustee in the Funds created under this Indenture, except as the interest of said Trustee in such cash, moneys, securities and investments may otherwise appear in this Indenture, provided, however, that nothing in this Indenture shall be construed to affect any property held by the Trustee in any capacity other than as Trustee hereunder; and

All cash, moneys, securities and investments that may at any time and from time to time be held by the Trustee as Mortgagee under the Mortgage; and

To the extent not covered by the clauses above, all proceeds of any and all of the foregoing.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successor or successors and assigns forever, in trust, nevertheless subject to the terms and conditions and trusts herein set forth, for the equal benefit, security and protection of all and singular the present and future owners of all of the Bonds issued under and secured by this Indenture, without preference, priority or distinction as to lien or otherwise, except as may otherwise be provided herein, of any one Bond over any other Bond or of principal over interest or interest over principal, all as herein provided, and for the uses and purposes, and upon the terms, agreements and conditions set forth herein.

The Trust Estate assigned hereunder is also assigned to secure the payment of any and all sums that the Trustee or the Bond Insurer, if any, may expend or become obligated to expend (including but not limited to court costs and attorneys' fees) to preserve and protect any of the Trust Estate or to cure any default of the Corporation under the Agreement or the Facilities Documents or arising out of any such default or incident of delay in payment of sums and the performance of obligations thereunder, or in pursuing or exercising any right, rights, remedy or remedies consequent upon the default of the Corporation thereunder.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or provide for the payment pursuant to the provisions of this Indenture, the principal of the Bonds, premium, if any, and the interest due or to become due thereon, at the times and in the manner set forth in the Bonds and this Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and agreements as provided in and pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, and shall pay or cause to be paid to the, if any, all Bond Insurer Amounts, then upon such performance and payments this Indenture and the rights created hereby shall cease, terminate and be void as provided in Article 12 hereof, otherwise this Indenture shall be and remain in full force and effect.

The Issuer hereby covenants and agrees with, and does hereby covenant unto the Trustee, that it has good right and lawful authority to transfer and assign the Trust Estate to the extent and in the manner herein provided; that the Issuer will not create or suffer to exist any lien or encumbrance upon the Trust Estate, or any part thereof, or do or suffer any act or thing whereby the security hereof may be diminished or impaired; and the Issuer further does covenant, and by these presents hereby covenants and agrees to defend or cause to be defended forever the title to each and every part of said Trust Estate against the claims and demands of all persons whomsoever.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of said Trust Estate hereby conveyed, transferred, assigned, confirmed, pledged and encumbered is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective owners, from time to time, of the Bonds (including the Bond Insurer, if any), or any part thereof as follows:

ARTICLE 3

AUTHORIZATION, TERMS AND CONDITIONS OF BONDS

Section 3.1 Bonds Issuable Under this Article Only. No Bonds may be issued under the provisions of this Indenture except in accordance with the provisions of this Article.

Section 3.2 Authorization of Bonds.

(a) There is hereby authorized and issued under this Indenture \$ _____ aggregate principal amount of bonds to be known as "Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A," and \$ _____ aggregate principal amount of bonds to be known as "Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B" to be issued for the purpose of (i) demolishing certain existing facilities and renovating, developing and constructing the Facilities, (ii) funding a deposit to the Debt Service Reserve Fund (iii) paying the Costs of Issuance of the Bonds, including the premium for any bond insurance policy insuring the Bonds. Upon issuance, the proceeds of the Bonds shall be deposited as directed in Section 4.2 herein.

(b) The Bonds are issuable as fully registered Bonds, without coupons, in Authorized Denominations. The Series 2010A Bonds shall be numbered from No. RA-1 upwards and the Series 2010B Bonds shall be numbered from No. RB-1 upwards. The Bonds shall be dated the date of delivery, shall mature (subject to prior redemption as hereinafter set forth) on October 1 of the years and in the principal amounts and shall bear interest from the date thereof, payable on April 1 and October 1 of each year, commencing April 1, 2011, at the rates per annum (using a year of 360 days comprised of twelve 30 day months) as follows:

SERIES 2010A BONDS

<u>Date</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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SERIES 2010B BONDS

<u>Date</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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(c) The principal of, and premium, if any, of the Bonds shall be payable to the registered owners thereof upon surrender of the Bonds at the principal corporate trust office of the Trustee. The interest on the Bonds, when due and payable, shall be paid by check or draft mailed by the Trustee on such due date to each person in whose name a Bond is registered, at the address(es) as they appear on the Bond Register maintained by the Trustee at the close of business on the applicable Record Date irrespective of any transfer or exchange of the Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the Issuer shall default in payment of interest due on such Interest Payment Date, provided that the owners of \$1,000,000 or more in aggregate principal amount of Bonds may request payment by wire transfer if such owners have requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of any such default, such defaulted interest shall be payable on a payment date established by the Trustee to the persons in whose names the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of the Bonds not fewer than fifteen (15) days preceding such special record date. Payment as aforesaid shall be made in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts.

Section 3.3 Form of Bonds. The Bonds issued under this Indenture shall be substantially in the form set forth in Exhibit A-1 and Exhibit A-2 attached hereto and made a part hereof with such appropriate variations, additions, omissions and insertions as are permitted or required by this Indenture. All Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Bonds may be listed or any usage or requirement of law with respect thereto. All Bonds may bear identifying CUSIP numbers, but any failure to include such numbers or any error in any CUSIP number so included shall not in any way affect the validity of the Bonds.

Section 3.4 Redemption of Bonds

(a) Optional Redemption

- (i) The Series 2010B Bonds are not subject to optional redemption prior to maturity.
- (ii) The Series 2010A Bonds maturing October 1, 2021 and thereafter are subject to redemption prior to maturity at the option of the Corporation, upon written direction to the Issuer, on or after October 1, 2020 as a whole at any time, or in part on any Interest Payment Date, the maturity of said Series 2010A Bonds to be redeemed to be designated by the Corporation and selected within a maturity by the Trustee in such manner as the Trustee may determine, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

(ii) During the terms of the Ground Lease and the Facilities Lease, consent of the Board is required for optional redemption. To exercise such option, the Corporation shall give written notice to the Issuer, the Trustee and the Bond Insurer, if any, and shall specify therein the date of such prepayment, which prepayment date shall not be fewer than thirty-five (35) days from the date such notice is received by the Trustee. The Issuer and the Trustee shall make all necessary arrangements satisfactory to the Trustee for the redemption of Series 2010A Bonds to be redeemed under this Indenture in accordance with the provisions hereof.

(b) Mandatory Redemption

- (i) The Series 2010B Bonds are not subject to mandatory redemption prior to maturity.

(ii) The Series 2001A Bonds shall be redeemed as a whole on the Interest Payment Date on or after October 1, 2020, on or after which the Board exercises its option to purchase the Corporation's interest in the Facilities pursuant to Section 23 of the Facilities Lease, at a price equal to the then Outstanding principal amount of the Series 2010A Bonds plus accrued and unpaid interest to the date of redemption.

(c) Extraordinary Redemption

(i) The Bonds are subject to redemption in part at the option of the Corporation, upon written direction to the Issuer, on any Interest Payment Date from amounts transferred by the Trustee from the Project Fund to the respective account of the Debt Service Fund upon completion of construction of the Facilities in accordance with Section 4.17 hereof. The Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine, at a price equal to the principal of the Bonds so redeemed plus accrued and unpaid interest to the date of redemption.

(ii) Bonds shall be redeemed as a whole or in part (in an integral multiple of \$5,000) on the first Interest Payment Date at least thirty (30) days after the Trustee receives notice from the Corporation that any insurance proceeds, condemnation award or

payment in lieu of condemnation with respect to the Facilities will not be applied to the restoration, repair or reconstruction of the Facilities, and subject to the prior written consent of the Bond Insurer, if any, at a price equal to the principal amount of the Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not used for restoration, repair or reconstruction. If in part, the Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine. If the amount of any insurance proceeds, condemnation award or payment in lieu of condemnation to be applied in redemption of the Bonds is not an integral multiple of \$5,000, the principal amount of Bonds to be redeemed pursuant to this subparagraph (ii) shall be decreased to the next lower multiple of \$5,000.

(d) Mandatory Sinking Fund Redemption. Those Bonds maturing on the dates set forth below, shall be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

(i) Series 2010A Bonds. Those Series 2010A Bonds maturing on the dates set forth below, shall be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

Series 2010A Bonds
due October 1, _____

Redemption Date Principal
Amount

Series 2010A Bonds
due October 1, _____

Redemption Date Principal
Amount

(ii) Series 2010B Bonds. Those Series 2010B Bonds maturing on the dates set forth below, shall be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

Series 2010B Bonds
due October 1, _____

Redemption Date _____
Principal Amount _____

Series 2010B Bonds
due October 1, _____

Redemption Date _____
Principal Amount _____

(e) Any Completion Bonds issued under the provisions of Article 5 of this Indenture may be made subject to redemption, either in whole or in part and at such times and prices, as may be provided in the resolution or resolutions of the Issuer authorizing the issuance of such Completion Bonds.

(f) Unless otherwise specified above, if fewer than all of the Bonds of any Series shall be called for redemption, the Bonds to be redeemed shall be in inverse order of their maturity, and selected by the Trustee within a maturity in such manner as the Trustee may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of an Authorized Denomination. If a portion of any Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

(g) At least thirty (30) days before the redemption date of any Bonds redeemed other than by mandatory sinking fund redemption, the Trustee shall cause a notice of any such redemption, signed by an authorized officer of the Trustee to be mailed, postage prepaid, to all Bondholders of record owning Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds then outstanding shall be called for redemption, the numbers of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond will be issued.

(h) On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided and money for payment of the redemption price being held in the Debt Service Fund in trust for the owners of the Bonds or

portions thereof to be redeemed, the Bonds or portions of Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds or portions of Bonds shall cease to be entitled to any benefit or security under this Indenture, and the owners of such Bonds or portions of Bonds shall not have rights in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the next paragraph, to receive Bonds for any unredeemed portions of Bonds.

(i) In case part, but not all, of an outstanding Bond shall be selected for redemption, the registered owner thereof or his legal representative shall present and surrender such Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the Trustee shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a new Bond.

(j) Bonds and portions of Bonds which have been duly called for redemption under the provisions of this Article, or with respect to which irrevocable instructions to call for redemption have been given to the Trustee in form satisfactory to it, and for the payment of the redemption price for which moneys, or Defeasance Obligations, shall be held by the Trustee in a segregated account in trust for the owners of the Bonds or portions thereof to be redeemed, shall not thereafter be deemed to be outstanding under the provisions of this Indenture and shall cease to be entitled to any security or benefit under this Indenture other than the right to receive payment from such moneys.

Section 3.5 Execution; Limitation of Liability.

(a) The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signatures of the Chairman or Vice Chairman and the Secretary, an Assistant Secretary or the Executive Director of the Issuer, and shall have impressed or imprinted thereon the official seal of the Issuer or a facsimile thereof. The Bonds, together with interest thereon, shall not constitute a debt of the State or any political subdivision thereof. The Bonds, together with interest thereon, shall be limited and special obligations of the Issuer and shall be secured by and payable solely out of revenues derived from the Payments made pursuant to the Agreement and the Trust Estate pledged hereunder. The Issuer shall not be obligated to pay the principal of the Bonds or the interest thereon or other costs incidental thereto except from payments made pursuant to the Agreement. In case any officer of the Issuer whose signature or whose facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

(b) THE BONDS AND THE INTEREST THEREON ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OF THE ISSUER OR THE CORPORATION AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE STATE, THE BOARD, THE UNIVERSITY, THE ISSUER OR ANY POLITICAL SUBDIVISION OF THE

STATE. THE BOARD HAS AGREED, PURSUANT TO THE FACILITIES LEASE, TO MAKE PAYMENTS OF RENTAL TO THE CORPORATION ON BEHALF OF THE UNIVERSITY, UNDER THE TERMS AND CONDITIONS SET FORTH IN THE FACILITIES LEASE. THE PAYMENTS TO BE RECEIVED BY THE ISSUER FROM THE CORPORATION UNDER THE AGREEMENT ARE LIMITED TO THE AMOUNT OF RENTAL RECEIVED BY THE CORPORATION FROM THE BOARD. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF LOUISIANA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAXES OR TO MAKE ANY APPROPRIATION OF THEIR PAYMENT. THE ISSUER HAS NO POWER TO TAX.

Section 3.6 Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until a certificate of authentication substantially in the form set forth in Exhibit A-1 and Exhibit A-2 attached hereto and made a part hereof shall have been duly executed by a duly authorized representative of the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized representative of the Trustee, but it shall not be necessary that the same representative sign the certificate of authentication on all of the Bonds issued hereunder.

Section 3.7 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any outstanding Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Issuer may execute and, upon its request, the Trustee may authenticate a new Bond of the same principal amount and of like tenor as the mutilated, lost or stolen or destroyed Bond, provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Issuer and the Trustee evidence of such loss, theft or destruction in form satisfactory to the Issuer and the Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a substitute Bond the Issuer may authorize the payment of the same. The Issuer and the Trustee may charge the Corporation or the owner of such Bond with their reasonable fees and expenses in this connection. Any Bond issued under the provisions of this Section 3.7 in lieu of any Bond alleged to be destroyed, lost or stolen shall constitute an original additional contractual obligation on the part of the Issuer, whether or not the Bond so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture together with all other Bonds in substitution for which such Bonds were issued.

Section 3.8 Registration of Bonds.

(a) The Trustee shall be the bond registrar for the Bonds. So long as any of the Bonds shall remain outstanding, there shall be maintained and kept for the Issuer, at the principal corporate trust office of the Trustee, the Bond Register for the registration and transfer of the Bonds and, upon presentation thereof for such purpose at said office, the Trustee shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bond.

(b) Each Bond shall be transferable only upon the Bond Register at the principal corporate trust office of the Trustee at the written request of the registered owner thereof or his legal representative duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his legal representative duly authorized in writing. Upon the transfer of any such Bond, the Trustee shall issue in the name of the transferee, in Authorized Denominations, one or more Bonds of the same aggregate principal amount as the surrendered Bonds.

Section 3.9 Persons Treated as Owners.

(a) The Issuer and the Trustee may, for the purpose of receiving payment of, or on account of, the principal of and interest on any Bond and for all other purposes, deem and treat the person in whose name such Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether or not such Bond is overdue, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

(b) Payment made to the person deemed to be the owner of any Bond for the purpose of such payment in accordance with the provisions of this Section 3.9 shall be valid and effectual, to the extent of the sum or sums so paid, to satisfy and discharge the liability upon such Bond in respect of which such payment was made.

Section 3.10 Exchange and Transfer of Bonds.

(a) As long as any of the Bonds remain outstanding, there shall be permitted the exchange of Bonds at the principal corporate trust office of the Trustee. Any Bond or Bonds upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in Authorized Denominations.

(b) For every such exchange or transfer of Bonds, the Issuer or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(c) The Trustee shall not be required to register the transfer or exchange of (i) any Bonds during the fifteen (15) day period next preceding the selection of Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Bonds selected for redemption, or (ii) any Bonds selected, called or being called for redemption in whole or in part, except in the case of any Bond to be redeemed in part, the portion thereof not so to be redeemed.

Section 3.11 Cancellation and Destruction of Surrendered Bonds. Upon the surrender to the Trustee of any temporary or mutilated Bonds, or Bonds transferred or exchanged for other Bonds, or Bonds paid at maturity by the Issuer, the same shall forthwith be canceled and destroyed by the Trustee, and the Trustee, upon the request of the Issuer, shall deliver its certificate of such destruction to the Issuer.

Section 3.12 Delivery of the Bonds.

- (a) Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to the purchasers thereof as shall be directed by the Issuer as hereinafter in this Section provided.
- (b) Prior to or simultaneously with the delivery by the Trustee of the Bonds there shall be filed with the Trustee:
- (i) A copy, duly certified by the Secretary or an Assistant Secretary of the Issuer, of the resolution or resolutions adopted by the Issuer authorizing the execution and delivery of this Indenture and the Agreement, and all other instruments contemplated thereby and the authorization, issuance, sale and delivery of the Bonds;
 - (ii) copy, duly certified by an Authorized Corporation Representative, of the resolution or resolutions of the Corporation authorizing the execution and delivery of the Agreement, the Facilities Documents, the Mortgage and all other instruments contemplated thereby and approving this Indenture and the authorization, issuance, sale and delivery of the Bonds;
 - (iii) Original executed counterparts of this Indenture, the Agreement, the Bond Insurance Policy, the Ground Lease, the Mortgage, the Facilities Lease, the Bond Purchase Agreement and the Tax Regulatory Agreement (collectively, the "Bond Documents");
 - (iv) Copies of the Plans and Specifications (as defined in the Ground Lease) and all land surveys and other documents relating to the design, construction and renovation of the Facilities;
 - (v) Signed copies of all opinions of counsel required in connection with the issuance of the Bonds and the transactions contemplated thereby, in form and substance satisfactory to the Underwriter and the Bond Insurer, if any;
 - (vi) A request and authorization to the Trustee on behalf of the Issuer and signed by its Chairman, Vice Chairman, Secretary, Treasurer, Assistant Secretary or Executive Director to authenticate and deliver the Bonds to the purchasers thereof and specifying the amounts to be deposited in the Bond Proceeds Fund and Cost of Issuance Account, the Project Fund, the Series 2010 Bonds Replacement Fund, the Debt Service Fund and the Debt Service Reserve Fund; and
 - (vii) A signed copy of the legal opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Bond Counsel, addressed to the Trustee and to the Bond Insurer, if any, (A) opining that the Bonds are exempt from the registration requirements of the Securities Act of 1933 as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended, and (B) authorizing each of the Trustee and the Bond Insurer, if any, to rely upon Bond Counsel's approving opinion as if it were addressed to such person.

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- (c) The Issuer hereby authorizes and directs the Trustee to execute and deliver the Tax Regulatory Agreement and the Mortgage.

Section 3.13 Book Entry Registration of Bonds.

- (a) The Bonds shall be initially issued in the name of Cede & Co., as nominee for DTC, as registered owner of the Bonds, and held in the custody of DTC (or the Trustee as the agent of DTC under the F.A.S.T. delivery system). The Issuer and the Trustee acknowledge that the Issuer has executed and delivered a Blanket Letter of Representations with DTC and that the terms and provisions of said Letter of Representations shall govern in the event of any inconsistency between the provisions of this Indenture and said Letter of Representations. A single bond certificate for each maturity of Bonds will be issued and delivered to DTC. The Beneficial Owners will not receive physical delivery of Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Bond acquired. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interest will be made by book entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond certificate.
- (b) For every transfer and exchange of the Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner's allocable share of any tax, fee or other governmental charge that may be imposed in relation thereto.
- (c) The Issuer, the Corporation and the Trustee will recognize DTC or its nominee as the Bondholder for all purposes, including notices and voting.
- (d) None of the Issuer, the Trustee, the Corporation nor the Board is responsible for the performance by DTC of any of its obligations, including, without limitation, the payment of moneys received by DTC, the forwarding of notices received by DTC or the giving of any consent or proxy in lieu of consent.
- (e) Whenever during the term of the Bonds the beneficial ownership thereof is determined by a book entry at DTC, the requirements of this Indenture of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate person to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.
- (f) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law.
- (g) The Issuer, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Issuer determines that (a) DTC is unable to discharge its responsibilities with respect to the Bonds, or (b) a continuation of the requirement that all of the outstanding Bonds be registered on the registration books kept by the Trustee in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of the Bonds.

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(h) Upon the termination of the services of DTC with respect to the Bonds pursuant to the above two paragraphs, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Issuer is willing and able to undertake such functions upon reasonable and customary terms, the Issuer is obligated to deliver Bonds to the owner, at the expense of the said owner as described in this Indenture, and the Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names holders transferring or exchanging Bonds shall designate in accordance with the provisions of this Indenture.

(i) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Blanket Letter of Representations of the Issuer dated November 17, 1998 and delivered to DTC.

(j) If at any time DTC ceases to hold the Bonds, all references herein to DTC shall be of no further force or effect.

Section 3.14 Provisions relating to Bond Insurer. Notwithstanding anything to the contrary set forth in this Indenture, the following provisions required by or related to the Bond Insurance Policy shall be applicable:

(a) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund, if any. Notwithstanding anything to the contrary set forth in this Indenture, amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Bonds.

(b) The Bond Insurer shall be deemed to be the sole holder of the Bonds it insures for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to this Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. All remedies granted to the Bondholders shall include mandamus.

(c) The security for the Bonds shall include a pledge of any agreement with any underlying obligor that is a source of payment for the Bonds and a default under any such agreement shall constitute an Event of Default under this Indenture.

(d) The maturity of Bonds insured by the Bond Insurer shall not be accelerated without the consent of the Bond Insurer and in the event the maturity of the Bonds is accelerated, the Bond Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Bond Insurance Policy with respect to such Bonds shall be fully discharged.

(e) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Bond Insurer. No grace period shall be permitted for payment defaults.

(f) The Bond Insurer shall be included as a third party beneficiary to this Indenture.

(g) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of the Bond Insurer. The exercise of any provision of this Indenture which permits the purchase of Bonds in lieu of redemption shall require the prior written approval of the Bond Insurer if any Bond so purchased is not cancelled upon purchase.

(h) Any amendment, supplement, modification to, or waiver of, this Indenture, the Loan Agreement, the Facilities Lease, the Mortgage or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Bondholders or adversely affects the rights and interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.

(i) Unless the Bond Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Project Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Bonds.

(j) The rights granted to the Bond Insurer under this Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Bondowners or any other person is required in addition to the consent of the Bond Insurer.

(k) Only (i) cash, (ii) non-callable direct obligations of the United States of America ("Treasuries"), (iii) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (iv) subject to the prior written consent of the Bond Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (v) subject to the prior written consent of the Bond Insurer, securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the Bonds unless the Bond Insurer otherwise approves.

(l) To accomplish defeasance, the Issuer shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other

accountant as shall be acceptable to the Bond Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Bond Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under this Indenture and (iv) a certificate of discharge of the Trustee with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, Trustee and Bond Insurer. The Bond Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow. Bonds shall be deemed "Outstanding" under this Indenture unless and until they are in fact paid and retired or the above criteria are met.

(m) Amounts paid by the Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of this Indenture and the Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with this Indenture. This Indenture shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

(n) Each of the Issuer and Trustee covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.

(o) Claims Upon the Bond Insurance Policy and Payments by and to the Bond Insurer.

(i) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under this Indenture, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the "Bond Insurer's Fiscal Agent") by telephone or teletype of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Bond Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Bond Insurer and the Bond Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

(ii) The Trustee shall designate any portion of payment of principal on Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Bond Insurer, registered in the name of Assured Guaranty

Municipal Corp. (formerly known as Financial Security Assurance Inc.), in a principal amount equal to the amount of principal so paid (without regard to authorized denominations), provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Bond Insurer.

(iii) The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(iv) Upon payment of a claim under the Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Issuer agrees to pay, or cause the Corporation and/or the Board to pay, to the Bond Insurer (A) a sum equal to the total of all amounts paid by the Bond Insurer under the Bond Insurance Policy (the "Bond Insurer Advances"); and (B) interest on such Bond Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, the "Bond Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Issuer hereby covenants and agrees, or shall cause the Corporation and/or the Board to covenant and agree, that the Bond Insurer Reimbursement Amounts are secured by a lien on and pledges of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Bonds.

(v) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Bond Insurer.

(p) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in

accordance with the terms of the Bond Insurance Policy. Each obligation of the Issuer, the Corporation or the Board to the Bond Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(q) The Issuer shall pay or reimburse, or cause the Corporation and/or the Board to pay or reimburse, the Bond Insurer any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under this Indenture or any other Related Document or otherwise afforded by law or equity; (iii) any amendment, waiver or other action with respect to, or related to, this Indenture or any other Related Document whether or not executed or completed; or (iv) any litigation or other dispute in connection with this Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Indenture or any other Related Document.

(r) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

(s) The Bond Insurer shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with this Indenture, whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.

(t) The Bond Insurer shall be provided with the following information by the Issuer, the Corporation, the Board or the Trustee, as the case may be:

(i) Annual audited financial statements within 150 days after the end of the Corporation's fiscal year (together with a certification of the Corporation that it is not aware of any default or Event of Default under this Indenture), and the Corporation's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Bond Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of Bonds;

(iii) Notice of any default known to the Trustee, the Board or the Issuer within five Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any proceeding by or against the Issuer or Corporation commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(ix) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Related Documents.

(u) In addition, to the extent that the Issuer, the Board or the Corporation has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Bonds, all information furnished pursuant to such agreements shall also be provided to the Bond Insurer, simultaneously with the furnishing of such information.

(v) The Bond Insurer shall have the right to receive such additional information as it may reasonably request.

(w) The Issuer, the Board and the Corporation will permit the Bond Insurer to discuss the affairs, finances and accounts of the Issuer, the Board and the Corporation or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Issuer, the Board and the Corporation and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the Issuer and the Corporation on any business day upon reasonable prior notice.

(x) The Trustee shall notify the Bond Insurer of any failure of the Issuer or the Corporation to provide notices, certificates and other information under the transaction documents.

(y) Notwithstanding satisfaction of the other conditions to the issuance of Completion Bonds set forth in this Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Debt Service Reserve Fund is fully funded at the Debt Service Reserve Requirement (including the proposed issue) upon the issuance of such Completion Bonds, in either case unless otherwise permitted by the Bond Insurer.

(z) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Indenture would adversely affect the security

for the Bonds or the rights of the Bondholders, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Bond Insurance Policy.

(aa) No contract shall be entered into or any action taken by which the rights of the Bond Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

(bb) If the Bonds are issued for refunding purposes, there shall be delivered an opinion of Bond Counsel addressed to the Bond Insurer (or a reliance letter relating thereto), or a certificate of discharge of the trustee for the Refunded Bonds, to the effect that, upon the making of the required deposit to the escrow, the legal defeasance of the Refunded Bonds shall have occurred. If the Refunded Bonds are insured by Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), at least three business days prior to the proposed date for delivery of the Policy with respect to the Refunding Bonds, the Bond Insurer shall also receive (i) the verification letter, of which the Bond Insurer shall be an addressee, by an independent firm of certified public accountants which is either nationally recognized or otherwise acceptable to the Bond Insurer, of the adequacy of the escrow established to provide for the payment of the Refunded Bonds in accordance with the terms and provisions of the Escrow Deposit Agreement, and (ii) the form of an opinion of Bond Counsel addressed to the Bond Insurer (or a reliance letter relating thereto) to the effect that the Escrow Deposit Agreement is a valid and binding obligation of the parties thereto, enforceable in accordance with its terms (such Escrow Deposit Agreement shall provide that no amendments are permitted without the prior written consent of the Bond Insurer). An executed copy of each of such opinion and reliance letter, if applicable, or Trustee's discharge certificate, as the case may be, shall be forwarded to the Bond Insurer prior to delivery of the Bonds.

(cc) Any interest rate exchange agreement ("Swap Agreement") entered into by the Corporation or the Board and secured on parity with the Bonds shall meet the following conditions, so long as any Insured Bonds are outstanding: (i) the Swap Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (iii) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Swap Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively offsets the exposure from any such element or component. Unless otherwise consented to in writing by the Bond Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Bonds and on any debt on parity with the Bonds. The Corporation or the Board shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the Bond Insurer prior to the payment of any such termination amount that such payment will not cause the Corporation or the Board to be in default under the Related Documents, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Swap Agreement must have a rating of at least "A-" and "A3" by S&P and Moody's, if the counterparty or guarantor's rating falls below "A-" or "A3" by either S&P or Moody's, the counterparty or guarantor shall execute a credit support annex to the Swap Agreement, which credit support annex shall be acceptable to the Bond Insurer. If the counterparty or the guarantor's long term unsecured rating falls below "Baa1" or "BBB+" by either Moody's or S&P, a replacement counterparty or guarantor, acceptable to the Bond Insurer, shall be required.

ARTICLE 4
FUNDS AND ACCOUNTS: FLOW OF FUNDS;
INVESTMENTS: DEPOSITS: ARBITRAGE;
PAYMENTS ON BOND INSURANCE POLICY

Section 4.1 Creation and Use of Funds and Accounts:

(a) Upon delivery of and payment for the Bonds, the following special trust Funds and Accounts (except as qualified in this Section 4.1) shall be established and maintained with the Trustee so long as any Bonds issued under this Indenture are outstanding:

- (i) Bond Proceeds Fund and a Costs of Issuance Sub-Account therein;
 - (A) Series 2010A Bonds Proceeds Account
 - (1) Series 2010A Bonds Costs of Issuance Sub-Account
- (B) Series 2010B Bonds Proceeds Account
 - (1) Series 2010B Bonds Costs of Issuance Sub-Account
- (ii) Debt Service Fund, and the following accounts therein:
 - (1) Series 2010A Bonds Debt Service Account
 - (2) Series 2010B Bonds Debt Service Account
- (iii) Debt Service Reserve Fund;
 - (A) Series 2010A Bonds Debt Service Reserve Account
 - (B) Series 2010B Bonds Debt Service Reserve Account
- (iv) Project Fund;
 - (A) Series 2010A Bonds Project Account
 - (B) Series 2010B Bonds Project Account
- (v) Series 2010 Bonds Replacement Fund; and
- (vi) Series 2010A Bonds Rebate Fund.

(b) The Series 2010A Bonds Rebate Fund shall be held by the Trustee but shall not be a trust account within the Trust Estate pledged under this Indenture.

Section 4.2 Bond Proceeds Fund:

(a) The Bond Proceeds Fund shall be used to receive the proceeds of the Bonds. On the Closing Date, the Trustee shall disburse amounts held in the Bond Proceeds Fund as follows:

(i) to retain such sum in the Series 2010A Bonds Costs of Issuance Sub-Account and the Series 2010B Bonds Costs of Issuance Sub-Account of the Costs of Issuance Sub-Account as may be specified in the request and authorizations delivered pursuant to Section 3.12(b)(vi) hereof;

(ii) to the Series 2010A Bonds Debt Service Reserve Account and the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund an amount equal to the Debt Service Reserve Fund Requirement; and

(iii) to the Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund the balance of the proceeds of the Bonds.

(b) Amounts deposited on the Closing Date into the Costs of Issuance Sub-Account of the Bond Proceeds Fund shall be disbursed, pursuant to the written instructions of the Issuer, to pay Costs of Issuance. Any amounts remaining in the Costs of Issuance Sub-Account one hundred eighty (180) days after delivery of the Bonds shall be deposited into the Project Fund.

Section 4.3 Flow of Funds.

(a) All Payments under the Agreement are subject to the pledge of this Indenture, and, are payable solely from the Trust Estate.

(b) The principal and interest on the Bonds are payable solely from the Trust Estate and are not general obligations of the University, the Board, the State, the Issuer or any political subdivision thereof and the faith and credit of the State, the Issuer, the University or the Board is not pledged to the payment of the principal or interest on the Bonds.

(c) The Issuer covenants and agrees to cause the Corporation to make Payments, which payments shall be made directly to the Trustee and applied by the Trustee in the following priority:

(i) At such time as may be required by the Tax Regulatory Agreement but not less often than annually, to the Series 2010A Bonds Rebate Fund the amount required to be deposited thereunder;

(ii) At such time as may be required by Section 4.4 herein, to the Debt Service Fund to make the payments set forth herein;

(iii) On the dates required in this Indenture, to the Trustee for deposit into the Debt Service Reserve Fund, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by this Indenture. Following any drawing on the Debt Service Reserve Fund in accordance with Section

8.5 hereof, to the Trustee for deposit into the Debt Service Reserve Fund: (A) in twenty-four (24) equal monthly installments beginning in the month following any withdrawal, or (B) in four (4) consecutive equal monthly installments beginning in the month following any calculation of the value of the Debt Service Reserve Fund at an amount less than the Debt Service Reserve Fund Requirement, an amount necessary to cause the amount on deposit in the Debt Service Reserve Fund to equal the Debt Service Reserve Fund Requirement; and

(iv) On the dates required in this Indenture, into the Series 2010 Bonds Replacement Fund, an amount sufficient to meet the requirements of Section 4.21 of this Indenture; and

(v) On the dates required in this Indenture, to the Trustee for deposit into the Series 2010 Bonds Replacement Fund, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund, to restore any loss from such fund, excluding losses resulting from payments made from such fund pursuant to Section 4.21(c) hereof, and any other payment required to be made to such fund by this Indenture.

Section 4.4 Debt Service Fund.

(i) Semiannually, on or before the third Business Day preceding each Interest Payment Date to the Series 2010A Bonds Debt Service Account and the Series 2010B Bonds Debt Service Account of the Debt Service Fund the Issuer shall transfer or cause to be transferred to the Trustee an amount equal to the interest due and payable on the respective Bonds on such Interest Payment Date;

(ii) Annually, on or before the third Business Day preceding each Principal Payment Date to the Series 2010A Bonds Debt Service Account and the Series 2010B Bonds Debt Service Account of the Debt Service Fund the Issuer shall transfer or cause to be transferred to the Trustee an amount equal to the principal due and payable on the Bonds on such Principal Payment Date;

(iii) At the written request of the Corporation, all or any part of the moneys in the Debt Service Fund shall be invested in accordance with the provisions of the laws of the State of Louisiana in Permitted Investments, in which event all income derived from such investments shall be credited to the Debt Service Fund.

(iv) In the event of the refunding of the Bonds pursuant to Section 5.2 hereof, the Trustee will, if the Corporation so directs, withdraw from the appropriate account of the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to the Debt Service Requirements on the Bonds being refunded and deposit such amounts with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded; provided that such withdrawal will not be made unless immediately thereafter the Bonds being refunded will be deemed to have been paid pursuant to this Indenture and provided, further, that at the time of such withdrawal, there will exist no deficiency in any Fund or Account held under this Indenture and all Bond Insurer Amounts shall have been indefeasibly paid in full. In the event of such refunding, the Issuer, through the Corporation and the Board, may also direct the Trustee to withdraw from the appropriate account

of the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service Requirements on the Bonds being refunded and deposit such amounts in any Fund or Account under the Indenture and all Bond Insurer Amounts shall have been indefeasibly paid in full.

Section 4.5 Project Fund. The Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund shall be maintained by the Trustee in trust and shall be used to receive the immediate transfer from the balance of the proceeds of the Bonds as provided in Section 4.2(a)(iii) hereof and from a capital contribution by the Board. Moneys in the Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund shall be applied to the payment of the Costs of the Facilities pursuant to the procedure established in Section 4.14 hereof and, pending such application, shall be subject to a lien and charge in favor of the Bondholders and the Bond Insurer, if any, for the further security of such Bondholders and the Bond Insurer, if any, until paid out or transferred as herein provided. Funds in the Series 2010A Bonds Project Account of the Project Fund shall not be transferred to the Series 2010B Bonds Project Account of the Project Fund, and vice versa, unless such transfer is approved by Bond Counsel.

Section 4.6 Debt Service Reserve Fund

(a) On the date of issuance of the Bonds, the Trustee shall deposit from the proceeds of the Bonds into the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund an amount equal to \$_____ and into the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund an amount equal to \$_____. Moneys in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund shall be used solely for transfer to the Series 2010A Bonds Debt Service Account of the Debt Service Fund in amounts required to prevent any default in the payment of the principal of and interest on the Bonds. Moneys in the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund may be used for transfer to the Series 2010A Bonds Debt Service Account of the Debt Service Fund in the event that the Service Reserve Fund from the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund to the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Fund should prove insufficient to prevent any default in the payment of the principal of and interest on the Series 2010A Bonds. Moneys in the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund shall be used for transfer to the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund in amounts required to prevent any default in the payment of the principal of and interest on the Series 2010B Bonds. The Weighted Average Maturity of investments in the accounts of the Debt Service Reserve Fund shall not at any time exceed five (5) years.

(b) Whenever the amount in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund, together with the amount in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund is sufficient to pay in full all Series 2010A Bonds Outstanding in accordance with their terms (including principal and interest thereon), the funds on deposit in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund shall be transferred to the Series 2010A Bonds Debt Service Account of the Debt Service Reserve Fund and shall be available to pay all of the Series 2010A Bonds Outstanding. Prior to

said transfer, all investments held in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund shall be liquidated to the extent necessary in order to provide for the timely payment of principal and interest on the Series 2010A Bonds. Funds in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund may be transferred only to the Series 2010A Bonds Debt Service Account of the Debt Service Fund, unless such transfer is approved by Bond Counsel and by the prior written consent of the Bond Insurer, if any.

(c) In lieu of the required deposits or transfers to the appropriate account of the Debt Service Reserve Fund or to provide for the removal of all or a portion of the amounts on deposit in the appropriate account of the Debt Service Reserve Fund, the Issuer may, with the prior written consent of the Bond Insurer, if any, cause to be deposited into the appropriate account of the Debt Service Reserve Fund a surety bond, letter of credit or an insurance policy satisfactory in form and substance to the Bond Insurer, if any, for the benefit of the owners of the Bonds in an amount equal to (i) the difference between the Debt Service Reserve Fund Requirement and the sums then on deposit in the appropriate account of the Debt Service Reserve Fund, if any, or (ii) the Debt Service Reserve Fund Requirement. The surety bond, insurance policy or letter of credit shall be payable (upon the giving of notice as required thereunder) on any due date on which monies will be required to be withdrawn from the appropriate account of the Debt Service Reserve Fund and applied to the payment of principal of or interest on any Bonds when such withdrawal cannot be met by amounts on deposit in the appropriate account of the Debt Service Reserve Fund or provided from any other Fund under this Indenture. The insurer providing such surety bond or insurance policy shall be an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in the highest rating category by the Rating Agency. The letter of credit issuer shall be a bank or trust company that is rated not lower than the second highest rating category by the Rating Agency, and the letter of credit itself shall be rated in the highest rating category of either such rating agency. If a disbursement is made pursuant to a surety bond, an insurance policy or a letter of credit provided pursuant to this subsection, the Issuer shall be obligated, in accordance with Section 4.3(c)(iii) hereof, either (i) to reinstate the maximum limits of such surety bond, insurance policy or letter of credit or (ii) to deposit into the appropriate account of the Debt Service Reserve Fund, funds in the amount of the disbursement made under such surety bond, insurance policy or letter of credit, or a combination of such alternatives, as shall provide that the amount in the Debt Service Reserve Fund equals the Debt Service Reserve Fund Requirement. In connection with its obligation to provide for any reinstatement of amounts on deposit in the appropriate account of the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement, the Issuer may agree to provide the insurer or the issuer of such letter of credit a pledge of the amounts to be deposited in the appropriate account of the Debt Service Reserve Fund to provide for such reinstatement provided, however, such obligation shall be subject and subordinate to the pledge created by this Indenture as security for the Bonds and subject to the prior written consent of the, if any. Reimbursement of amounts paid by an insurer under a surety bond, insurance policy or letter of credit, including interest thereon, shall be made on a monthly basis commencing in the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/24th of the aggregate of such draw and the interest due thereon and shall be credited first to the principal due and then to interest due. In the event that the rating attributable to any insurer providing any surety bond or insurance policy or any bank or trust company providing any letter

of credit held as above provided in the Debt Service Reserve Fund shall fall below that required as above provided, the Issuer shall use its best efforts to replace, as soon as possible, such surety bond, insurance policy or letter of credit with a surety bond, insurance policy or letter of credit which shall be satisfactory to the Bond Insurer, if any, and meet the above provided requirements.

(d) In the event that Completion Bonds are issued pursuant to Section 5.1 hereof, the Issuer shall at the time of issuance of such Completion Bonds deposit either cash, or a surety bond, insurance policy or letter of credit meeting the requirements of this Section, in the appropriate account of the Debt Service Reserve Fund in an amount sufficient to satisfy the necessary increase in the Debt Service Reserve Fund Requirement.

(e) In the event that the Debt Service Reserve Fund contains both cash and a surety bond, insurance policy or letter of credit and a disbursement from the Debt Service Reserve Fund is required hereunder, the Trustee shall draw such disbursement first from cash on hand in the Debt Service Reserve Fund until the cash is completely drawn down before making any draw on the surety bond, insurance policy or letter of credit.

(f) In the event that the Trustee makes a disbursement from any surety bond, insurance policy or letter of credit in the Debt Service Reserve Fund, the Issuer, at the direction of the Corporation, shall direct that any available funds first to reimburse the issuer of such surety bond, insurance policy or letter of credit prior to using such funds to replenish the Debt Service Reserve Fund with any cash necessary to meet the Debt Service Reserve Fund Requirement.

(g) In the event of the refunding of any Bonds, the Trustee shall, if the Issuer so directs, withdraw from the appropriate account of the Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to the Bonds being refunded and deposit such amounts to be held for the payment of the principal or redemption premium, if applicable, and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless (i) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to Article 12 and (ii) the amount remaining in the appropriate account of the Debt Service Reserve Fund, after giving effect to the issuance of the Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the Debt Service Reserve Fund Requirement.

(h) Notwithstanding anything to the contrary herein, at the option of the Board, moneys in the Series 2010 Bonds Replacement Fund may be used to pay debt service on the Series 2010 Bonds in the event there are insufficient monies in the Debt Service Fund on the date such principal and/or interest is due, before moneys in the Debt Service Reserve Fund are expended for such purpose. Use of moneys in the Series 2010 Bonds Replacement Fund to pay debt service on the Series 2010 Bonds shall not be considered an Event of Default.

Section 4.7 Reserved.

Section 4.8 Series 2010A Bonds Rebate Fund. Moneys deposited and held in the Series 2010A Bonds Rebate Fund shall be used to make all rebate payments owed to the United

States under the Code, and shall not be subject to the pledge of the Indenture. The Board shall comply and cause the Corporation to comply with the requirements of Section 148 of the Code and the regulations thereunder, and the Corporation, at its expense, shall make the calculation(s) required by the Code and the Tax Regulatory Agreement and Arbitrage Certificate and shall direct the Trustee to make deposits to and make disbursements from the Series 2010A Bonds Rebate Fund that the Corporation determines are in accordance therewith. The Tax Regulatory Agreement and any provisions of this Indenture governing deposits to the Series 2010A Bonds Rebate Fund may be superseded or amended by the Corporation (except the requirement of annual calculations and deposits to the Series 2010A Bonds Rebate Fund, if required) if accompanied by an opinion of Bond Counsel addressed to the Issuer, the Bond Insurer, if any, the Corporation and the Trustee to the effect that the use of the new Tax Regulatory Agreement will not cause the interest on the Series 2010A Bonds to become includable in gross income of the recipient thereof for federal tax purposes.

Section 4.9 Reserved.

Section 4.10 Investments.

(a) Moneys contained in the funds and accounts held by the Trustee shall be continuously invested and reinvested by the Trustee at the direction of the Corporation through and as advised by the Board, in Permitted Investments, that shall mature (or be readily convertible to cash), to the extent practicable, not later than the respective dates, as estimated by the Trustee, when the moneys in said Funds and Accounts shall be required for the purposes intended, and:

(i) No such investment shall be required to be made unless the cash at the time available therefor is at least equal to \$1,000,

(ii) The Trustee shall be authorized, to the extent necessary to enable the Trustee to discharge or perform its obligations hereunder, at any one or more times to sell any part or all of the investments whenever it may, for any reason or purpose whatsoever, deem any such sale to be desirable,

(iii) Any income derived from and any profit or loss on any such investment of moneys on deposit in any such fund or account shall be credited or debited, as the case may be, to the respective fund or account in which earned,

(iv) No Permitted Investments in any fund or account may mature beyond the latest maturity date of any Bonds outstanding at the time such Permitted Investments are deposited. For the purposes of this section, the maturity date of repurchase agreements for obligations is the maturity date of such repurchase agreements and not the maturity date of the underlying obligation except as otherwise permitted in writing by the Bond Insurer, if any, and

(v) No float forward or forward purchase agreement or other arrangement, agreement or financial product may be utilized in connection with the Debt Service Fund unless the Bond Insurer, if any, so permits and the terms thereof (including, without limitation, the parties thereto) are satisfactory to the Bond Insurer, if any, and, if satisfactory to the Bond Insurer, if any, such agreements will constitute Permitted Investments.

(b) An Authorized Corporation Representative shall give to the Trustee directions respecting the investment or liquidation of any money required to be invested hereunder, subject, however, to the provisions of this Article and Article 5 of the Agreement, and the Trustee shall then invest such money under this Section as so directed. The Trustee shall in no event have any liability for any loss resulting from the investment of moneys in accordance with the directions of the Authorized Corporation Representative. The Trustee shall furnish the Issuer annually with a written copy and the Corporation with a written copy for the Board, and, if requested, the Bond Insurer, if any, on at least a monthly basis, of the types, amounts, yield and maturities of all such investments.

(c) All investments, and the value of each fund and account hereunder, shall be valued by the Trustee pursuant to the definition of Permitted Investments herein as frequently as deemed necessary by the Bond Insurer, if any, but not less often than monthly. Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value shall be restored no later than the succeeding valuation date.

Section 4.11 Depository of Moneys and Security for Deposits. All of the funds and accounts established hereunder shall be special trust accounts held by the Trustee in trust for the benefit of the owners of the Bonds and shall not be subject to lien or attachment by any creditors of the Trustee, the Issuer, the Corporation, or the Board. Uninvested sums in these funds and accounts shall be continually secured as are deposits of uninvested sinking funds of political subdivisions of the State or in the manner prescribed by federal law for securing any federal trust funds as may be prescribed from time to time by the Comptroller of the Currency.

Section 4.12 Arbitrage. Notwithstanding any of the other provisions hereof, the Corporation shall not direct the investment of moneys in the various funds and accounts created hereunder in a manner which would result in the loss of exclusion from gross income of interest on the Series 2010A Bonds for federal income tax purposes or in such manner which would result in the Series 2010A Bonds becoming "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 4.13 Payments From Project Fund.

(a) Payment of the Costs of the Facilities shall be made from the proceeds of the Bonds deposited into the appropriate account of the Project Fund; provided, however that interest earnings on the amounts deposited into that account of the Project Fund shall be transferred monthly to the corresponding account of the Debt Service Fund and used to make the next payment of interest on the corresponding series of Bonds. All payments from the Project Fund shall be subject to the provisions and restrictions set forth in this Article, and the Issuer covenants that it will not cause or permit to be paid from the Project Fund any sums except in accordance with such provisions and restrictions.

(b) Moneys in the Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund shall be used to pay the respective Costs of the Facilities; provided that if an Event of Default under the Agreement or Indenture has occurred and is continuing, the Trustee shall, at the direction of the Bond Insurer, if any, transfer moneys in the Project Fund to the appropriate account of the Debt Service Fund for the purpose of paying the principal of and interest on the Bonds.

Section 4.14 Costs of the Facilities. For the purpose of this Indenture, the Costs of the Facilities shall embrace such costs as are eligible costs within the purview of the Act and the Code and, without intending thereby to limit or restrict any proper definition of such costs, shall include the following:

(a) obligations incurred by the Corporation for the benefit of the Board with respect to the lease of the Land and the design, acquisition, construction and installation of the Facilities, for labor, materials and services provided by contractors, builders and others in connection with the construction and equipping of the Facilities, machinery and equipment, necessary water and sewer lines and connections, utilities and landscaping, the restoration or relocation of any property damaged or destroyed in connection with such construction, the removal, demolition or relocation of any structures, and the clearing of lands and the reasonably allocable expenses of the Corporation with respect to the Facilities;

(b) the cost of acquiring by purchase, if deemed expedient, or leasing such Land, rights, interests of way, servitudes, easements, franchises and other interests as may be deemed necessary or convenient by the Authorized Corporation Representative for the construction and equipping of the Facilities, the cost of options and partial payments thereon, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved and the amount of any damages incident to or consequent upon the construction of the Facilities;

(c) interest on the Bonds prior to the establishment of the completion date of the Facilities pursuant to Section 3.7 of the Agreement, and the reasonable fees and expenses, including counsel fees, of the Trustee for its services prior to and during construction, and premiums on insurance, if any, in connection with the Facilities and all Bond Insurer Amounts;

(d) the cost of borings and other preliminary investigations, if any, to determine foundation or other conditions, expenses necessary or incident to determining the feasibility or practicability of constructing the Facilities and fees and expenses of engineers, architects, management consultants for making studies, surveys and estimates of cost and of revenues and other estimates, costs of environmental surveys, reports and remediation, and fees and expenses of engineers and architects for preparing plans and specifications and supervising construction as well as for the performance of all other duties of engineers and architects set forth herein in relation to the acquisition and construction of the Facilities and the issuance of the Bonds therefor;

(e) other items of expense not elsewhere in this Section specified incident to the lease of the Land and the design, construction and equipping of the Facilities and the financing thereof, including professional fees, moving expenses, the acquisition of lands, property, rights, interests of way, easements, franchises and interest in or relating to lands, including title insurance, cost of demand surveys, other surveys and other expenses in connection with such acquisition, legal fees and expenses, and expenses of administration and overhead, all properly chargeable, in the opinion of the Authorized Corporation Representative, to the acquisition, construction and equipping of the Facilities; and

(f) any obligation or expense heretofore or hereafter incurred or paid by the Corporation for or in connection with any of the foregoing purposes, including general legal fees and expenses incurred in connection with the Project.

Section 4.15 Requisitions from the Project Fund

(a) Payments from the Project Fund shall be made in accordance with the provisions of this Section. In connection with a payment from the Project Fund, there shall be filed with the Trustee a requisition, substantially in the form of Exhibit B-1 and Exhibit B-2 attached hereto and made a part hereof, signed by an Authorized Corporation Representative, stating:

- (i) the item number of each such payment;
- (ii) the name of the person, firm or corporation to whom each such payment is due, or, if such payment has been made by the Corporation, that the Trustee is to reimburse the Corporation directly for such payment;
- (iii) the respective amounts to be paid;
- (iv) the purpose by general classification for which each obligation to be paid was incurred;
- (v) that obligations in the stated amounts have been incurred by the Corporation and are either (A) presently due and payable or (B) have been paid by the Corporation and that each item thereof is a proper charge against the Project Fund and has not been the subject of any prior requisition;
- (vi) that such requisition contains no item representing payment on account of any retainage to which the Corporation is entitled at the date of such requisition; and
- (vii) a certification that all work, materials, supplies and equipment that are the subject of such requisition have been performed or delivered and are in accordance with the description of the Facilities referred to above.

(b) Upon receipt of each requisition and accompanying certificate and information, the Trustee shall pay the obligations set forth in such requisition out of the money in the Project Fund, and each such obligation shall be paid by check signed by one or more officers or employees of the Trustee designated for such purpose by the Trustee or by wire transfer or credit to an account of the Corporation held by the Trustee or in such other manner as may be agreed on by the Corporation and the Trustee. In making such payments the Trustee may rely upon such requisitions. If for any reason the Corporation should decide prior to the payment of any item in a requisition not to pay such item, it shall give written notice of such decision to the Trustee and thereupon the Trustee shall not make such payment.

(c) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured or electronic methods, provided however, that (i) the Corporation, subsequent to such

transmission of written instructions, shall provide the originally executed instructions or directions to the Trustee in a timely manner, (ii) such originally executed instructions or directions shall be signed by a person as may be designated and authorized to sign for the Corporation or in the name of the Corporation, by an authorized representative of the Corporation, and (iii) the Corporation shall provide to the Trustee an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict with or are inconsistent with a subsequent written instruction.

Section 4.16 Reliance upon Requisitions. All requisitions and opinions received by the Trustee as conditions of payment from the Project Fund may be relied upon by the Trustee and shall be retained by the Trustee, subject at all reasonable times to examination by the Issuer, the Board, the Bond Insurer, if any, and the Corporation.

Section 4.17 Completion of the Facilities and Disposition of Project Fund Balance

(a) When the construction and renovation of the Facilities shall have been completed, which fact shall be evidenced to the Trustee by a certificate of an Authorized Corporation Representative delivered to the Trustee pursuant to Section 3.7 of the Agreement and to the Bond Insurer, if any, the balance in the Project Fund shall be transferred by the Trustee to the corresponding account of the Debt Service Fund (subject to the provisions of Section 4.4 hereof) and applied to redeem the Bonds in accordance with the provisions of Section 3.4 hereof.

(b) With respect to the Series 2010B Facilities, any funds remaining in the Series 2010B Bonds Project Account of the Project Fund upon completion of construction and/or renovation (as evidenced pursuant to Section 3.7 of the Agreement), shall be, at the option of the Board, used to: (i) redeem the Series 2010B Bonds in accordance with the provisions of Section 3.4 hereof; or (ii) deposited in the Series 2010 Bonds Replacement Fund.

Section 4.18 Amounts Remaining in Funds, Releases. It is agreed by the parties hereto that any amounts remaining in the Funds and Accounts existing pursuant to this Indenture upon the expiration or sooner cancellation or termination of the Agreement, as provided therein, after payment in full of all Bonds then outstanding under this Indenture (or provisions for the payment thereof having been made in accordance with Article 12 of this Indenture), and the fees, charges and expenses of the Issuer, the Bond Insurer, if any, and the Trustee and all other amounts required to be paid under the Agreement and under this Indenture, other than amounts payable as arbitrage rebate under Section 148(f) of the Code, shall belong to and be paid to the Board.

Section 4.19 Reserved.

Section 4.20 Application of Insurance Proceeds; Condemnation Award

(a) If all or any portion of the Facilities is damaged or destroyed by a Casualty (as defined in the Facilities Lease), or is taken by Expropriation (as defined in the Facilities Lease) proceedings, the Corporation shall, as expeditiously as possible, continuously and

diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof, provided, however that the Issuer shall in no way be liable for any costs of the repair, restoration or replacement of the Facilities in excess of the proceeds of any insurance or of any Expropriation award received because of such Casualty or Expropriation. The proceeds of any insurance, or of any Expropriation award or payment in lieu of Expropriation, received on account of any damage, destruction or taking of all or any portion of the Facilities shall be applied as follows: the net proceeds, including the proceeds of self-insurance through the Office of Risk Management, Division of Administration, State of Louisiana ("ORM") shall be delivered to the Trustee and held by the Trustee in a special account to be established upon receipt of any such funds and held by the Trustee in trust, and shall be made available for, and to the extent necessary be applied to, such restoration, repair and replacement; provided, however, if the net proceeds are proceeds of self-insurance through ORM, such application shall be consistent with the Policy and Procedures Memorandum 10 ("PPM-10") of ORM. Any amounts so held by the Trustee shall be disbursed to pay the costs of restoration, replacement and repair of the Facilities with respect to which they are held, in each case promptly after receipt of a written request of the Corporation stating that the amount to be disbursed pursuant to such request will be used to pay costs of replacing or repairing or restoring the Facilities and that no amount previously has been disbursed by the Trustee for payment of the costs to be so paid. In making such payments, the Trustee may conclusively rely upon such written requests and shall have no liability or responsibility to investigate any matter stated therein, or for any inaccuracy or misstatement therein. In no event shall the Trustee be responsible for the adequacy of the plans and specifications or construction contract relating to the replacement, restoration, or repair of the Facilities, or for the improper use of moneys properly disbursed pursuant to request made under this Section. Any proceeds remaining on deposit with Trustee following completion of the repairs, restoration or replacement of the Facilities shall be paid by Trustee to the Corporation.

(b) In the event the Corporation decides not to repair, restore or replace the Facilities for any reason, all insurance proceeds received or payable as a result of such Casualty, or all proceeds received or payable as a result of Expropriation proceedings (including payments received or payable in lieu of Expropriation) shall be paid to the Trustee and applied to the redemption of the Bonds in accordance with Section 3.4 of this Indenture.

(c) Notwithstanding anything to the contrary and in the event the Facilities Lease is no longer in effect, if an Event of Default shall have occurred and be continuing, the application of all insurance proceeds received or payable as a result of a casualty or all proceeds received or payable as a result of Expropriation proceedings (including payments received or payable in lieu of Expropriation) shall be subject to the written approval of the Bond Insurer, if any.

Section 4.21 Application of Money in Series 2010 Bonds Replacement Fund.

(a) The Trustee shall, in accordance with Section 4.3 hereof, deposit an amount equal to the Series 2010 Bonds Replacement Fund Requirement into the Series 2010 Bonds Replacement Fund, beginning on the first full Fiscal Year of operation following the Fiscal Year in which the certificate of completion is received pursuant to Section 4.17 herein and annually on each July 15 thereafter. The Series 2010 Bonds Replacement Fund Requirement

may be reduced with the approval of the staff of the Board of Regents of the State of Louisiana, the Board and with the written consent of the Bond Insurer, if any.

(b) As an alternative to annual payments into the Series 2010 Bonds Replacement Fund, the Corporation may direct the Trustee to make a one time deposit in an amount equal to the Series 2010 Bonds Replacement Fund Requirement into the Series 2010 Bonds Replacement Fund upon the date that the certificate of completion is received pursuant to Section 4.17 herein. In the event that the Corporation directs the Trustee to make a one time deposit of the Series 2010 Bonds Replacement Fund Requirement into the Series 2010 Bonds Replacement Fund, the Trustee shall not be required to make the annual deposits referenced in subsection (a) above.

(c) All moneys in the Series 2010 Bonds Replacement Fund shall be part of the Trust Estate subject to the lien of this Indenture and may be drawn on and used by the Board or the Corporation to (i) replace any worn out, obsolete, inadequate, unsuitable or undesirable property, furniture, equipment, fixtures and other property owned by the Board or the Corporation and located on the Facilities; and (ii) maintain the Facilities and to make all alterations, repairs, restorations and replacements to the Facilities as and when needed to preserve the Facilities in good working order, condition and repair, each as required by the Facilities Lease. Withdrawals from the Series 2010 Bonds Replacement Fund for the purposes set forth above shall be made by the Trustee upon its receipt of a requisition from the Board or the Corporation substantially in the form attached hereto as Exhibit C and shall not require replenishment in accordance with Section 4.3(c)(v) herein. Moneys in the Series 2010 Bonds Replacement Fund may, with the consent of the Board and shall, at the direction of the Board or the Bond Insurer, if any, also be used to pay debt service on the Series 2010 Bonds in the event there are insufficient moneys in the Debt Service Fund therefor on the date such principal and/or interest is due. If moneys in the Series 2010 Bonds Replacement Fund are used to pay debt service, said deficiency shall be replenished in accordance with Section 4.3(c)(v) herein.

(d) Any funds remaining in the Series 2010 Bonds Replacement Fund at the time the Series 2010 Bonds are paid in full or provision for their payment is made in accordance with Article 12 hereof and the fees, charges and expenses of the Issuer, the Bond Insurer, if any, and the Trustee are paid in full shall be paid to the Board on behalf of the University.

Section 4.22 Application of Moneys in the Series 2010A Bonds Rebate Fund. Moneys in the 2010A Bonds Rebate Fund shall be used to make any rebate payments required to be made to the United States under the Code. The Series 2010A Bonds Rebate Fund shall be held for the sole benefit of the United States of America and is not pledged under this Indenture. Moneys required to be paid to the United States shall be deposited in the Series 2010A Bonds Rebate Fund by the Board as Base Rental under the Facilities Lease as required thereby and by this Indenture.

ARTICLE 5

COMPLETION BONDS

Section 5.1 Completion Bonds. Subject to the requirements of Section 5.4, Completion Bonds may be issued in one or more series by the Issuer on a party with the Bonds

at the request of the Corporation as advised by the Board, pursuant to a supplement to this Indenture to pay all or part of the additional Costs of the Facilities so long as no Event of Default or event which with notice or the lapse of time or both would constitute an Event of Default under this Indenture has occurred and is then continuing. Such series of Completion Bonds shall be appropriately designated, shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered, shall have such paying agents and shall have such maturities and redemption provisions, all as may be provided in the supplement to this Indenture or the separate indenture authorizing the issuance of such series of Completion Bonds.

Section 5.2 Refunding Bonds. Refunding Bonds may be issued under and secured by a supplement to this Indenture for the purpose of providing funds for the refunding of the Bonds and Completion Bonds. Refunding Bonds shall not be subject to the requirements of the Facilities Lease regarding Additional Debt provided that the total Maximum Annual Debt Service Requirement for all then Outstanding Bonds immediately after issuance of any such Refunding Bonds is not greater than 110% of the total Maximum Annual Debt Service Requirement for all then Outstanding Bonds immediately preceding the issuance of such Refunding Bonds.

Section 5.3 Completion Bonds and Refunding Bonds. The Bond Insurer, if any, shall receive copies of any disclosure documents circulated with respect to such Completion Bonds and Refunding Bonds.

ARTICLE 6 COSTS OF ISSUANCE

Section 6.1 Payment of Costs of Issuance from Bond Proceeds Fund. There shall be paid into the Costs of Issuance Sub-Account in the Bond Proceeds Fund the amounts required to be so paid from Bond proceeds pursuant to Section 3.12 of this Indenture, and such amounts shall be applied to the payment of all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of the Bonds including, but not limited to, publication costs, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, the Issuer or any other fiduciary, legal fees and charges, fees and disbursements of consultants and professionals, including financial advisors, costs of liquidity facilities, costs of credit ratings, and any other costs, fees and charges in connection with the original sale and issuance of the Bonds, including for their preparation, execution, transportation and safekeeping, and the premium payable for the Bond Insurance Policy. Any additional costs of issuance shall be paid solely by the Corporation. The Trustee shall make payments from the Costs of Issuance Sub-Account upon receipt of statements from the parties entitled to be paid therefrom accompanied by a written request of the Issuer directing the Trustee to pay such statements.

ARTICLE 7 ENFORCEMENT OF AGREEMENT AND FACILITIES LEASE

Section 7.1 Assignment of Agreement and Facilities Lease. The Issuer has assigned all of its right, title and interest in, to and under the Agreement (except for rights of the Issuer relating to exculpation, indemnification and payment of expenses thereunder), including the

interest of the Issuer in and to the Facilities Lease assigned by the Corporation to the Issuer thereunder, to the Trustee as security for the Bonds and hereby agrees that the Agreement and the Facilities Lease may be enforced by the Trustee and/or the owners of the Bonds issued hereunder in accordance with the terms hereof and thereof. Notwithstanding such assignment, the Issuer agrees to cause the Corporation to comply with the terms contained in the Agreement and the Facilities Lease and the rights of the Bondholders and the Trustee shall be governed by the provisions of this Indenture, the Agreement and the Facilities Lease.

Section 7.2 Trustee of Bondholders to Enforce Agreement, Facilities Lease and Act of Mortgage. The Trustee, with the consent of the Bond Insurer, if any, may, and upon request of the Bond Insurer, if any, or the owners of a majority in aggregate principal amount of the Bonds then outstanding, with the consent of the Bond Insurer, if any, shall, subject to the provisions of Section 8.11 and Article 9 hereof, strictly and promptly enforce the provisions of the Agreement, the Facilities Lease and the Mortgage so long as any of the Bonds remain outstanding under this Indenture. All rights of action (including the right to file proof of claims) to enforce the Agreement, the Ground Lease, the Facilities Lease and Mortgage under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of the Bonds and without their production in any trial or other proceeding relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee for the Bondholders without the necessity of joining as plaintiffs or defendants any of the Bondholders.

ARTICLE 8 EVENTS OF DEFAULT; REMEDIES

Section 8.1 No Extension of Time for Payment of Principal or Interest. The Trustee shall not be authorized to extend the time for any payment of principal or interest without the prior written consent of or authorization by the owner of the Bonds so affected and of the Bond Insurer, if any.

Section 8.2 Events of Default

(a) Each of the following events is hereby declared to be an "Event of Default":

- (i) The payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable;
- (ii) The payment of the principal on any of the Bonds shall not be made when the same shall become due and payable, whether at maturity or by proceedings for redemption or by acceleration or otherwise;

(iii) An "Event of Default" under Article 9 of the Agreement (other than an event described under (i) or (ii) of this Section 8.2(a)) shall have occurred and shall not have been cured within the applicable cure period, if any;

(iv) A default shall occur under Section 21 of the Facilities Lease, or

(v) Default by the Issuer in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture on the part of the Issuer to be performed, if such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer, the Board, the Bond Insurer, if any, and the Corporation by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Bond Insurer, if any, or the owners of not less than a majority in principal amount of the Bonds then outstanding with the consent of the Bond Insurer, if any. Such default shall not become an Event of Default if said default be of the nature that (i) it cannot be corrected within the thirty (30) day period after receipt of notice, but the Issuer (or the Corporation pursuant to the provisions of Section 8.14 of this Indenture) promptly shall institute and diligently pursue corrective action until such default is cured, and (ii)(A) the Trustee shall determine that such default does not affect the validity or enforceability of the Bonds, this Indenture or the Agreement, an event of nonperformance shall not have occurred under the Agreement (other than as a result of the cross default provisions), and such default does not impair the security or the obligations provided for or under the Bonds, this Indenture or the Agreement, and (B) the Bond Insurer, if any, shall have consented in writing to the waiver of such Event of Default.

(b) Use of moneys in the Series 2010 Bonds Replacement Fund to pay debt service on the Series 2010B Bonds shall not be considered an Event of Default.

(c) The word "default" as used herein shall mean failure of performance when due, exclusive of any period of grace, if any, allowed to correct any such failure. In addition, in determining whether a default in the payment of the principal of or interest on the Bonds has occurred or whether a payment of Bonds has been made hereunder, no effect shall be given to the payments made under the Bond Insurance Policy.

(d) Anything in this Indenture to the contrary notwithstanding, for all purposes of this Article 8 (other than Section 8.13 hereof), the Bond Insurer, if any, shall be deemed to be the sole owner of the Bonds it has insured for so long as it is not in default in any payment required to be made by it under the Bond Insurance Policy, and the Bond Insurer, if any, shall be entitled to: (i) notify the Trustee of the occurrence of an Event of Default hereunder or waive any Event of Default hereunder; (ii) request that the Trustee intervene in judicial proceedings that affect the Bonds or the security therefor; (iii) control and direct the enforcement of all rights and remedies granted hereunder to the Series 2010 Bondholders or to the Trustee for the benefit of the Series 2010 Bondholders upon the occurrence and continuation of an Event of Default; (iv) be recognized as the registered owner of each Bond which it insures for the purposes of exercising all rights and privileges available to Series 2010 Bondholders; and (v) have the right to institute any suit, action, or proceeding at law or in equity under the same terms as a Series 2010 Bondholder in accordance with the provisions of the Indenture or each Bond which it insures.

(e) Notwithstanding anything to the contrary, any acceleration of principal payments will be subject to the Bond Insurer's prior written consent.

Section 8.3 Remedies. Upon the occurrence of an Event of Default, the Issuer, the Trustee and, subject to Sections 8.10 and 8.11, and further subject to the Bond Insurer's right to

control and direct all rights and remedies, the Bondholders shall have all the rights and remedies as may be allowed by law, this Indenture, or pursuant to the provisions of the Agreement and/or the Facilities Lease by virtue of their assignment hereunder, including but not limited to, acceleration of the maturity of all Bonds, or suit at law or in equity to enforce or join the action or inaction of parties under the provisions of this Indenture, the Agreement or the Facilities Lease.

Section 8.4 Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of an Event of Default described in Section 8.2 of this Indenture, the Trustee, with the consent of the Bond Insurer, if any, may, and upon the written direction of the Bond Insurer, if any, shall, by notice in writing to the Issuer, the Board and the Corporation, declare the Bonds then outstanding immediately due and payable, and such Bonds shall become and be immediately due and payable, anything in such Bonds or in the Agreement or this Indenture to the contrary notwithstanding, and, subject to Article 9 the Trustee may exercise any remedies granted to it herein. In such event, there shall be due and payable on the Bonds an amount equal to the principal amount of all the Bonds then outstanding plus all interest accrued thereon and which will accrue thereon to the date of payment. If the Bond Insurer, if any, shall be in default of its payment obligations under the Bond Insurance Policy, the owners of not less than a majority of the aggregate principal amount of Bonds outstanding, may direct the Trustee to declare the Bonds then outstanding immediately due and payable.

(b) At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Indenture, the Mortgage, the Agreement or the Facilities Lease, the Trustee, with the consent of the Bond Insurer, if any, may annul such declaration and its consequences with respect to the Bonds if: (i) moneys shall have been deposited in the Debt Service Fund sufficient to pay all matured installments of principal (other than principal due solely because of acceleration) and interest, (ii) moneys shall be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Issuer and the Trustee; (iii) all other amounts then payable by the Issuer or the Corporation under this Indenture or the Agreement shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every Event of Default known to the Issuer or the Trustee (other than a default in the payment of the principal of the Bonds due only because of such declaration) shall have been remedied to the satisfaction of the Issuer, the Trustee and the Bond Insurer, if any; and upon the written direction of the Bond Insurer, if any, shall annul such declaration and its consequences with respect to the Bonds. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

(c) No waiver of any Event of Default shall be effective without the written consent of the Bond Insurer, if any.

Section 8.5 Insufficiency in the Debt Service Fund; Application of Moneys.

(a) Anything in this Indenture to the contrary notwithstanding, if at any time the moneys in the Debt Service Fund shall not be sufficient to pay the interest on or the principal

of the Bonds as the same shall become due and payable (either by their terms or by acceleration of maturities), such moneys, together with any other moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall, subject to the provisions of Sections 9.2 and 9.4 hereof and after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be applied as follows:

(i) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST, to the payment to the persons entitled thereto of all installments of interest then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay any particular installment, then to the payment thereof, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; then

SECOND, to the payment to the persons entitled thereto of the unpaid principal of the Bonds that shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture) in the order of their due dates, with interest on the principal amount of such Bonds due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds and their interest thereon, then to the payment thereof ratably, according to the amount of the interest due on such date, and next to the payment of the principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and then

THIRD, to the payment of the interest on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of this Indenture;

FOURTH, to the payment of all Bond Insurer Amounts certified by the Bond Insurer, if any, as due and owing;

(ii) If the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference and thereafter, to the payment of all Bond Insurer Amounts certified by the Bond Insurer, if any, as due and owing; and

(iii) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled, then, subject to the provisions of Section 8.5(a)(ii) above, in the event that the principal of all the Bonds shall

later become or be declared due and payable, then all such moneys shall be applied in accordance with the provisions of Section 8.5(a)(i) above.

(b) Whenever money is to be applied by the Trustee pursuant to the provisions of this Section, such money shall be applied by the Trustee at such times and from time to time as the Trustee in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for application in the future, the deposit of such money or otherwise setting aside such money in trust for the proper purpose shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Issuer, to any Bondholder or to any other person for any delay in applying any such money, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to the owner of any Bond until such Bond shall be surrendered to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 8.6 Discontinuance of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case the Issuer, the Trustee, the Bond Insurer, if any, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee and the Bond Insurer, if any, shall continue as though no proceeding had been taken.

Section 8.7 Appointment of Receiver. Upon the occurrence of an Event of Default, and upon filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the Bond Insurer, if any, and of the Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or keeper pending such proceedings, with such powers as the court making such appointment shall confer. Any expenses incurred in connection with such appointment shall be paid by the Corporation but only from the Trust Estate.

Section 8.8 Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee, the Bond Insurer, if any, or the Bondholders is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity on or after the date of adoption of this Indenture.

Section 8.9 Remedies Vested in Trustee. All rights of action under this Indenture, the Agreement or under any of the Bonds may be enforced by the Trustee or the Bond Insurer, if any, without possession of the Bonds and without their production in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee may be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the

Bonds.

Section 8.10 Majority of Bondholders Control Proceedings. If an Event of Default shall have occurred and be continuing, notwithstanding anything in this Indenture to the contrary, but subject to all rights granted to the Bond Insurer, if any, in this Article 8 and Section 3.14 hereof, the owners of at least a majority of the aggregate outstanding principal amount of Bonds then outstanding shall have the right, at any time by an instrument or instruments in writing executed and delivered to the Trustee, upon providing security and indemnity satisfactory to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of this Indenture, provided the direction is in accordance with law and the provisions of this Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of Bondholders not joining in such direction, and provided further, that nothing in this Section shall impair the right of the Trustee in its discretion to take any other action under this Indenture which it may deem proper and which is not inconsistent with the direction by Bondholders.

Section 8.11 Individual Bondholder Action Restricted.

(a) No owner of any Bond shall have any right to institute any suit, action or proceeding for the enforcement of this Indenture or for the execution of any trust hereunder or for any remedy under this Indenture unless:

(i) An Event of Default has occurred (other than under Sections 8.2(a)(i) or 8.2(a)(ii)) as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing;

(ii) The owners of at least a majority of the aggregate outstanding principal amount of Bonds outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in this Indenture or to institute an action, suit or proceeding in its own name; and these Bondholders shall have offered the Trustee such indemnity as may be satisfactory to the Trustee, and the Trustee shall have failed or refused to exercise the powers granted in this Indenture or to institute an action, suit or proceeding in its own name for a period of sixty (60) days after receipt of the request and offer of indemnity; and

(iii) The Bond Insurer, if any, shall have consented to any such suit, action or proceeding, execution of trust or remedy.

(b) No one or more owners of Bonds shall have any right in any manner whatsoever to disturb or prejudice the security of this Indenture or to enforce any right hereunder except in the manner herein provided and then only for the equal benefit of the owners of all outstanding Bonds.

Section 8.12 Waiver and Non Waiver of Event of Default.

(a) No delay or omission of the Trustee, the Bond Insurer, if any, or of any owner of Bonds to exercise any right or power accruing upon any Event of Default shall impair the right or power or shall be construed to be a waiver of an Event of Default or an acquiescence therein. Every power and remedy given by this Article to the Trustee, the Bond Insurer, if any,

and to the owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) Subject to Section 3.14 hereof and the rights granted to the Bond Insurer, if any, under this Article 8, the Trustee may waive any Event of Default that in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Indenture or before the completion of the enforcement of any other remedy under this Indenture.

(c) Subject to Section 3.14 hereof and the rights granted to the Bond Insurer, if any, under this Article 8, the Trustee, upon written request of the owners of at least a majority of the aggregate principal amount of the Bonds then outstanding shall waive any Event of Default and its consequences; provided, however, that a default in the payment of the principal of and interest on any Bond, when due and payable or upon call for redemption, may not be waived after the date the same becomes due and payable without the written consent of the owners of all the Bonds at the time outstanding.

(d) In case of a waiver of any Event of Default, the Issuer, the Trustee, the Bond Insurer, if any, and the Bondholders shall be restored to their former positions and rights under this Indenture but no waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. Neither the Trustee nor the Bond Insurer, if any, shall be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with this Section.

Section 8.13 Notice of Defaults.

(a) Within thirty (30) days after the receipt of notice of an Event of Default or the occurrence of an Event of Default of which the Trustee is deemed to have notice, the Trustee shall (unless the Event of Default has already been cured) give written notice of the Event of Default to the owners of all Bonds then outstanding in the manner provided in Section 13.8 of this Indenture, provided that, except in the case of a default in the payment of principal, redemption price, or interest on any of the Bonds or in the event that the Bond Insurer, if any, directs that notice be given, the Trustee may withhold the notice to the Bondholders if, in its sole judgment, it determines that the withholding of notice is not detrimental to the best interest of the Bondholders.

(b) The Trustee shall immediately notify, in writing, the Issuer, the Bond Insurer, if any, the Board, and the Corporation of any Event of Default known to the Trustee.

Section 8.14 Opportunity of Corporation to Cure Certain Defaults. The Issuer and the Trustee hereby grant the Corporation full authority on the account of the Board and/or the Issuer to perform any covenant or obligation and to otherwise fulfill any condition the failure or non performance of which is or is alleged to be a default under Section 8.2(a)(v) of this Indenture, and the Trustee agrees that performance by the Corporation shall be deemed to be performance by the Board and/or the Issuer.

ARTICLE 9
CONCERNING THE TRUSTEE

Section 9.1 Acceptance of Trusts. The Trustee hereby represents and warrants to the Issuer (for the benefit of the Board, the Bond Insurer, if any, the Corporation and the Bondholders as well as the Issuer) that it is a national banking association duly organized and validly existing under the laws of the United States of America and that it is duly authorized under such laws to accept and execute trusts in the State of the character herein set out. The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Indenture, including the following express terms and conditions, to all of which the parties hereto and the respective Owners of the Bonds agree.

(a) Except during the continuance of an Event of Default within the purview of Section 8.2, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and the Trustee shall not be responsible for (i) the legality or enforceability of this Indenture (except with respect to performance of its obligations hereunder), the Agreement (except with respect to performance of its obligations hereunder), the Tax Facilities Lease (except with respect to performance of its obligations hereunder), the Tax Regulatory Agreement (except with respect to performance of its obligations hereunder), and any supplement thereto, the Bonds (except as to the authentication of the Bonds), or any instruments or documents related thereto (collectively, the "Transaction Documents") or (ii) the legality, perfection, sufficiency or priority of the Trust Estate or any lien purported to be granted thereon under any of the aforesaid documents or otherwise. No implied covenants or obligations shall be read into this Indenture against the Trustee.

(b) No provision of this Indenture shall be construed to relieve the Trustee from liability for its negligence, negligent failure to act, willful misconduct or breach of trust, except that:

(i) in the absence of bad faith on the part of the Trustee, the Trustee may rely upon the authenticity of, and the truth of the statements and the correctness of the opinions expressed in, and shall be protected fully from liability in relying or acting upon, any resolution, opinion of counsel, certificate, request, notice, consent, waiver, order, signature guaranty, notarial seal, stamp, acknowledgment, verification, appraisal, report or other paper or document believed by the Trustee to be genuine and to have been signed, affixed or presented by the proper party or parties, but in the case of any such certificates or opinions that by any provision hereby are specifically required to be furnished to the Trustee, as the case may be, the Trustee shall be under a duty to examine the same to determine whether or not they conform to requirements of this Indenture, and

(ii) in the absence of bad faith on the part of the Trustee, whenever the Trustee, or any of its agents, representatives, experts or counsel, shall consider it necessary or desirable that any matter be proved or established, such matter shall be deemed to be conclusively proved and established by a certificate executed by an Authorized Issuer Representative; provided, however, that the Trustee, or such agent, representative, expert or

counsel may require, but is not obligated to require, such further and additional evidence and make such further investigation as it or they may consider reasonable; and

(iii) the Trustee may consult with counsel and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and in accordance with such advice or opinion of counsel; and

(iv) the Trustee shall not be liable with respect to any action taken, or omitted to be taken by it in good faith and in accordance with any direction or request of the Bond Insurer, if any, or the Bondholders given in accordance with the provisions of this Indenture; and

(v) the Trustee shall not be liable for any error of judgment made in good faith by an officer or employee of the Trustee unless the Trustee is negligent in ascertaining the pertinent facts; and

(vi) the Trustee shall not be deemed to have knowledge of any Event of Default, except for the failure of the Corporation to make or cause to be made scheduled payments to the Trustee provided for in the Agreement, unless and until the Bond Insurer, if any, shall have given written notice to the Trustee of said default or until an officer of the Trustee who customarily handles corporate trusts and is assigned to supervise this Indenture shall have actual knowledge thereof or the Trustee shall have received written advice thereof from any Bondholder; and

(vii) anything in any of the Transaction Documents to the contrary notwithstanding, whether or not an Event of Default shall have occurred, the Trustee shall not be under any obligation to take any action under this Indenture that may involve it in any expense or liability, the payment of which within a reasonable time is not, in its opinion, assured to it by the security afforded to it by the terms of this Indenture, unless it is requested in writing to do so the Bond Insurer, if any, or the Bondholders or one or more owners of the Bonds outstanding hereunder, in accordance with the provisions of this Indenture, and furnished, from time to time as it may require, with security and indemnity satisfactory to it; and

(viii) the Trustee need not take any action or follow any direction from any one or more Bondholders if the Trustee shall be advised by counsel that the action or proceedings so directed may not lawfully be taken or would be prejudicial to Bondholders not parties to such direction, or the Trustee in good faith believes following such direction would involve the Trustee in personal liability; and

(ix) in no event shall the Trustee be liable to any person for special, indirect, punitive, exemplary or consequential damages, lost profits or loss of business arising under or in connection with this Indenture, even if previously informed of the possibility of such damages and regardless of the form of action; and

(x) anything to the contrary in the Transaction Documents notwithstanding, the permissive right of the Trustee to do anything enumerated or set forth in any

of the Transaction Documents shall not be construed as a duty, and the Trustee shall not be held responsible or liable for other than its negligence or willful misconduct.

(c) In case an Event of Default within the purview of Section 8.2 hereof has occurred and is continuing and the Trustee has or is deemed to have knowledge of the Event of Default pursuant to (b)(vi) above, subject to the provisions of this Article 9, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the degree of care and skill in their exercise as a prudent corporate trustee would exercise under the circumstances.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee, including without limitation Sections 9.3 and 9.4 hereof, shall be subject to the provisions of this Section 9.1. The Trustee also accepts, and agrees to do and perform, the duties and obligations imposed upon it by and under the Agreement, and the Facilities Lease, but only upon the terms and conditions set forth in the Agreement, the Facilities Lease, and this Indenture.

(e) Notwithstanding any other provision of this Indenture, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Indenture, the Trustee shall consider the effect on the Bondholders as if there were no Bond Insurance Policy.

Section 9.2 Trustee Entitled to Indemnity. The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Indenture, the Mortgage or under the Agreement, or to enter any appearance in or in any way defend against any suit, in which it may be made a defendant (except in the case of the Trustee's own negligence), or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder or under the Agreement, the Mortgage or the Facilities Lease, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the Issuer shall reimburse the Trustee from funds available therefor under the Agreement for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Issuer shall fail to make reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference over any of the Bonds.

Section 9.3 Trustee Not Responsible for Insurance, Taxes, Execution of Indenture, Acts of the Issuer or Application of Moneys Applied in Accordance with this Indenture.

(a) The Trustee shall not be under any obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Board or to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. The Trustee shall have no responsibility in respect of the validity, sufficiency, due execution or acknowledgment of this Indenture or the validity or sufficiency of the security provided

hereunder or in respect of the validity of the Bonds or the due execution or issuance thereof except as to the authentication thereof.

(b) The Trustee shall not be liable or responsible because of the failure of the Issuer or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Issuer or because of the loss of any moneys arising through the insolvency or the act or default or omission of any other depository in which such moneys shall have been deposited under the provisions of this Indenture. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Indenture.

(c) The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

Section 9.4 Compensation. The Trustee shall be entitled to reasonable compensation for its ordinary services hereunder consistent with the results of the process by which the Trustee was selected and any extraordinary services rendered hereunder and to reimbursement for all expenses incurred in good faith hereunder, including the compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Trustee may employ in connection with the exercise and performance of its powers and duties hereunder. Subject to the provisions of any contract relating to the compensation of the Trustee, the Issuer shall cause the Corporation or Board to pay to the Trustee as Administrative Expenses its reasonable fees and charges in accordance with the Agreement and the Facilities Lease upon the written request of the Trustee and provided the Issuer shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Issuer in connection therewith as such costs and expenses accrue. If the Corporation or Board shall fail to make any payment required by this Section, the Trustee may, but shall be under no obligation to, make such payment from any moneys in its possession under the provisions of this Indenture, and the Trustee shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder.

Section 9.5 Trustee to Preserve Records. All records and files pertaining to the Corporation in the custody of the Trustee shall be open at all reasonable times to the inspection of the Issuer, the Board, the Bond Insurer, if any, the Corporation and their agents and representatives.

Section 9.6 Trustee May be Bondholder. The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds issued under and secured by this Indenture, and may join in the capacity of a Bondholder in any action in which any Bondholder may be entitled to take with like effect as if such institution were not the Trustee under this Indenture.

Section 9.7 Trustee Not Responsible for Recitals. The recitals, statements and representations contained herein and in the Bonds shall be taken and construed as made by and on the part of the Issuer and not by the Trustee, and the Trustee shall not be under any responsibility for the correctness of the same.

Section 9.8 Trustee Not Responsible for Reinscription. The Corporation, as set forth in the Agreement, is required to reinscribe, the Mortgage at such times as shall be necessary to preserve the lien thereof. In the event that any continuation statements shall be required to keep current any financing statement or other filings with respect to security interests or other security devices securing the Bonds, the Corporation shall be obligated to file any such continuation statements and shall provide written notice to the Issuer, the Bond Insurer, if any, and the Trustee of such filing, if any. The Trustee shall not be responsible for filing any financing statements or continuation statements.

Section 9.9 Trustee May Rely on Certificates. Subject to the provisions of Section 9.11(b), the Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of the Agreement or this Indenture, or upon the written opinion of any attorney, engineer, accountant or other expert believed by it to be qualified in relation to the subject matter, and the Trustee shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

Section 9.10 Qualification of the Trustee. There shall at all times be a Trustee performing the obligations described hereunder. Any successor Trustee hereunder shall be a trust company or commercial bank (having trust powers and in good standing) organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having unimpaired capital and surplus of at least \$100,000,000, and subject to supervision or examination by federal or state authority. If such trust company or bank publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the unimpaired capital and surplus of such association or corporation shall be deemed to be its unimpaired capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect specified in Section 9.11 hereof.

Section 9.11 Resignation and Removal of Trustee.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 9.12 hereof and until notice of resignation or removal and appointment, as the case may be, shall have been provided to the Bond Insurer, if any. Notwithstanding anything herein to the contrary, the appointment of any successor Trustee must be approved in writing by the Bond Insurer, if any. The Trustee may be removed at any time at the request of the Bond Insurer, if any. Bond Insurer, if any, shall receive prior written notice of any name change of the Trustee.

(b) The Trustee may resign at any time by giving written notice thereof to the Issuer, the Bond Insurer, if any, the Board, the Corporation and the Bondholders. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within thirty (30) days after the giving of such notice of resignation, the retiring Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed for cause at any time by an instrument or instruments in writing to the Trustee, with copies to the Issuer, the Board, the Bond Insurer, if any, and the Corporation, signed by the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding or by their attorneys, legal representatives or agents and delivered to the Trustee, the Issuer, the Bond Insurer, if any, the Board and the Corporation (such instruments to be effective only when received by the Trustee). The Issuer, at the direction of the Corporation, may also remove the Trustee, provided there is no event of default, at any time in the manner set forth in this Section 9.11(c). The Trustee may be removed at any time at the request of the Bond Insurer, if any.

(d) If at any time,

(i) the Trustee shall cease to be eligible under Section 9.10 hereof and shall fail to resign after written request therefor by the Corporation for the Board or by any Bondholder, or

(ii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Issuer, in its discretion and without obligation, may or the Corporation, on behalf of the Board, may remove the Trustee, or (B) any Bondholder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor but only, in each case, with the prior written approval of the Bond Insurer, if any.

(e) If the Trustee shall be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause other than resignation (it being understood that no vacancy may occur as a result of resignation since the Trustee may not resign unless a successor has been appointed) or if the Trustee tenders its resignation, the Issuer with the approval of the Corporation, and the Board (whose consent shall not be unreasonably withheld) and the Bond Insurer, if any, shall promptly appoint a successor provided the Issuer shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Issuer in connection therewith as such costs and expenses accrue. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by an instrument or concurrent instruments in writing executed by the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding and delivered to the Corporation for the Board and the retiring Trustee, and with the written consent of the Bond Insurer, if any, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede

the successor Trustee appointed by the Issuer. If no successor Trustee shall have been so appointed by the Issuer or the Bondholders and accepted appointment in the manner hereinafter provided, any Bondholder who has been a bona fide owner of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Issuer shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first class mail, postage prepaid, to all Bondholders upon the written request of the Trustee and provided the Issuer shall be furnished with sufficient funds to pay all costs and expenses (including attorney's fees) reasonably incurred by the Issuer in connection therewith as such costs and expenses accrue. Each notice shall include the name and address of the principal corporate trust office of the successor Trustee.

Section 9.12 Successor Trustee.

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Issuer, the Bond Insurer, if any, and the Corporation for the Board, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessors, but such predecessor shall, nevertheless, on the written request of its successor or of the Issuer and upon payment of the expenses, charges and other disbursements of such predecessor which are payable pursuant to the provisions of Section 9.4 hereof, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor hereunder, and every predecessor Trustee shall deliver all property and moneys held by it hereunder to its successor, subject, nevertheless, to its preference, if any, provided for in Sections 9.2 and 9.4 hereof. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee any such instrument in writing shall and will be executed, acknowledged and delivered by the Issuer upon the written request of the Trustee and provided the Issuer shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Issuer in connection therewith as such costs and expenses accrue.

(b) Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Indenture and otherwise qualified to act as Trustee hereunder with or into which the bank or trust company acting as Trustee may be merged, converted or consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Trustee shall be a party or any corporation or association to which all or substantially all of the corporate trust assets or corporate trust business of such bank or trust company may be sold, shall be deemed the successor of the Trustee.

Section 9.13 Co Trustee.

(a) It is the purpose hereof that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banks or trust companies to transact business as trustee in such jurisdiction. It is recognized that in case of litigation hereunder and in particular in case of the enforcement of this Indenture upon the occurrence of an Event of Default, it may be necessary that the Trustee appoint an additional individual or institution as a separate Trustee or Co Trustee. The following provisions of this Section are adapted to these ends.

(b) Upon the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers and trusts herein granted to the Trustee or to hold title to the Trust Estate or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in a separate Trustee or Co Trustee appointed by the Trustee but only to the extent necessary to enable the separate Trustee or Co Trustee to exercise such rights, powers and trusts, and every agreement and obligation necessary to the exercise thereof by such separate Trustee or Co Trustee shall run to and be enforceable by either of them.

(c) Should any deed, conveyance or instrument in writing from the Issuer be required by the separate Trustee or Co Trustee so appointed by the Trustee in order to more fully and certainly vest in and confirm to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments shall, on request, be executed, acknowledged and delivered by the Issuer upon the written request of the Trustee and provided the Issuer shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Issuer in connection therewith as such costs and expenses accrue. In case any separate Trustee or Co Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate Trustee or Co Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate Trustee or Co Trustee.

(d) Any separate Trustee or Co Trustee appointed hereunder shall be subject to the prior written approval of the Bond Insurer, if any.

Section 9.14 Disclosure Documents. The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or other disclosure material prepared or distributed with respect to the Bonds, except as provided in Section 13.13 herein.

ARTICLE 10

SUPPLEMENTAL INDENTURES

Section 10.1 Supplemental Indentures Not Requiring Consent of Bondholders.

(a) The Issuer and the Trustee may, with notice to the Bond Insurer, if any, as provided by Section 10.7 below, but without the consent of, or notice to, any of the Bondholders,

enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof and in the opinion of the Trustee shall not materially and adversely affect the interest of the Bondholders for any one or more of the following purposes:

- (i) To cure any ambiguity or formal defect or omission in this Indenture;
- (ii) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Bondholders or the Trustee or either of them;
- (iii) To subject to the lien and pledge of this Indenture additional revenues, properties or collateral;
- (iv) To provide for the issuance of Completion Bonds in conformity with the provisions of Article 5 of this Indenture and to fix all details with respect thereto or to provide further conditions, limitations or restrictions on the issuance of Completion Bonds;
- (v) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof or thereof under any federal statute hereafter in effect or under any state Blue Sky Law, and, in connection therewith, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted or required by any said federal statute or Blue Sky Law; provided, that any such indenture supplemental hereto referred to in this Section 10.1(a)(v) shall not, in the judgment of the Trustee, which may rely on an opinion of counsel, be to the prejudice of the owners of the Bonds; or
- (vi) To provide any other modifications which, in the sole judgment of the Trustee, are not prejudicial to the interests of the Bondholders.

(b) Notwithstanding the foregoing, the prior written consent of the Bond Insurer, if any, shall be required with respect to any supplemental indenture under this Section 10.1 which, in the sole judgment of the Bond Insurer, if any, would affect the rights or interests of the Bond Insurer, if any, hereunder.

Section 10.2 Supplemental Indentures Requiring Consent of Bondholders.

(a) Anything contained in this Indenture to the contrary notwithstanding, except for indentures supplemental hereto authorized by Section 10.1 of this Indenture and subject to the terms and provisions contained in this Section 10.2, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right from time to time, with the consent of the Bond Insurer, if any, to consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any indenture supplemental hereto; provided, however, that nothing contained in this Section 10.2 shall permit, or be construed as permitting, without the consent of the Bond Insurer, if any, and the owners of all the Bonds then

outstanding: (i) an extension of the stated maturity or scheduled sinking fund redemption or reduction in the principal amount of, or reduction in the rate or extension of the time of payment of interest on, any Bonds; or (ii) the creation of any lien on the Trust Estate or any part thereof pledged under this Indenture prior to or on a parity with the lien of this Indenture; or (iii) a reduction in the aforesaid aggregate outstanding principal amount of Bonds the owners of which are required to consent to any such indenture supplemental hereto. No such amendment shall modify the rights, duties or immunities of the Trustee without the written consent of the Trustee.

(b) If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section 10.2, the Trustee shall, upon being satisfactorily indemnified by the Corporation with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given to the Bondholders in the manner provided in Section 13.8 of this Indenture. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within ninety (90) days or such longer period as shall be prescribed by the Issuer following the giving of such notice, the owners of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section 10.2 permitted and provided, this Indenture shall be and be deemed to be modified and amended, in accordance therewith.

(c) So long as no event of nonperformance under the Agreement has occurred and is continuing, no such supplement shall become effective unless the Corporation, on behalf of the Board, shall have given its prior written approval.

Section 10.3 Filing. Copies of any supplemental indenture shall be filed with the Trustee and delivered to the Issuer, the Corporation, and the Board.

Section 10.4 Reliance on Counsel. The Trustee shall be provided with, and shall be fully protected in relying upon, an opinion of counsel satisfactory to the Trustee, who may be counsel for the Issuer, as conclusive evidence that any such proposed supplemental indenture complies with the provisions of this Article prior to joining in the execution of such supplemental indenture.

Section 10.5 Supplement Binding. Upon the execution of any supplemental indenture pursuant to the provisions of this Article, this Indenture shall be deemed to be supplemented, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Trustee, the Bond Insurer, if any, the Issuer, the Corporation, the Board and the owners of Bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modification and amendment.

Section 10.6 Supplemental Agreement. The Issuer and the Corporation, with the approval of the Board and of the Trustee in certain events, may consent to supplemental loan agreements for the purposes and in the manner provided in Article 8 of the Agreement and the Trustee agrees that it shall take the actions required of it as provided thereunder.

Section 10.7 Notice to Rating Agencies and Bond Insurer. No supplemental indenture shall be executed and delivered pursuant to Sections 10.1 or 10.2 hereof without prior written notice having been given by the Trustee, to the Bond Insurer, if any, and the Rating Agency of the Trustee's intention to execute such supplemental indenture not fewer than fifteen (15) days in advance of the execution of said supplemental indenture. The Issuer shall also furnish to the Bond Insurer, if any, a full transcript of all proceedings relative to the supplemental indenture.

ARTICLE 11 COVENANTS OF THE ISSUER

Section 11.1 Payment of Principal and Interest. The Issuer covenants that it will promptly pay, or cause to be paid, the principal of and the interest on every Bond at the places, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof but solely from the revenues of the Trust Estate and not from any other fund or source. The Issuer further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Indenture, the Agreement or in any Bond executed, authenticated and delivered hereunder or in any proceedings of the Issuer pertaining thereto.

Section 11.2 Additional Security. The Issuer covenants, whenever and so often as reasonably required to do so by the Trustee or the Bond Insurer, if any, promptly to execute and deliver or cause to be delivered all such other and further instruments, documents or assurances, and to promptly do or cause to be done all such other further things, as may be necessary or reasonably required in order to further and more fully vest in the Trustee, the Bond Insurer, if any, and the owners of the Bonds all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Indenture.

Section 11.3 Cure Title Defects. The Issuer covenants to promptly, upon the request of the Trustee or the Bond Insurer, if any, from time to time, take or cause to be taken such action as may be necessary or proper to remedy or cure any material defect in or cloud upon the title to the Trust Estate or any part thereof, whether now existing or hereafter developing, and to prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and to indemnify and save the Trustee, the Bond Insurer, if any, and every owner of Bonds, solely from the Trust Estate, harmless from all loss, cost, damage and expense, including attorneys' fees, which they or either of them may ever incur by reason of any such defect, cloud, suit, action or proceedings.

Section 11.4 Defend Against Actions. The Issuer covenants to defend or cause to be defended every suit, action or proceeding at any time brought against the Trustee, the Bond Insurer, if any, or any owner of Bonds upon any claim arising out of the receipt, application or disbursement of any of the revenues of the Trust Estate or involving the Issuer's, the Trustee's, the Bond Insurer's or such Bondholders' rights under this Indenture or the Agreement and to

indemnify and save harmless, solely from the Trust Estate, the Trustee, the Bond Insurer, if any, and Bondholders against any and all liability claimed or asserted by any person whatsoever, arising out of such receipt, application or disbursement of any such revenues; provided, however, that the Trustee, the Bond Insurer, if any, or any owner of Bonds at its or his election may appear in and defend against any such suit, action or proceeding; and notwithstanding any contrary provision hereof, this covenant shall continue and remain in full force and effect until all indebtedness, liabilities, obligations and other sums secured hereby have been fully paid and satisfied, and this Indenture has been released of record and the lien hereof discharged.

Section 11.5 Non Impairment of Security. The Issuer covenants that so long as any of the Bonds issued pursuant to this Indenture are outstanding and unpaid, the Issuer will not voluntarily consent to any amendment to the Agreement or otherwise take any action which will reduce the amount of moneys made available thereunder to the Trustee, or which will in any manner impair or adversely affect the rights of the Issuer, the Trustee or the Bond Insurer, if any, or the security provided by this Indenture to the owners from time to time of the Bonds.

Section 11.6 Issuer's Obligation Limited

(a) Nothing in the Agreement or this Indenture is intended to require or obligate nor shall anything therein be interpreted to require or obligate the Issuer for any purpose or at any time whatsoever, to provide, apply or expend any funds coming into the hands of the Issuer other than from the Trust Estate.

(b) Any other term or provision in this Indenture or in the Agreement, the Mortgage, the Tax Regulatory Agreement, the Bond Purchase Agreement, the Bonds or elsewhere to the contrary notwithstanding:

(c) Any and all obligations (including without limitation, fees, claims, demands, payments, damages, liabilities, penalties, assessments and the like) of or imposed upon the Issuer or its members, officers, agents, employees, representatives, advisors or assigns, whether under this Indenture or any of the Agreement, the Mortgage, the Tax Regulatory Agreement, the Bond Purchase Agreement, the Bonds or elsewhere and whether arising out of or based upon a claim or claims of tort, contract, misrepresentation, or any other or additional legal theory or theories whatsoever (collectively, the "Obligations"), shall in all events be absolutely limited obligations and liabilities, payable solely out of the following, if any, available at the time the Obligation in question is asserted:

(i) Bond Proceeds and investments therefrom; and

(ii) Payments derived from the Bonds, this Indenture (including the Trust Estate to the extent provided in this Indenture), the Mortgage and the Agreement (except the fees and expenses of the Issuer and the Issuer's right to indemnification under the Agreement as set forth therein); (the above provisions (i) and (ii) being collectively referred to as the "Exclusive Sources of the Obligations").

(d) The Obligations shall not be deemed to constitute a debt or liability of the State of Louisiana or of any political subdivision thereof within the meaning of any State of Louisiana constitutional provision or statutory limitation and shall not constitute a pledge of the

faith and credit of the State of Louisiana or of any political subdivision thereof, including the Issuer, but shall be payable solely from and out of the Exclusive Sources of the Obligations and shall otherwise impose no liability whatsoever, primary or otherwise, upon the State of Louisiana or any political subdivision thereof, including the Issuer, or any charge upon their general credit or taxing power.

(e) In no event shall any member, officer, agent, employee, representative or advisor of the Issuer, or any successor or assign of any such person or entity, be liable, personally or otherwise, for any Obligation.

(f) In no event shall this Indenture be construed as:

- (i) depriving the Issuer of any right or privilege; or
- (ii) requiring the Issuer or any member, officer, agent, employee, representative or advisor of the Issuer to take or omit to take, or to permit or suffer the taking of, any action by itself or anyone else, which deprivation or requirement would violate or result in the Issuer's being in violation of the Act or any other applicable state or federal law.

Section 11.7 Immunity of Officers, Employees and Members of Issuer. No recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Indenture against any past, present or future officer, director, member, employee or agent of the Issuer, and all such liability of any such officers, directors, members, employees, or agents except for criminal or intentional acts as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of such Bonds. No covenant or agreement contained in the Bonds or in this Indenture shall be deemed to be the covenant or agreement of any incorporator, director, or officer of the Issuer past, present or future in his or her individual capacity, and neither members of the Issuer nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Indenture against any past, present or future officer, director, member, employee or agent of the Issuer, and all such liability of any such officers, directors, members, employees, or agents as such is hereby expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of such Bonds.

Section 11.8 Role of Issuer. The Issuer shall not be required to take any action not expressly provided for herein. The Issuer shall have no obligation to review, control or oversee the activities of Trustee in collecting any amounts payable pursuant to the Agreement, the Indenture or the Mortgage, or in making any payments on the Bonds. Furthermore, the Issuer shall not be obligated to take any action or execute any documents which might in its reasonable judgment involve it in any expense or liability unless it shall have been furnished with assurance of payment or reimbursement for any expense and with reasonable indemnity for liability of the Issuer, its incorporators, directors, officers and counsel.

Section 11.9 No Superior Pledge. The Issuer shall grant no security interest or lien of any type in the Payments other than the pledge set forth in Article 2 and shall issue no debt or obligation that is to be paid from the Payments other than payment of principal of and interest on the Bonds and the other payments required hereunder.

Section 11.10 Insolvency. Any reorganization or liquidation plan with respect to the Issuer must be approved by the Bond Insurer, if any. In the event of any such reorganization or liquidation, the Bond Insurer, if any, provided it is not then in default in any payment required by it under the terms of the Bond Insurance Policy, shall have the right to vote on behalf of all Series 2010 Bondholders.

ARTICLE 12
DEFEASANCE

Section 12.1 Payment.

(a) When all of the Bonds shall have been paid and discharged, and there shall have been paid all fees and charges of the Trustee and all Bond Insurer Amounts due or to become due through the Residual Payment Obligation Period, then this Indenture shall cease, terminate and become null and void, and thereupon the Trustee shall release this Indenture including the cancellation and discharge of the lien hereof, and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien hereof and, if necessary, to enter on the records such satisfaction and discharge and to re-convey to the Issuer any property or interest therein or other rights hereby conveyed and such other instruments to evidence such release and discharge as may be reasonably required by the Issuer, and the Trustee shall assign and deliver to the Issuer any property at the time subject to the lien of this Indenture that may then be in its possession, except amounts in any Fund otherwise required to be paid by this Indenture and except such cash and investments as are held by the Trustee for the payment of interest on and retirement of the Bonds.

(b) Notwithstanding the foregoing, the obligation of the Corporation to pay the fees and expenses of the Trustee in accordance with the terms of this Indenture shall survive the defeasance of the Bonds, the discharge of this Indenture and the termination of the Agreement.

(c) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by the Bond Insurer, if any, pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of the Bond Insurer, if any, and the Bond Insurer, if any, shall be subrogated to the rights of such registered owners, including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Bonds.

Section 12.2 Provision for Payment. Any Bonds shall be deemed to have been paid and discharged within the meaning of Section 12.1, if the Trustee, or an escrow trustee, shall hold, in

trust for and irrevocably committed thereto, moneys or Defeasance Obligations of such maturities and interest payment dates and bearing such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (likewise to be held in trust and committed, except as hereinafter provided), be sufficient for the payment of such Bonds, at their maturity or redemption date, of the principal thereof, together with the redemption premium, if any, and interest accrued to the date of maturity or redemption, as the case may be, or if default in such payment shall have occurred on such date then to the date of the tender of such payment; provided, that if any Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or provisions satisfactory to the Trustee shall have been duly made for the giving of such notice. Any moneys held in accordance with the provisions of this Section shall be invested only in Defeasance Obligations the maturities or redemption dates and interest payment dates of which, at the option of the owner, shall coincide as nearly as practicable with, but not later than, the time or times at which said moneys will be required for the aforesaid purposes. Any income or interest earned by the Defeasance Obligations held under this Section shall, as determined by the Trustee or the escrow trustee, to the extent not required for the purposes of this Section, be paid to the Corporation for the Board as overpayment of Payments. No forward supply contract may be entered into in connection with a defeasance without the prior written consent of the Bond Insurer, if any.

Section 12.3 Certifications.

(a) As a condition to any defeasance hereunder, the Issuer and the Corporation covenant and agree with the Trustee and the Bond Insurer, if any, to furnish the following:

- (i) Certificates or opinions made by officers of the Issuer and the Corporation required by this Indenture stating that provisions of this Article relating to the satisfaction and discharge of this Indenture have been fulfilled; and
- (ii) An opinion of Bond Counsel in form and substance satisfactory to the Bond Insurer, if any, to the effect that the payment of the Bonds has been provided for in the manner set forth in the Indenture and the Agreement, that all obligations of the Issuer and the Corporation with respect to the Bonds have been discharged and satisfied, and that refunding and defeasance will not adversely impact the exclusion from gross income for federal income tax purposes of interest on the Series 2010A Bonds;
- (iii) In the case of an advance refunding, a mathematical verification prepared by a nationally recognized firm of independent certified public accountants (or other verification agent) satisfactory to the Bond Insurer, if any, that the Defeasance Obligations are sufficient to pay the principal of and interest on the Bonds that are defeased;

(iv) (A) Opinion of counsel that (1) the escrow deposit will not constitute a voidable preference or transfer under the Federal Bankruptcy Code or any other similar state or federal statute in the event the Issuer or the Corporation becomes a debtor within the meaning of the Federal Bankruptcy Code or comes within the protection of such similar state or federal statute ("Insolvency Event"), and (2) in such Insolvency Event, the escrow deposit will

not be treated as part of the estate of the Issuer or the Corporation; and (B) Opinion of counsel as to the validity and enforceability of the escrow agreement referred to below.

(b) Insofar as any Defeasance Obligations are held by the Trustee as provided in this Article 12, there shall be submitted to the Bond Insurer, if any, for its approval, and entered into, an escrow agreement governing the Defeasance Obligations and providing that:

(i) The Issuer and the Corporation will not exercise any optional redemption of Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (A) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (B) as a condition of any such redemption there shall be provided to Bond Insurer, if any, a verification report by a nationally-recognized certified public accountant firm acceptable to Bond Insurer, if any, as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following such redemption; and

(ii) The Issuer and the Corporation shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of Bond Insurer, if any.

(c) Any substitution of securities shall require a verification report of a nationally-recognized certified public accountant firm acceptable to the Bond Insurer, if any, and the prior written consent of the Bond Insurer, if any.

ARTICLE 13

MISCELLANEOUS

Section 13.1 Covenants of Issuer Binds its Successors. In the event of the dissolution of the Issuer, all of the covenants, stipulations, obligations and agreements contained in this Indenture by or on behalf of or for the benefit of the Issuer shall bind or inure to the benefit of the successor or successors of the Issuer from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the word "Issuer" as used in this Indenture shall include such successor or successors.

Section 13.2 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Issuer, the Corporation, the Bond Insurer, if any, the Board and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

Section 13.3 Parties Interest Herein. Nothing in this Indenture expressed or implied, is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Trustee, the Corporation, the Bond Insurer, if any, and the Bondholders, any right, remedy or claim or by reason of this Indenture or any covenant, agreement, condition or stipulation therein.

Section 13.4 No Recourse on the Bonds. No recourse shall be had for the payment of the principal or of interest on the Bonds or for any claim based thereunder or under this Indenture against any trustee, director, officer, employee or agent of the Issuer or the Trustee.

Section 13.5 Severability. If any clause, provision or Section of this Indenture be held illegal or invalid by any court, the invalidity of such clause, provision or Section shall not affect any of the remaining clauses, provisions or Sections hereof and this Indenture shall be construed and enforced as if such illegal or invalid clause, provision or Section had not been contained herein. In case any agreement or obligation contained in this Indenture be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Issuer, the Corporation, or the Board, as the case may be, only to the extent permitted by law.

Section 13.6 Consents and Approvals. Whenever the written consent or approval of the Issuer, the Trustee, the Corporation or the Board shall be required under the provisions of this Indenture, such consent or approval shall not be unreasonably withheld or delayed.

Section 13.7 Notices.

(a) All notices demands and requests to be given or made hereunder to or by the Issuer, the Trustee or the Corporation, or their designated successors, shall be in writing and shall be properly made if hand delivered, sent by electronic mail or sent by United States mail, postage prepaid, and addressed as follows:

If to the Board: Board of Supervisors for the University of Louisiana System

1201 North Third Street, Suite 7-300

Baton Rouge, Louisiana 70802

Attention: Assistant Vice President for Facilities Planning and

Capital Improvements

If to the Bond Insurer: Assured Guaranty Municipal Corp.

31 West 52nd Street

New York, New York 10019

Attention: Managing Director – Surveillance, Re: Policy No. _____

Telephone: (212) 826-0100

Telecopier: (212) 339-3556

University Facilities, Inc.

SLU Box 10746

Hammond, Louisiana 70402

Attention: Executive Director

With copies at the same time to:

Seale & Ross

200 North Cate Street

Hammond, Louisiana 70404

Attention: T. Jay Seale

If to the Issuer: Louisiana Local Government Environmental Facilities and Community Development Authority
8712 Jefferson Hwy, Suite A
Baton Rouge, Louisiana 70809 2233
Attention: Executive Director

If to Rating Agency:

Regions Bank

II City Plaza

400 Convention Street, 3rd Floor

Baton Rouge, Louisiana 70802

Attention: Corporate Trust Department

If to the University:

Southeastern Louisiana University

Western Avenue

Friendship Circle (SLU Box 10709)

Hammond, Louisiana 70402

Attention: Vice President for Administration and Finance

(b) Notice hereunder shall be deemed effective on the date of its receipt by the addressee. The above addresses may be changed at any time upon written notice of such change sent by electronic mail or United States mail, postage prepaid, to the other parties by the party effecting the change.

(c) Any notice required to be given by any party hereunder shall also be given to the Bond Insurer, if any, at the address specified above. Bond Insurer, if any, shall also receive notice from Trustee of any withdrawal from the Debt Service Reserve Fund, any valuation of the Debt Service Reserve Fund which demonstrates that the value of the investments in such fund is less than the Debt Service Reserve Fund Requirement and any failure by the Issuer or the Corporation to make any payment when due.

(d) In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel of the Bond Insurer and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 13.8 Notices to Bondholders. Any notices or other communications required or permitted to be given to the Bondholders pursuant to this Indenture shall be mailed by first class mail in a sealed envelope, postage prepaid, addressed to each such Bondholder as his address last appears on the Bond Register. In case, by reason of the suspension of or irregularities in regular mail service, it shall be impractical to mail notice to the Bondholders of any event when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be sufficient giving of such notice. Any notice herein required may be omitted if the owners of all the Bonds entitled to such notice give to the Trustee a written waiver of such notice.

Section 13.9 Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State.

Section 13.10 Captions. The table of contents, captions and headings of the several articles and sections of this Indenture are for convenience only and shall not control, affect the meaning of or be taken as an interpretation of any provisions of this Indenture.

Section 13.11 Indenture to Constitute a Contract. This Indenture, upon execution by the Issuer and the Trustee shall constitute a third party beneficiary contract between the Issuer and the Trustee for the benefit of the Bond Insurer, if any, and of the owners of all Bonds issued hereunder. The Bond Insurer, if any, may enforce any right, remedy or claim conferred, given or granted to it hereunder.

Section 13.12 Performance on Legal Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption or purchase of any Bonds or the date fixed for the giving of notice or the taking of any action under this Indenture shall not be a Business Day, then payment of such interest, principal, purchase price and redemption premium, if any, the giving of such notice or the taking of such action need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or purchase, and no interest on such payment shall accrue for the period after such date.

Section 13.13 Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 13.14 Continuing Disclosure Certificates. The Board has undertaken to comply with continuing disclosure requirements, and the Issuer shall have no liability to the holders of the Bonds or any other person with respect to such disclosure matters. Notwithstanding any other provision of this Indenture, failure of the Board to comply with the terms of its respective Continuing Disclosure Certificate shall not be considered an Event of Default hereunder; however, the Trustee may (and, at the request of the Underwriter (as defined in the Continuing Disclosure Certificate) or the holders of at least a majority in aggregate principal amount of Outstanding Bonds or the Bond Insurer, if any, shall), upon being provided indemnity satisfactory to the Trustee, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Board to comply with its obligations under this Section 13.13. The Trustee shall have no responsibility for the failure of the Board to report any material event and shall have no responsibility as to any determination by the Board of whether any event would constitute material information for holders of the Bonds.

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IN WITNESS WHEREOF, the Authority has caused this Indenture to be executed by its Chairman and has caused the seal of the Authority to be affixed hereto and attested by its Secretary and the Trustee has caused this Indenture to be executed in its behalf by a Trust Officer and its seal to be impressed hereon, all as of the day and year above written.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

By: _____
Julian E. Dufreche, Chairman

ATTEST:

SEAL

Steve A. Dicharry, Executive Director

REGIONS BANK, as Trustee

By: _____
John C. Shiroda, Vice President

EXHIBIT A-1

FORM OF SERIES 2010A BOND

Unless this Series 2010A Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010A Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010A Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

No. RA-1 _____ \$ _____
Interest Rate _____% Maturity Date _____ Dated Date _____ Date of Authentication _____ CUSIP _____
October 1, _____ November 1, 2010 November _____, 2010

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: _____

(N1882280.6)

Ex. A-1-J

SLU Trust Indenture

The Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer"), a political subdivision organized and existing under and by virtue of the constitution and the laws of the State of Louisiana (the "State"), for value received, hereby promises to pay (but only out of the Trust Estate, as defined in the hereinafter described Indenture, and therefrom only to the extent provided for in the Indenture) to the Registered Owner (named above) or registered assigns, on the Maturity Date (stated above), the Principal Amount (stated above) subject to the rights of prior redemption as provided hereinafter, and interest on said Principal Amount from the Dated Date specified above or from the most recent Interest Payment Date (as hereinafter defined) on which interest has been paid or duly provided for, until payment of said Principal Amount has been made or duly provided for, at the Interest Rate specified above and on the dates set forth herein. The principal of and interest on this Series 2010A Bond are payable in such coin or currency of the United States of America as at the respective times of payment, is legal tender for the payment of public and private debts. The principal of this Series 2010A Bond shall be payable to the registered owner hereof or his assigns upon surrender hereof at the Corporate Trust Office of Regions Bank, as trustee (the "Trustee"). Interest on this Series 2010A Bond, when due and payable, shall be paid by check or draft mailed by the Trustee on the interest payment date to the person in whose name this Series 2010A Bond is registered, at the address as it appears on the Bond Register maintained by the Trustee at the close of business on March 15 or September 15, as the case may be next preceding such interest payment date, or if such day shall not be a Business Day, the next preceding Business Day (the "Record Date") irrespective of any transfer or exchange of this Series 2010A Bond subsequent to such Record Date and prior to such interest payment date, unless the Issuer shall default in payment of interest due on such interest payment date, provided that an owner of \$1,000,000 or more in aggregate principal amount of Series 2010A Bonds may request payment by wire transfer if such owner has requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of a default, such defaulted interest shall be payable on a payment date established by the Trustee to the person in whose name this Series 2010A Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owner of this Series 2010A Bond not fewer than fifteen (15) days preceding such special record date.

This Series 2010A Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by a duly authorized representative of the Trustee.

This Series 2010A Bond is one of the duly authorized issue of the Issuer's Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A (the "Series 2010A Bonds") issued under and secured by the Indenture (hereinafter defined) pursuant to which the Issuer is issuing \$ _____ aggregate principal amount of said revenue bonds on behalf of University Facilities, Inc., a Louisiana nonprofit corporation (the "Corporation") for the purpose of: (a) demolishing certain existing facilities and renovating, developing and constructing the Series 2010A Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance of the

(N1882280.6)

Ex. A-1-2

SLU Trust Indenture
COPY
FILED
ASSIST
CLERK
FILE

Series 2010A Bonds, including the premium for any bond insurance policy insuring the Series 2010A Bonds.

Simultaneously with the issuance of the Series 2010A Bonds, the Issuer will issue \$_____ of revenue bonds designated "Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana Student Union/University Facilities, Inc. Project) Series 2010B" (the "Series 2010B Bonds") and together with the Series 2010A Bonds, the "Series 2010 Bonds", authorized to be issued on behalf of the Corporation for the purpose of: (a) demolishing certain existing facilities and renovating, developing and constructing the Series 2010B Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance of the Series 2010B Bonds, including the premium for any bond insurance policy insuring the Series 2010B Bonds.

The proceeds of the Series 2010A Bonds have been loaned to the Corporation pursuant to a Loan and Assignment Agreement dated as of November 1, 2010, between the Issuer and the Corporation (together with all amendments and supplements thereto the "Agreement") for the foregoing purposes. The Board of Supervisors for the University of Louisiana System (the "Board"), acting on behalf of Southeastern Louisiana University (the "University"), has leased the land upon which the Facilities are and will be located on the campus of the University (the "Land") and the Facilities to the Corporation pursuant to the Ground and Building Lease Agreement, and will lease the Facilities from the Corporation pursuant to the Facilities Lease.

The Series 2010A Bonds are issued pursuant to the laws of the State, particularly Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (L.A. R.S. 33:4548.1 through 4548.16, inclusive) (the "Act"), and pursuant to a Trust Indenture dated November 1, 2010, between the Issuer and the Trustee (together with all amendments and supplements thereto called the "Indenture"), a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, and to which Indenture reference is hereby made for a more complete description of the assigned revenues constituting the Trust Estate, the nature and extent of the security, the terms and conditions under which the Series 2010A Bonds are issued and secured, the terms and conditions under which Completion Bonds may be issued and secured, the rights, duties and immunities of the Trustee and the rights of the registered owners of the Series 2010A Bonds. The registered owner of this Series 2010A Bond shall have no rights to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture, and by acceptance of this Series 2010A Bond, the owner hereof assents to all of the provisions of the Indenture. All terms not defined herein shall have the meanings assigned thereto in the Indenture.

The Series 2010A Bonds are on a parity with the Series 2010B Bonds under the Indenture.

THE INSURANCE POLICY

Simultaneously with the delivery of the Series 2010A Bonds, in order to provide the registered Owners of the Series 2010A Bonds additional security, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (the "Insurer") will issue and deliver on the date of delivery of the Series 2010A Bonds its unconditional and irrevocable municipal bond insurance policy pursuant to which the Insurer will agree to pay the principal of and interest on the Series 2010A Bonds when due if such principal and interest are not paid from funds available under the Indenture, all as more particularly set forth in the Statement of Insurance attached hereto.

The Series 2010A Bonds are issuable as fully registered bonds without coupons, in Authorized Denominations, and shall be numbered from No. RA-1 upwards. The Series 2010A Bonds are limited and special revenue obligations of the Issuer and are payable solely from (i) payments received by the Issuer from the Corporation pursuant to the Agreement (except however, the Issuer's rights to exculpation, indemnification and payment of expenses by the Corporation under the Agreement) and (ii) all funds held by the Trustee under the Indenture and available for such payment, said payments and funds being herein referred to as the "Trust Estate". The Agreement, a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, provides that the Corporation is unconditionally obligated to make payments, but solely from the Payments (as defined in the Agreement) in an aggregate amount sufficient, for the payment in full of the principal and interest of all Series 2010A Bonds issued and outstanding under the Indenture, to the date of payment thereof, and certain costs, expenses and charges of the Issuer and the Trustee. The Agreement imposes upon the Corporation certain obligations respecting the use and operation of its Facilities and the maintenance and repair of said Facilities.

THE SERIES 2010A BONDS AND THE INTEREST THEREON ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. THE SERIES 2010A BONDS DO NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OF THE ISSUER OR THE CORPORATION AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE STATE, THE BOARD, THE UNIVERSITY, THE ISSUER OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BOARD HAS AGREED, PURSUANT TO THE FACILITIES LEASE, TO MAKE PAYMENTS OF RENTAL TO THE CORPORATION ON BEHALF OF THE UNIVERSITY, UNDER THE TERMS AND CONDITIONS SET FORTH IN THE FACILITIES LEASE. THE PAYMENTS TO BE RECEIVED BY THE ISSUER FROM THE CORPORATION UNDER THE AGREEMENT ARE LIMITED TO THE AMOUNT OF RENTAL RECEIVED BY THE CORPORATION FROM THE BOARD. THE ISSUANCE OF THE SERIES 2010A BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF LOUISIANA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAXES OR TO MAKE ANY APPROPRIATION OF THEIR PAYMENT. THE ISSUER HAS NO POWER TO TAX.

As long as any of the Series 2010A Bonds remain outstanding, there shall be permitted the exchange of Series 2010A Bonds at the principal corporate trust office of the Trustee. Any Series 2010A Bond or Series 2010A Bonds upon surrender thereof at the principal corporate

trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in Authorized Denominations.

For every such exchange or transfer of Series 2010A Bonds, the Issuer or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Trustee shall not be required to register the transfer or exchange of (a) any Series 2010A Bonds during the fifteen (15) day period next preceding the selection of Series 2010A Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Series 2010A Bonds selected for redemption, or (b) any Series 2010A Bonds selected, called or being called for redemption in whole or in part, except in the case of any Series 2010A Bond to be redeemed in part, the portion thereof not so to be redeemed.

REDEMPTION PROVISIONS

Optional Redemption

The Series 2010A Bonds maturing October 1, 2021 and thereafter are subject to redemption prior to maturity at the option of the Corporation, upon written direction to the Issuer, on or after October 1, 2020 as a whole at any time, or in part on any Interest Payment Date, the maturity of said Series 2010A Bonds to be redeemed to be designated by the Corporation and selected within a maturity by the Trustee in such manner as the Trustee may determine, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

Mandatory Redemption

The Series 2010A Bonds shall be redeemed as a whole on the Interest Payment Date on or after October 1, 2020, on or after which the Board exercises its option to purchase the Corporation's interest in the Facilities pursuant to Section 23 of the Facilities Lease, at a price equal to the then Outstanding principal amount of the Series 2010A Bonds plus accrued and unpaid interest to the date of redemption.

Extraordinary Redemption

The Series 2010 Bonds are subject to redemption in part at the option of the Corporation, upon written direction to the Issuer, on any Interest Payment Date from amounts transferred by the Trustee from the Project Fund to the appropriate account of the Debt Service Fund upon completion of construction of the Facilities in accordance with the Indenture. The Series 2010 Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine, at a price equal to the principal of the Series 2010 Bonds so redeemed plus accrued and unpaid interest to the date of redemption.

Bonds shall be redeemed as a whole or in part (in an integral multiple of \$5,000) on the first Interest Payment Date at least thirty (30) days after the Trustee receives notice from the Corporation that any insurance proceeds, condemnation award or payment in lieu of condemnation with respect to the Facilities will not be applied to the restoration, repair or reconstruction of the Facilities, and subject to the prior written consent of the Bond Insurer, at a price equal to the principal amount of the Series 2010 Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not used for restoration, repair or reconstruction. If in part, the Series 2010 Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine. If the amount of any insurance proceeds, condemnation award or payment in lieu of condemnation to be applied in redemption of the Series 2010 Bonds is not an integral multiple of \$5,000, the principal amount of Series 2010 Bonds to be redeemed pursuant to this paragraph shall be decreased to the next lower multiple of \$5,000.

Mandatory Sinking Fund Redemption

Those Series 2010A Bonds maturing on the dates set forth below, shall be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

<u>Redemption Date</u>	Series 2010A Bonds due October 1, _____	<u>Principal Amount</u>
<u>Redemption Date</u>	Series 2010A Bonds due October 1, _____	<u>Principal Amount</u>

If on any occasion less than all of the Series 2010A Bonds then outstanding shall be redeemed pursuant to the optional or mandatory redemption provisions described in the Indenture, then the principal amount of the Series 2010A Bonds so redeemed shall be considered to have satisfied a portion of the mandatory sinking fund redemptions required by the above tables. The principal amounts required by the tables above shall be adjusted downward in the

amount of principal redeemed in chronological order beginning on the mandatory sinking fund redemption date immediately succeeding the date of such optional redemption.

Unless otherwise specified above, if less than all of the Series 2010A Bonds shall be called for redemption, the maturity of the Series 2010A Bonds to be redeemed shall be designated by the Corporation, on behalf of the Board, and selected by the Trustee within a maturity in such manner as the Trustee may determine; provided, however, that the portion of any Series 2010A Bond to be redeemed shall be in the principal amount of an Authorized Denomination. If a portion of any Series 2010A Bond shall be called for redemption, a new Series 2010A Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

At least thirty (30) days before the redemption date of any Series 2010A Bonds redeemed other than by mandatory sinking fund redemption, the Trustee shall cause a notice of any such redemption, signed by an authorized officer of the Trustee to be mailed, postage prepaid, to all Bondholders of record owning Series 2010A Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Series 2010A Bonds then outstanding shall be called for redemption, the numbers of such Series 2010A Bonds to be redeemed and, in the case of Series 2010A Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Series 2010A Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Series 2010A Bond, a new Series 2010A Bond in principal amount equal to the unredeemed portion of such Series 2010A Bond will be issued.

Modifications or alterations of the Indenture or any agreement supplemental thereto or of the Agreement or any agreement supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture and the Agreement. So long as no event of nonperformance under the Agreement has occurred and is continuing, no such supplement shall become effective unless the Corporation, on behalf of the Board, shall have given its prior written approval.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2010A Bond, do exist, have happened and have been performed in regular and due form as required by law.

The insurance policy does not cover any accelerated payments, increased rate of interest or premium, if any, due to optional redemption or extraordinary redemption of the Series 2010A Bonds even if such optional or extraordinary redemption occurs with the consent of the insurer.

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IN WITNESS WHEREOF, the Louisiana Local Government Environmental Facilities and Community Development Authority has caused this Series 2010A Bond to be executed with the manual or facsimile signature of its Chairman, and its corporate seal or a facsimile thereof to be hereto affixed or printed, and attested by the manual or facsimile signature of its Executive Director on November __, 2010.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

By: Julian E. Dufreche, Chairman

ATTEST:

SEAL

By: Steve A. Dicharry, Executive Director

CERTIFICATE OF AUTHENTICATION

This Series 2010A Bond is one of the Series 2010A Bonds described in the within mentioned Indenture.

Date of Authentication:
November __, 2010

REGIONS BANK, as Trustee

By: John C. Shiroda, Vice President

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to Regions Bank, Baton Rouge, Louisiana, or its successor, as paying agent for the Bonds (the "Trustee"). Said Policy is on file and available for inspection at the corporate trust office of the Trustee and a copy thereof may be obtained from AGM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

(N1885280.6)

EX A-1-9

SLU Trust Indenture

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address, including Zip Code, and Federal Taxpayer Identification or Social Security Number of Assignee)

the within Series 2010A Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within Series 2010A Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed by: _____
NOTICE: Signature must be guaranteed by a Participant in the Securities Transfer Agent Medallion Program.

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Series 2010A Bond in every particular, without alteration, enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED

(N1885280.6)

EX A-1-10

SLU Trust Indenture

LEGAL OPINION CERTIFICATE

I, the undersigned Chairman of the Louisiana Local Government Environmental Facilities and Community Development Authority, do hereby certify that attached hereto are true copies of the complete legal opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Baton Rouge, Louisiana, Bond Counsel, the originals of which were manually executed, dated and issued as of the date of payment for and delivery of the original bonds of the issue described therein and were delivered to the original purchaser thereof. I further certify that executed copies of the above-referenced legal opinions are on file in my office and that executed copies thereof have been furnished to the Trustee for these Series 2010A Bonds.

By: Julian E. Duffreche, Chairman

FORM OF SERIES 2010B BOND

EXHIBIT A-2

Unless this Series 2010B Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010B Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010B Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

No. RA-1 \$ _____
Interest Rate _____% Maturity Date _____ Dated Date _____ Date of Authentication _____ CUSIP _____
October 1, _____ November 1, 2010 November _____, 2010

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: _____

(N1883280.6)

EX-A-1-11

SELU Trust Indenture

Ex A-1-1

SELU Trust Indenture
CMT
4000
4000

The Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer"), a political subdivision organized and existing under and by virtue of the constitution and the laws of the State of Louisiana (the "State"), for value received, hereby promises to pay (but only out of the Trust Estate, as defined in the hereinafter described Indenture, and therefrom only to the extent provided for in the Indenture) to the Registered Owner (named above) or registered assigns, on the Maturity Date (stated above), the Principal Amount (stated above) subject to the rights of prior redemption as provided hereinafter, and interest on said Principal Amount from the Dated Date specified above or from the most recent Interest Payment Date (as hereinafter defined) on which interest has been paid or duly provided for, until payment of said Principal Amount has been made or duly provided for, at the interest rate specified above and on the dates set forth herein. The principal of and interest on this Series 2010B Bond are payable in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts. The principal of this Series 2010B Bond shall be payable to the registered owner hereof or his assigns upon surrender hereof at the Corporate Trust Office of Regions Bank, as trustee (the "Trustee"). Interest on this Series 2010B Bond, when due and payable, shall be paid by check or draft mailed by the Trustee on the interest payment date to the person in whose name this Series 2010B Bond is registered, at the address as it appears on the Bond Register maintained by the Trustee at the close of business on March 15 or September 15, as the case may be next preceding such interest payment date, or if such day shall not be a Business Day, the next preceding Business Day (the "Record Date") irrespective of any transfer or exchange of this Series 2010B Bond subsequent to such Record Date and prior to such interest payment date, unless the Issuer shall default in payment of interest due on such interest payment date, provided that an owner of \$1,000,000 or more in aggregate principal amount of Series 2010B Bonds may request payment by wire transfer if such owner has requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of a default, such defaulted interest shall be payable on a payment date established by the Trustee to the person in whose name this Series 2010B Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owner of this Series 2010B Bond not fewer than fifteen (15) days preceding such special record date.

This Series 2010B Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by a duly authorized representative of the Trustee.

This Series 2010B Bond is one of the duly authorized issue of the Issuer's Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B (the "Series 2010B Bonds"), issued under and secured by the Indenture (hereinafter defined) pursuant to which the Issuer is issuing \$_____ aggregate principal amount of said revenue bonds on behalf of University Facilities, Inc., a Louisiana nonprofit corporation (the "Corporation") for the purpose of: (a) demolishing certain existing facilities and renovating, developing and constructing the Series 2010B Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance of the Series 2010B Bonds, including the premium for any bond insurance policy insuring the Series 2010B Bonds.

(N1883280.6)

EX A-1-2

SELU Trust Indenture

Simultaneously with the issuance of the Series 2010B Bonds, the Issuer will issue _____ of revenue bonds designated "Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B" (the "Series 2010A Bonds") and together with the Series 2010B Bonds, the "Series 2010 Bonds", authorized to be issued on behalf of the Corporation for the purpose of: (a) demolishing certain existing facilities and renovating, developing and constructing the Series 2010A Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance of the Series 2010A Bonds, including the premium for any bond insurance policy insuring the Series 2010A Bonds.

The proceeds of the Series 2010B Bonds have been loaned to the Corporation pursuant to a Loan and Assignment Agreement dated as of November 1, 2010, between the Issuer and the Corporation (together with all amendments and supplements thereto the "Agreement") for the foregoing purposes. The Board of Supervisors for the University of Louisiana System (the "Board"), acting on behalf of Southeastern Louisiana University (the "University"), has leased the land upon which the Facilities are and will be located on the campus of the University (the "Land") and the Facilities to the Corporation pursuant to the Ground and Building Lease Agreement, and will lease the Facilities from the Corporation pursuant to the Facilities Lease.

The Series 2010B Bonds are issued pursuant to the laws of the State, particularly Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (L.A. R.S. 33:4548.1 through 4548.16, inclusive) (the "Act"), and pursuant to a Trust Indenture dated November 1, 2010, between the Issuer and the Trustee (together with all amendments and supplements thereto called the "Indenture"), a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, and to which Indenture reference is hereby made for a more complete description of the assigned revenues constituting the Trust Estate, the nature and extent of the security, the terms and conditions under which the Series 2010B Bonds are issued and secured, the duties and immunities of the Trustee and the rights of the registered owners of the Series 2010B Bonds. The registered owner of this Series 2010B Bond shall have no rights to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture, and by acceptance of this Series 2010B Bond, the owner hereof assents to all of the provisions of the Indenture. All terms not defined herein shall have the meanings assigned thereto in the Indenture.

The Series 2010A Bonds are on a parity with the Series 2010A Bonds under the Indenture.

THE INSURANCE POLICY

Simultaneously with the delivery of the Series 2010B Bonds, in order to provide the registered Owners of the Series 2010B Bonds additional security, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (the "Insurer") will issue and deliver on the date of delivery of the Series 2010B Bonds its unconditional and irrevocable

(N1883280.6)

EX A-1-3

SELU Trust Indenture

municipal bond insurance policy pursuant to which the Insurer will agree to pay the principal of and interest on the Series 2010B Bonds when due if such principal and interest are not paid from funds available under the Indenture, all as more particularly set forth in the Statement of Insurance attached hereto.

The Series 2010B Bonds are issuable as fully registered bonds without coupons, in Authorized Denominations, and shall be numbered from No. RB-1 upwards. The Series 2010B Bonds are limited and special revenue obligations of the Issuer and are payable solely from (i) payments received by the Issuer from the Corporation pursuant to the Agreement (except however, the Issuer's rights to exculpation, indemnification and payment of expenses by the Corporation under the Agreement) and (ii) all funds held by the Trustee under the Indenture and available for such payment, said payments and funds being herein referred to as the "Trust Estate". The Agreement, a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, provides that the Corporation is unconditionally obligated to make payments, but solely from the Payments (as defined in the Agreement) in an aggregate amount sufficient for the payment in full of the principal and interest of all Series 2010B Bonds issued and outstanding under the Indenture, to the date of payment thereof, and certain costs, expenses and charges of the Issuer and the Trustee. The Agreement imposes upon the Corporation certain obligations respecting the use and operation of its Facilities and the maintenance and repair of said Facilities.

THE SERIES 2010B BONDS AND THE INTEREST THEREON ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. THE SERIES 2010B BONDS DO NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OF THE ISSUER OR THE CORPORATION AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE STATE, THE BOARD, THE UNIVERSITY, THE ISSUER OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BOARD HAS AGREED, PURSUANT TO THE FACILITIES LEASE, TO MAKE PAYMENTS OF RENTAL TO THE CORPORATION ON BEHALF OF THE UNIVERSITY, UNDER THE TERMS AND CONDITIONS SET FORTH IN THE FACILITIES LEASE. THE PAYMENTS TO BE RECEIVED BY THE ISSUER FROM THE CORPORATION UNDER THE AGREEMENT ARE LIMITED TO THE AMOUNT OF RENTAL RECEIVED BY THE CORPORATION FROM THE BOARD. THE ISSUANCE OF THE SERIES 2010B BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF LOUISIANA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAXES OR TO MAKE ANY APPROPRIATION OF THEIR PAYMENT. THE ISSUER HAS NO POWER TO TAX.

As long as any of the Series 2010B Bonds remain outstanding, there shall be permitted the exchange of Series 2010B Bonds at the principal corporate trust office of the Trustee. Any Series 2010B Bond or Series 2010B Bonds upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in Authorized Denominations.

(N1883280.6)

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SELU Trust Indenture

For every such exchange or transfer of Series 2010B Bonds, the Issuer or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Trustee shall not be required to register the transfer or exchange of (a) any Series 2010B Bonds during the fifteen (15) day period next preceding the selection of Series 2010B Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Series 2010B Bonds selected for redemption, or (b) any Series 2010B Bonds selected, called or being called for redemption in whole or in part, except in the case of any Series 2010B Bond to be redeemed in part, the portion thereof not so to be redeemed.

REDEMPTION PROVISIONS

Optional Redemption

The Series 2010B Bonds are not subject to optional redemption prior to maturity.

Mandatory Redemption

The Series 2010B Bonds are not subject to mandatory redemption prior to maturity.

Extraordinary Redemption

The Series 2010 Bonds are subject to redemption in part at the option of the Corporation, upon written direction to the Issuer, on any Interest Payment Date from amounts transferred by the Trustee from the Project Fund to the appropriate account of the Debt Service Fund upon completion of construction of the Facilities in accordance with the Indenture. The Series 2010 Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine, at a price equal to the principal of the Series 2010 Bonds so redeemed plus accrued and unpaid interest to the date of redemption.

Bonds shall be redeemed as a whole or in part (in an integral multiple of \$5,000) on the first Interest Payment Date at least thirty (30) days after the Trustee receives notice from the Corporation that any insurance proceeds, condemnation award or payment in lieu of condemnation with respect to the Facilities will not be applied to the restoration, repair or reconstruction of the Facilities, and subject to the prior written consent of the Bond Insurer, at a price equal to the principal amount of the Series 2010 Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not used for restoration, repair or reconstruction. If in part, the Series 2010 Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine. If the amount of any insurance proceeds, condemnation award or payment in lieu of condemnation to be applied in redemption of the Series 2010 Bonds is not an integral multiple of \$5,000, the principal amount of Series 2010 Bonds to be redeemed pursuant to this paragraph shall be decreased to the next lower multiple of \$5,000.

(N1883280.6)

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SELU Trust Indenture

Mandatory Sinking Fund Redemption

Those Series 2010B Bonds maturing on the dates set forth below, shall be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

Series 2010B Bonds due October 1, _____	<u>Principal Amount</u>
<u>Redemption Date</u>	
Series 2010B Bonds due October 1, _____	<u>Principal Amount</u>
<u>Redemption Date</u>	

Unless otherwise specified above, if less than all of the Series 2010B Bonds shall be called for redemption, the maturity of the Series 2010B Bonds to be redeemed shall be designated by the Corporation, on behalf of the Board, and selected by the Trustee within a maturity in such manner as the Trustee may determine; provided, however, that the portion of any Series 2010B Bond to be redeemed shall be in the principal amount of an Authorized Denomination. If a portion of any Series 2010B Bond shall be called for redemption, a new Series 2010B Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

At least thirty (30) days before the redemption date of any Series 2010B Bonds redeemed other than by mandatory sinking fund redemption, the Trustee shall cause a notice of any such redemption, signed by an authorized officer of the Trustee to be mailed, postage prepaid, to all Bondholders of record owning Series 2010B Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Series 2010B Bonds then outstanding shall be called for redemption, the numbers of such Series 2010B Bonds to be redeemed and, in the case of Series 2010B Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Series 2010B Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Series 2010B Bond, a new Series 2010B Bond in principal amount equal to the unredeemed portion of such Series 2010B Bond will be issued.

Modifications or alterations of the Indenture or any agreement supplemental thereto or of the Agreement or any agreement supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture and the Agreement. So long as no event of nonperformance under the Agreement has occurred and is continuing, no such supplement shall become effective unless the Corporation, on behalf of the Board, shall have given its prior written approval.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2010B Bond, do exist, have happened and have been performed in regular and due form as required by law.

The insurance policy does not cover any accelerated payments, increased rate of interest or premium, if any, due to extraordinary redemption of the Series 2010B Bonds even if such optional or extraordinary redemption occurs with the consent of the Insurer.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Louisiana Local Government Environmental Facilities and Community Development Authority has caused this Series 2010B Bond to be executed with the manual or facsimile signature of its Chairman, and its corporate seal or a facsimile thereof to be hereto affixed or printed, and attested by the manual or facsimile signature of its Executive Director on November __, 2010.

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY

By: _____
Julian E. Dufreche, Chairman

ATTEST:

SEAL

By: _____
Steve A. Dicharry, Executive Director

CERTIFICATE OF AUTHENTICATION

This Series 2010B Bond is one of the Series 2010B Bonds described in the within mentioned Indenture.

Date of Authentication: _____
November __, 2010
REGIONS BANK, as Trustee

By: _____
John C. Shiroda, Vice President

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to Regions Bank, Baton Rouge, Louisiana, or its successor, as paying agent for the Bonds (the "Trustee"). Said Policy is on file and available for inspection at the corporate trust office of the Trustee and a copy thereof may be obtained from AGM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

AGM
REGIONS BANK
Baton Rouge, Louisiana

(N18832806)

Ex. A-1-8

SELU Trust Indenture

(N18832806)

Ex. A-1-9

SELU Trust Indenture

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address,
including Zip Code, and Federal Taxpayer Identification
or Social Security Number of Assignee)

the within Series 2010B Bond and all rights thereunder, and hereby irrevocably constitutes and
appoints

Attorney to register the transfer of the within Series 2010B Bond on the books kept for
registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed by: _____

NOTICE: Signature must be guaranteed by a
Participant in the Securities Transfer Agent
Medallion Program.

NOTICE: The signature to this assignment
must correspond with the name as it appears
on the face of the within Series 2010B Bond
in every particular, without alteration,
enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED

(N188280.6)

Ex: A-1-10

SELU Trust Indenture

LEGAL OPINION CERTIFICATE

I, the undersigned Chairman of the Louisiana Local Government Environmental
Facilities and Community Development Authority, do hereby certify that attached hereto are true
copies of the complete legal opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre,
L.L.P., Baton Rouge, Louisiana, Bond Counsel, the originals of which were manually executed,
dated and issued as of the date of payment for and delivery of the original bonds of the issue
described therein and were delivered to the original purchaser thereof. I further certify that
executed copies of the above-referenced legal opinions are on file in my office and that executed
copies thereof have been furnished to the Trustee for these Series 2010B Bonds.

By: _____

Julian E. Dufreche, Chairman

(N188280.6)

Ex: A-2-1

SELU Trust Indenture

EXHIBIT B-1

FORM OF REQUISITION FROM
SERIES 2010A BONDS PROJECT ACCOUNT OF THE PROJECT FUND

\$ _____
Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department

Date: _____ Requisition Number: _____

The undersigned Authorized Corporation Representative, acting for and on behalf of University Facilities, Inc., pursuant to a Trust Indenture dated as of November 1, 2010 (the "Indenture") by and between the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") and Regions Bank, as trustee, relating to the above captioned issue of Bonds (the "Bonds") hereby requests payment be made from amounts on deposit in the Series 2010A Bonds Project Account of the Project Fund held by the Trustee pursuant to Section 4.15 of the Indenture to the person, firm or corporation in the amount and for the purpose set forth below. Capitalized terms used herein shall have the meanings ascribed thereto in the Indenture.

Name and address of payee:

Amount of Payment: \$ _____

Purpose of Payment and costs heretofore paid and remainder of budgeted costs:

The undersigned Authorized Corporation Representative further certifies with respect to this Requisition as follows:

- (a) The amount paid to be paid, as set forth herein, has been incurred by the Corporation and is either (i) presently due and payable or (ii) has been paid by the Corporation and is a proper charge against the Series 2010A Bonds Project Account of the Project Fund created pursuant to the Indenture and has not been the subject of any prior requisition;
- (b) This requisition contains no item representing payment on account of any retainage to which the Corporation is entitled as of this date; and
- (c) All work, materials, supplies and equipment which are the subject of this requisition have been performed or delivered and are in accordance with the description of the Facilities.

By: _____
Name: _____
Title: _____

Paid: _____, 20__

Authorized Officer of Trustee:

10
11
12
13
14

EXHIBIT B-2

FORM OF REQUISITION FROM
SERIES 2010B BONDS PROJECT ACCOUNT OF THE PROJECT FUND

\$ _____
Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department

Date: _____ Requisition Number: _____

The undersigned Authorized Corporation Representative, acting for and on behalf of University Facilities, Inc., pursuant to a Trust Indenture dated as of November 1, 2010 (the "Indenture") by and between the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") and Regions Bank, as trustee, relating to the above captioned issue of Bonds (the "Bonds") hereby requests payment be made from amounts on deposit in the Series 2010B Bonds Project Account of the Project Fund held by the Trustee pursuant to Section 4.15 of the Indenture to the person, firm or corporation in the amount and for the purpose set forth below. Capitalized terms used herein shall have the meanings ascribed thereto in the Indenture.

Name and address of payee:

Amount of Payment: \$ _____

Purpose of Payment and costs heretofore paid and remainder of budgeted costs:

The undersigned Authorized Corporation Representative further certifies with respect to this Requisition as follows:

(a) The amount paid to be paid, as set forth herein, has been incurred by the Corporation and is either (i) presently due and payable or (ii) has been paid by the Corporation and is a proper charge against the Series 2010B Bonds Project Account of the Project Fund created pursuant to the Indenture and has not been the subject of any prior requisition;

(b) This requisition contains no item representing payment on account of any retainage to which the Corporation is entitled as of this date, and

(c) All work, materials, supplies and equipment which are the subject of this requisition have been performed or delivered and are in accordance with the description of the Facilities.

By: _____
Name: _____
Title: _____

Paid: _____, 20____

Authorized Officer of Trustee:

(N1887280/6)

EX-B-2-1

SELU Trust Indenture

(N1887280/6)

EX-B-2-2

SELU Trust Indenture

EXHIBIT C
FORM OF SERIES 2010 BONDS REPLACEMENT FUND REQUISITION

\$ _____
Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

\$ _____
Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department

Date: _____ Requisition Number: _____

The undersigned representative, acting for and on behalf of Southeastern Louisiana University (the "University") pursuant to a Trust Indenture dated as of November 1, 2010 (the "Indenture") by and between the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") and Regions Bank, as trustee (the "Trustee"), relating to the above captioned issue of Bonds (the "Bonds") hereby requests payment be made from amounts on deposit in the Series 2010 Bonds Replacement Fund held by the Trustee pursuant to Section 4.21 of the Indenture to be used by the University in the amount and for the purpose set forth below. Capitalized terms used herein shall have the meanings ascribed thereto in the Indenture.

Amount of Payment: \$ _____
Purpose of Payment pursuant to Section 4.21 of the Indenture: _____

By: _____
Name: _____
Title: _____

Paid: _____, 20____
Authorized Officer of Trustee: _____

(N183290.6)

Ex C-1

SELU Trust Indenture

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APPENDIX C-2

FORM OF LOAN AND ASSIGNMENT AGREEMENT

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FORM OF
LOAN AND ASSIGNMENT AGREEMENT

by and between

Louisiana Local Government Environmental Facilities and
Community Development Authority

and

University Facilities, Inc.

Dated as of November 1, 2010

in connection with:

§
Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

§
Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

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LOAN AND ASSIGNMENT AGREEMENT

This LOAN AND ASSIGNMENT AGREEMENT dated as of November 1, 2010 (together with any amendments hereto, this "Agreement"), is between the LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY, a political subdivision of the State of Louisiana (the "Issuer"), and UNIVERSITY FACILITIES, INC., a nonprofit corporation organized and existing under the laws of the State of Louisiana (the "Corporation").

WITNESSETH:

WHEREAS, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer"), a political subdivision established for public purposes under and pursuant to the provisions of Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 4548.16, inclusive) (the "Act"), and other constitutional and statutory authority is authorized by the provisions of the Act to issue revenue bonds payable out of the income, revenues, and receipts received by the Issuer from its properties and facilities or from properties or facilities pledged to it or from contracts or agreements relating to such facilities, and to secure its revenue bonds and reimbursement obligations by a pledge of the foregoing revenues or from other moneys which, by law or contract, may be made available to the Issuer;

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Issuer is authorized to issue revenue bonds and loan the funds derived from the sale thereof to the University Facilities, Inc. (the "Corporation") for the purpose of providing financing to the Corporation for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food services areas, a bookstore and related facilities for students, faculty, staff and the general public, including all furnishings, fixtures and facilities incidental or necessary in connection therewith (the "Facilities") on the campus of Southeastern Louisiana University (the "University") in Tangipahoa Parish, Hammond, Louisiana;

WHEREAS, the Corporation has requested that the Issuer issue \$ _____ aggregate principal amount of Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A (the "Series 2010A Bonds") and \$ _____ aggregate principal amount of Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B (the "Series 2010B Bonds") and, together with the Series 2010A Bonds, the "Bonds" the proceeds of the sale of such Bonds to be loaned to the Corporation pursuant to this Agreement for the purpose of (a) demolishing certain existing facilities and renovating, developing and constructing the Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance (as defined herein) of the Bonds, including the premium for any bond insurance policy insuring the Bonds (the "Project");

WHEREAS, the Corporation and the Issuer are empowered to consummate the transactions contemplated hereunder and to do all acts and exercise all powers and assume all obligations necessary or incident thereto;

WHEREAS, the Board of Supervisors for the University of Louisiana System (the "Board") is a body corporate created pursuant to the provisions of Article VIII, §6(A) of the Constitution of the State of Louisiana of 1974 and authorized pursuant to La. R.S. 17:3217;

WHEREAS, pursuant to the Ground and Building Lease Agreement dated as of January 1, 2010 by and between the Board and the Corporation (the "Ground Lease"), the Board has leased the Land (as defined in the Ground Lease) upon which the Facilities shall be constructed to the Corporation;

WHEREAS, in consideration of the issuance of the Bonds by the Issuer, the Corporation will (a) assign its rights under that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010 by and between the Board and the Corporation (the "Original Facilities Lease"), as supplemented and amended by that First Amendment to Agreement to Lease with Option to Purchase dated as of November 1, 2010 by and between the Board and the Corporation (the "Amendment to Facilities Lease" and, together with the Original Facilities Lease, the "Facilities Lease") pursuant to which the Corporation, as lessor, has leased the Facilities to the Board, as lessee, including the Corporation's right to all Base Rental (as defined in the Facilities Lease) received thereunder, to the Issuer, and (b) agree to make payments in an amount sufficient to make timely payments of principal of and interest on the Bonds and to pay such other amounts as are required by the Agreement;

WHEREAS, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), a New York stock insurance company (the "Bond Insurer"), will issue its bond insurance policy or policies insuring the payment of the principal of and interest on the Bonds as provided therein;

WHEREAS, the Issuer has adopted a resolution authorizing the sale and the issuance of the Bonds, the execution and delivery of instruments pertaining to the issuance thereof and other actions to be taken by the Issuer in connection with the authorization, issuance, sale and delivery of the Bonds and the application of the proceeds thereof;

WHEREAS, all acts, conditions and things required by the laws of the State of Louisiana (the "State") to happen, exist and be performed precedent to and in the execution and delivery of this Agreement have happened, exist and have been performed as so required in order to make this Agreement a valid and binding agreement in accordance with its terms;

WHEREAS, each of the parties hereto represents that it is fully authorized to enter into and perform and fulfill the obligations imposed upon it under this Agreement and the parties are now prepared to execute and deliver this Agreement, and

WHEREAS, in consideration of the respective representations and agreements contained herein, the parties hereto, recognizing that under the Act this Agreement shall not in any way obligate the State or any public corporation thereof, including, without limitation, the Issuer, to raise any money by taxation or use other public moneys for any purpose in relation to the Bonds

and that neither the State nor the Issuer, shall pay or promise to pay any debt or meet any financial obligation to any person at any time in relation to the Bonds except from moneys received or to be received under the provisions of this Agreement and the Indenture or derived from the exercise of the rights of the Issuer thereunder, agree as follows:

NOW, THEREFORE, THIS LOAN AGREEMENT WITNESSETH:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. All capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the preamble hereto or in the Indenture. In addition to words and terms elsewhere defined in this Agreement, the following words and terms as used in this Agreement shall have the following meanings, unless some other meaning is plainly intended:

"*Agreement*" shall mean this Loan and Assignment Agreement dated as of November 1, 2010 between the Issuer and the Corporation, including any amendments and supplements hereof and hereto as permitted hereunder.

"*Board Documents*" shall mean the Ground Lease and the Facilities Lease.

"*Bond Counsel*" shall mean Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P. or such other nationally recognized bond counsel as may be selected by the Issuer and acceptable to the Corporation.

"*Bond Documents*" shall mean the documents set forth in Section 3.12(b)(iii) of the Indenture.

"*Continuing Disclosure Certificate*" shall mean the Continuing Disclosure Certificate dated as of the Closing Date by the Board as the same may be amended or supplemented from time to time in accordance with its terms.

"*Corporation*" means University Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payment or provision for the payment of all of the Bonds.

"*Environmental Lien*" shall mean a lien in favor of any Governmental Authority for (a) any liability under Environmental Requirements, or (b) damages arising from, or costs incurred by such Governmental Authority in response to, a Release or threatened Release of Hazardous Substances into the environment.

"*Environmental Requirements*" shall mean all State, federal, local, municipal, parish, and regional environmental laws, statutes, rules, regulations, ordinances, codes, permits, approvals, plans, authorizations, concessions, investigation results and guidance documents; all legislative, judicial, and administrative environmental judgments, decrees, orders, rules, rulings, and regulations; and all agreements and other restrictions and requirements relating to environmental matters, whether in effect on, prior to or after the Closing Date, of any Governmental Authority,

including, without limitation, federal, state, and local authorities, relating to the regulation or protection of human health and safety, natural resources, conservation, the environment, or the storage, treatment, disposal, processing, release, discharge, emission, use, remediation, transportation, handling, or other management of industrial, gaseous, liquid or solid waste, hazardous waste, hazardous or toxic substances or chemicals, pollutants, petroleum, petroleum wastes, petroleum-based materials, asbestos, radioactive materials, polychlorinated biphenyls, pesticides, biohazards or other materials that are potentially harmful to humans or the environment or the release of which could trigger any reporting or remediation obligations and including without limitation the following environmental laws: The Clean Air Act (42 U.S.C.A. §7401); the Federal Water Pollution Control Act (33 U.S.C. §1251); the Resource Conservation and Recovery Act of 1976, (42 U.S.C. §6901); CERCLA, as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub.L. 99-499, 100 Stat. 1613); the Toxic Substances Control Act (15 U.S.C. §2601); the Clean Water Act (33 U.S.C. §1251); the Safe Drinking Water Act (42 U.S.C. §3007); the Occupational Safety and Health Act (29 U.S.C. §651); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §136); the Louisiana Environmental Quality Act (La. R.S. 30:2001); and the Louisiana Air Quality Regulations (La. C. 33:III.2595) including any amendments or extensions thereof and any rules, regulations, standards or guidelines issued pursuant to or promulgated under any of the foregoing.

"*Event of Default*" shall have the meaning described in Section 9.1.

"*Governmental Authority*" shall mean any federal, State, parish, regional, or local government, political subdivision, any governmental agency, department, authority, instrumentality, bureau, commission, board, official, or officer, any court, judge, examiner, or hearing officer, any legislative, judicial, executive, administrative, or regulatory body or committee or official thereof or private accrediting body.

"*Governmental Corporation*" shall mean any nation or government, any federal, state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"*Hazardous Substance*" shall mean any substance or material that is described as a toxic or hazardous substance, waste or material or a pollutant or contaminant or infectious waste, or words of similar import, in any case of the Environmental Requirements, and includes, without limitation, asbestos, petroleum, or petroleum products (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), polychlorinated biphenyls, pesticides, urea formaldehyde, radon gas, radioactive matter, and medical waste and any other substance or waste that is potentially harmful to human health, natural resources, or the environment or the presence of which in the environment could trigger a remediation obligation or other liability under Environmental Requirements or any constituent of the foregoing.

"*Indenture*" shall mean the Trust Indenture dated as of November 1, 2010, between the Issuer and the Trustee, as it may be amended or supplemented from time to time by supplemental indentures in accordance with the provisions hereof.

"Loan" shall mean the aggregate amount of the moneys loaned to the Corporation pursuant to this Agreement.

"Operation and Maintenance Expenses" shall mean the expenses determined in accordance with generally accepted accounting principles of operating and maintaining the Project.

"Permitted Encumbrances" shall mean:

(a) any lien arising by reason of any good faith deposit with the Corporation in connection with any lease of real estate, bid or contract (other than any contract for the payment of money) provided such lien is limited to the amount so deposited;

(b) any lien arising by reason of any deposit with or giving of security to any Governmental Corporation agency required by law as a condition to the transaction of any business or the participation by the Corporation in any funds established to cover insurance risk or in connection with worker's compensation, unemployment insurance, pension plans or other social security;

(c) any right reserved to any municipality or other public authority by the terms of any franchise, grant, license or provision of law affecting any property of the Corporation and any lien on any property of the Corporation for taxes, assessments or other municipal charges so long as such charges are not due and payable or not delinquent (or, if due or delinquent, the amount or validity of such charges is being contested in good faith with due diligence and execution of any such lien is stayed);

(d) mechanics' and materialmen's liens in connection with any property of the Corporation so long as any amounts secured by such lien are not due and payable or not delinquent (or, if due or delinquent, the amount or validity of such charges is being contested in good faith with due diligence and execution of any such lien is stayed);

(e) the Indenture, this Agreement, the Ground Lease, the Mortgage or the Facilities Lease;

(f) any lien on property received by the Corporation through a gift, grant or bequest constituting a restriction imposed by the donor, grantor or testator on such gift, grant or bequest (or the income therefrom), provided that any such lien may not be extended, renewed or modified in any way or applied to any additional property of the Corporation unless it would otherwise qualify as a Permitted Encumbrance;

(g) any security interest in personal property securing all or a portion of the purchase price thereof (provided that this Permitted Encumbrance shall not be construed to permit the incurrence of indebtedness secured by such a security interest, it being understood that any such indebtedness may be incurred only to the extent expressly permitted by the other applicable provisions of the Indenture or the Agreement);

(h) such easements, rights-of-way, servitudes, restrictions and other defects, liens and encumbrances as are determined not to materially impair the use of the Corporation's

facilities for their intended purposes or the value of such facilities, such determination to be made in a certificate of an authorized officer of the Corporation supported by an opinion of independent counsel or a report or opinion of an independent management consultant (unless the Bond Insurer shall waive the requirement of such supporting opinion or report);

(i) liens incurred or assumed primarily for the acquisition or use of personal property and equipment (including equipment which is not treated as personal property under applicable state law) under the terms of installment purchase contracts, loans secured by purchase money mortgages or security interests in the financed property, lease purchase agreements or capital leases of the financed property.

In addition, encumbrances in existence as of the date of issuance of the Bonds as set forth in Exhibit B hereof are hereby qualified as Permitted Encumbrances. Any such existing encumbrance may not be extended, renewed or modified in any way or applied to any additional Properties of the Corporation unless it would otherwise qualify as a Permitted Encumbrance.

"Properties" shall mean any and all rights, title and interests in and to any and all of the Corporation's property related to the Facilities, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired, including, without limitation, its rights and interest in the Land and the Facilities. The term "Properties", without intending to limit the generality of the foregoing, as of any particular time, shall include all buildings, structures, fixtures, furnishings, equipment and other property, movable and immovable, and all franchises, land, rights-of-way, privileges, servitudes, easements, licenses, rights and any other interests in immovable property owned, leased, subleased or otherwise acquired by the Corporation and used or useful in connection with or incident to the Facilities, or used or useful by the Corporation in connection with or incident to its authorized purposes.

"Release" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing or dispersing into the indoor or outdoor environment or into or out of the Properties, including, but not limited to, the movement of Hazardous Substances through or in the air, soil, surface water, groundwater or the Properties and the abandonment or discarding of barrels, containers, tanks, pipes and other open or closed receptacles containing any Hazardous Substances.

"Requirement of Law" shall mean any federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, and any provision or condition of any Permit or other binding determination of any Governmental Corporation.

Section 1.2 Rules of Construction

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) Unless the context shall otherwise indicate, the word "person" shall include the plural as well as the singular number, and "person" shall mean any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

- (c) Provisions calling for the redemption of Bonds or the calling of Bonds for redemption do not mean or include the payment of Bonds at their stated maturity or maturities.
- (d) All references in this Agreement to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Agreement. The words "herein", "hereof", "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties by the Issuer. The Issuer represents and warrants as follows:

- (a) The Issuer is a political subdivision of the State.
- (b) Under the provisions of the Act, the Issuer has all requisite power and is duly authorized to enter into, execute and deliver the Bond Documents, to undertake the transactions contemplated by the Bond Documents and to carry out its obligations thereunder and the Issuer has duly authorized the execution and delivery of the Bond Documents and the Bonds.
- (c) The Issuer agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence.
- (d) The Issuer agrees that it will comply with all requirements of the Code and the Tax Regulatory Agreement required on its part to be performed in order for interest on the Series 2010A Bonds to be and to remain excluded from the gross income of the owners thereof for federal income tax purposes and not to take any actions that would adversely affect such exclusion under the provisions of the Code.

Section 2.2 Representations and Warranties of the Corporation. The Corporation makes the following representations and warranties:

- (a) The Corporation is a nonprofit corporation duly organized and existing in good standing under the laws of the State for the benefit of the University, is duly qualified to do business and is duly authorized and licensed to operate all of the Properties, has power to execute and deliver the Board Documents, this Agreement, the Mortgage and the Tax Regulatory Agreement and by proper action has been duly authorized to execute and deliver the Board Documents, this Agreement, the Mortgage the Bond Purchase Agreement and the Tax Regulatory Agreement.
- (b) Each of the statements made with respect to the Corporation in the recitals of this Agreement is true, correct and complete.
- (c) The Corporation is not in breach of or in default under any of the provisions of: (i) the Articles of Incorporation of the Corporation, as amended, or By-laws, as amended; (ii) any judgment, decree, order, statute, rule or regulation applicable to it or to its

Properties, or (ii) any material provision of any indenture, mortgage, loan agreement, financing agreement or other contract or instrument to which it is a party or by which it or any of its Properties are bound.

(d) The Corporation is not required in connection with the transactions contemplated by the Board Documents, the Indenture, the Mortgage and this Agreement to obtain any consent not already obtained.

(e) The Corporation has or timely will obtain as required all authority, permits, licenses, consents and authorizations as are necessary to own, lease and operate its Properties and to carry on its business and to carry out and consummate all the transactions contemplated by the Board Documents, the Mortgage, this Agreement and the Indenture.

(f) This Agreement, the Board Documents, the Tax Regulatory Agreement and the Mortgage, are legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their terms, and the authorization, execution and delivery hereof and thereof and compliance with the provisions hereof and thereof do not conflict with or constitute on the part of the Corporation a violation of, breach of, or default under: (i) any provision of any indenture, mortgage, deed of trust, loan agreement or other contract or instrument to which the Corporation is a party or by which it or any of its Properties are bound; (ii) any order, injunction or decree of any court or governmental authority, or (iii) the provisions of its charter, as amended, by-laws, as amended or any other organizational document.

(g) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against the Corporation, wherein an unfavorable decision, ruling or finding could reasonably be expected to materially and adversely affect (i) the validity or enforceability of the Board Documents, this Agreement, the Mortgage, the Tax Regulatory Agreement, the Bond Purchase Agreement or any other agreement or instrument to which the Corporation is a party used in consummation of the transactions contemplated hereunder; (ii) the status of the Corporation as a Louisiana nonprofit corporation or the exemption of interest on the Series 2010A Bonds from federal income tax, (iii) any of the Corporation's properties, assets, operations or conditions, financial or otherwise, or its ability to perform its obligations under this Agreement or under the Board Documents or the Facilities Documents, or (iv) the validity, enforceability or perfection of the pledge and lien on and security interest in the Land or the Facilities pursuant to the Mortgage.

(h) The Corporation has obligated itself to construct and equip the Facilities or cause the construction and equipping of the Facilities pursuant to the Board Documents and the Bond Documents, and the Corporation has the full power, right and authority to do so and has obtained, or timely will obtain, all permits, licenses and approvals of governmental agencies necessary to undertake and complete such construction, improvements and equipping generally in accordance with the Plans and Specifications as set forth in the Contract.

Section 2.3 Environmental Representations and Warranties, Indemnification.

(a) Based solely upon the Environmental Reports, the results of which have been provided to the Bond Insurer, the Corporation has determined and the Corporation

represents and warrants that no Hazardous Substances have been disposed of on the Land and represents that there has been no Release of any Hazardous Substances on, from, under or to the Land other than air emissions or wastewater discharges in compliance with applicable law and involving only de minimis amounts of Hazardous Substances that could not lead to liability under Environmental Requirements.

(b) The operations or other activities of the Corporation will not result in any disposal on-site and will not result in any other Release of any Hazardous Substances on or from the Land or the Facilities other than air emissions or wastewater discharges in compliance with applicable law and involving only de minimis amounts of Hazardous Substances that could not lead to liability under Environmental Requirements.

(c) The Corporation has not received any notice or claim or information to the effect that it is or may be liable to any Person as a result of the Release or threatened Release of Hazardous Substances or as a result of any violation of applicable Environmental Requirement.

(d) No Environmental Lien has attached to the Land.

(i) The operations or other activities of the Corporation shall not result in disposal on-site and will not result in any other Release of any Hazardous Substances on or from the Land or the Facilities other than air emissions or wastewater discharges in compliance with all current and future applicable Environmental Requirements and involving only de minimis amounts of Hazardous Substances that could not lead to liability under Environmental Requirements and the Corporation shall not engage in any activities that will result in the violation of any current or future Environmental Requirements. The Corporation shall obtain from time to time, maintain in full force and effect, and comply with all permits required under any current or future Environmental Requirements so that the operations of the Corporation will be in accordance with such Environmental Requirements.

(ii) The Corporation will make available for inspection from time to time all documents and information in its possession or control regarding activities and conditions relating to the Land or the Facilities and other assets subject to Environmental Requirements or which may result in noncompliance with, or liability under, any Requirement of Law.

(e) The Corporation shall not and shall not permit any other Person to treat, dispose of, or otherwise Release any Hazardous Substances (other than air emissions or wastewater discharges in compliance with applicable Environmental Requirements and involving only de minimis quantities of Hazardous Substances, in, upon, under, over, or from the Facilities or the Land. The Corporation shall not and shall not permit any Person to store, locate, generate, produce, transport or incorporate any Hazardous Substances) in, upon, under, over or from the Land or the Facilities or engage in any other regulated activity other than in accordance with all applicable Environmental Requirements and involving only such types and quantities of Hazardous Substances as are necessary and appropriate for construction and operation of the Facilities, shall not install or permit to be installed or operated any underground or above ground storage tank therein or thereunder other than in accordance with all applicable Environmental Requirements, and shall comply with and require all other Persons to comply with all

Environmental Requirements which are applicable to the Facilities. The Corporation shall defend and indemnify the Trustee, the Issuer and the Bond Insurer and shall hold the Trustee, the Issuer and the Bond Insurer and each of their respective directors, officers, employees, agents and consultants harmless from, and shall reimburse the Trustee, the Issuer and the Bond Insurer for, any and all claims, demands, judgments, penalties, liabilities, whether based on strict liability or otherwise, fines, costs, damages and expenses, including court costs and attorneys' fees directly or indirectly incurred by the Trustee, the Issuer or the Bond Insurer or any of their respective directors, officers, employees, agents and consultants and the payee and holder of any Bond (prior to trial, at trial and on appeal) in any action against or involving the Trustee, the Issuer or the Bond Insurer, resulting from any breach of the foregoing representations, warranties or covenants, or from the discovery of any Hazardous Substances, in, upon, under or over, or emanating from, the Land or the Facilities, whether or not the Corporation is responsible therefor, it being the intent of the Corporation that the Trustee, the Issuer and the Bond Insurer and each of their respective directors, officers, employees, agents and consultants shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean-up of, or other with respect to, Hazardous Substances by virtue of their interests, if any, in the Land and the Facilities created by the Indenture, and the Agreement or otherwise, or hereafter created, or as the result of the Trustee, the Issuer or the Bond Insurer exercising any instrument, including but not limited to becoming the owner thereof by foreclosure or conveyance in lieu of foreclosure or caused by any breach of the foregoing representations, warranties or covenants of the Corporation. The foregoing representations, warranties and covenants shall be deemed continuing covenants, representations and warranties for the benefit of the Trustee, the Issuer and the Bond Insurer and any successors and assigns thereof, including but not limited to any transferee of the title of the Trustee and any subsequent owner of the Land or the Facilities, and shall survive the satisfaction and release of the Indenture, and the Agreement, or under any other instrument, and/or any acquisition of title to the Facilities or any part thereof by the Trustee, the Issuer or the Bond Insurer by deed in lieu of foreclosure or otherwise. Any amount covered by the foregoing indemnification shall bear interest from the date incurred at a rate of 1.0% above the highest rate of interest borne by any Bond during the 365 days prior to the date on which such indemnification obligation was incurred, or, if less, the maximum rate permitted by law, and shall be payable on demand.

ARTICLE 3

TERM, NATURE AND BENEFITS OF AGREEMENT, CONSTRUCTION OF FACILITIES

Section 3.1 Term. The term of this Agreement shall commence on the Closing Date for the Bonds, and shall terminate (unless discharged upon prepayment of all sums due hereunder by the Corporation prior thereto as hereinafter provided) on the date on which the Bonds and all other sums secured hereunder shall have been paid or provision for their payment shall have been made in accordance herewith. Notwithstanding the foregoing, the indemnification provisions of this Agreement shall survive the termination thereof and the defeasance of the Bonds under the Indenture.

Section 3.2 Nature and Benefits.

(a) This Agreement has been executed and delivered in part to induce concurrently herewith the purchase by others of the Bonds, and, accordingly, all covenants and agreements on the part of the Corporation and the Issuer, as set forth therein and herein, are hereby declared to be for the benefit of the Trustee for the owners from time to time of the Bonds. The Corporation consents and agrees to the assignment by the Issuer to the Trustee under the Indenture of all of the Issuer's right, title and interest (except for certain rights relating to exculpation, indemnification and payment of fees and expenses) in, to and under this Agreement, including the interest of the Issuer in and to the Facilities Lease assigned by the Corporation to the Issuer hereunder and agrees that the provisions hereof may be enforced by the Trustee under the provisions of the Indenture. The Corporation agrees to do all things within its power in order to comply with, and to enable the Issuer to comply with, all requirements and to fulfill, and to enable the Issuer to fulfill, all covenants of the Indenture and the Bonds.

(b) This Agreement is an obligation of the Corporation, payable solely from the Rental, its interest in the Properties and this Agreement shall remain in full force and effect until the Bonds and all Administrative Expenses have been fully paid or otherwise provided for or discharged.

Section 3.3 Construction, Improvement and Equipping of the Facilities. The Corporation shall lease the Land and construct and equip, or cause to be constructed and equipped, the Facilities with all reasonable dispatch and in accordance with the Facilities Documents, and shall take all action necessary to enforce the provisions of the Board Documents and the Facilities Documents.

Section 3.4 Revision of Facilities Documents.

(a) The Corporation may revise the Ground Lease, the Facilities Lease, the Plans and Specifications, the Design Contract and the Construction Contract and the description of the Facilities in Exhibit A hereto from time to time (including, without limitation, the deletion or revision of any of the facilities included in the Facilities and/or the substitution thereof of other facilities) in accordance with the Ground Lease without the consent of the Issuer, the Trustee or the holders of the Bonds but subject to the prior written consent of the Bond Insurer, provided, however, that no such revision shall impair the exclusion from gross income of interest on the Series 2010A Bonds for federal income tax purposes. In the case of any change that would render materially inaccurate the description of the Facilities in Exhibit A hereto, there shall be delivered to the Trustee, the Bond Insurer and the Issuer a revised Exhibit A containing a description of the Facilities that reflects the change in the Facilities Documents, the accuracy of which shall have been certified by an Authorized Corporation Representative.

(b) Prior to effecting any change in or revision of the Facilities Documents, the Corporation shall deliver to the Issuer, the Trustee and the Bond Insurer evidence of all governmental or regulatory approvals required therefor.

Section 3.5 Disbursements from Project Fund. The money in the Project Fund shall be applied by the Trustee, and in connection therewith requisitions shall be presented by the Corporation signed by an Authorized Corporation Representative, for payment of the Costs of the Facilities in accordance with Article 4 of the Indenture and Article 3 of this Agreement, and

pending such application such money shall be invested and reinvested in accordance with Article 4 of the Indenture. The forms of requisition for requisitions from the Project Fund are attached to the Indenture as Exhibit B-1 and Exhibit B-2. Funds in the Series 2010A Bonds Project Account of the Project Fund shall not be transferred to the Series 2010B Bonds Project Account of the Project Fund, and vice versa, unless such transfer is approved by Bond Counsel.

Section 3.6 Completion of Payment of Costs of the Facilities.

(a) At such time as the Corporation has notice that the funds on deposit in the Project Fund, together with the investment earnings thereon, are insufficient to pay the completion Costs of the Facilities, the Corporation shall deliver to the Trustee, the Bond Insurer and the Issuer written estimates by an architect and an Authorized Corporation Representative of the additional funds required to pay the completion Costs of the Facilities, and such additional information and data as may be reasonably requested by the Issuer, the Trustee or the Bond Insurer. The Corporation shall complete the construction and equipping of the Facilities and pay that portion of the completion Costs of the Facilities as may be in excess of the money available therefor in the Project Fund. The obligation of the Corporation to pay in full the completion Costs of the Facilities shall be a limited obligation of the Corporation payable solely from the Trust Estate.

(b) Upon the request of the Corporation and with the prior written consent of the Bond Insurer, the Issuer will use its best efforts to issue and sell, upon terms and at prices acceptable to the Issuer and the Corporation, if required, one or more series of Additional Bonds for the purpose of financing the completion Costs of the Facilities; provided however, that the failure of the Issuer to issue such bonds shall not relieve the Corporation of its obligation to provide the additional money required to pay the completion Costs of the Facilities. If after exhaustion of the money in the Project Fund the Corporation should pay any portion of the Costs of the Facilities, it shall not be entitled to any reimbursement therefor from the Issuer or from the Trustee, and shall not be entitled to any abatement, diminution or postponement of payments required to be made by it under this Agreement.

Section 3.7 Establishment of Completion Date. The date upon which the construction and equipping of each of the respective Facilities are substantially complete shall be evidenced to the Issuer, the Trustee and the Bond Insurer by a certificate signed by an Authorized Corporation Representative. The certificate shall set forth the respective Costs of each of the respective Facilities and state that, except for amounts not then due and payable, or the liability for the payment of which is being contested or disputed in good faith by the Corporation and adequate reserves for which are on hand, (a) the construction and equipping of the Facilities have been completed substantially in accordance with the Plans and Specifications as incorporated into the Contract and the respective Costs of the Facilities have been paid, and (b) all other facilities necessary in connection with the Facilities have been acquired, constructed and installed substantially in accordance with the Plans and Specifications and the Contract and all costs and expenses incurred in connection therewith have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or which may subsequently come into being.

Section 3.8 No Warranty of Condition or Suitability. The Corporation acknowledges its full familiarity with the Facilities and that the Issuer has no responsibility for the Plans and Specifications and other Facilities Documents. The Issuer makes no representation or warranty, either express or implied, and offers no assurance that the proceeds of the Bonds will be sufficient to pay in full the Costs of the Facilities in accordance with the Facilities Documents.

ARTICLE 4
DISBURSEMENT OF BOND PROCEEDS; PAYMENTS;
CREDITS; OBLIGATIONS UNCONDITIONAL; PREPAYMENT.

Section 4.1 Disbursement of Bond Proceeds. In order to provide funds for paying the Costs of the Facilities, the Issuer, as soon as practicable after the execution of this Agreement will proceed to issue, sell and deliver the Bonds to the purchasers thereof and will deposit the proceeds thereof as provided by Section 4.1 of the Indenture with the Trustee for disbursement in accordance with the provisions of the Indenture.

Section 4.2 Amounts Payable.

(a) Upon the terms and conditions of this Agreement, the Issuer shall lend to the Corporation the proceeds of the sale of the Bonds. The proceeds of the Loan shall be deposited with the Trustee and applied in accordance with the Indenture.

(b) The Corporation, for and in consideration of the issuance of the Bonds under the Indenture by the Issuer and the application of the proceeds thereof by the Issuer as provided in the Indenture for the benefit of the Corporation, hereby promises to repay the Loan, but solely from the source of payments specified in Section 6.6, by making the following payments (collectively called the "Payments") to or for the account of the Issuer in an amount sufficient for the payment in full of all Bonds from time to time issued under the Indenture and then outstanding, including (i) the total interest becoming due and payable on the Bonds to the date of payment thereof, (ii) the total principal amount of the Bonds and (iii) all amounts required to be deposited into the Series 2010 Bonds Replacement Fund. The Payments with respect to the Bonds shall be payable directly to the Trustee for the account of the Issuer in installments as follows:

(i) At such time as may be required by the Tax Regulatory Agreement but not less often than annually, to the Series 2010A Bonds Rebate Fund the amount required to be deposited thereunder;

(ii) Semiannually, on or before the third Business Day preceding each Interest Payment Date to the Series 2010A Bonds Debt Service Account and the Series 2010B Bonds Debt Service Account of the Debt Service Fund an amount equal to the interest due and payable on the respective Bonds on such Interest Payment Date;

(iii) Annually, on or before the third Business Day preceding each Principal Payment Date to the Series 2010A Bonds Debt Service Account and the Series 2010B Bond Debt Service Account of the Debt Service Fund an amount equal to the principal due and payable on the Bonds on such Principal Payment Date;

(iv) On the dates required in the Indenture, to the Trustee for deposit into the Debt Service Reserve Fund, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by the Indenture; and

(v) On the dates required by Section 4.3(c)(v) and Section 4.21 of the Indenture, into the Series 2010 Bonds Replacement Fund, an amount sufficient to meet the requirements of the Indenture.

(c) Each installment of the Payments payable by the Corporation hereunder shall be in an amount which, without regard to the payments required under Section 4.2(b)(iv) above, but including moneys in the Debt Service Fund then available, shall be designed to provide for the timely payment in full of the principal of and interest on the Bonds.

(d) Notwithstanding anything to the contrary contained herein, the Corporation promises that it will pay the Payments from the sources of payments specified in Section 6.6, at such times and in such amounts as to assure that no default in the payment of the principal of or interest on the Bonds shall at any time occur.

(e) Whenever the Corporation shall fail to pay the full amount of any installment of Payments payable under Sections 4.2(b)(ii) or 4.2(b)(iii) above by the day of the month in which such installment is due, the Trustee shall give immediate telephonic notice thereof, promptly confirmed in writing, to an Authorized Corporation Representative.

(f) The Corporation shall also cause the Board to promptly pay when due under the Facilities Lease all amounts of Additional Rental owed by the Board thereunder including, but not limited to, all Default or Delay Rentals and Administrative Expenses (each as defined in the Facilities Lease) owed to the Issuer, the Bond Insurer, if any, and/or the Trustee thereunder.

Section 4.3 Credits Against Payments. A credit against and reduction of the Payments shall be derived only from the following sources:

(a) Accrued interest, if any, derived from the sale of the Bonds;

(b) Surplus moneys (including investment earnings) contained in the Funds and Accounts held by the Trustee under the Indenture, including the Debt Service Fund and the Debt Service Reserve Fund.

Section 4.4 Obligation to Make Payments.

(a) Subject to Section 6.6 hereof, the obligation of the Corporation to repay the Loan shall be absolute and unconditional and shall not be subject to, nor shall the Corporation be entitled to assert, any defense (other than payment) or any rights of abatement, deduction, reduction, deferment, recoupment, setoff, offset or counterclaim by the Corporation or any other person, nor shall the same be abated, abrogated, waived, diminished, postponed, delayed or otherwise modified under or by reason of any circumstance, contingency, act of God,

event or occurrence that may arise or take place, irrespective of what statutory rights the Corporation may have to the contrary, including but without limiting the generality of the foregoing:

- (i) Any damage to or destruction of part or all of the Facilities;
- (ii) The taking or damaging of part or all of the Facilities or any temporary or partial use thereof by any public authority or agency in the exercise of the power of eminent domain, sequestration or otherwise;
- (iii) Any assignment, novation, merger, consolidation, transfer of assets, leasing or other similar transaction of, by or affecting the Corporation;
- (iv) Any change in the tax or other laws of the United States, the State or any governmental authority;
- (v) The termination of the Ground Lease or the Facilities Lease, any failure of title or any lawful or unlawful prohibition of the Corporation's use of the Facilities or any portion thereof or the interference with such use by any person or any commercial frustration of purpose or loss or revocation of any permits, licenses or other authorizations required for the operation of the Facilities; and
- (vi) Any failure of the Issuer, the Trustee or any other party to perform and observe any agreement or covenant, expressed or implied, or any duty, liability or obligation arising out of or in connection with this Agreement, the Indenture, the Board Documents or the Facilities Documents the invalidity, unenforceability or disaffirmance of any of this Agreement, the Indenture, the Bonds, the Board Documents or the Facilities Documents or for any other cause similar or dissimilar to the foregoing.

(b) Furthermore, the Corporation covenants and agrees that it will remain obligated under this Agreement in accordance with its terms, and that it will not take or participate or acquiesce in any action to terminate, rescind or avoid this Agreement.

Section 4.5 Prepayment of Payments.

(a) The Corporation is obligated to prepay the Payments, in whole or in part, on any date on which the Bonds are subject to redemption pursuant to the Indenture, including, without limitation, Section 3.4 of the Indenture.

(b) As long as the Facilities Lease is outstanding, the Corporation's option to redeem the Bonds under Section 3.4 of the Indenture can be exercised only with the written consent of the Board. The prepayment price payable by the Corporation, in the event that the Bonds are redeemed pursuant to Section 3.4 of the Indenture, shall be an amount of money which, when added to the moneys and investments held by the Trustee pursuant to the provisions of the Indenture and available for such redemption, is sufficient to pay and discharge the Bonds to be redeemed (including the total principal amount of such Bonds and interest to accrue thereon to the date fixed for redemption of such Bonds to be redeemed) on the date fixed for redemption.

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Section 4.6 Reserved.

Section 4.7 Assignment of Facilities Lease. In consideration for and in order to further secure the Corporation's obligation to repay the Loan up to the maximum amount of \$ _____, the Corporation hereby transfers, assigns and pledges unto the Issuer, all right, title and interest of the Corporation in, to and under the Facilities Lease and all proceeds of insurance received or receivable by the Corporation as a result of any damage to or destruction of the Facilities, or any part thereof, and all amounts received or receivable by the Corporation as compensation for the taking or the transfer of the Facilities, or any part thereof, in lieu of a taking or use of the Facilities, under the powers of eminent domain, all amounts received or receivable by the Corporation from the sale of the Facilities, or any part thereof, all amounts collected under payment and performance bonds, if any, maintained with respect to the Facilities, and any and all additional revenues, income, receipts and other payments (including, without limitation, grants, donations, gifts and appropriations received from any private or public source) that hereafter are received by the Corporation for or relating to the Facilities or that hereafter may be assigned by the Corporation pursuant to this Agreement.

ARTICLE 5 NON-ARBITRAGE

Section 5.1 Covenants as to Arbitrage.

(a) The Corporation hereby agrees to prepare and provide instructions to the Trustee as to the investment and reinvestment of moneys held as part of any fund or account relating to the Bonds. Any such moneys so held as part of any fund or account shall be invested or reinvested by the Trustee in Permitted Investments as specified in Section 4.10 of the Indenture. The Corporation hereby covenants that it will comply with the terms of the Tax Regulatory Agreement and that it will make such use of the proceeds of the Bonds and all other funds held by the Trustee under the Indenture, regulate the investment of such proceeds and other and take such other and further action as may be required so that the Series 2010A Bonds will not constitute arbitrage bonds under Section 148 of the Code and the regulations promulgated thereunder.

(b) If the Corporation determines that it is necessary to restrict or limit the yield on the investment of any money paid to or held by the Trustee hereunder or under the Indenture in order to avoid classification of the Series 2010A Bonds as arbitrage bonds within the meaning of the Code, the Corporation may issue to the Trustee an instrument to such effect (along with appropriate written instructions), in which event the Trustee will take such action as is necessary to restrict or limit the yield on such moneys in accordance with such instrument and instructions.

ARTICLE 6 CERTAIN COVENANTS OF THE CORPORATION

Section 6.1 General Covenants of Corporation. The Corporation further expressly represents, covenants and agrees:

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(a) To materially comply with the terms, covenants and provisions expressed or implied, of all contracts pertaining to, affecting or involving the Facilities or the business of the Corporation;

(b) Whenever and so often as requested so to do by the Trustee, the Bond Insurer, if any, or the Issuer, promptly to execute and deliver or cause to be executed and delivered all such other and further instruments and documents, and to promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Issuer, the Bond Insurer, if any, the Trustee and the owners of the Bonds all rights, interests, powers, benefits, privileges and advantages conferred upon them by this Agreement and the Indenture;

(c) Promptly, upon the request of the Issuer, the Bond Insurer, if any, or the Trustee from time to time, to take such action as may be necessary or proper to remedy or cure any material defect in or cloud upon its interest in the Facilities or any part thereof, whether now existing or hereafter developing, to prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and to indemnify and save the Issuer, the Bond Insurer, if any, and the Trustee harmless from all loss, cost, damage and expense, including attorney's fees, which they or any of them may ever incur by reason of any such defect, cloud, suit, action or proceeding;

(d) To defend against every suit, action or proceeding at any time brought against the Issuer, the Bond Insurer, if any, or the Trustee based on any claim arising out of the receipt, application or disbursement of any of the Trust Estate or involving the Issuer's, the Bond Insurer's or the Trustee's rights or obligations under this Agreement or under the Indenture (except in the case of the Issuer's, the Bond Insurer's or the Trustee's gross negligence or willful misconduct), to indemnify and hold harmless the Trustee and each officer, employee, agent, or other representative of the Trustee against claims arising out of the Trustee's responsibilities under this Agreement, the Indenture or any other document entered into by the Trustee in connection with the Bonds (except in the case of the Trustee's gross negligence or willful misconduct), to indemnify and hold harmless the Issuer, the Bond Insurer, if any, and any officer, employee, agent, servant or trustee of the Issuer and the Bond Insurer, if any, against claims during the term of this Agreement that may be occasioned by any cause (other than the gross negligence or willful misconduct of the Issuer, the Bond Insurer, if any, their officers, employees, agents, servants and trustees) pertaining to the construction, use, possession, operation, service, design or management or leasing or subleasing of the Facilities and any liabilities or losses resulting from violations by the Corporation of conditions, agreements and requirements of law affecting the Facilities or the ownership, occupancy or use thereof or arising from any defect in or from the operation of the Facilities, and to protect and insulate the Issuer and the members of its Board of Directors individually from any and all financial responsibility or liability whatsoever with respect to the Facilities;

(e) At all times to maintain the Corporation's rights to carry on the business of the Corporation and to duly procure all licenses and other authorizations required for the carrying on of its business and to provide all renewals and replacements and improvements to, and extensions of, the Facilities and to diligently maintain, preserve and renew all the rights, powers, privileges, approvals, licenses and franchises required for the carrying on of its business;

(f) To fulfill its obligations and to perform punctually its duties and obligations under this Agreement and the Indenture and to otherwise carry on its business in accordance with the terms hereof to assure the continued proper operation, management, repair and maintenance of the Facilities;

(g) To cause compliance with all material provisions of applicable federal, State and local laws;

(h) To pay, discharge, indemnify and save the Issuer, the Bond Insurer, if any, and the Trustee, except in the case of their gross negligence or willful misconduct, and their respective officers, agents, employees, servants and trustees harmless of, from and against any and all costs, claims, damages, expenses, liabilities, liens, obligations, penalties and taxes of every character and nature, by or on behalf of any person, firm, corporation, entity or governmental authority regardless of by whom advanced, asserted, held, imposed or made, which may be imposed upon, incurred by or asserted against the Issuer, the Bond Insurer, if any, and the Trustee and their respective officers, agents, employees, servants and trustees arising out of, resulting from or in any way connected with this Agreement, the Bonds or the Indenture excepting willful misconduct and gross negligence on the part of the Issuer, the Bond Insurer, if any, or the Trustee or their respective officers, agents, employees, servants and trustees. The Corporation also covenants and agrees, at its expense, to pay and to indemnify and to save the foregoing harmless of, from and against, all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand;

(i) To indemnify the Issuer, the Bond Insurer, if any, and the Trustee as provided in this Section 6.1, regardless of whether payment of the Bonds has been made and this Agreement has been terminated; and

(j) To use its best efforts to obtain a determination from the Internal Revenue Service that it is an exempt organization under Section 501(c)(3) of the Code organized and operated exclusively for religious, charitable, scientific and educational purposes, and not to perform any act or enter into any agreement that shall adversely affect its ability to obtain, and thereafter to maintain, such status as set forth in this Section.

Section 6.2 Covenants Regarding Operation and Maintenance by the Corporation of its Properties. The Corporation acknowledges and agrees that it shall pay during the term hereof all Payments and other sums required hereunder and shall cause the Board to pay, as Additional Rental under the Facilities Lease, all Operation and Maintenance Expenses. The Corporation also expressly covenants and agrees:

(a) That it shall or shall cause the Board and/or the University to (i) maintain or cause to be maintained the Facilities, and keep the Facilities in good repair and in good operating condition and make from time to time all necessary repairs thereto and renewals and replacements thereof; (ii) make or cause to be made from time to time any additions, modifications or improvements to the Facilities that the University may deem desirable for its business purposes that do not materially impair the effective use of the Facilities; (iii) cause the Facilities at all times to be free from all liens other than Permitted Encumbrances, provided that the Corporation may in good faith contest, or cause the Board or the University to contest any

liens filed or established against the Facilities, and in such event, may permit the items so contested to remain undischarged and unsatisfied during the period of such contest only if the Corporation or the Board obtains an injunction prohibiting, or otherwise prevents the enforcement of such liens, assessments or other charges and any appeal therefrom, and the Corporation, to the extent it has assets, furnishes the Trustee with a bond, cash deposit or title insurance endorsement equal to at least the amount so contested and with an opinion of independent counsel reasonably acceptable to the Trustee stating that by nonpayment of any such items the Rental would not be materially endangered and the Facilities or any material part thereof will not be subject to loss or forfeiture to such an extent that Payments are materially adversely affected, in which event the Corporation will promptly pay or cause the Board or the University to pay promptly and cause to be satisfied and discharged all such unpaid items. In the event the Corporation fails to satisfy these requirements, the Issuer, the Trustee or the Bond Insurer, if any, may, but shall be under no obligation to, pay any such item and any amounts so advanced therefor by the Issuer, the Trustee or the Bond Insurer, if any, shall become an additional obligation of the Corporation to the one making the advancement, which amount the Corporation agrees to pay together with interest thereon at the rate of the Trustee's prime lending rate, but solely from the Trust Estate.

(b) That the Issuer, the Trustee and the Bond Insurer, if any, and their agents shall have the right to inspect the Facilities at any reasonable time in a manner which will not interfere unreasonably with the Corporation's use thereof.

(c) That no undertakings, including the construction, improvement and installation of the Facilities, shall be commenced until the Corporation shall have first procured, so far as the same may be required from time to time, all necessary approvals and authorizations from municipal departments and governmental subdivisions having jurisdiction, and all construction undertakings shall be made and effected promptly and in a good and workmanlike manner and in full compliance with the Ground Lease and the Facilities Lease, all applicable permits, authorizations and laws and in accordance with all such requirements as insurers of the Properties, and all components thereof, may reasonably establish.

(d) That it shall or shall cause the Board to pay (as Additional Rental under the Facilities Lease) as the same respectively become due, all taxes and assessments, whether general or special, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Facilities;

(e) That it shall comply and cause the Board to comply promptly with all material provisions of present and future laws, ordinances, orders, rules, regulations and requirements of every duly constituted governmental authority or agency and all material orders, rules and regulations of any regulatory, licensing, insurance underwriting or rating organization or other body exercising similar functions. The Corporation shall likewise perform and comply with all duties and obligations of any kind imposed by law, covenant, condition, agreement or easement and the requirements of all policies of insurance at any time in force with respect to the Facilities;

(f) That it shall not use or allow the Facilities to be used or occupied for any unlawful purpose or in violation of any private covenant, restriction, condition, easement or

agreement covering or affecting the use of the Facilities. The Corporation likewise shall not suffer any act to be done or any condition to exist in the Facilities or any article to be brought therein or thereon which may be dangerous, unless safeguarded as required by law, or which, under law, constitutes a nuisance, public or private, or which may make void or voidable any insurance then in force with respect thereto.

(g) That it shall provide or cause to be provided all equipment, furnishings, supplies, facilities, services and personnel required for the proper construction, improvement and equipping of the Facilities in an economical and efficient manner, consistent with standards of operation and administration generally acceptable for facilities of comparable size and scope of operations; and

(h) That it shall take all action, if any, that may be required to obtain such consents, exceptions, exemptions or approvals of governmental authorities as may be necessary to permit it to comply fully with all covenants, stipulations, obligations and agreements of the Corporation contained in this Agreement.

Section 6.3 Covenant as to Encumbrances. The Corporation covenants that, so long as any of the Bonds remain outstanding, it shall not hereafter alienate and shall not hereafter create or suffer to be created any assignment, pledge, mortgage, hypothecation or lien on the Facilities, the Land, the Facilities Lease, any Rental or any of its other Properties under any circumstances, except for Permitted Encumbrances or as otherwise permitted under Section 6.2 hereof.

Section 6.4 Covenants, Representations and Warranties Relating to Federal Income Taxation.

(a) The Corporation covenants that it shall make such use of the proceeds of the Series 2010A Bonds, regulate investment of proceeds thereof and take such other and further actions as may be required by the Code and applicable temporary, proposed and final Regulations and procedures, necessary to assure that interest on the Series 2010A Bonds is excludable from gross income for Federal income tax purposes. Without limiting the generality of the foregoing covenant, the Corporation hereby covenants, represents and warrants, as follows:

(i) The Corporation will not take, fail to take or permit the commission of any action within its control insofar as it is necessary to take or omit the taking of such action in order that interest on the Series 2010A Bonds will continue to be excludable from gross income for Federal income tax purposes;

(ii) The Corporation will use its best efforts to become, and thereafter to remain at all times, an organization described in Section 501(c)(3) of the Code or corresponding provisions of prior law and to not be or be determined to be a private foundation as defined in Section 509 of said Code; the Corporation shall not perform any act or enter into any agreement which shall adversely affect its ability to obtain such federal income tax status; the Corporation shall not perform any act, enter into any agreement or use or permit any property of the Corporation to be used in any manner (including any unrelated trade or business) which could adversely affect the exclusion from gross income of interest on the Series 2010A Bonds

for federal income tax purposes pursuant to Section 103 of the Code; the Corporation shall not carry on or permit to be carried on in any property of the Corporation or permit any property of the Corporation to be used in or for any trade or business to the extent that such use of such property would adversely affect the exclusion from gross income of interest on the Series 2010A Bonds for Federal income tax purposes; and the Corporation is duly organized and existing as a nonprofit corporation under the laws of the State and it will maintain, extend and renew its corporate existence under the laws of the State and will not do, suffer or permit any act or thing to be done whereby its right to transact its functions might or could be terminated or its activities restricted;

(iii) The Corporation will timely file a statement with the United States of America setting forth the information required pursuant to Section 149(e) of the Code;

(iv) The average term of the Series 2010A Bonds, calculated in proportion to the "issue price" (as defined in Section 1273 of the Code) of the bonds of each stated maturity of such Series 2010A Bonds, will not exceed 120% of the average reasonably expected economic life of the Facilities financed with the proceeds of the Series 2010A Bonds or the investment earnings thereon, weighted in proportion to the respective cost of each item comprising the Facilities financed with the proceeds of such Series 2010A Bonds. For purposes of the preceding sentence, the reasonably expected economic life of property shall be determined as of the later of (A) the date on which the Series 2010A Bonds are issued or (B) the date on which such property is placed in service (or expected to be placed in service);

(v) The Corporation will not cause the Series 2010A Bonds to be treated as "federally guaranteed" obligations within the meaning of Section 149(b) of the Code (as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to "federally guaranteed" obligations described in Section 149(b) of the Code);

(vi) Based upon all facts and estimates now known or reasonably expected to be in existence on the date the Series 2010A Bonds are delivered, the Corporation reasonably expects that the proceeds of the Series 2010A Bonds will not be used in a manner that would cause the Series 2010A Bonds or any portion thereof to be an "arbitrage bond" within the meaning of Section 148 of the Code;

(vii) As provided in Article 5 hereof, the Corporation will monitor the yield on the investment of the proceeds of the Series 2010A Bonds and moneys pledged to the repayment of the Series 2010A Bonds, other than amounts not subject to yield restriction and will restrict the yield on such investments to the extent required by the Code or the Regulations;

(viii) The Corporation (or any "related person", within the meaning of the Code) shall not, pursuant to an arrangement, formal or informal, purchase the Bonds in an amount related to the principal amounts advanced to the Corporation pursuant to this Agreement;

(ix) The Corporation agrees to comply with all the terms and provisions of the Tax Regulatory Agreement executed in connection with the issuance and sale

of the Bonds, and to perform the covenants and duties imposed on it contained therein. The Corporation shall cause copies of any calculations or filings which are required to be made pursuant to the Tax Regulatory Agreement to be delivered to the issuer within five (5) days of any such calculation or filing, and

(x) The Corporation agrees to provide, or to engage qualified attorneys or consultants to provide instructions to the Issuer and the Trustee regarding any actions necessary to insure that such moneys will not be used in a manner which will cause the Series 2010A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Corporation shall be responsible for engaging qualified attorneys or consultants to calculate rebate payments as required by Section 148 of the Code.

(b) All officers, employees and agents of the Corporation are authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the Corporation as of the date the Bonds are delivered. In complying with the foregoing covenants, the Corporation may rely from time to time upon an opinion issued by nationally-recognized bond counsel to the effect that any action by the Corporation or reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Series 2010A Bonds to be includable in gross income for Federal income tax purposes under existing law.

Section 6.5 Information. The Corporation agrees, whenever reasonably requested by the Issuer, the Bond Insurer, if any, or the Trustee, to provide access to inspect, examine and make copies of any and all books, accounts and records of the Corporation and to provide and certify or cause to be provided and certified such information concerning the Properties, the Facilities, the Corporation, its finances, and other topics as the Issuer, the Bond Insurer, if any, or Trustee, as the case may be, considers necessary to enable counsel to the Issuer or the Trustee, as the case may be, to issue its opinions and otherwise advise the Issuer, the Bond Insurer, if any, or the Trustee, as the case may be, as to the transaction or the legal capacity of the parties to enter into the same, or to enable it to make any reports required by law, governmental regulation or the Indenture. When any such information is provided by the Corporation pursuant to this Section 6.5 the Corporation shall provide such information to the Issuer, the Bond Insurer, if any, and the Trustee.

Section 6.6 Source of Payments. The Corporation agrees to pay or cause to be paid the payments required by this Agreement, but solely from the Rental, its interest in the Properties and all revenues, proceeds, gifts and other amounts arising from the Properties (including, without limitation, all amounts received or receivable by the Corporation under the Facilities Lease) or assigned by the Corporation pursuant to this Agreement, in the manner and at the times provided by this Agreement.

Section 6.7 Insurance. The Corporation shall or it shall cause the Board to maintain insurance covering such risks and in such amounts as is required by Section 9 of the Facilities Lease, the provisions of which are incorporated herein by reference.

Section 6.8 Annual Reports.

(a) Annually, within one hundred eighty (180) days from the end of each Fiscal Year, the Corporation will have made a complete audit of its records and accounts by an independent certified public accountant. A signed counterpart of its audited financial statements shall be furnished to the Issuer, the Bond Insurer, if any, and the Trustee, and a copy thereof shall be furnished by the Corporation to any Bondholder who requests the same in writing.

(b) Any independent accountant that audits and reports on the Corporation's financial statements or provides any certificate, report or opinion under the Indenture, the Facilities Lease or the Agreement shall be (i) a nationally recognized firm of independent certified public accountants (or their successors) or (ii) otherwise acceptable to the Bond Insurer, if any.

Section 6.9 Merger or Consolidation.

(a) The Corporation shall not merge into, or consolidate with, one or more corporations, or allow one or more of such corporations to merge into it, or sell or convey all or substantially all of its assets to any person or entity or acquire all or substantially all of the assets of any person or entity (any such merger, consolidation, sale, conveyance or acquisition being referred to as a "Merger"), unless the Bond Insurer, if any, consents in writing to the Merger, such consent not to be unreasonably withheld, and:

(i) Any successor corporation to the Corporation (including, without limitation, any purchaser of all or substantially all the Properties of the Corporation (the "Successor Corporation") is a corporation organized and existing under the laws of the United States of America or a state thereof and shall execute and deliver to the Trustee an appropriate instrument, satisfactory to the Bond Insurer, if any, the Issuer and the Trustee, containing the agreement of such successor corporation to assume in solido, the due and punctual payment of the principal of and interest on all obligations of the Corporation (including, without limitation, the Bonds) according to their tenor and the due and punctual performance and observance of all the covenants and conditions of the Indenture and the Agreement and the Board Documents and Bond Documents to be kept and performed by the Corporation, accompanied by an opinion of counsel as to the validity and enforceability of such assumption (which counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Bond Insurer, if any, the Issuer and the Trustee);

(ii) Immediately after such Merger, there would not be a default in the performance or observance of any covenant or condition of the Board Documents and the Bond Documents; and

(iii) There shall be delivered to the Bond Insurer, if any, the Issuer and the Trustee an opinion of Bond Counsel (which counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Bond Insurer, if any, and the Trustee) to the effect that under existing laws the consummation of such Merger, whether or not contemplated on the original date of delivery of the Bonds, would not adversely affect the validity of the Bonds or the exclusion otherwise available from gross income of interest on the Series 2010A Bonds for federal or state income tax purposes.

(b) In case of any such Merger and upon any such assumption by the Successor Corporation, the Successor Corporation shall succeed to and be substituted for its predecessor, with the same effect as if it had been named in the Indenture and the Agreement as the Corporation.

Section 6.10 Revenue Transfer to Trustee. The Corporation hereby covenants:

(a) Upon the occurrence of an Event of Default under the Indenture or this Agreement, all Rental and other funds pledged as security for the obligations of the Issuer and/or the Corporation under the Indenture or the Agreement then on hand shall be transferred immediately to the Trustee, and held for application pursuant to the Indenture or the Agreement solely to the payment obligations of the Issuer and/or the Corporation under the Indenture or the Agreement and the payment of reasonable and necessary costs of operation of the Corporation's facilities or as otherwise directed by the Bond Insurer, if any.

(b) To execute all necessary documents in order to effect a filing and reinscription of all necessary financing statements in such a manner as will preserve the effect of the financing statements from the date of original filing thereof. The Corporation shall notify the Issuer of the filing of such continuation statements or other filings with respect to its obligations under this Agreement.

Section 6.11 Additional Corporation Representations and Covenants. Each component of the Facilities is, or when acquired, will be located within the limits of the State of Louisiana. The Project is an "Authorized Project" under La. R.S. 33:4548.3B and the Corporation will operate the Project as an "Authorized Project" under La. R.S. 33:4548.3B for so long as the Bonds remains outstanding.

(c) All material information given by the Corporation to the Issuer, the Trustee and the Bond Insurer, if any, concerning the Project, the Corporation and the Board was and is on the date of execution of this Agreement true and correct.

(d) The Corporation will permit the Bond Insurer, if any, to discuss the affairs, finances and accounts of the Corporation or any information Bond Insurer, if any, may reasonably request regarding the security for the Bonds with appropriate representatives and officers of the Corporation. The Corporation will permit the Bond Insurer, if any, to have access to the Facilities and to make copies of all books and records relating to the Bonds and the Properties;

(e) The Corporation hereby agrees that the Bond Insurer, if any, shall have the right to direct an accounting regarding the Properties at the Corporation's expense, such accounting to be conducted by a certified public accounting firm selected by the Bond Insurer, if any, and completed within thirty (30) days after written notice of the direction from the Bond Insurer, if any, and the Corporation's failure to comply with such direction promptly after receipt of written notice from the Bond Insurer, if any, shall be deemed a default hereunder; provided, however, that if such accounting cannot be completed within such 30-day period through no fault of the Corporation, then such period will be extended so long as the accounting is begun within

such period and diligently pursued, but only if such extension would not materially adversely affect the interests of the Bond Insurer, if any, or any registered owner of the Bonds;

(f) The Corporation shall pay or reimburse the Bond Insurer, if any, for any and all charges, fees, costs, and expenses that the Bond Insurer, if any, may reasonably pay or incur in connection with the following: (i) the administration, enforcement, defense, or preservation of any rights or security hereunder or under any other Bond Document; (ii) the pursuit of any remedies hereunder, under any other Bond Document, or otherwise afforded by law or equity; (iii) any amendment, waiver, or other action with respect to or related to this Agreement or any other Bond Document whether or not executed or completed; (iv) the violation by the Corporation of any law, rule, or regulation or any judgment, order or decree applicable to it; (v) any advances or payments made by the Bond Insurer, if any, to cure defaults of the Corporation under the Bond Documents, Facilities Documents or Mortgage; or (vi) any litigation or other dispute in connection with this Agreement, any other Bond Document, or the transactions contemplated hereby or thereby. The covenants of Section 3.14(b) of the Indenture are incorporated by this reference herein and made a part hereof as if fully set forth herein as further covenants of the Corporation under this Agreement. The Bond Insurer, if any, reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver, or consent proposed in respect of this Agreement or any other Bond Document. The obligations of the Corporation to the Bond Insurer, if any, shall survive discharge and termination of this Agreement.

(g) The Corporation shall not amend, modify, or supplement, nor agree to any amendment or modification of, or supplement to, any of the Bond Documents, the Facilities Lease, the Ground Lease, the Mortgage or its Articles of Incorporation or any other organizational document, without the prior written consent of the Bond Insurer, if any;

(h) The Corporation represents, warrants and covenants that it (i) was organized solely for the purpose of promoting, assisting and benefiting the mission of the University, a higher educational institution under the management and control of the Board, by engaging in any lawful activity in which a nonprofit corporation meeting the requirements of Section 501(c)(3) of the Code, may engage, in accordance with its articles of incorporation; (ii) has not and will not engage in any business unrelated to subsection (i), above; and (iii) will maintain books, financial records and bank accounts in a manner so that it will not be difficult or costly to segregate, ascertain and otherwise identify the assets and liabilities of the Corporation;

(i) As soon as possible and in any event within five (5) Business Days after the Corporation knows of, or reasonably should have known of, the occurrence of any default or any Event of Default, the Corporation shall deliver to the Trustee and Bond Insurer, if any, a written statement setting forth details of each such default or Event of Default and the action which the Corporation proposes to take with respect thereto;

(j) The Corporation covenants and agrees to perform each of its agreements and obligations set forth in the Indenture;

(k) The Corporation covenants and agrees that until all of its obligations under this Agreement and the other Bond Documents have been fully paid and discharged, the

Corporation shall not, directly or indirectly, incur, assume, or guarantee any Additional Debt, except Additional Debt incurred with the written consent of the Bond Insurer, if any, or as allowed by the Facilities Documents and Bond Documents.

Section 6.12 Continuing Disclosure. The Board has agreed to provide a Continuing Disclosure Certificate and to timely comply with the requirements set forth therein and the Board will deliver copies to the Issuer of any information that the terms of the Continuing Disclosure Certificate require to be provided or filed within five (5) days of the provision or filing of such information as required by the Continuing Disclosure Certificate.

Section 6.13 Indemnity.

(a) The Corporation shall and agrees to indemnify and save the Issuer, the Trustee, the Bond Insurer, if any, and their respective directors, officers, members, and employees harmless against and from any and all liabilities, losses, damages, costs, penalties, fines, expenses, causes of action, suits, claims, demands and judgments of any nature arising from, in connection with or as a result of: (i) the leasing or operation of the Facilities; (ii) any breach or default on the part of the Corporation in the performance of any of its obligations under any of the Bond Documents; (iii) any act or negligence of the Corporation or of any of its agents, contractors, servants, employees, or licensees; (iv) any act or negligence of any assignee or lessee of the Corporation or of any agents, contractors, servants, employees, or licensees of any assignee or borrower of the Corporation; (v) the issuance or sale of the Bonds; (vi) any injury to or death of any person or damage to property in or upon the Facilities or resulting from or connected with the use, non-use, condition or occupancy of the Facilities or any part of it; (vii) the violation of any agreement or condition of this Agreement except by the Issuer; (viii) the violation of any contract, agreement or restriction by the Corporation relating to the Facilities; (ix) the violation of any law, ordinance or regulation by the Corporation or its agents, contractors, employees, licensees or assignees arising out of the ownership, occupancy or use of the Facilities or any part of it; (x) the construction, acquisition, equipping and installation of the Facilities or the failure to construct, acquire, equip or install the Facilities; (xi) any act of the Corporation or any of its agents, contractors or licensees; (xii) any statement or information concerning the Corporation, its officers and members or the Facilities contained in any official statement or prospectus furnished to purchasers of any Bonds that is untrue or incorrect in any material respect and any omission from any final official statement or prospectus of any statement or information which should be contained in it for the purpose for which it is to be used or which is necessary to make the statements in it concerning the Corporation, its officers and members or the Facilities not misleading in any material respect if the final official statement or prospectus is approved in writing by the Corporation; (xiii) failure to properly register or otherwise qualify the sale of the Bonds or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Bonds could be sold; (xiv) the carrying out by the Corporation of any of the transactions contemplated by the Agreement; and (xv) any federal or state tax audit relating to the Facilities, the Corporation, or the application of the proceeds of the Bonds, provided, however, this indemnity shall not apply to any claims or damages arising solely from the willful misconduct, bad faith, or fraud of the Issuer or the gross negligence, willful misconduct, or intentional misconduct of the other parties seeking indemnification. The Corporation shall indemnify and save the Issuer, the Trustee, and the Bond Insurer, if any, harmless from and against all costs and expenses incurred in or in connection

with any such claim arising as described in the preceding sentence, or in connection with any action or proceeding brought thereon, including reasonable attorneys' fees and expenses as provided in Section 10.04 hereof, and upon notice from the Issuer, the Trustee, or the Bond Insurer, if any, the Corporation shall defend them or any of them in any such action or proceeding.

(b) The Corporation agrees that it will indemnify and hold the Trustee harmless from any and all liability, cost, or expense incurred without negligence or bad faith on the part of the Trustee in the course of its duties, including any act, omission, delay, or refusal of the Trustee in reliance upon any signature, certificate, order, demand, instruction, request, notice, or other instrument or document of the Corporation believed by the Trustee to be valid, genuine, and sufficient.

(c) Notwithstanding the fact that it is the intention of the parties that the Issuer, the Trustee, the Bond Insurer, if any, and their directors, officers, members, and employees shall not incur pecuniary liability by reason of the terms of the Bond Documents or the undertakings required thereunder or by reason of (i) the issuance of the Bonds, (ii) the execution of the Bond Documents, (iii) the performance of any act required by the Bond Documents, (iv) the performance of any act requested by the Corporation, or (v) any other costs, fees, or expenses incurred by the Issuer, the Trustee, or the Bond Insurer, if any, with respect to the Facilities or the financing thereof, including all claims, liabilities, or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the Issuer, the Trustee, or the Bond Insurer, if any, should incur any such pecuniary liability, then in such event the Corporation shall indemnify and hold harmless the Issuer, the Trustee, and the Bond Insurer, if any, against all claims by or on behalf of any Person arising out of the same and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, including reasonable attorneys' fees and expenses, and upon notice from the Issuer, the Trustee, or the Bond Insurer, if any, the Corporation shall defend the Issuer, the Trustee, and the Bond Insurer, if any, in any such action or proceeding.

(d) The indemnity contained in this Section 6.13 shall not apply to any (i) acts of willful misconduct, bad faith, or fraud of the Issuer or any acts of gross negligence, willful misconduct, or intentional misconduct of the other parties seeking indemnification, (ii) any breach by the party seeking indemnification of its obligations under the Bond Documents, or (iii) with respect to the Issuer and the Bond Insurer, if any, respectively, any liability or claim arising out of or relating to any information furnished by the Issuer or the Bond Insurer, if any, respectively, for inclusion in the offering statement relating to the Bonds or any failure by the Issuer or the Bond Insurer, if any, respectively, to disclose information required to make the information furnished for inclusion therein by the Issuer or the Bond Insurer, if any, respectively, not misleading.

(e) Nothing contained in this Section 6.13 shall require the Corporation to indemnify the Issuer, the Trustee, the Bond Insurer, if any, or their officers, directors, members, or employees for any claim or liability that the Corporation was not given any opportunity to contest or for any settlement of any such action effected without the Corporation's consent (assuming such opportunity to contest or consent was available to the party seeking

indemnification and was not waived in writing by the Corporation). The indemnity of the Issuer, the Trustee, the Bond Insurer, if any, and their officers, directors, members, and employees contained in this Section 6.13 shall (i) survive the payment of the Bonds and the termination of this Agreement and (ii) be in addition to, and not in limitation of, any other rights to indemnification or reimbursement under this Agreement or any other Bond Document or Facilities Documents.

(f) In addition, the Corporation agrees that if it initiates any action, suit or other proceeding with respect to any claim, demand or request for relief, whether judicial or administrative, in which the Issuer or the Bond Insurer, if any, is named or joined as a party, the Corporation will pay to and reimburse to the Issuer and the Bond Insurer, if any, the full amount of all reasonable fees and expenses incurred by the Issuer or the Bond Insurer, if any, with respect to the Issuer's or the Bond Insurer's defense of or participation in such action, suit or other proceeding.

Section 6.14 Recordation. Financing Statement. The Corporation agrees that it will take all steps necessary to record the Mortgage and any financing statements required by the Louisiana Uniform Commercial Code and to maintain any such liens by reinscribing the Mortgage as required by law and filing any continuation statements required to continue the effect of the original filings and to preserve the effective date of the original financing statements. The Corporation shall furnish the Trustee and the Bond Insurer, if any, a copy of any recorded financing statements and continuation statements promptly upon any such filing thereof. The Trustee shall not be responsible for filing the financing statements or any continuation statement in relation thereto or for filing the Mortgage or any reinscription in relation thereto.

ARTICLE 7
ASSIGNMENT

Section 7.1 Assignment of this Agreement

(a) With the prior written consent of the Bond Insurer, if any, the rights of the Corporation under this Agreement may be assigned, sold or leased as a whole or in part but no such transfer shall constitute a release of the Corporation from its obligations hereunder.

(b) Each transferee of the Corporation's interest in this Agreement shall assume the obligations of the Corporation hereunder to the extent of the interest assigned, sold, or leased, and the Corporation shall, not more than sixty (60) nor fewer than thirty (30) days prior to the effective date of any such assignment or lease, furnish or cause to be furnished to the Issuer, the Bond Insurer, if any, and the Trustee a true and complete copy of each such assignment or lease.

Section 7.2 Restrictions on Transfer of Issuer's Rights. The Issuer agrees that it will not during the term of this Agreement sell, assign, transfer or convey its interests in this Agreement except as provided in Section 7.3.

Section 7.3 Assignment by the Issuer. It is understood, agreed and acknowledged that the Issuer will assign to the Trustee pursuant to the Indenture certain of its rights, title and

interests in and to this Agreement (reserving its rights, however, pursuant to sections of this Agreement providing that notices, reports and other statements be given to the Issuer and also reserving its rights to reimbursement and payment of costs and expenses under Section 9.5 hereof, its rights to indemnification under Section 6.1(d) hereof and its individual and corporate rights to exemption from liability under Section 10.12 hereof), including the interest of the Issuer in and to the Facilities Lease assigned by the Corporation to the Issuer hereunder, and the Corporation hereby assents to such assignment and pledge.

ARTICLE 8
SUPPLEMENTS AND AMENDMENTS

Section 8.1 Amendment to Agreement Without Consent The Issuer and the Corporation, with the consent of the Trustee with respect to Sections 8.1(d) and 8.1(e) hereof, and with notice to the Bond Insurer, if any, and the prior written consent of the Bond Insurer, if any, if such amendment would affect the rights or interests of the Bond Insurer, if any, hereunder, but without the consent of the owners of any of the Bonds outstanding under the Indenture, may enter into supplements to this Agreement that shall not be inconsistent with the terms and provisions hereof for any of the purposes heretofore specifically authorized in this Agreement or the Indenture, and in addition thereto for the following purposes:

- (a) To cure any ambiguity or formal defect, inconsistency or omission in this Agreement or to clarify matters or questions arising hereunder;
- (b) To add covenants and agreements for the purpose of further securing the obligations of the Corporation hereunder;
- (c) To confirm as further assurance any mortgage or pledge of additional property, revenues, securities or funds;
- (d) To conform the provisions of this Agreement in connection with the provisions of any supplements or amendments to the Indenture entered into pursuant to the provisions of Section 10.1 thereof;
- (e) To provide any other modifications which, in the sole judgment of the Trustee, are not prejudicial to the interests of the Bondholders; or
- (f) To conform the covenants and provisions of the Corporation contained herein to any different financial statement presentation required by the Financial Accounting Standard Board that is different than the presentation required as of the date of issuance of the Bonds, so long as the effect of such conformed covenants and provisions is substantially identical to the effect of the covenants and provisions as in effect on the date of issuance of the Bonds.

Section 8.2 Amendment to Agreement Upon Approval of a Majority of Bondholders

(a) The provisions of this Agreement may be amended in any particular with the written consent of the Bond Insurer, if any, and the owners of not less than a majority of the aggregate principal amount of Bonds then Outstanding, provided, however, that no such

amendment may be adopted that decreases the percentage of owners of Bonds required to approve an amendment, or that permits a change in the date of payment of the principal or interest on any Bonds or of any redemption price thereof or the rate of interest thereon without the consent of the owners of all of the aggregate principal amount of the Bonds then Outstanding.

(b) If at any time the Issuer and the Corporation shall request the Trustee to consent to a proposed amendment for any of the purposes of this Section 8.2, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such proposed amendment to be given in the manner required by the Indenture to redeem Bonds. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the Issuer following such notice, the owners of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the execution of any such proposed amendment shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee, the Corporation or the Issuer from executing or approving the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such proposed amendment as in this Section permitted and provided, this Agreement shall be and be deemed to be modified and amended in accordance therewith.

Section 8.3 Amendments to Facilities Lease or the Ground Lease Not Requiring Owner Consent

(a) Subject to the terms and provisions of Section 8.5 and 8.7 of this Agreement, with the written consent of the Bond Insurer, if any, which consent shall not be unreasonable withheld or delayed, the Facilities Lease or the Ground Lease may be amended, or modified in any manner not inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in the Facilities Lease or the Ground Lease which does not have an adverse effect upon the interest of the Owners; (ii) to grant to or confer upon the Issuer or the Trustee, for the benefit of the Owners, any additional rights, remedies, powers or authorities that lawfully may be granted to or conferred upon the Issuer or the Trustee; (iii) to more clearly identify the Facilities Lease or the Ground Lease in any manner specifically required or permitted by the terms thereof, or to add to or subtract from the Facilities any property; (iv) to amend or modify the Facilities Lease or the Ground Lease in any manner specifically required or permitted by the terms thereof, including as may be necessary to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes; (v) to make any amendment or modification required as a condition to obtaining any rating by the Rating Agency with respect to the Bonds; (vi) to make any amendment or modification required as a condition to the issuance of the Bond Insurance Policy; and (vii) to amend or modify the Facilities Lease or the Ground Lease in any other manner that, in the judgment of the Trustee, is not materially adverse to the interests of the owners of the Bonds, the Bond Insurer, if any, or the Trustee and which does not involve a change described in Section 8.5 hereof.

(b) Notwithstanding the foregoing, the prior written consent of the Bond Insurer, if any, shall be required with respect to any amendment under this Section 8.3 which, in the sole judgment of the Bond Insurer, if any, would affect the rights or interests of the Bond Insurer, if any.

Section 8.4 Amendments to the Facilities Lease or the Ground Lease Requiring Owner Consent. Exclusive of amendments and modifications covered by Section 8.3 hereof, the Facilities Lease or the Ground Lease may be amended or modified only as provided in Section 8.4 and 8.5 of this Agreement. Subject to the terms and provisions contained in Section 8.5 of this Agreement, the Bond Insurer, if any, the Issuer and the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Agreement to the contrary notwithstanding, to consent to and approve the amendment or modification of the Facilities Lease or the Ground Lease. If at any time there is a proposed amendment or modification to the Facilities Lease or the Ground Lease, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such modification or amendment to be mailed to the Bond Insurer, if any, and to each of the owners of the Bonds at the address indicated on the registration books of the Trustee. Such notice shall briefly set forth the nature of the proposed amendment or modification and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bond owners. If, within sixty (60) days, or such longer period as shall be prescribed by the Issuer, following the mailing of such notice, the owners of the requisite percentage in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such amendment or modification shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or to enjoin or restrain the parties thereto from executing the same or from taking any action pursuant to the provisions hereof.

Section 8.5 Consent Required Under Certain Circumstances for Amendment of Facilities Lease or Ground Lease. Nothing contained in Sections 8.3 and 8.4 of this Agreement shall permit, or be construed as permitting, without the approval and consent of the Bond Insurer, if any, and all of the owners of the Bonds, (a) a reduction in the amount of, or the extension of the time for, any payment of Base Rental due under the Facilities Lease or any Bond Insurer Amounts; or (b) the termination of the Facilities Lease or the Ground Lease prior to the expiration of their stated term other than in accordance with the provisions thereof.

Section 8.6 Opinion Required for Amendment of Facilities Lease or Ground Lease. Anything to the contrary herein notwithstanding, no amendment or modification of the Facilities Lease or the Ground Lease shall become effective unless and until the Trustee has been provided with an opinion of Bond Counsel to the effect that such amendment or modification will not have an adverse effect upon the validity of the Bonds and to the effect that such amendment or modification will maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 8.7 Consent of the Board. Anything herein to the contrary notwithstanding, an amendment to the Facilities Lease or the Ground Lease under this Article 8 shall not become effective unless and until the Board shall have consented to the execution and delivery of such

amendment to the Facilities Lease or the Ground Lease, unless an Event of Default has occurred and is continuing, and no amendment to the Facilities Lease or the Ground Lease shall without the prior written consent of the Board affect the date or amounts of payments required on the Bonds or required under the Facilities Lease.

Section 8.8 Filing. Copies of any such supplement or amendment to the Agreement, the Ground Lease or the Facilities Lease shall be filed with the Trustee and delivered to the Issuer and the Corporation before such supplement or amendment may become effective.

Section 8.9 Reliance on Counsel. The Issuer and the Trustee shall be entitled to receive, and shall be fully protected in relying upon the opinion of counsel satisfactory to the Trustee, who may be counsel for the Issuer, as conclusive evidence that any such proposed supplement or amendment to the Agreement, the Ground Lease or the Facilities Lease complies with the provisions of this Agreement and the Indenture and that it is proper for the Issuer and the Trustee under the provisions of this Article to execute or approve such supplement or amendment.

Section 8.10 Notice to Rating Agencies and Bond Insurer. No supplemental agreement or amendment to the Agreement, the Ground Lease or the Facilities Lease shall be executed and delivered pursuant hereto without prior written notice having been given by the Corporation to the Bond Insurer, if any, and Rating Agencies (Attention: Bond Insurance Administration) of the Corporation's intention to execute such supplemental agreement or amendment thereof not less than fifteen (15) days in advance of the execution of said supplemental agreement or amendment. The Corporation shall provide the Bond Insurer, if any, a full transcript of all proceedings relative to said supplemental agreement or amendment.

ARTICLE 9

EVENTS OF DEFAULT AND REMEDIES

Section 9.1 Events of Default Defined. The terms "Event of Default" and "Default" shall mean any one or more of the following events:

(a) The Corporation shall default in the timely payment of any Payment pursuant to Article 4 of this Agreement.

(b) An Event of Default shall exist under the Bond Documents, the Facilities Lease, the Ground Lease or the Tax Regulatory Agreement.

(c) The termination of the Facilities Lease.

(d) The Corporation shall fail duly to perform, observe or comply with any other covenant, condition or agreement on its part under this Agreement (other than a failure to make any payment required under this Agreement), and such failure continues for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Corporation by the Trustee; provided, however, that if such performance, observation or compliance requires work to be done, action to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such thirty (30) day period, no Event of Default shall be deemed to

have occurred or to exist if, and so long as (i) the Corporation shall commence such performance, observation or compliance within such period and shall diligently and continuously prosecute the same to completion and (ii) the Bond Insurer, if any, shall consent in writing to any cure period in excess of thirty (30) days.

(e) The entry of a decree or order by a court having jurisdiction in the premises adjudging the Corporation a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Corporation under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, custodian, assignee, or sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days. Any reorganization or liquidation plan must be acceptable to the Bond Insurer, if any. In the event of reorganization or liquidation, the Bond Insurer, if any, shall have the right to vote on behalf of all Bondholders, absent a default by the Bond Insurer, if any, in any payment required by it under the terms of the Bond Insurer Policy.

(f) The institution by the Corporation of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the United States Bankruptcy Code or any other similar applicable federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, custodian, assignee, trustee or sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due.

Section 9.2 Remedies. Whenever any Event of Default under Section 9.1 hereof shall have happened and be continuing, any one or more of the following remedial steps may be taken:

(a) The Issuer or the Trustee, with the consent of the Bond Insurer, if any, may declare all installments of Payments under Section 4.2 hereof to be immediately due and payable, whereupon the same shall become immediately due and payable, without requirement for and irrespective of any acceleration of the Bonds;

(b) The Issuer or the Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Corporation under this Agreement;

(c) The Issuer or the Trustee (or the owners of the Bonds in the circumstances permitted by the Indenture) may exercise any option and pursue any remedy provided by the Indenture.

Section 9.3 No Remedy Exclusive: Selective Enforcement. No remedy conferred upon or reserved to the Issuer or the Trustee by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement and as now or hereafter

existing at law or in equity. No delay or omission to exercise any right or power accruing upon any event of nonperformance shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. In the event the Issuer or the Trustee shall elect to selectively and successively enforce its rights under this Agreement, such action shall not be deemed a waiver or discharge of any other lien, encumbrance or security interest securing payment of the indebtedness secured hereby or thereby until such time that it shall have been paid in full; all sums secured hereunder and thereunder. The foreclosure of any lien provided pursuant to this Agreement without the simultaneous foreclosure of all such liens shall not merge the liens granted which are not foreclosed with any interest which the Issuer or the Trustee might obtain as a result of such selective and successive foreclosure.

Section 9.4 Indenture Overriding. All of the provisions of this Article are subject to and subordinate to the rights and remedies of the Bond Insurer, if any, the Bondholders and the Trustee pursuant to the Indenture. Notwithstanding anything to the contrary in this Agreement, the Bond Insurer, if any, shall direct all remedies upon the occurrence of an Event of Default. The Issuer shall have no power to waive any event of default hereunder, except with respect to indemnification and its administrative payments, without the consent of the Bond Insurer, if any, to such waiver.

Section 9.5 Agreement to Pay Attorneys' Fees and Expenses. In any Event of Default, if the Issuer, the Bond Insurer, if any, and/or the Trustee employs attorneys or incurs other expenses for the collection of amounts payable hereunder or the enforcement of the performance or observance of any covenants or agreements on the part of the Corporation herein contained, whether or not such suit is commenced, the Corporation agrees that it will on demand therefor pay to the Issuer, the Bond Insurer, if any, and/or the Trustee the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Issuer, the Bond Insurer, if any, and/or the Trustee.

Section 9.6 Issuer and Corporation to Give Notice of Default. The Issuer and the Corporation severally covenant that they will, at the expense of the Corporation, promptly give to the Trustee and the Bond Insurer, if any, written notice of any Event of Default under this Agreement of which they shall have actual knowledge or written notice, but the Issuer shall not be liable (except as provided in Section 6.1(d) hereof) for failing to give such notice.

Section 9.7 Correlative Waivers. If an Event of Default under Section 8.2 of the Indenture shall be cured or waived and any remedial action by the Trustee rescinded, any correlative Default under this Agreement shall be deemed to have been cured or waived.

ARTICLE 10 MISCELLANEOUS

Section 10.1 References to the Bonds Ineffective After Bonds Paid. Upon payment of the Bonds, in accordance with the provisions of the Indenture, except in the case of payment by the Bond Insurer, if any, as provided in Section 12.1 of the Indenture, all references in this

Agreement to the Bondholders shall be ineffective and the Issuer and any holder of the Bonds shall not thereafter have any rights hereunder, excepting those that shall have survived or theretofore vested.

Section 10.2 Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Funds and Accounts existing pursuant to the Indenture upon the expiration or sooner cancellation or termination of this Agreement, as provided herein, after payment in full of all Bonds then outstanding under the Indenture (or provisions for payment thereof having been made in accordance with the provisions of the Indenture), and the fees, charges and expenses of the Issuer, the Bond Insurer, if any, and the Trustee and all other amounts required to be paid hereunder and under the Indenture (other than amounts payable as arbitrage rebate pursuant to the Code), shall belong to and be paid to the Corporation.

Section 10.3 Notices.

(a) All notices, demands and requests to be given or made hereunder to or by the Issuer, the Bond Insurer, if any, the Trustee or the Corporation, or their designated successors, shall be in writing and shall be properly made if hand delivered or sent by United States mail, postage prepaid, and addressed as follows:

If to the Bond Insurer:

If to the Corporation: University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director

With copies at the Sealé & Ross
same time to: 200 North Cate Street
Hammond, Louisiana 70404

Attention: T. Jay Sealé

If to the Issuer: Louisiana Local Government Environmental Facilities and Community
Development Authority

8712 Jefferson Hwy, Suite A
Baton Rouge, Louisiana 70809 2233

Attention: Executive Director

If to the Trustee:

Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department

(b) Notice hereunder shall be deemed effective on the date of its receipt by the addressee. The Corporation, the Issuer, the Bond Insurer, if any, and the Trustee may, by notice given hereunder, designate any further or different addresses, counsel or counsel addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 10.4 Binding Effect. This Agreement shall inure to the benefit and shall be binding upon the Issuer, the Corporation and their respective successors and assigns, subject to the limitation that any obligation of the Issuer created by or arising out of this Agreement shall not be a general debt of the Issuer, but shall be payable solely out of the proceeds derived from this Agreement and the sale of the Bonds under the Indenture.

Section 10.5 Performance on Legal Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption or purchase of any Bonds or the date fixed for the giving of notice or the taking of any action under this Indenture shall not be a Business Day, then payment of such interest, principal and purchase price, the giving of such notice or the taking of such action need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or purchase, and no interest on such payment shall accrue for the period after such date.

Section 10.6 Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument; provided, however, that upon the assignment and pledge to the Trustee provided for in Section 3.2 hereof, the Issuer shall deliver to the Trustee an executed counterpart of this Agreement which executed counterpart shall be deemed to be collateral of which the Trustee has taken possession and no other counterpart shall be deemed to be collateral for any other purpose.

Section 10.7 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 10.8 Severability. If any clause, provision or Section of this Agreement be held illegal or invalid by any court, the invalidity of such clause, provision or Section shall not affect any of the remaining clauses, provisions or Sections hereof and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision or Section had not been contained herein. In case any agreement or obligation contained in this Agreement be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Issuer or the Corporation, as the case may be, only to the extent permitted by law.

Section 10.9 Captions. The table of contents, captions or headings of the several articles and sections of this Agreement are for convenience only and shall not control, affect the meaning of or be taken as an interpretation of any provisions of this Agreement.

Section 10.10 Consents and Approvals. Whenever the consent or approval of the Issuer, the Corporation or the Trustee shall be required under the provisions of this Agreement, such consent or approval shall not be unreasonably withheld or delayed.

Section 10.11 Third Party Beneficiaries. It is specifically agreed between the parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to make the public or any member thereof, other than the Trustee and the Bond Insurer, if any, and except as expressly provided herein or as contemplated in the Indenture, a

third party beneficiary hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement. The duties, obligations and responsibilities, if any, of the parties to this Agreement with respect to third parties shall remain as imposed by law. The Bond Insurer, if any, is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any right, remedy or claim conferred, given or granted hereunder.

Section 10.12 Exculpatory Provision

(a) In the exercise of the powers of the Issuer, the Trustee and their respective trustees, directors, current, former and future members, officers, employees and agents (each, an "*Indemnified Party*") under this Agreement, each Indemnified Party shall not be accountable or liable to the Corporation (i) for any actions taken or omitted by such Indemnified Party in good faith and believed by it or them to be authorized or within their discretion or rights or powers conferred upon them (other than the negligence or willful misconduct of such Indemnified Party), or (ii) for any claims based on this Agreement against any such Indemnified Party, all such liability, if any, being expressly waived by the Corporation by the execution of this Agreement. The Corporation shall indemnify and hold harmless each Indemnified Party against any claim or liability based on the foregoing asserted by any other person.

(b) In case any action shall be brought against an Indemnified Party in respect of which indemnity may be sought against the Corporation, such Indemnified Party shall promptly notify the Corporation in writing and the Corporation shall assume the defense thereof, including the employment of counsel of the Corporation's choice and the payment of all expenses. Such Indemnified Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnified Party unless the employment of such counsel has been authorized by the Corporation. The Corporation shall not be liable for any settlement of any such action without its consent but if any such action is settled with the consent of the Corporation or if there be final judgment for the plaintiff of any such action, the Corporation agrees to indemnify and hold harmless such Indemnified Party from and against any loss or liability by reason of such settlement or judgment.

(c) No recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligations, covenant or agreement contained in this Agreement against any past, present or future officer, director, member, employee or agent of the Issuer, or of any successor public corporation, as such, either directly or through the Issuer or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees, or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement and the issuance of such Bonds.

Section 10.13 Accounts and Audits. The Issuer shall cause the Trustee to keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Bonds. The Issuer shall have

access to the Corporation's books and records with respect to the Facilities upon written request after reasonable notice.

Section 10.14 Date of Loan Agreement. The dating of this Agreement as of May 1, 2010 is intended as and for the convenient identification of this Agreement and is not intended to indicate that this Agreement was executed and delivered on said date, this Agreement being executed on the dates of the respective acknowledgments hereto attached.

Section 10.15 Reliance. It is expressly understood and agreed by the parties to this Agreement that:

(a) the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee, any Bondholder or the Corporation as to the existence of a fact or state of affairs required under this Agreement to be noticed by the Issuer;

(b) the Issuer shall not be under any obligation to perform any recordkeeping or to provide any legal service, it being understood that such services shall be performed or caused to be performed by the Trustee or the Corporation; and

(c) none of the provisions of this Agreement or the Mortgage shall require the Issuer to expend or risk its own funds (apart from the proceeds of Bonds issued under the Indenture) or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights under this Agreement or the Mortgage unless it first shall have been adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred by taking any such action.

Section 10.16 Issuer Not Liable. Notwithstanding any other provision of this Agreement, the Indenture, the Mortgage, the Continuing Disclosure Certificate, the Bond Purchase Agreement or the Tax Regulatory Agreement, (a) the Issuer shall not be required to take action under this Agreement, the Indenture, the Mortgage, the Continuing Disclosure Certificate, the Bond Purchase Agreement or the Tax Regulatory Agreement unless the Issuer (i) is requested in writing by an appropriate Person to take such action; and (ii) is assured of payment of or reimbursement for any expense incurred in taking such action, and (b) except with respect to any action for specific performance or any action in the nature of a prohibitory or mandatory injunction, neither the Issuer nor any official, officer, member, director, agent, employee or servant of the Issuer shall be liable to the Corporation, the Trustee or any other Person for any action taken by the Issuer or by its officials, officers, members, directors, agents, employees, or servants, or for any failure to take action under this Agreement, the Indenture, the Mortgage, the Continuing Disclosure Certificate, the Bond Purchase Agreement, or the Tax Regulatory Agreement. In acting or in refraining from acting under this Agreement, the Indenture, the Mortgage, the Continuing Disclosure Certificate, the Bond Purchase Agreement or the Tax Regulatory Agreement, the Issuer may conclusively rely on the advice of its counsel.

Section 10.17 No Violations of Law. Any other term or provision in this Agreement to the contrary notwithstanding:

(a) In no event shall this Agreement be construed as:

IN WITNESS WHEREOF, the Authority has caused this Indenture to be executed by its Chairman and has caused the seal of the Authority to be affixed hereto and attested by its Secretary and the Trustee has caused this Indenture to be executed in its behalf by a Trust Officer and its seal to be impressed hereon, all as of the day and year above written.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

By: Julian E. Dufreche, Chairman

ATTEST:

SEAL

By: Steve A. Dicharry, Executive Director

UNIVERSITY FACILITIES, INC.

By: Phil K. Livingston, Chairperson

(i) depriving the Issuer of any right or privilege; or
(ii) requiring the Issuer or any member, agent, employee, representative or advisor of the Issuer to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else;

which deprivation or requirement would violate, or result in the Issuer's being in violation of the Act or any other applicable state or federal law; and

(b) At no time and in no event will the Corporation permit, suffer or allow any of the proceeds of the Agreement or the Bonds to be transferred to any Person in violation of, or to be used in any manner that is prohibited by, the Act or any other state or federal law.

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EXHIBIT A

DESCRIPTION OF FACILITIES

DESCRIPTION OF THE SERIES 2010A FACILITIES

This facility will contain some of the most important academic and non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. It will be the central core for the campus. The two major components in the 2010A Series will include the Student Union and the Center for Student Excellence.

The Student Union will include a large event space and ballroom. It will also consist of a series of student support spaces such as conference and meeting rooms, student organization space, a theater, as well as other activity and lounge spaces. Several administrative offices will also be located in the Union including offices in Student Affairs and Auxiliary Services. Finally, it will be home to the Center for Student Excellence which provides programming and resources to students to enhance and in support of academic achievement, personal development and professional growth.

DESCRIPTION OF THE SERIES 2010B FACILITIES

This facility will contain some of the most important non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. The two major components in the 2010B Series will include Food Service and the Retail Bookstore.

The Food Service area will include a new residential and commuter dining facility as well as a food court and other smaller grab and go locations. The facility will include adequate support space such as seating, kitchens and production space. The Retail Bookstore will house retail textbooks, university paraphernalia, convenience items, reading areas and possibly a food and/or beverage concept. In addition to these two major components, approximately 3,600 square feet of space will be committed to other retail components providing additional services to our campus community.

EXHIBIT B

PERMITTED ENCUMBRANCES

Food Service:
ARAMARK Educational Services, LLC
ARAMARK Tower
1101 Market Street
Philadelphia, PA 19107
Term of Agreement: July 1, 2008 – June 30, 2023

Retail Bookstore:
Follett College Stores Corporation
1818 Swift Drive
Oak Brook, IL 60523-9851
Term of Agreement: July 1, 1989 – January 31, 2010

Copy Center:
Xerox Corporation
3850 North Causeway
Suite 1860
Metairie, LA 70002
Term of Agreement: December 15, 1998 until such date the University issues a thirty (30) calendar days notice of the final end date or June 30, 2009, whichever comes earlier.
NOTE: The contract is currently pending completion of request for proposals process.

REPLACEMENT OR NEW CONTRACTS:
Contracts entered into in place of the above listed contracts are considered Permitted Encumbrances.

SELU Loan Agreement

EX-B-1

(N1883415.6)

EXHIBIT A

DESCRIPTION OF FACILITIES

DESCRIPTION OF THE SERIES 2010A FACILITIES

This facility will contain some of the most important academic and non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. It will be the central core for the campus. The two major components in the 2010A Series will include the Student Union and the Center for Student Excellence.

The Student Union will include a large event space and ballroom. It will also consist of a series of student support spaces such as conference and meeting rooms, student organization space, a theater, as well as other activity and lounge spaces. Several administrative offices will also be located in the Union including offices in Student Affairs and Auxiliary Services. Finally, it will be home to the Center for Student Excellence which provides programming and resources to students to enhance and in support of academic achievement, personal development and professional growth.

DESCRIPTION OF THE SERIES 2010B FACILITIES

This facility will contain some of the most important non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. The two major components in the 2010B Series will include Food Service and the Retail Bookstore.

The Food Service area will include a new residential and commuter dining facility as well as a food court and other smaller grab and go locations. The facility will include adequate support space such as seating, kitchens and production space. The Retail Bookstore will house retail textbooks, university paraphernalia, convenience items, reading areas and possibly a food and/or beverage concept. In addition to these two major components, approximately 3,600 square feet of space will be committed to other retail components providing additional services to our campus community.

SELU Loan Agreement

EX-A-1

(N1883415.1)

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APPENDIX C-3

GROUND AND BUILDINGS LEASE AGREEMENT

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GROUND AND BUILDINGS LEASE AGREEMENT

by and between
Board of Supervisors for the University of Louisiana System,
on behalf of Southeastern Louisiana University
(as Lessor)

and
University Facilities, Inc.
(as Lessee)

Dated as of January 1, 2010

in connection with
the anticipated issuance of:

Louisiana Local Government Environmental Facilities and
Community Development Authority
Revenue Bonds (Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010A

Louisiana Local Government Environmental Facilities and
Community Development Authority
Revenue Bonds (Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010B

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Ground Lease

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GROUND AND BUILDINGS LEASE AGREEMENT

This GROUND AND BUILDINGS LEASE AGREEMENT (together with any amendment hereto or supplement hereto, the "Ground Lease") dated as of January 1, 2010 is entered into by and between the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM (the "Board"), a public constitutional corporation organized and existing under the laws of the State of Louisiana, acting herein on behalf of Southeastern Louisiana University (the "University"), which Board is represented herein by its duly authorized officer, and UNIVERSITY FACILITIES, INC., a Louisiana, nonprofit corporation represented herein its duly authorized officer, (the "Corporation").

WITNESSETH

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State of Louisiana and the University is a university under its management pursuant to Louisiana Revised Statutes 17:3217;

WHEREAS, the Corporation is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201, et seq.), whose purpose is to support and benefit the educational, scientific, research and public service missions of the University;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3366, the Board is authorized to lease to a private entity, such as the Corporation, any portion of the campus of the University (the "Campus") provided the Corporation is thereby obligated to construct improvements for furthering the educational, scientific, research or public service functions of the Board;

WHEREAS, in order to further these functions of the Board, by development and construction of a Student Union, Center for Student Excellence, food services areas, a bookstore and related facilities for students, faculty, staff and the general public on the Campus (the "Facilities" as further defined herein), the Board deems it advisable that a portion of the Campus be leased to the Corporation for the purpose of demolishing certain existing facilities and renovating, developing and constructing such Facilities and leasing such Facilities back to the Board; and

WHEREAS, the Board and the Corporation have agreed to enter into this Ground Lease whereby the Board will lease certain tracts of land and the improvements thereon owned by the Board and located on the Campus to the Corporation; and

WHEREAS, the Board and the Corporation have agreed that the Corporation shall demolish certain existing facilities and renovate, develop and construct the Facilities on the land leased hereunder which Facilities will be owned by the Board as constructed and leased to the Corporation pursuant to this Ground Lease; and

WHEREAS, the Corporation shall lease the Facilities back to the Board pursuant to a lease of even date herewith (the "Facilities Lease") for use by the general public and by

students, faculty and staff of the University and such other persons as set forth in the Facilities Lease;

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

ARTICLE I LEASE OF PROPERTY - TERMS OF GROUND LEASE

Section 1.1 Lease of Land. The Board does hereby let, demise, and rent unto the Corporation, and the Corporation does hereby rent and lease from the Board, the real property (the "Land") more particularly described on Exhibit A attached hereto, together with all existing and future improvements, alterations, additions and attached fixtures located or to be located on the Land (the "Facilities") and the right of uninterrupted access to and from all streets and roads now or hereafter adjoining the Land for vehicular and pedestrian ingress and egress. Notwithstanding Article VIII of the Loan Agreement, the Board shall have the right to release from this Ground Lease, after demolition has been completed, any portion of the Land upon which existing facilities were demolished, if no portion of the Facilities is thereafter constructed thereon. The Corporation, by execution of this Ground Lease, accepts the leasehold estate herein demised subject only to the matters described on Exhibit B attached hereto.

Section 1.2 Habendum. To have and to hold the Land and the Facilities, together with all and singular the rights, privileges, and appurtenances thereto attaching or in anywise belonging, exclusively unto the Corporation, its successors and assigns, for the term set forth in Section 1.3 below, subject to the covenants, agreements, terms, provisions, and limitations herein set forth.

Section 1.3 Term. Unless sooner terminated as herein provided, this Ground Lease shall continue and remain in full force and effect for a term commencing on the effective date hereof and ending on the Expiration Date which shall be the earlier of (i) January 1, 2050, or (ii) the date on which any of the following events occur: (a) repayment of the Series 2010 Bonds in full, including principal, premium, if any, interest and all Administrative Expenses with respect to the Series 2010 Bonds or the defeasance of the Series 2010 Bonds, all as set forth in the Indenture; or (b) the exercise by the Board of the Option to Purchase and the purchase of the Corporation's interest in the Facilities pursuant to the Option.

ARTICLE II DEFINITIONS

Section 2.1 Definitions. In addition to such other defined terms as may be set forth in this Ground Lease, the following terms shall have the following meanings:

"Additional Series 2010A Bonds" means bonds, if any, issued in one or more series on parity with the Series 2010A Bonds for completion of the Series 2010A Facilities.

"Additional Series 2010B Bonds" means bonds, if any, issued in one or more series on parity with the Series 2010B Bonds for the completion of the Series 2010B Facilities.

"Affiliate" means, with respect to a designated Person under this Ground Lease, any other Person that, directly or indirectly, controls is controlled by, or is under common control with such designated Person. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person.

"Agreement" means the Loan Agreement to be entered into between the Corporation and the Issuer in connection with the issuance of the Series 2010 Bonds, including any amendments and supplements thereof and thereto as permitted thereunder.

"Applicable Laws" means all present and future statutes, regulations, ordinances, resolutions and orders of any Governmental Authority which are applicable to the parties performing their obligations under this Ground Lease.

"Aramark" means Aramark Educational Services, LLC, a Delaware limited liability company having its principal place of business Philadelphia, Pennsylvania

"Award" means any payment or other compensation received or receivable as a consequence of a Taking from or on behalf of any Governmental Authority or any other Person vested with the power of eminent domain.

"Board" means Board of Supervisors for the University of Louisiana System or its legal successor as the management board of the University, acting on behalf of the University.

"Board Representative" means the Person or Persons designated by the Board in writing to serve as the Board's representative(s) in exercising the Board's rights and performing the Board's obligations under this Ground Lease; the Board Representative shall be the Chairman, Vice Chairman, Secretary of the Board, the System President, a designee of any of the foregoing or any other representative designated by resolution of the Board, of whom the Corporation has been notified in writing.

"Board's Interest" means the Board's ownership interest in and to the Land and the Facilities.

"Bond Documents" shall have the meaning set forth in Section 3.12 of the Indenture.

"Bond Insurer", if any, means Assured Guaranty Corporation.

"Bookstore" means the locations described as such on Exhibit D-2 to this Ground Lease and any improvements thereon or placed thereon during the term of this Ground Lease.

"Building Use Fee" means one-half of the building use fee being assessed by the University on all students for the renovation, construction and development of on-campus facilities.

"Business Day" means any day other than (i) a Saturday, (ii) a Sunday, (iii) any other day on which banking institutions in New York, New York, or Baton Rouge, Louisiana, are

authorized or required not to be open for the transaction of regular banking business, or (iv) a day on which the New York Stock Exchange is closed.

"Campus" means the campus of the University.

"Capital Funds" means payments to the University, or to the Board on behalf of the University, for capital improvements and made in connection with the operation and/or management of the Food Service Areas whether pursuant to the Food Service Contract, the Facilities Lease or other lease, management agreement or operating agreement.

"Casualty" has the meaning set forth in Section 12.4 of this Ground Lease.

"Commencement of Construction" means the date on which demolition, excavation or foundation work is begun for the Facilities

"Commencement Date" means the effective date of this Ground Lease.

"Construction Team" shall mean all construction professionals performing services under the Contract.

"Contract" shall mean that contract or those certain contracts between the Corporation and the Design Team and the Corporation and the Construction Team for the design and construction of the Facilities.

"Corporation" means University Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payment or provision for the payment of all of the Series 2010 Bonds.

"Date of Opening" means the date the demolition is complete and the Facilities are opened for occupancy or use.

"Design Team" shall mean all design professionals performing services under the Contract.

"Event of Default" means any matter identified as an event of default under Section 11.1 hereof.

"Expiration Date" means the expiration date of this Ground Lease as set forth in Section 1.3 hereof.

"Expropriation" has the meaning set forth in Section 12.5 of this Ground Lease.

"Facilities" means, collectively, the Series 2010A Facilities and the Series 2010B Facilities.

"Facilities Lease" means that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010 by and between the Board, as Lessee, and the Corporation, as Lessor, whereby the Facilities are leased by the Corporation to the Board, on behalf of the University.

"Food Service Areas" means the locations described as such on Exhibit D-2 to this Ground Lease and any improvements thereon or placed thereon during the Term of this Ground Lease.

"Food Service Contract" means that certain Agreement dated July 1, 2008 by and between the Board and Aramark, as amended, modified, extended or replaced; provided the University will make its best efforts to require an annual payment of at least \$990,000 for capital improvements to the Food Service Areas in any such amended, modified, extended or replaced contract.

"Force Majeure" means any (a) act of God, landslide, lightning, earthquake, hurricane, tornado, blizzard and other adverse and inclement weather, fire, explosion, flood, act of a public enemy, act of terrorism, war, blockades, insurrection, riot, or civil disturbance; (b) labor dispute, strike, work slowdown, or work stoppage; (c) order or judgment of any Governmental Authority, if not the result of willful or negligent action of the Corporation; (d) adoption of or change in any Applicable Laws after the date of execution of this Ground Lease having a material adverse effect on the rights or duties under this Ground Lease; (e) any actions by the Board which may cause delay; or (f) any other similar cause or similar event beyond the reasonable control of the Corporation.

"FP&C" means the Office of Facility Planning and Control of the Division of Administration, State of Louisiana.

"Governmental Authority" means any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, parish, district, municipality, city or otherwise) whichever now or hereafter in existence.

"Health Center Bond Fee" means the health center bond fee being assessed by the University on all students for the use and availability of on-campus health center facilities.

"Independent Architect" means the architect, engineer, or consultant selected and retained by the Board to inspect the Facilities on behalf of the Board.

"Issuer" means the Louisiana Local Government Environmental Facilities and Community Development Authority, a political subdivision of the State of Louisiana created by the provisions of the Act (as defined in the Indenture), or any agency, board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Issuer by said provisions shall be given by law.

"Land" means the real property more particularly described on Exhibit A attached hereto upon which certain existing facilities are to be demolished and upon which the Facilities are to be renovated, constructed and located.

"Mortgage" shall have the meaning set forth in the Agreement.

"Permitted Sublessees" means persons other than University students, faculty and staff who are participants in any activities related to the mission of the University or who are using the Facilities pursuant to a concession or other arrangement with the University.

"Permitted Use" means the operation of the Facilities as a Student Union, a Center for Student Excellence, food services and a bookstore for University students, faculty, staff, the general public and Permitted Sublessees and for purposes related to or associated with the foregoing.

"Person" means an individual, a trust, an estate, a Governmental Authority, partnership, joint venture, corporation, company, firm or any other entity whatsoever.

"Plans and Specifications" means the plans and specifications for the construction of the Facilities, as implemented and detailed from time to time, as the same may be revised from time to time prior to the completion of the Facilities in accordance with the Agreement and this Ground Lease.

"Rent" means the annual rent paid by the Corporation as set forth in Section 3.1 hereof.

"Series 2010A Facilities" means the Student Union, the Center for Student Excellence and related facilities described in Exhibit D-1 attached hereto, as amended and supplemented in accordance with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2010A Bonds and any Additional Series 2010A Bonds.

"Series 2010B Facilities" means the Food Service Areas, the Bookstore and related facilities described in Exhibit D-2 attached hereto, as amended and supplemented in accordance with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2010B Bonds and any Additional Series 2010B Bonds.

"Student Fees" means, collectively, (a) the Building Use Fee, (b) the Health Center Bond Fee, (c) the Student Union Bond Fee and (d) the Student Union Expansion Fee.

"Student Union Bond Fee" means the student union bond fee being assessed by the University on all students for the use and availability of the Student Union.

"Student Union Expansion Fee" means the student union fee being assessed by the University on all students for the planning, development, construction and equipping of the Student Union.

"Taking" means the actual or constructive condemnation, or the actual or constructive acquisition by condemnation, eminent domain or similar proceeding by or at the direction of any Governmental Authority or other Person with the power of eminent domain.

"Term" means the term of this lease as set forth in Section 1.3 hereof.

"Trustee" shall have the meaning set forth in the Facilities Lease.

"University" means Southeastern Louisiana University in Hammond, Louisiana.

ARTICLE III RENT

Section 3.1 Rent. Commencing on the Commencement Date and continuing throughout the Term the Corporation shall pay to the Board, at the address set forth in Section 18.2 hereof or such other place as the Board may designate from time to time in writing, as annual rent for the Land ("Rent"), the sum of \$1.00 per year. Rent shall be due and payable annually in advance, with the first such payment of Rent being due on the Commencement Date and a like installment due on each anniversary thereafter during the Term.

Section 3.2 Additional Obligations. As further consideration for the entering into of this Ground Lease by the Board, the Corporation agrees to perform its construction obligations as set forth in Article V herein, and to execute and perform its obligations under the Facilities Lease and all other documents contemplated by and ancillary to this Ground Lease and the Facilities Lease. In addition, the Corporation agrees to pay the costs of demolishing, developing and/or constructing the Facilities pursuant to the terms of this Ground Lease and the Facilities Lease, title to which shall vest in the Board.

ARTICLE IV USE OF LAND

Section 4.1 Purpose of Lease. The Corporation enters into this Ground Lease for the purpose of demolishing certain existing facilities and renovating, developing and constructing the Facilities in accordance with the Plans and Specifications and leasing the Facilities to the Board in accordance with the Facilities Lease. Except as otherwise provided herein, the Facilities are to be used for no other purpose.

Section 4.2 Benefit of the Board and the University. The Board shall own the Facilities subject to the Corporation's rights under this Ground Lease and, for so long as the Facilities Lease remains in full force and effect, the Board shall lease back the Facilities from the Corporation for the support, maintenance and benefit of the Board and the University. The Facilities shall be owned and leased solely for a public purpose related to the performance of the duties and functions of the Board and the University. Under no circumstances shall the Facilities be used for any purpose other than the Permitted Use.

Section 4.3 Data and Voice Communication Systems. The Board, at its expense, agrees to provide to the Facilities appropriate cabling to tie its computer system into the Facilities. The Board shall provide the Facilities access to its computer system at no charge to the Corporation. The internal installation of such computer wiring within the Facilities in accordance with the Plans and Specifications shall be at the expense of the Corporation.

Section 4.4 Compliance with Statutory Requirements. Section 3361, et. seq. of Title 17 of the Louisiana Revised Statutes prescribes rules and regulations for leases of any portion of the campus by a college or university. By execution of this Ground Lease, the Board represents that it has complied with applicable statutory requirements of such Title 17 including, without limitation:

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(a) the waiver by written consent of the formulation and adoption of rules, regulations and requirements, if any, relative to the erection, construction and maintenance of the Facilities referenced in Section 3362(A) of Title 17 of the Louisiana Revised Statutes, other than those set forth in this Ground Lease or specifically referenced in this Ground Lease;

(b) the waiver by written consent of the Board's right to require removal of the Facilities referenced in Section 3362(B) of Title 17 of the Louisiana Revised Statutes, except as set forth in this Ground Lease; and

(c) the waiver by written consent of the Board's right to cause the immediate termination of this Ground Lease and the removal of the houses and structures erected on the leased grounds based upon the failure of the Corporation to conform to any rules or regulations adopted by the Board pursuant to La. R.S. 17:3364, which the Board deems necessary or desirable relative to the conduct and social activities of people in structures erected on the leased grounds, except as may be specified in this Ground Lease.

ARTICLE V CONSTRUCTION OF THE FACILITIES

Section 5.1 The Corporation's Construction Obligations. The Corporation will demolish certain existing facilities and renovate, develop and construct the Facilities on the Land at its own cost and expense. The Corporation shall lease the Facilities to the Board pursuant to the Facilities Lease. The Board shall not have any financial obligation or other obligation of any kind under this Ground Lease except to review and approve the Corporation's activities and as specifically set forth herein.

(a) The Corporation shall furnish or cause to be furnished all supervision, tools, implements, machinery, labor, materials and accessories such as are necessary and proper for the demolition of certain existing facilities and the construction of the Facilities, shall pay all applicable permit and license fees, and shall demolish certain existing facilities and construct, build, and complete the Facilities in a good, substantial and workmanlike manner all in accordance with this Ground Lease, and generally in compliance with the Plans and Specifications and all documents executed pursuant hereto and thereto. The Corporation and the Board agree to cooperate fully so that fee and permit exemptions available with respect to the Facilities under applicable law are obtained by the party or parties entitled thereto.

(b) Subject to the provisions of this Section 5.1, all decisions regarding construction matters shall be made by the Corporation in consultation with the Construction Team and the Design Team, and with approval of FP&C. The Corporation shall select the designers and any Construction Contractor, the members of which shall comply with licensing requirements of Louisiana law. All construction, alterations, or additions to the Facilities undertaken by the Corporation shall be in conformance with all applicable laws, codes, rules and regulations, and amendments thereto, including 1988 Standard Building Code with 1989 and 1990 revisions, ANSIA 1117.1 1986 edition, and NFPA 101 Life Safety Code and all local and state building codes. The Corporation shall have the right to contest any such codes for reasonable grounds by ordinary and proper procedures. The parties hereto acknowledge that the Board Representative and any other party whose consent is necessary to the Board's authority

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have previously reviewed and approved the Plans and Specifications and the Contract for the Facilities.

(c) Changes in work and materials are subject to review and approval of the Board Representative and FP&C; however minor changes in work or materials, not affecting the general character of the Facilities or increasing the cost of construction may be made in the Plans and Specifications at any time by the Corporation without the approval of the Board Representative and FP&C, but a copy of the altered Plans and Specifications shall promptly be furnished to the Board Representative and FP&C. The Corporation shall notify the Board Representative of any changes in work or materials that require the Board Representative's approval and the Board Representative shall either approve or disapprove any such changes within ten (10) business days after receipt of such notice from the Corporation. Notification shall include sufficient information for the Board Representative to make a determination and to approve or disapprove any changes in work or materials.

(d) After completion of the Facilities, at least sixty (60) days prior to undertaking any structural alteration, renovation, or remodeling of the Facilities during the Term, the Corporation shall submit plans for such renovation or remodeling to the Board Representative and FP&C for approval which approval must be obtained prior to the Corporation making or causing to be made any such structural alteration, renovation, or remodeling of the Facilities. The Board Representative shall either approve or disapprove any such alteration within thirty (30) days after receipt of such plans from the Corporation and approval by FP&C. All alterations, renovations or additions to the Facilities undertaken by the Corporation shall be in conformance with all applicable laws, codes, rules and regulations, and amendments thereto, including 1988 Standard Building Code with 1989 and 1990 revisions, ANSIA 1117.1, 1986 edition, and NFPA 101 Life Safety Code and all local and state building codes. The Corporation shall have the right to contest any such codes for reasonable grounds by ordinary and proper procedures.

(e) Subject to Force Majeure, the Corporation covenants that the Corporation shall substantially complete construction of the Facilities, subject to punch list items. Notwithstanding anything to the contrary contained herein, a breach by the Corporation of the covenant set forth in this Section 5.1(E) shall not be an Event of Default hereunder. The Board shall be entitled to institute an action seeking specific performance of this covenant by the Corporation.

(f) Prior to the commencement of construction of the Facilities, the Corporation, the Construction Team and the Design Team shall meet with the Board Representative to coordinate construction activity under the Contract. Upon commencement of construction of the Facilities, the Corporation shall deliver to the Board Representative and FP&C, (1) a copy of the signed Contract for the construction of the Facilities, and (2) a copy of the labor and materials payment and performance bonds in an amount equal to the contract price set forth in the Contract for the Facilities issued by a company qualified, permitted or admitted to do business of the State of Louisiana and approved by the Board. The Corporation shall take the action specified by La. R.S. 9:4802(C) to be taken by an owner to protect the premises from any liens related to the design or construction of the Facilities.

(g) Prior to the Commencement of Construction of any phase of the Facilities, any architect whose services have been retained shall provide a standard errors and omissions policy, with such additional provisions as may be approved by counsel to the Corporation.

(h) Any performance bond, labor and material payment bond, or completion bond provided by a contractor hired by the Corporation shall be for 100% of the amount of the contract with such contractor, and shall contain a dual obligee rider in favor of the Board; subject, however, to the reasonable underwriting guidelines of the surety issuing the bond and rules of the Governmental Authorities regulating the surety.

(i) The Corporation shall, upon written request of the Board, make, in such detail as may reasonably be required, and forward to the Board Representative, reports in writing, as to the actual progress of the construction of the Facilities. During such period, the construction work shall be subject to inspection by the Independent Architect and by authorized personnel of the Board and FP&C in order to verify reports of construction, determine compliance with safety, fire, and building codes, determine compliance with approved construction plans, or such other inspections as may be necessary in the reasonable opinion of the Board Representative and FP&C.

(j) The Corporation shall inspect the Land and arrange for boundary surveys, topographical surveys, soil borings and other site investigations at its expense to the extent these things have not been done by the Board. The Board does not guarantee that the Land is suitable for construction of the Facilities. Subject to the matters shown on Exhibit B attached to this Ground Lease, the Corporation accepts the Land in its present condition. However, the Board represents that to the best of its knowledge and belief there are no hazardous materials or other materials on or under the Land that would materially impact the construction of the Facilities.

(k) Except as provided in Section 4.3 hereof, part of the cost of construction of the Facilities shall include all costs necessary for the contractor or applicable utility company to bring lines for all such utilities to the Facilities so that such utilities will be available when required for construction and operation of the Facilities.

ARTICLE VI ENCUMBRANCES

Section 6.1 Mortgage of Leasehold or the Facilities. Except for the Mortgage, the Corporation shall not mortgage, lien or grant a security interest in the Corporation's leasehold interest in the Land or the Facilities or any other right of the Corporation hereunder without the prior written consent of the Board.

ARTICLE VII MAINTENANCE AND REPAIR

Section 7.1 Maintenance, Repairs and Renovations.

(a) For as long as the Facilities Lease is in effect, the University, at the direction of the Board, shall be responsible for maintaining and repairing the Facilities in accordance with Section 7 of the Facilities Lease.

(b) In the event that the Facilities Lease has been terminated, the Corporation will: (1) maintain or cause to be maintained the Facilities, and will keep the Facilities in good repair and in good operating condition and make from time to time all necessary repairs thereto and renewals and replacements thereof; and (2) make from time to time any additions, modifications or improvements to the Facilities the Corporation may deem desirable for its business purposes that do not materially impair the effective use of the Facilities, provided that all such additions, modifications and improvements will become a part of the Facilities.

ARTICLE VIII CERTAIN LIENS PROHIBITED

Section 8.1 No Mechanics' Liens. Except as permitted in Section 8.2 hereof, the Corporation shall not suffer or permit any mechanics' liens or other liens to be enforced against the Board's ownership interest in the Land or the Facilities nor against the Corporation's leasehold interest in the Land or the Facilities by reason of a failure to pay for any work, labor, services, or materials supplied or claimed to have been supplied to the Corporation or to anyone holding the Land or Facilities or any part thereof through or under the Corporation.

Section 8.2 Release of Recorded Liens. If any such mechanics' liens or materialmen's liens shall be recorded against the Land or Facilities, the Corporation shall cause the same to be released of record or, in the alternative, if the Corporation in good faith desires to contest the same, the Corporation shall be privileged to do so, but in such case the Corporation hereby agrees to indemnify and save the Board harmless from all liability for damages occasioned thereby and shall in the event of a judgment of foreclosure on said mechanics' lien, cause the same to be discharged and released prior to the execution of such judgment. In the event the Board reasonably should consider the Board's interest in the Land or the Facilities endangered by any such liens and should so notify the Corporation and the Corporation should fail to provide adequate security for the payment of such liens, in the form of a surety bond, cash deposit or cash equivalent, or indemnity agreement reasonably satisfactory to the Board within thirty (30) days after such notice, then the Board, at the Board's sole discretion, may discharge such liens and recover from the Corporation immediately as additional Rent under this Ground Lease the amounts paid, with interest thereon from the date paid by the Board until repaid by the Corporation at the rate of ten percent (10%) per annum.

Section 8.3 Memorandum of Recitals. The memorandum of lease to be filed pursuant to Section 18.4 of this Ground Lease shall state that any third party entering into a contract with the Corporation for improvements to be located on the Land, or any other party claiming under said third party, shall be on notice that neither the Board nor the Board's property shall have any liability for satisfaction of any claims of any nature in any way arising out of a contract with the Corporation.

ARTICLE IX OPERATION AND MANAGEMENT OF FACILITIES

Section 9.1 Management of Facilities. For as long as the Facilities Lease is in effect, the University, at the direction of the Board, shall operate and manage the Facilities or cause the Facilities to be operated and managed in accordance with the Section 7 of the Facilities Lease. In the event the Food Service Contract is terminated, the Corporation or the Board shall immediately begin providing operations and management services for the Food Service Areas until such time as a new contract to provide operations and management services for the Food Service Areas can be executed. The University covenants and agrees to use their best efforts to enter into a new contract to provide operations and management services for the Food Service Areas that contains an annual Capital Funds payment of at least \$990,000.

In the event the Facilities Lease is terminated, the Corporation will be responsible for the operations and management of the Facilities and the Board will no longer have the right to operate or manage the Facilities.

Section 9.2 Books and Records. The Corporation shall keep, or cause to be kept, accurate, full and complete books, including bank statements, and accounts showing exclusively its assets and liabilities, operations, transactions and the financial condition of the Corporation.

Section 9.3 Audits. The Board may, at its option and at its own expense, and during customary business hours, conduct audits of the books, bank accounts, records and accounts of the Corporation. Audits may be made on either a continuous or a periodic basis or both, and may be conducted by employees of the Board, by the Louisiana Legislative Auditor or by independent auditors retained by the Board desiring to conduct such audit, but any and all such audits shall be conducted without materially or unreasonably or unnecessarily interrupting or interfering with the normal conduct of business affairs by the Corporation.

ARTICLE X INDEMNIFICATION

Section 10.1 Indemnification by the Corporation. Excluding those as a result of the acts or omissions of the Board, its employees, agents or contractors, the Corporation shall and will indemnify and save harmless the Board, its agents, officers, and employees, from and against any and all liability, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions, and causes of action of any and every kind and nature arising or growing out of or in any way connected with the Corporation's demolition, renovation, development or construction of the Facilities. This obligation to indemnify shall include reasonable fees of legal counsel and third-party investigation costs and all other reasonable costs, expenses, and liabilities from the first notice that any claim or demand has been made; however, the Corporation and the Board shall use the same counsel if such counsel is approved by the Board, which approval shall not be unreasonably withheld or delayed. If the Board does not approve such counsel then the Board may retain independent counsel at the Board's sole cost and expense. It is expressly understood and agreed that the Corporation is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions and that the Board shall in no way be responsible therefor.

Section 10.2 Contributory Acts. Whenever in this Ground Lease any party is obligated to pay an amount or perform an act because of its negligence or misconduct (or that of its agents, employees, contractors, guests, or invitees), such obligations shall be mitigated to the extent of any comparative fault or misconduct of the other party (or that of its agents, employees, contractors, guests, or invitees) as determined by a court of law, and in any disputes damages shall be apportioned based on the relative amounts of such negligence or willful misconduct as determined by a court of law.

ARTICLE XI TERMINATION, DEFAULT AND REMEDIES

Section 11.1 Events Of Default. Any one of the following events shall be deemed to be an "Event of Default" by the Corporation under this Ground Lease.

(A) The Corporation shall fail to pay any sum required to be paid to the Board under the terms and provisions of this Ground Lease and such failure shall not be cured within thirty (30) days after the Corporation's receipt of written notice from the Board of such failure.

(B) The taking by execution of the Corporation's leasehold estate (other than a foreclosure of the Mortgage) for the benefit of any Person.

(C) The Corporation shall fail to perform any other covenant or agreement, other than the payment of money, to be performed by the Corporation under the terms and provisions of this Ground Lease, other than the covenant set forth in Section 5.1(e) hereof, and such failure shall not be cured within ninety (90) days after receipt of written notice from the Board of such failure; provided that if during such ninety (90) day period, the Corporation takes action to cure such failure but is unable, by reason of the nature of the work involved, to cure such failure within such period and continues such work thereafter diligently and without unnecessary delays, such failure shall not constitute an Event of Default hereunder until the expiration of a period of time after such ninety (90) day period as may be reasonably necessary to cure such failure.

(D) A court of competent jurisdiction shall enter an order for relief in any involuntary case commenced against the Corporation, 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 over the Facilities appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for the Corporation or any substantial part of the properties of the Corporation or ordering the winding up or liquidation of the affairs of the Corporation, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days.

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

(F) The Corporation, after Commencement of Construction but prior to substantially completing construction of the Facilities, abandons (with no intent to continue) demolition, renovation or construction for a period of forty-five (45) consecutive days.

Section 11.2 The Board's Rights Upon Default. Upon the occurrence and during the continuance of an Event of Default, the Board may at its option seek any and all damages occasioned by the Event of Default or may seek any other remedies available at law or in equity, including specific performance.

Section 11.3 Termination of Right of Occupancy. Notwithstanding any provision of law or of this Ground Lease to the contrary, except as set forth in Section 1.3 hereof, the Board shall not have the right to terminate this lease prior to the Expiration Date hereof. However, in the event there is an Event of Default by the Corporation hereunder, the Board shall have the right to terminate the Corporation's right to occupancy of the Land and the Facilities, except that the Facilities, at the option of the Board, shall remain thereon. The Board shall have the right upon ninety (90) days' written notice and opportunity to cure provided to the Bond Insurer, if any, and the Trustee, to take possession of the Land and the Facilities and to re-let the Land and the Facilities or take possession in its own right for the remaining Term of the Ground Lease upon such terms and conditions as the Board is able to obtain. Upon such re-letting, the Corporation hereby agrees to release its leasehold interest and all of its rights under this Ground Lease and the Facilities Lease to the new lessee of the Land (or to the Board, if the Board wishes to remain in possession on its own behalf) in consideration for the new lessee (or the Board, as applicable) agreeing to assume all of the Corporation's obligations under the Ground Lease, the Facilities Lease and under any debt incurred by the Corporation in connection with the construction of the Facilities.

Section 11.4 Rights of The Board Cumulative. All rights and remedies of the Board provided for and permitted in this Ground Lease shall be construed and held to be cumulative, and no single right or remedy shall be exclusive of any other which is consistent with the former. The Board shall have the right to pursue any or all of the rights or remedies set forth herein, as well as any other consistent remedy or relief which may be available at law or in equity, but which is not set forth herein.

ARTICLE XII TITLE TO THE FACILITIES

Section 12.1 Title to Facilities. Title to the existing Facilities and any new Facilities as they are constructed or placed in service upon completion thereof shall be vested in the Board. The Board's right to obtain title to the Facilities unencumbered by the leasehold interest of the Corporation granted hereunder shall be as set forth in the Facilities Lease. All furniture, fixtures, equipment and furnishings permanently affixed to the Facilities shall be the property of the Board upon termination of this Ground Lease whether such termination be by expiration of the Term or an earlier termination under any provision of this Ground Lease.

Section 12.2 The Board's Option to Require Demolition. Upon the Expiration Date of the Term or earlier termination hereof, in the event the Facilities are no longer suitable for the Board's purposes, the Board in its sole discretion may require the Corporation to demolish the

Facilities and remove the Facilities from the Land, and restore the Land to substantially the same condition as it existed on the date of this Ground Lease, to be accomplished within one hundred eighty (180) days of such Expiration. Date of earlier termination hereof. However, such demolition and removal of the Facilities shall be at the Board's sole cost and expense. In the event of such election upon the expiration of the Term, the Board shall notify the Corporation no later than six (6) months prior to the expiration of the Term. If this Ground Lease is terminated earlier, the Board shall notify the Corporation within thirty (30) days after the termination.

Section 12.3 Termination of Facilities Lease. Upon the termination of the Facilities Lease as a result of the Board's exercise of its option to purchase the Facilities granted under the Facilities Lease, all right and interest of the Corporation in and to this Ground Lease, the Facilities Lease and the Facilities shall be transferred to the Board, and the Corporation hereby agrees to execute any documents necessary to effectuate such transfer, or the Board may require the demolition of the Facilities as set forth in Section 12.2 above.

Section 12.4 Insurance Proceeds. Notwithstanding the fact that title to the Facilities is vested in the Board, if the Facilities Lease is no longer in force and effect, and all or any portion of the Facilities is damaged or destroyed by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion or otherwise (collectively "Casualty"), the proceeds of any insurance received on account of any such Casualty shall be disbursed in accordance with the provisions of the Bond Documents.

Section 12.5 Condemnation, Casualty and Other Damage. The risk of loss or decrease in the enjoyment and beneficial use of the Facilities due to any Casualty or in consequence of any foreclosures, attachments, levies or executions; or the taking of all or any portion of the Facilities by condemnation, expropriation, or eminent domain proceedings (collectively "Expropriation") is expressly assumed by the Board. The Corporation and the Trustee shall in no event be answerable, accountable or liable therefor, nor shall any of the foregoing events entitle the Board to any abatements, set-offs or counter claims with respect to its Base Rental, Additional Rental or any other obligation hereunder.

ARTICLE XIII CONDEMNATION

Section 13.1 Condemnation. If the Facilities Lease has been terminated, upon the permanent Taking of all the Land and the Facilities, this Ground Lease shall terminate and expire as of the date of such Taking, and both the Corporation and the Board shall thereupon be released from any liability thereafter accruing hereunder except for Rent and all other amounts secured by this Ground Lease owed to the Board apportioned as of the date of the Taking or the last date of occupancy, whichever is later. The Corporation shall receive notice of any proceedings relating to a Taking and shall have the right to participate therein.

Section 13.2 Partial Condemnation if Facilities Lease is No Longer in Effect. Upon a temporary Taking or a Taking of less than all of the Land and the Facilities and if the Facilities Lease is no longer in effect, the Corporation, at its election, may terminate this Ground Lease by giving the Board notice of its election to terminate at least sixty (60) days prior to the date of such termination. Upon any such termination, the Rent accrued and unpaid hereunder shall be

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apportioned to the date of termination. In the event there is a partial condemnation of the Land and the Corporation decides not to terminate this Ground Lease, the Board and the Corporation shall either amend this Ground Lease or enter into a new lease so as to cover an adjacent portion of property, if necessary to restore or replace any portion of the Land and/or Facilities.

Section 13.3 Partial or Total Condemnation if Facilities Lease is in Effect. If this Ground Lease is terminated under Section 13.1 or in the event of a Taking of less than all of the Land and the Facilities while the Facilities Lease is in force and effect, and the Board decides to restore or replace the Facilities in accordance with the Facilities Lease, the Board and the Corporation agree to enter into a new lease (in form and substance substantially the same as this Ground Lease) of a portion of property necessary to place thereon the Facilities and to enter into a new Facilities Lease (in form and substance substantially the same as the Facilities Lease) covering such replacement Facilities.

Section 13.4 Payment of Awards - If Facilities Lease is in Effect. Upon the Taking of all or any portion of the Land or the Facilities while the Facilities Lease remains in full force and effect (a) the proceeds of the Award allocable to the value of the Facilities shall be disbursed in accordance with the provisions of the Facilities Lease and the Bond Documents, and (b) the Board shall be entitled (free of any claim by the Corporation) to the Award for the value of the Board's interest (such value to be determined as if this Ground Lease were in effect and continuing to encumber the Board's interest); and (c) the Corporation shall be entitled to the Award for the value of the Corporation's interest in the Land under this Ground Lease that is the subject of the Taking.

Section 13.5 Payment of Awards - If Facilities Lease is not in Effect. Upon the Taking of all or any portion of the Land or the Facilities at any time after the Facilities Lease is no longer in force and effect, (a) the proceeds of the Award allocable to the value of the Facilities shall be disbursed in accordance with the provisions of the Bond Documents, or if the Bond Documents are no longer in effect shall be disbursed to the Corporation, (b) the Board shall be entitled (free of any claim of the Corporation) to the Award for the value of the Board's interest in the Land (such value to be determined as if this Ground Lease were in effect and continuing to encumber the Board's interest) and (c) the Corporation shall be entitled to the Award for the value of the Corporation's interest in the Land under this Ground Lease that is the subject of the Taking.

Section 13.6 Bond Documents Control. Notwithstanding anything in this Ground Lease to the contrary, in the event of a Casualty or a Taking of all or any portion of the Facilities, the provisions in the Bond Documents shall control the division, application and disbursement of any insurance proceeds or Award paid as a result thereof for so long as the Bond Documents remain in effect.

ARTICLE XIV ASSIGNMENT, SUBLETTING, AND TRANSFERS OF THE CORPORATION'S INTEREST

Section 14.1 Assignment of Leasehold Interest. Except as expressly provided for in Article VI and in this Article XIV of this Ground Lease, the Corporation shall not have the right

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to sell or assign the leasehold estate created by this Ground Lease, or the other rights of the Corporation hereunder to any Person without the prior written consent of the Board.

Section 14.2 Subletting. Without the advance written consent of the Board, the Corporation is not authorized to sublet the leasehold estate to any entity other than the Board or Permitted Sublessees; provided, however, that if the Facilities Lease terminates, the Corporation shall have the right to sublease the Facilities to University students, faculty and staff and Permitted Sublessees.

Section 14.3 Transfers of the Corporation's Interest. Except as otherwise expressly provided herein, any Person succeeding to the Corporation's interest as a consequence of any permitted conveyance, transfer or assignment shall succeed to all of the obligations of the Corporation hereunder and shall be subject to the terms and provisions of this Ground Lease.

ARTICLE XV COMPLIANCE CERTIFICATES

Section 15.1 The Corporation's Compliance. The Corporation agrees, at any time and from time to time upon not less than thirty (30) days prior written notice by the Board, to execute, acknowledge and deliver to the Board or to such other party as the Board shall request, a statement in writing certifying (a) that this Ground Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), (b) to the best of its knowledge, whether or not there are then and existing any offsets or defenses against the enforcement of any of the terms, covenants or conditions hereof upon the part of the Corporation to be performed (and if so specifying the same), (c) the dates to which the Rent and other charges have been paid, and (d) the dates of commencement and expiration of the Term, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective purchaser of the Board's Interest or by any other Person.

Section 15.2 The Board's Compliance. The Board agrees, at any time and from time to time, upon not less than thirty (30) days prior written notice by the Corporation, to execute, acknowledge and deliver to the Corporation a statement in writing addressed to the Corporation or to such other party as the Corporation shall request, certifying (a) that this Ground Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications); (b) the dates to which the Rent and other charges have been paid; (c) to the best of its knowledge after due inquiry, whether an Event of Default has occurred and is continuing hereunder (and stating the nature of any such Event of Default); (d) during the construction period, the status of construction of the Facilities and the estimated date of completion thereof; and (e) the dates of commencement and expiration of the Term, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective (and permitted) assignee, sublessee or mortgagee of this Ground Lease or by any assignee or prospective assignee of any such permitted mortgage or by any undertenant or prospective undertenant of the whole or any part of the Facilities, or by any other Person.

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ARTICLE XVI TAXES AND LICENSES

Section 16.1 Payment of Taxes. The Board shall pay, and, upon request by the Corporation, shall provide evidence of payment to the appropriate collecting authorities of, all federal, state and local taxes and fees, which are now or may hereafter be, levied upon the Corporation's interest in the Land or in the Facilities or upon any of the Corporation's property used in connection therewith or upon the Board or the Board's Interest. The Board may pay any of the above items in installments if payment may be so made without penalty other than the payment of interest. The obligations of the Board to pay taxes and fees under this Section 16.1 shall apply only to the extent that the Board or the Corporation are not exempt from paying such taxes and fees and to the extent that such taxes and fees are not otherwise abated. The Board and the Corporation agree to cooperate fully with each other to the end that tax exemptions available with respect to the Land and the Facilities under applicable law are obtained by the party or parties entitled thereto.

Section 16.2 Contested Tax Payments. The Board shall not be required to pay, discharge or remove any such taxes or assessments so long as the Board is contesting the amount or validity thereof by appropriate proceeding which shall operate to prevent or stay the collection of the amount so contested. The Corporation shall cooperate with the Board in completing such contest and the Corporation shall have no right to pay the amount contested during the contest. The Corporation, at the Board's expense, shall join in any such proceeding if any law shall so require.

ARTICLE XVII FORCE MAJEURE

Section 17.1 Discontinuance During Force Majeure. Whenever a period of time is herein prescribed for action to be taken by the Corporation, the Corporation shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to Force Majeure. The Board shall not be obligated to recognize any delay caused by Force Majeure unless the Corporation shall within ten (10) days after the Corporation is aware of the existence of an event of Force Majeure, notify the Board thereof.

ARTICLE XVIII MISCELLANEOUS

Section 18.1 Nondiscrimination, Employment and Wages. Any discrimination by the Corporation or its agents or employees on account of race, color, sex, age, religion, national origin or handicap, in employment practices or in the performance of the terms, conditions, covenants and obligations of this Ground Lease, is prohibited.

Section 18.2 Notices. Notices or communications to the Board or the Corporation required or appropriate under this Ground Lease shall be in writing, sent by (a) personal delivery, or (b) expedited delivery service with proof of delivery, or (c) registered or certified United States mail, postage prepaid, or (d) prepaid telecopy if confirmed by expedited delivery service or by mail in the manner previously described, addressed as follows:

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If to the State:

Angelic Davis, Commissioner
Division of Administration
P. O. Box 94095
Baton Rouge, LA 70804-9095
Telephone: (225) 342-7000
Telecopy: (225) 342-1057

(Post Office Address for U. S. Postal Service Delivery)
Jerry W. Jones, Director
Facility Planning and Control
P. O. Box 94095
Baton Rouge, LA 70804-9095
Telephone: (225) 342-0820
Telecopy: (225) 342-7624

(Street Address for Courier or Express Mail Delivery)
Jerry W. Jones, Director
Facility Planning and Control
1201 North 3rd Street, Suite 7-230
Baton Rouge, LA 70802

If to the Board:

Board of Supervisors for the University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Assistant Vice President for Facilities and Capital Improvements

with copies to:

Southeastern Louisiana University
Western Avenue
Friendship Circle (SLU Box 10709)
Hammond, Louisiana 70402
Attention: Vice President for Administration and Finance

If to the Corporation:

University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director

with a copy to:

[RESERVED]

If to Bond Insurer:

[RESERVED]

If to the Trustee:

The Bank of New York Mellon Trust Company, N.A.
One American Place, Suite 1510
301 Main Street
Baton Rouge LA 70825
Attention: Kathy L. Pine, Vice President

or to such other address or to the attention of such other person as hereafter shall be designated in writing by such party. Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of delivery service or mail, as of the date of deposit in the mail in the manner provided herein, or in the case of telecopy, upon receipt.

Section 18.3 Relationship of Parties. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties hereto. It is understood and agreed that no provision contained herein nor any acts of the parties hereto creates a relationship other than the relationship of Lessor and Lessee hereunder.

Section 18.4 Memorandum of Lease. Neither the Board nor the Corporation shall file this Ground Lease for record in Tangipahoa Parish, Louisiana nor in any public place without the written consent of the other. In lieu thereof the Board and the Corporation agree to execute in recordable form a memorandum of this Ground Lease in the form of Exhibit C attached hereto. Such memorandum shall be filed for record in Tangipahoa Parish, Louisiana.

Section 18.5 Attorney's Fees. If either party is required to commence legal proceedings relating to this Ground Lease, the prevailing party shall be entitled to receive reimbursement for its reasonable attorneys' fees and costs of suit.

Section 18.6 Louisiana Law to Apply. This Ground Lease shall be construed under and in accordance with the laws of the State of Louisiana, and all obligations of the parties created hereunder are performable in Tangipahoa Parish, Louisiana.

Section 18.7 Warranty of Peaceful Possession. The Board covenants that the Corporation, on paying the Rent and performing and observing all of the covenants and agreements herein contained and provided to be performed by the Corporation, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Land and the Facilities during the Term, subject to the Facilities Lease, and may exercise all of its rights hereunder; and the Board agrees to warrant and forever defend the Corporation's right to such occupancy, use, and enjoyment and the title to the Land against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof subject only to the provisions of this Ground Lease, the Facilities Lease, and the matters listed on Exhibit B attached hereto.

Section 18.8 Curative Matters. Except for the express representations and warranties of the Board set forth in this Ground Lease, any additional matters necessary or desirable to make the Land useable for the Corporation's purpose shall be undertaken, in the Corporation's

sole discretion, at no expense to the Board. The Corporation shall notify the Board in writing of all additional matters (not contemplated by the Plans and Specifications) undertaken by the Corporation to make the Land usable for the Corporation's purpose.

Section 18.9 Nonwaiver. No waiver by the Board or the Corporation of a breach of any of the covenants, conditions, or restrictions of this Ground Lease shall constitute a waiver of any subsequent or preceding breach of the same or any other of the covenants, conditions or restrictions of this Ground Lease. The failure of the Board or the Corporation to insist in any one or more cases upon the strict performance of any of the covenants of the Ground Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant or option. A receipt by the Board or acceptance of payment by the Board of Rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach. No waiver, change, modification or discharge by the Board or the Corporation of any provision of this Ground Lease shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged.

Section 18.10 Terminology. Unless the context of this Ground Lease clearly requires otherwise, (a) pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character; (b) the singular shall include the plural wherever and as often as may be appropriate; (c) the word "includes" or "including" shall mean "including without limitation"; (d) the word "or" shall have the inclusive meaning represented by the phrase "and/or"; (e) the words "hereof," "herein," "hereunder," and similar terms in this Ground Lease shall refer to this Ground Lease as a whole and not to any particular section or article in which such words appear. The section, article and other headings in this Ground Lease and the Table of Contents to this Ground Lease are for reference purposes and shall not control or affect the construction of this Ground Lease or the interpretation hereof in any respect. Article, section, subsection and exhibit references are to this Ground Lease unless otherwise specified. All exhibits attached to this Ground Lease constitute a part of this Ground Lease and are incorporated herein. All references to a specific time of day in this Ground Lease shall be based upon prevailing Central Time.

Section 18.11 Counterparts. This agreement may be executed in multiple counterparts, each of which shall be declared an original.

Section 18.12 Severability. If any clause or provision of this Ground Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Ground Lease, then and in that event, it is the intention of the parties hereto that the remainder of Ground Lease shall not be affected thereby.

Section 18.13 Authorization. By execution of this Ground Lease, the Corporation and the Board each represent to the other that they are entities validly existing, duly constituted and in good standing under the laws of the jurisdiction in which they were formed and in which they presently conduct business; that all acts necessary to permit them to enter into and be bound by this Ground Lease have been taken and performed; and that the persons signing this Ground Lease on their behalf have due authorization to do so.

Section 18.14 Ancillary Agreements. In the event it becomes necessary or desirable for the Board to approve in writing any ancillary agreements or documents concerning the Land or concerning the construction, operation or maintenance of the Facilities or to alter or amend any such ancillary agreements between the Board and the Corporation or to give any approval or consent of the Board required under the terms of this Ground Lease, all agreements, documents or approvals shall be forwarded to the Board Representative.

Section 18.15 Amendment. No amendment, modification, or alteration of the terms of this Ground Lease shall be binding unless the same be in writing dated on or subsequent to the date hereof and duly executed by the parties hereto and consented to the extent required by the Agreement.

Section 18.16 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 University into another educational institution or the Board into another educational management board.

Section 18.17 Entire Agreement. This Ground Lease, together with the exhibits attached hereto, contains the entire agreement between the parties hereto with respect to the Land and contains all of the terms and conditions agreed upon with respect to the lease of the Land, and no other agreements, oral or otherwise, regarding the subject matter of this Ground Lease shall be deemed to exist or to bind the parties hereto; it being the intent of the parties that neither shall be bound by any term, condition, or representations not herein written.

IN WITNESS WHEREOF, the undersigned representative has signed this Ground Lease on behalf of the Board of Supervisors for the University of Louisiana System on the 15th day of JANUARY, 2010.

WITNESSES:
Leveth Marshall
Leveth Marshall
Chrissie McGehee
Chrissie McGehee

BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM
By: Dr. John Crain
President of the University and authorized representative of the Board.

IN WITNESS WHEREOF, the undersigned representative has signed this Ground Lease on behalf of University Facilities, Inc. on the 15th day of JANUARY, 2010.

WITNESSES:
Steph...
Jack...
UNIVERSITY FACILITIES, INC.
By: Phil K. Livingston
Chairperson

STATE OF LOUISIANA
PARISH OF TANGIPAHOLA

BE IT KNOWN, that on this 13th day of APRIL, 2010 before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

Dr. John Crain

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the President of Southeastern Louisiana University and the authorized representative of the Board of Supervisors for the University of Louisiana System (the "Board"), that the aforesaid instrument was signed by him, on this date, on behalf of the Board and that the above-named person acknowledges said instrument to be the free act and deed of the Board.

WITNESSES:

Leveth Marshall
Printed Name: Leveth Marshall
By: Dr. John Crain

Chrissie McGehee
Printed Name: Chrissie McGehee

John P. ...
NOTARY PUBLIC
Printed Name: John P. ...
Notary Identification Number: 010497

STATE OF LOUISIANA

PARISH OF TANGIPAHOLA


BE IT KNOWN, that on this 13th day of JANUARY, 2010, before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

Phil K. Livingston

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the Chairperson of University Facilities, Inc. (the "Corporation"), and that the aforesaid instrument was signed by him, on this date, on behalf of the Corporation and that the above named person acknowledges the approval of said instrument to be the free act and deed of the Corporation.

WITNESSES


Printed Name: STEPHEN SMITH

By: 


Printed Name: SAM ROBERTS JR.


NOTARY PUBLIC
Printed Name: Gene Grogan
Notary Identification Number: 618482

LAND DESCRIPTION

War Memorial Student Union Bond Lease Parcel

A certain tract or parcel of ground, designated as "WAR MEMORIAL STUDENT UNION BOND LEASE PARCEL", being a portion of Southeastern Louisiana University, located in Section 23, Township 6, South, Range 7 East, Gretnsburg Land District, Tangipahola Parish, Louisiana, limits of said Lease Parcel being more particularly described as follows:

Beginning at a point located at N. 3276.84, E. 11096.39, of the Southeastern Louisiana University Coordinate System; thence N 75°30'00" E a distance of 440.00 feet to a point and turn; thence S 14°30'00" E a distance of 165.00 feet to a point and turn; thence N 75°30'00" E a distance of 160.00 feet to a point and turn; thence S 14°30'00" E a distance of 205.00 feet to a point and turn; thence S 75°30'00" W a distance of 150.00 feet to a point and turn; thence S 14°30'00" E a distance of 140.00 feet to a point and turn; thence S 75°30'00" W a distance of 155.00 feet to a point and turn; thence N 14°30'00" W a distance of 265.00 feet to a point and turn; thence S 75°30'00" W a distance of 85.00 feet to a point and turn; thence N 38°27'45" W a distance of 49.24 feet to a point and turn; thence S 75°30'00" W a distance of 190.00 feet to a point and turn; thence N 14°30'00" W a distance of 200.00 feet to a POINT OF BEGINNING, containing 3.94 acres or 171,425 square feet.

(N)1820036.133

Acknowledgment

Ground Lease

(N)1820036.133

A-1

Ground Lease

MEMORANDUM OF GROUND LEASE

STATE OF LOUISIANA §
§ KNOW ALL MEN BY THESE PRESENTS:
PARISH OF TANGIPAHOA §

MEMORANDUM OF LEASE

This Memorandum of Lease (this "Memorandum") is entered into by and between the Board of Supervisors for the University of Louisiana System ("Lessor") and University Facilities, Inc. ("Lessee").

RECITALS

A. Lessor and Lessee have entered into a Ground Lease Agreement dated as of January 1, 2010 and executed 2010 (the "Lease"), whereby Lessor did lease to Lessee, and Lessee did lease from Lessor, the immovable property, more particularly described on Exhibit A attached hereto and incorporated herein (the "Land") and the facilities which are and will be located on the Land as more particularly described in the Lease.

B. Lessor and Lessee desire to enter into this Memorandum, which is to be recorded in order that third parties may have notice of the parties' rights under the Lease.

LEASE TERMS

Specific reference is hereby made to the following terms and provisions of the Lease:

- 1. The term of the Lease commenced on January 1, 2010 and shall continue until midnight on January 1, 2050, unless sooner terminated or extended as provided in the Lease.
2. Lessor has the right under the Lease to purchase the improvements constructed by Lessee on the Land at any time during the term of the Lease in accordance with the provisions thereof.
3. Additional information concerning the provisions of the Lease can be obtained from the parties at the following addresses:

PERMITTED ENCUMBRANCES

- Food Service:
ARAMARK Educational Services, LLC
ARAMARK Tower
1101 Market Street
Philadelphia, PA 19107
Term of Agreement: July 1, 2008 - June 30, 2023
Retail Bookstore:
Follett College Stores Corporation
1818 Swift Drive
Oak Brook, IL 60523-9851
Term of Agreement: July 1, 1989 - January 31, 2010
Copy Center:
Xerox Corporation
3850 North Causeway
Suite 1860
Metairie, LA 70002
Term of Agreement: December 15, 1988 until such date the University issues a thirty (30) calendar days notice of the final end date or June 30, 2009, whichever comes earlier.
NOTE: The contract is currently pending completion of request for proposals process.

REPLACEMENT OR NEW CONTRACTS:
Contracts entered into in place of the above listed contracts are considered Permitted Encumbrances.

EXHIBIT D-1
TO THE GROUND LEASE

DESCRIPTION OF THE SERIES 2010A FACILITIES

This facility will contain some of the most important academic and non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. It will be the central core for the campus. The two major components in the 2010A Series will include the Student Union and the Center for Student Excellence. The square footage for this series of space will total approximately 94,320 square feet.

The Student Union will include a large event space and ballroom. It will also consist of a series of student support spaces such as conference and meeting rooms, student organization space, a theater, as well as other activity and lounge spaces. Several administrative offices will also be located in the Union including offices in Student Affairs and Auxiliary Services. Finally, it will be home to the Center for Student Excellence which provides programming and resources to students to enhance and in support of academic achievement, personal development and professional growth.

Lessor: Board of Supervisors for the University of Louisiana System
1201 North 3rd Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Assistant Vice President for Facilities Planning and Capital Improvements

Lessee: University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director

This Memorandum is executed for the purpose of recordation in the public records of Tangipahoa Parish, Louisiana in order to give notice of all the terms and provisions of the Lease and is not intended and shall not be construed to define, limit, or modify the Lease. All of the terms, conditions, provisions and covenants of the Lease are incorporated into this Memorandum by reference as though fully set forth herein, and both the Lease and this Memorandum shall be deemed to constitute a single instrument or document.

THUS DONE AND PASSED on the ___ day of _____, 2010, in Louisiana, in the presence of the undersigned, both competent witnesses, who herewith sign their names with Phil K. Livingston, Chairperson, University Facilities, Inc. and me, Notary.

WITNESSES: UNIVERSITY FACILITIES, INC.

Printed Name: _____
By: Phil K. Livingston
Name: Chairperson
Title: _____

Printed Name: _____

NOTARY PUBLIC

Printed Name: _____
Notary Identification Number: _____

(N182006.13)

C-1

Ground Lease

(N182006.13)

D-1

Ground Lease

**EXHIBIT D-2
TO THE GROUND LEASE**

DESCRIPTION OF THE SERIES 2010B FACILITIES

This facility will contain some of the most important non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. The two major components in the 2010B Series will include Food Service and the Retail Bookstore totaling approximately 86,600 square feet.

The Food Service area will include a new residential and commuter dining facility as well as a food court and other smaller grab and go locations. The facility will include adequate support space such as seating, kitchens and production space. The Retail Bookstore will house retail textbooks, university paraphernalia, convenience items, reading areas and possibly a food and/or beverage concept. In addition to these two major components, approximately 3,600 square feet of space will be committed to other retail components providing additional services to our campus community.

APPENDIX C-4

FORM OF FIRST AMENDMENT TO AGREEMENT TO LEASE WITH OPTION TO PURCHASE

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**FORM OF
FIRST AMENDMENT TO
AGREEMENT TO LEASE WITH OPTION TO PURCHASE**

by and between

UNIVERSITY FACILITIES, INC.
(as Lessor)

and

**Board of Supervisors for the
University of Louisiana System,
on behalf of Southeastern Louisiana University**
(as Lessee)

Dated as of January 1, 2010

in connection with

§
**Louisiana Local Government Environmental Facilities and
Community Development Authority
Tax-Exempt Revenue Bonds
(Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010A**

§
**Louisiana Local Government Environmental Facilities and
Community Development Authority
Taxable Revenue Bonds
(Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010B**

**FIRST AMENDMENT TO
AGREEMENT TO LEASE WITH OPTION TO PURCHASE**

This FIRST AMENDMENT TO AGREEMENT TO LEASE WITH OPTION TO PURCHASE (this "*Amendment to Facilities Lease*"), dated and effective as of November 1, 2010, is entered into by and between UNIVERSITY FACILITIES, INC., a Louisiana nonprofit corporation represented herein by its duly authorized officer (the "*Corporation*"); and the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM (the "*Board*"), a public constitutional corporation organized and existing under the laws of the State of Louisiana, acting herein on behalf of Southeastern Louisiana University (the "*University*"), which Board is represented herein its duly authorized officer.

WITNESSETH:

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State of Louisiana and the University is a university under its management pursuant to Louisiana R. S. 17:3217;

WHEREAS, the Corporation is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201, et seq.), whose purpose is to support and benefit the educational, scientific, research and public service missions of the University;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3366, the Board is authorized to lease to a private entity, such as the Corporation, any portion of the campus of the University provided the Corporation is thereby obligated to construct improvements for furthering the educational, scientific, research or public service functions of the University;

WHEREAS, in order to further these functions of the Board, by demolition of certain existing facilities and renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related facilities for students, faculty, staff, and the general public on the campus (the "*Campus*") of the University (the "*Facilities*," as further defined herein), the Board has leased a portion of the Campus to the Corporation for the purpose of demolishing certain existing facilities and renovating, developing and constructing such Facilities and leasing such Facilities back to the Board;

WHEREAS, the Board and the Corporation have entered into a Ground and Buildings Lease Agreement dated as of January 1, 2010 (the "*Ground Lease*") whereby the Board has leased certain tracts of land owned by the Board and located on the Campus to the Corporation;

WHEREAS, the Corporation and the Board have agreed that the Corporation shall demolish certain existing facilities and renovate, develop and construct the Facilities on the land leased under the Ground Lease which Facilities will be owned by the Board as constructed and leased to the Corporation pursuant to the Ground Lease;

WHEREAS, the Corporation has leased such Facilities back to the Board pursuant to the terms and conditions of that certain Agreement to Lease with Option to Purchase dated as of

January 1, 2010 by and between the Corporation and the Board (the "Original Facilities Lease"); and

WHEREAS, the Board and the Corporation wish to supplement the Original Facilities Lease in order to clarify certain definitions contained in the Original Facilities Lease.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

IN WITNESS WHEREOF, the undersigned representative has signed this Facilities Lease on behalf of the Board of Supervisors for the University of Louisiana System on the date set forth below his signature.

ARTICLE 1
DEFINITIONS

Section 1.1 Relation to Original Facilities Lease: Ratification. This Amendment to Facilities Lease is supplemental to, and constitutes an integral part of the Original Facilities Lease. Except as supplemented or amended by this Amendment to Facilities Lease, the provisions of the Original Facilities Lease are in all respects ratified and confirmed and shall remain in full force and effect.

Section 1.2 Definitions. Unless the context shall otherwise require, all terms which are defined in the Indenture or Section 1 of the Original Facilities Lease shall have the same meanings, respectively, in this Amendment to Facilities Lease as such terms are given in said Indenture or Original Facilities Lease.

ARTICLE 2
AMENDMENTS

Section 2.1 Amendment to Section 1 of the Original Facilities Lease. Section 1 of the Existing Agreement is hereby amended by amending and restating the following definitions in its entirety as follows:

"**Debt Service Coverage Ratio**" means, for any Fiscal Year, the ratio determined by the Vice-President for Administration and Finance of the University by dividing (a) the combined amount of (i) the Capital Funds for such Fiscal Year, (ii) the Student Fees for such Fiscal Year and (iii) earnings generated by the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement by (b) Annual Debt Service on the Bonds outstanding and on any Additional Debt issued and proposed to be issued for such Fiscal Year.

"**Interest Payment Date**" or "**interest payment date**," when used with respect to the Series 2010 Bonds means each April 1 and October 1 commencing April 1, 2011.

"Trustee" means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Series 2010 Bonds issued and secured under the terms of this Indenture, initially Regions Bank.

Section 2.2 Amendment to Section 50 of the Original Facilities Lease. Section 50 of the Original Facilities Lease is hereby amended by substituting the notice information below for the Trustee:

"Trustee:

Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department"

ARTICLE 3
MISCELLANEOUS

Section 3.1 Binding Effect. This Amendment to Facilities Lease shall inure to the benefit of and shall be binding in accordance with its terms upon the Board, the Corporation and their respective successors and assigns. This Amendment to Facilities Lease may be enforced only by the parties, their assignees and others who may, by law, stand in their respective places.

Section 3.2 Execution Counterparts. This Amendment to Facilities Lease may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

Section 3.3 Severability. If any provision of this Amendment to Facilities Lease, or any covenant, obligation or agreement contained herein, is determined by a court of competent jurisdiction to be invalid or unenforceable, that determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each such provision, covenant, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken, in the manner and to the full extent permitted by law.

Section 3.4 Governing Law. This Amendment to Facilities Lease shall be deemed to be a contract made under the laws of the State of Louisiana and for all purposes shall be governed by and construed in accordance with the laws of the State of Louisiana.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Board has caused this First Amendment to Agreement to Lease with Option to Purchase to be duly executed in its name, all as of the date first above written.

WITNESSES: BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM

By: _____
Printed Name: Dr. John Crain, President of the University
And Authorized Officer of the Board

Printed Name: _____
DATE: _____

IN WITNESS WHEREOF, the Corporation has caused this First Amendment to Agreement to Lease with Option to Purchase to be duly executed in its name, all as of the date first above written.

WITNESSES: UNIVERSITY FACILITIES, INC.

Printed Name: _____
Phil K. Livingston
Chairperson

Printed Name: _____
DATE: _____

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APPENDIX C-5

AGREEMENT TO LEASE WITH OPTION TO PURCHASE

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AGREEMENT TO LEASE WITH OPTION TO PURCHASE

by and between
UNIVERSITY FACILITIES, INC.
(as Lessor)

and
Board of Supervisors for the
University of Louisiana System,
on behalf of Southeastern Louisiana University
(as Lessee)

Dated as of January 1, 2010

in connection with
the anticipated issuance of:

Louisiana Local Government Environmental Facilities and
Community Development Authority
Revenue Bonds
(Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010A

Louisiana Local Government Environmental Facilities and
Community Development Authority
Revenue Bonds
(Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010B

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EXHIBIT A-1 DESCRIPTION OF THE SERIES 2010A FACILITIES
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AGREEMENT TO LEASE WITH OPTION TO PURCHASE

This AGREEMENT TO LEASE WITH OPTION TO PURCHASE (together with any amendment hereto or supplement hereof, the "Facilities Lease"), dated and effective as of January 1, 2010, is entered into by and between UNIVERSITY FACILITIES, INC., a Louisiana nonprofit corporation represented herein by its duly authorized officer (the "Corporation"); and the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM (the "Board"), a public constitutional corporation organized and existing under the laws of the State of Louisiana, acting herein on behalf of Southeastern Louisiana University (the "University"), which Board is represented herein its duly authorized officer.

WITNESSETH:

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State of Louisiana and the University is a university under its management pursuant to Louisiana R.S. 17:3217;

WHEREAS, the Corporation is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201, et seq.), whose purpose is to support and benefit the educational, scientific, research and public service missions of the University;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3366, the Board is authorized to lease to a private entity, such as the Corporation, any portion of the campus of the University provided the Corporation is thereby obligated to construct improvements for furthering the educational, scientific, research or public service functions of the University;

WHEREAS, in order to further these functions of the Board, by demolition of certain existing facilities and renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related facilities for students, faculty, staff, and the general public on the campus of the University (the "Campus") (the "Facilities," as further defined herein), the Board deems it advisable that a portion of the Campus be leased to the Corporation for the purpose of demolishing certain existing facilities and renovating, developing and constructing such Facilities and leasing such Facilities back to the Board; and

WHEREAS, the Board and the Corporation have agreed to enter into a lease dated of even date herewith (the "Ground Lease") whereby the Board will lease certain tracts of land owned by the Board and located on the Campus to the Corporation; and

WHEREAS, the Corporation and the Board have agreed that the Corporation shall demolish certain existing facilities and renovate, develop and construct the Facilities on the land leased under the Ground Lease which Facilities will be owned by the Board as constructed and leased to the Corporation pursuant to the Ground Lease; and

WHEREAS, the Corporation wishes to lease such Facilities back to the Board pursuant to the terms and conditions of this Facilities Lease; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

Section 1. Definitions.

Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of and as used in this Facilities Lease, have the meanings as set forth below. All other capitalized terms used herein without definition shall have the meanings as set forth in the Indenture (as hereinafter defined). Other terms shall have the meanings assigned to them in other sections of this Facilities Lease.

"**Additional Series 2010A Bonds**" means bonds, if any, issued in one or more series on parity with the Series 2010A Bonds for completion of the Series 2010A Facilities.

"**Additional Series 2010B Bonds**" means bonds, if any, issued in one or more series on parity with the Series 2010B Bonds for completion of the Series 2010B Facilities.

"**Additional Bonds**" means bonds, if any, issued in one or more series on a parity with the Series 2010 Bonds pursuant to Article V of the Indenture.

"**Additional Debt**" means any obligation (whether present or future, contingent or otherwise, as principal or security or otherwise): (i) in respect of borrowed money, including without limitation, bonds, notes and similar obligations; or (ii) under a lease arrangement, installment sale agreement or other similar arrangement, that is secured by or payable from the Capital Funds and the Student Fees.

"**Additional Facilities**" means any additional facilities owned or leased by the Board or the Corporation that have been incorporated with the Facilities into a single system pursuant to Section 3(h) hereof.

"**Additional Rental**" means the amounts specified as such in Section 6(c) of this Facilities Lease.

"**Administrative Expenses**" means the necessary, reasonable and direct out-of-pocket expenses incurred by the Issuer or the Trustee pursuant to the Indenture and the Agreement, the compensation of the Trustee under the Indenture (including, but not limited to any annual administrative fee charged by the Trustee), the compensation of the Issuer, any amounts due to the Bond Insurer, if any, under the Reimbursement Agreement and the necessary, reasonable and direct out-of-pocket expenses of the Trustee incurred by the Trustee in the performance of its duties under the Indenture.

"**Agreement**" means the Loan Agreement to be entered into between the Corporation and the Issuer in connection with the issuance of the Series 2010 Bonds, including any amendments and supplements thereto and thereto as permitted thereunder.

"**Annual Debt Service**" means the amount required to pay all principal of and interest on a series of Bonds and any Additional Debt, as applicable, in any Fiscal Year. For purposes of calculating the Annual Debt Service on a series of Bonds or Additional Debt the interest rate

borne by which is not fixed to the maturity thereof on any date, for any period during which an interest swap or similar agreement shall be in effect whereunder the Corporation or the Board pays a fixed rate and the swap provider pays a floating rate that, in the judgment of the Authorized Corporation Representative (as evidenced by a certificate delivered to the Trustee) approximates the variable rate payable on such series of Bonds or Additional Debt, the interest rate on such series of Bonds or Additional Debt shall be deemed to be equal to the fixed rate payable by the Corporation or the Board under such interest swap or similar agreement and for any period during which such an agreement shall not be in effect the interest rate on such Bonds or Additional Debt shall be deemed to be the average interest rate borne by such series of Bonds or Additional Debt during the immediately preceding twelve (12) month period or, if such series of Bonds or Additional Debt has borne a floating rate for less than twelve (12) months, such series of Bonds or Additional Debt shall be treated as if it bears interest at the 25-year Revenue Bond Index as published by *The Bond Buyer* on the date of determination.

"**Aramark**" means Aramark Educational Services, LLC, a Delaware limited liability company having its principal place of business Philadelphia, Pennsylvania

"**Authorized Corporation Representative**" means any person at the time designated to act on behalf of the Corporation by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Corporation by an officer of the Corporation. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

"**Auxiliary Revenues**" means the amount of all funds or revenues held by the University or income received by students, faculty or the public in connection with the utilization or operation of Auxiliary Enterprises after payment of any Auxiliary enterprise expenses. The auxiliary Enterprises of the University include the following, subject to modification from time to time: 1) student service fees for operation of the University's Text book rental, ID Card Services, Student Health Center and Student Union 2) certain commissions received from Food Service contractors, Retail Bookstore operations and Vending Operations and 3) the sales of University to service any outstanding obligations or any capital funds received by outside contractors required to make building improvements for their delivery of services.

"**Base Rental**" means the amounts referred to as such in Section 6(b) of this Facilities Lease (as such amounts may be adjusted from time to time in accordance with the terms hereof), which amounts are paid out of the amounts collected as Capital Funds and Student Fees, and which do not include Additional Rental.

"**Board**" means Board of Supervisors for the University of Louisiana System or its legal successor as the management board of the University, acting on behalf of the University.

"**Board Representative**" means the Person or Persons designated by the Board in writing to serve as the Board's representative(s) in exercising the Board's rights and performing the Board's obligations under this Facilities Lease; the Board Representative shall be the President of the Board of Supervisors for the University of Louisiana System, or his or her

designees, the Assistant Vice President for Facilities Planning, or his or her designee, or any other representative designated by resolution of the Board, of whom the Corporation has been notified in writing.

"Bond Documents" shall have the meaning set forth in Section 3.12 of the Indenture.

"Bonds" means, collectively, the Series 2010 Bonds and any Additional Bonds issued pursuant to a supplemental indenture as authorized hereby.

"Bookstore" means the locations described as such on Exhibit A-2 to this Facilities Lease and any improvements thereon or placed thereon during the Term of this Facilities Lease.

"Budget" means the University's budget as approved by the Board for any Fiscal Year during the Term.

"Building Use Fee" means one-half of the building use fee being assessed by the University on all students for the renovation, construction and development of on-campus facilities.

"Business Day" means any day other than (i) a Saturday, (ii) a Sunday, (iii) any other day on which banking institutions in New York, New York, or Baton Rouge, Louisiana, are authorized or required not to be open for the transaction of regular banking business, or (iv) a day on which the New York Stock Exchange is closed.

"Capital Funds" means payments to the University, or to the Board on behalf of the University, for capital improvements and made in connection with the operation and/or management of the Food Service Areas whether pursuant to the Food Service Contract, the Facilities Lease or other lease, management agreement or operating agreement.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§9601, et seq.).

"Claim" collectively means any claim, liability, demand, loss, damage, deficiency, litigation, cause of action, penalty, fine, judgment, defense, imposition, fee, lien, bonding cost, settlement, disbursement, penalty, cost or expenses of any and every kind and nature (including without limitation Litigation Expenses), whether known or unknown, incurred or potential, accrued, absolute, direct, indirect, contingent or otherwise and whether imposed by strict liability, negligence, or otherwise, and consequential, punitive and exemplary damage claims.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

"Commencement Date" means the effective date of this Facilities Lease.

"Corporation" means University Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payments or provision for payment of all of the Bonds.

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"Date of Opening" shall have the meaning set forth in the Ground Lease.

"Debt Service Coverage Ratio" means, for any Fiscal Year, the ratio determined by the Vice-President for Administration and Finance of the University by dividing (a) the combined amount of (i) the Capital Funds for such Fiscal Year and (ii) the Student Fees for such Fiscal Year by (b) Annual Debt Service on the Series 2010 Bonds outstanding and on any Additional Debt issued and proposed to be issued for such Fiscal Year.

"Debt Service Fund" means the fund of that name created under of the Indenture.

"Debt Service Reserve Fund Requirement" means with respect to the Series 2010 Bonds, and any Additional Bonds, at the time of determination, the least of (a) ten percent (10%) of the stated principal amount thereof (less any original issue discount that exceeds a *de minimis* amount), (b) one hundred twenty five percent (125%) of the average Annual Debt Service thereon from the date of calculation to the final maturity thereof, (c) the Maximum Annual Debt Service thereon, or (d) such lesser sum as shall be required by the Code and the Regulations to ensure the exclusion of the interest thereon from the gross income of the owners thereof for federal income tax purposes; provided, however, that the amount of principal due in any Bond Year shall be determined, in the case of Bonds subject to mandatory sinking fund redemption pursuant to the Indenture and similar provisions in any supplemental indenture, by the principal amount of Bonds to be redeemed by mandatory sinking fund redemption in such Bond Year.

"Default or Delay Rental" means and shall consist of (i) all amounts, fees or expenses which the Corporation may be legally obligated to pay to Other Parties by reason of any default of the Board hereunder or any delay in payment of any sums due by the Board hereunder; and (ii) all costs, expenses and charges, including reasonable Legal Expenses, incurred by the Corporation whether by suit or otherwise, in collecting sums payable hereunder or in enforcing any covenant or agreement of the Board contained in this Facilities Lease or incurred in obtaining possession of the Facilities after default by the Board.

"Encumbrance" means any lien, mortgage, encumbrance, privilege, charge, option, right of first refusal, conditional sales contract, security interest, mechanic's and materialman's liens, or any lien or encumbrance securing payment of any Claims, including environmental Claims, or of any charges for labor, materials, supplies, equipment, taxes, or utilities, excluding the Option granted to the Board herein.

"Environmental Requirements" means all State, Federal, local, municipal, parish, and regional laws, statutes, rules, regulations, ordinances, codes, permits, approvals, plans, authorizations, concessions, investigation results, guidance documents; all legislative, judicial, and administrative judgments, decrees, orders, rules, rulings, and regulations; and all agreements and other restrictions and requirements in effect on or prior to the Commencement Date, of any Governmental Authority, including, without limitation, federal, state, and local authorities, relating to the regulation or protection of human health and safety, natural resources, conservation, the environment, or the storage, treatment, disposal, processing, release, discharge, emission, use, remediation, transportation, handling, or other management of industrial, gaseous, liquid or solid waste, hazardous waste, hazardous or toxic substances or chemicals, or pollutants, and including without limitation the following environmental laws: The Clean Air Act (42

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U.S.C.A. §1857); the Federal Water Pollution Control Act (33 U.S.C. §1251); the Resource Conservation and Recovery Act of 1976, (42 U.S.C. §6901); CERCLA, as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub.L. 99-499, 100 Stat. 1613); the Toxic Substances Control Act (15 U.S.C. §2601); the Clean Water Act (33 U.S.C. §1251); the Safe Drinking Water Act (42 U.S.C. §30); the Occupational Safety and Health Act (29 U.S.C. §651); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §135); the Louisiana Environmental Quality Act (La. R.S. 30:2001); and the Louisiana Air Quality Regulations (La. C. 33:III.2595) including any amendments or extensions thereof and any rules, regulations, standards or guidelines issued pursuant to or promulgated under any of the foregoing.

"Event of Default" means any default specified in and defined as such by Section 21 hereof.

"Expiration Date" means the earlier of January 1, 2050, or the date that all amounts owed under the Indenture have been paid.

"Facilities" means, collectively, the Series 2010A Facilities and the Series 2010B Facilities.

"Facilities Lease" means this Agreement to Lease With Option to Purchase, including the exhibits attached hereto, and any amendment or supplement hereto entered into from time to time in accordance with the terms hereof.

"Food Service Areas" means the locations described as such on Exhibit A-2 to this Facilities Lease and any improvements thereon or placed thereon during the Term of this Facilities Lease.

"Food Service Contract" means that certain Agreement dated July 1, 2008 by and between the Board and Aramark, as amended, modified, extended or replaced; provided the University will make its best efforts to require an annual payment of at least \$990,000 for capital improvements to the Food Service Areas in any such amended, modified, extended or replaced contract.

"Fiscal Year" means the fiscal year of the State, which at the date of this Facilities Lease is the period from July 1 to and including the following June 30.

"Governmental Authority" means any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, parish, district, municipality, city or otherwise) whether now or hereafter in existence.

"Governmental Regulations" means any and all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, writs, injunctions, rules, regulations, restrictions, permits, plans, authorizations, concessions, investigation reports, guidelines, and requirements or accreditation standards of any Governmental Authority having jurisdiction over the Corporation and/or the Board, or affecting the Facilities.

"Ground Lease" means that certain Ground and Buildings Lease dated as of January 1, 2010 by and between the Board, as Lessor on behalf of the University, and the Corporation, as Lessee whereby the Land upon which certain existing facilities that are to be demolished is located and upon which the Facilities shall be constructed and/or renovated and the Facilities, as completed, are leased by the Board to the Corporation.

"Hazardous Substance" means (a) any "hazardous substance" as defined in §101(14) of CERCLA or any regulations promulgated thereunder; (b) petroleum and petroleum by-products; (c) asbestos or asbestos containing material ("ACM"); (d) polychlorinated biphenyls; (e) urea formaldehyde foam insulation; or (f) any additional substances or materials which at any time are classified, defined or considered to be explosive, corrosive, flammable, infectious, radioactive, mutagenic, carcinogenic, pollutants, hazardous or toxic under any of the Environmental Requirements.

"Health Center Bond Fee" means the health center bond fee being assessed by the University on all students for the use and availability of on-campus health center facilities.

"Indenture" means the Trust Indenture to be entered into between the Issuer and the Trustee in connection with the issuance of the Series 2010 Bonds, as it may be amended or supplemented from time to time by supplemental indentures in accordance with the provisions thereof.

"Interest Payment Date" or **"interest payment date,"** when used with respect to the Series 2010 Bonds means each April 1 and October 1 commencing April 1, 2010.

"Issuer" means the Louisiana Local Government Environmental Facilities and Community Development Authority, a political subdivision of the State of Louisiana, created by the provisions of the Act (as defined in the Indenture), or any agency, board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the issuer by said provisions shall be given by law.

"Land" means the real property more particularly described on Exhibit A attached to the Ground Lease upon which certain existing facilities are to be demolished and upon which the Facilities are to be renovated, constructed and located.

"Legal Expenses" means the reasonable fees and charges of attorneys and of legal assistants, paralegals, law clerks and other persons and entities used by attorneys and under attorney supervision and all costs incurred or advanced by any of them irrespective of whether incurred in or advanced prior to the initiation of any legal, equitable, arbitration, administrative, bankruptcy, trial or similar proceedings and any appeal from any of same.

"Litigation Expenses" means all out-of-pocket costs and expenses incurred as a result of an Event of Default, or in connection with an indemnification obligation, including Legal Expenses, the reasonable fees and charges of experts and/or consultants, and all court costs and expenses.

"Management Agreements" means, collectively, any and all leases, management agreements, operating agreements, management agreements or other agreements between the

University or the Corporation and third parties for the management and/or operation of any of the Facilities.

"Maximum Annual Debt Service" with respect to a series of Bonds issued under the Indenture, means the maximum Annual Debt Service thereon in the then current Bond Year or in any future Bond Year, whichever at maturity or subject to mandatory sinking fund redemption.

"Notice" shall have the meaning set forth in Section 50 hereof.

"Option to Purchase" or "Option" means the option to purchase the Corporation's interest in the Facilities granted in Section 23 of this Facilities Lease.

"Other Parties" means a Person other than the Parties.

"Parties" means, collectively, the Corporation and the Board.

"Permitted Sublessees" means persons other than University students, faculty and staff who are participants in any activities related to the mission of the University or who are using the Facilities pursuant to a concession or other arrangement with the University.

"Permitted Use" means the operation of the Facilities as a Student Union, a Center for Student Excellence, food services areas and a bookstore for University students, faculty, staff, the general public and Permitted Sublessees and for purposes related to or associated with the foregoing.

"Person" means all juridical persons, whether corporate or natural, including individuals, firms, trusts, corporations, associations, joint ventures, partnerships, and limited liability companies or partnerships.

"Principal Payment Date" shall have the meaning set forth in the Indenture.

"Remediation" means any and all costs incurred due to any investigation of the Facilities or any remediation, response, cleanup, removal, or restoration required by any Governmental Regulation or Governmental Authority or by Environmental Requirements.

"Rents" or "Rental" means, collectively, the Base Rental and Additional Rental.

"Replacement Fund" means the fund of that name created under the Indenture.

"Series 2010 Bonds" means, collectively, the Series 2010A Bonds and the Series 2010B Bonds.

"Series 2010A Bonds" means the Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A, including such Series 2010A Bonds issued in exchange for other such Series 2010A Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Series 2010A Bonds pursuant to the Indenture.

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"Series 2010B Bonds" means the Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B, including such Series 2010B Bonds issued in exchange for other such Series 2010B Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Series 2010B Bonds pursuant to the Indenture.

"Series 2010A Facilities" means the Student Union, the Center for Student Excellence and related facilities described in Exhibit A-1 attached hereto, as amended and supplemented in accordance with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2010A Bonds and any Additional Bonds.

"Series 2010B Facilities" means the Food Service Areas, the Bookstore and related facilities described in Exhibit A-2 attached hereto, as amended and supplemented in accordance with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2010B Bonds and any Additional Bonds.

"State" means the State of Louisiana.

"Student Fees" means, collectively, (a) the Building Use Fee, (b) the Health Center Bond Fee, (c) the Student Union Bond Fee and (d) the Student Union Expansion Fee.

"Student Union Bond Fee" means the student union bond fee being assessed by the University on all students for the use and availability of the Student Union.

"Student Union Expansion Fee" means the student union fee being assessed by the University on all students for the planning, development, construction and equipping of the Student Union.

"Term" means the term of this Facilities Lease, as provided in Section 2 hereof.

"Trustee" means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Series 2010 Bonds issued and secured under the terms of this Indenture, initially The Bank of New York Mellon Trust Company, N.A.

"University" means Southeastern Louisiana University in Hammond, Louisiana.

Section 2. Agreement to Lease; Term of Lease.

The Corporation hereby leases the Facilities to the Board, and the Board hereby leases the Facilities from the Corporation effective as of the Commencement Date of this Facilities Lease and agrees upon completion of construction of the Facilities to accept possession of the Facilities and agrees to pay the Base Rental and the Additional Rental as provided herein for the use and occupancy of the Facilities, all on the terms and conditions set forth herein. The Board agrees that it will take immediate possession of the Facilities under the terms and provisions of this Facilities Lease upon the Date of Opening (as defined in the Ground Lease) of the Facilities.

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The Board understands and agrees that Rental shall accrue from the Commencement Date hereof notwithstanding the fact that the Facilities have yet to be constructed. No delay in the Date of Opening of the Facilities beyond the time set forth in the Ground Lease will extend the Term. The Term of this Facilities Lease begins on the Commencement Date and ends on the Expiration Date; provided, however, this Facilities Lease shall terminate prior to the Expiration Date upon the happening of any of the following events:

- (a) repayment of the Bonds in full, including principal, premium, if any, interest and all Administrative Expenses with respect to the Bonds or the defeasance of the Bonds, all as set forth in the Indenture;
- (b) the exercise by the Board of the Option to Purchase and the purchase of the Corporation's interest in the Facilities pursuant to the Option; or
- (c) any other event described in this Facilities Lease which is specifically stated to cause a termination of this Facilities Lease, including without limitation an Event of Default by the Board, and the failure of the Board to designate or cause to be designated an amount necessary to pay the Base Rent, all as set forth in Sections 21 and 29 hereof.

Upon the termination of the Facilities Lease under the circumstances set forth in Section 2(a) above, at the Board's option, the Board may require the demolition of the Facilities as set forth in Section 12.2.2 of the Ground Lease.

Section 3. Acknowledgments, Representations and Covenants of the Board.

The Board represents, covenants and agrees as follows:

- (a) The Board has full power and authority to enter into this Facilities Lease, the Ground Lease, and the transactions contemplated thereby and agrees to perform all of its obligations hereunder and under the Ground Lease;
- (b) The Board has been duly authorized to execute and deliver this Facilities Lease and the Ground Lease and further represents and covenants that this Facilities Lease and the Ground Lease constitute the valid and binding obligations of the Board and that all requirements have been met and procedures have occurred in order to ensure the enforceability of this Facilities Lease and the Ground Lease and the Board has complied with all constitutional and other statutory requirements as may be applicable to the Board in the authorization, execution, delivery and performance of this Facilities Lease and the Ground Lease;
- (c) The execution and delivery of this Facilities Lease and the Ground Lease, and compliance with the provisions hereof, will not conflict with or constitute on the part of the Board a violation of, breach of, or default under any constitutional provision, statute, law, resolution, bond indenture or other financing agreement or any other agreement or instrument to which the Board is a party or by which the Board is bound, or any order, rule or regulation of any court or Governmental Authority or body having jurisdiction over the Board or any of its activities or properties with respect to the Facilities; and all consents, approvals or authorizations required of the Board for the consummation of the transactions contemplated hereby have been obtained or timely will be obtained;

(d) Other than that which was previously disclosed, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or threatened against or affecting the Board, wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated hereunder or which in any way would adversely affect the validity or enforceability of this Facilities Lease and the Ground Lease;

(e) The Board will not take or permit to be taken any action which would have the effect, directly or indirectly, of causing interest on any of the Series 2010A Bonds to be included in gross income for federal income tax purposes;

(f) The Board agrees to cause the Facilities to be used for the Permitted Use and shall not allow the Facilities to be used for any other use. No more than five percent (5%) of the gross area of the Series 2010A Facilities will be subleased by the Board or by any sublessee or assigns of the Board to, or otherwise used by, private business and the Board agrees to take all action, to the extent it is legally authorized and able to do so, necessary to prevent the Series 2010A Bonds from being deemed "private activity bonds" within the meaning of Section 141 of the Code; and

(g) The Board covenants that, as long as any bonds, notes or lease obligations remain outstanding that are payable from the Capital Funds and the Student Fees, if the Debt Service Coverage Ratio falls below 1.20:1.00, the Board shall use its best efforts to raise its fees, rentals, rates and charges relating to the Facilities so that within two (2) full semesters after the Debt Service Coverage Ratio becomes deficient, the Debt Service Coverage Ratio at least equals 1.20:1.00. At the end of two (2) full semesters, if the Debt Service Coverage Ratio is still below 1.20:1.00, the Board shall hire an outside consultant, approved by the Board Insurer, if any, and the Board shall follow any reasonably feasible recommendations of such consultant regarding the operation and management of the Facilities, including raising fees and rents, and reducing expenses. So long as the Board is working in good faith with such consultant to increase any deficient Debt Service Coverage Ratio, there shall not be an Event of Default hereunder unless the Debt Service Coverage Ratio is less than 1.00:1.00 at the end of any Fiscal Year. For purposes of the foregoing, when establishing such fees, rentals, rates and charges and calculating the Debt Service Coverage Ratio for this Section, the Board shall take into account payments required to be made into the Debt Service Reserve Fund pursuant to Section 4.8(h) of the Indenture. The Board further covenants that it will seek any required approval necessary in order to comply with this covenant.

(h) Without the prior written consent of the Bond Insurer, if any, neither the Corporation, the University nor the Board will issue or incur or permit to be issued and incurred, any Additional Debt, unless each of the following conditions have been satisfied:

- (i) no Event of Default or event which with notice for lapses of time, or both, would constitute an Event of Default shall have occurred and be continuing (unless such Event of Default or other event would be cured by such issuance or incurrence) or will occur upon the issuance or incurrence by the Board of any such obligations;

(ii) the Debt Service Coverage Ratio for the most recently completed Fiscal Year, taking into account the Additional Debt proposed to be issued or incurred, would not have been less than 1.25:1.00. If the Additional Debt is being issued to finance the construction of facilities which generate revenues or additional student fees, the Board may include in the calculation of Debt Service Coverage Ratio the proposed revenues to be generated by the future Facilities and/or the additional Student Fees attributable thereto; and

(iii) the Debt Service Coverage Ratio set forth in Section 3(g) above for the two most recently completed Fiscal Years has been met.

Section 4. Representations and Covenants of the Corporation.

The Corporation makes the following representations and covenants:

(a) The Corporation has been validly created under the Louisiana Nonprofit Corporation Law, is currently in good standing under the laws of the State, has the power to enter into the transactions contemplated hereby, and to carry out its obligations under this Facilities Lease, the Ground Lease and the Agreement. The Corporation is not in breach of or in default under any of the provisions contained in any contract, instrument or agreement to which it is a party or in any other instrument by which it is bound. By proper action, the Corporation has been duly authorized to execute and deliver this Facilities Lease, the Ground Lease and the Agreement;

(b) The execution and delivery of this Facilities Lease, the Ground Lease and the Agreement, and compliance with the provisions thereof and hereof, will not conflict with or constitute on the part of the Corporation a violation of, breach of, or default under any statute, indenture, mortgage, declaration or deed of trust, loan agreement or other agreement or instrument to which the Corporation is a party or by which the Corporation is bound or any order, rule or regulation of any court or Governmental Agency or body having jurisdiction over the Corporation or any of its activities or properties; and all consents, approvals and authorizations which are required of the Corporation for the consummation of the transactions contemplated thereby and hereby have been or timely will be obtained;

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or threatened against or affecting the Corporation, wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated hereunder or which in any way would adversely affect the validity or enforceability of this Facilities Lease, the Ground Lease or any agreement or instrument to which the Corporation is a party;

(d) The Corporation will not take or permit to be taken any action which would have the effect, directly or indirectly, of causing interest on any of the Series 2010A Bonds to be included in gross income for federal income tax purposes.

Section 5. Waiver and Disclaimer of Warranties.

The Board acknowledges that the Corporation has not made any representations or warranties as to the suitability or fitness of the Facilities for the needs and purposes of the Board or for any other purpose.

The Board further declares and acknowledges that the Corporation in connection with this Facilities Lease, does not warrant that the Facilities will be upon completion of construction free from redhibitory or latent defects or vices and releases the Corporation of any liability for redhibitory or latent defects or vices under Louisiana Civil Code Articles 2520 through 2548 and Louisiana Civil Code Article 2695. The Board declares and acknowledges that it does hereby waive the warranty of fitness for intended purposes and guarantee against hidden or latent redhibitory defects and vices under Louisiana law, including Louisiana Civil Code Articles 2520 through 2548 and Louisiana Civil Code Article 2695, and the warranty imposed by Louisiana Civil Code Articles 2476 and 2695, and waives all rights in redhibition pursuant to Louisiana Civil Code Articles 2520, et seq. The Board further declares and acknowledges that this waiver has been brought to the attention of the Board and explained in detail and that the Board has voluntarily and knowingly consented to this waiver of warranty of fitness and/or warranty against redhibitory defects and vices for the Facilities. Notwithstanding the foregoing, the Board hereby retains all of its rights to proceed against any third parties with respect to such defects.

The Corporation disclaims and the Board waives any warranties and representations with respect to compliance with Governmental Regulations, including Environmental Requirements, or the disposal of, or existence in, on, under, or about the Facilities of any Hazardous Substance. The Board acknowledges that the Corporation reserves in this Facilities Lease all rights to recover from the Board all costs and expenses imposed on the Corporation to bring the Facilities into compliance with any Environmental Requirement, and all costs of Remediation or cleanup of such Hazardous Substance imposed on the Corporation or the Board, which shall be payable by the Board as Additional Rental hereunder to the extent imposed upon the Corporation.

Section 6. Rental.

(a) The Board, for and in consideration of the Corporation entering into the Ground Lease, renovating and/or constructing the Facilities in accordance with the Ground Lease and leasing the Facilities to the Board pursuant to the terms hereof, hereby covenants and agrees to pay the Base Rental and Additional Rental in the amounts, subject to amounts for which the Board is entitled to a credit as described in Section 6(d) hereof, at the times and in the manner set forth herein, such amounts constituting in the aggregate the total of the rental payable under this Facilities Lease. The obligation of the Board to make Base Rental and Additional Rental payments shall commence on the Commencement Date and shall not be subject to abatement, set-off or reduction as a result of a failure by the Corporation to complete construction of the Facilities on a timely basis.

(b) The Board agrees to pay Base Rental from the Capital Funds and the Student Fees. Payments of Base Rental shall be due on the dates and in the amounts as hereinafter provided:

- and
- (i) On each Interest Payment Date, the interest due and payable on the Bonds;
- (ii) On each Principal Payment Date, the principal due and payable on the Bonds; and
- (iii) On the dates required in the Indenture, to the Trustee for deposit into any of the funds established in the Indenture, including, without limitation, the Debt Service Reserve Fund and the Replacement Fund, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by the Indenture.

(c) In addition to the Base Rental set forth herein, the Board agrees to pay as Additional Rental any and all expenses, of every nature, character, and kind whatsoever, incurred by the Corporation on behalf of the Board and/or by the Board or the University in the management, operation, ownership, and/or maintenance of the Facilities, including but not limited to the following costs and expenses:

- (i) all taxes, assessments and impositions against the Facilities, including without limitation ad valorem taxes attributed to the Corporation on behalf of the Board (and any tax levied in whole or in part in lieu of or in addition to ad valorem taxes);
- (ii) any costs incurred by the Corporation in maintaining the Facilities for the Board and making any alterations, restorations and replacements to the Facilities;
- (iii) insurance premiums and other charges for insurance obtained with respect to the Facilities including insurance premiums, if any, on all insurance required under the provisions of Section 9 of this Facilities Lease;
- (iv) any Default or Delay Rentals;
- (v) all costs incurred by the Corporation in connection with its performance of its obligations relating to the Facilities and/or the Land under the Ground Lease and this Facilities Lease;
- (vi) all Administrative Expenses owed to the Issuer or the Trustee;
- (vii) Litigation Expenses, if any, incurred pursuant to Section 43 hereof;
- (viii) any reimbursement amounts payable pursuant to Section 20 hereof or pursuant to any other provision hereof;
- (ix) any amounts to be paid to the Rebate Fund to be used to make rebate payments, if any, owed to the United States under the Code; and

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- (x) any other costs, charges, and expenses commonly regarded as ownership, management, maintenance, and operating expenses, if any, incurred by the Corporation under this Facilities Lease.

Amounts constituting Additional Rental payable hereunder shall be paid by the Board directly to the person or persons to whom such amounts shall be due. The Board shall pay all such amounts when due or within thirty (30) days after notice in writing from the Corporation or the Trustee to the Board stating the amount of the Additional Rental then due and the purpose thereof.

- (d) The Board shall be entitled to a credit against and reduction of each Base Rental payment in an amount equal to any amounts derived from the following sources:

- (i) Accrued interest derived from the sale of the Bonds; and
- (ii) Surplus moneys (including investment earnings) contained in the funds and accounts held by the Trustee under the Indenture, including the Debt Service Fund, the Debt Service Reserve Fund and the Replacement Fund. However, in no event shall the proceeds of the Series 2010A Bonds be used to make payments on the Series 2010B Bonds.

(e) Notwithstanding any other provision of the Facilities Lease, the obligation of the Board to make payments under this Facilities Lease, including payments of Base Rental and Additional Rental, shall be subject to, and dependent upon, designation by the Board of the Capital Funds and the Students Fees necessary to make the payments required under this Facilities Lease. The Vice President for Administration and Finance of the University shall cause the University to include in the Budget and, if necessary, any amendments to the Budget, an amount of the Capital Funds and the Students Fees sufficient to make the payments of Base Rental and Additional Rental described herein which amounts may or may not ultimately be designated by the Board for such purpose. Subject to the foregoing and Section 29 hereof, the obligations of the Board to make payments pursuant to this Facilities Lease, and to perform and observe the other agreements and covenants on its part contained herein, shall be absolute and unconditional and shall not be subject to any diminution, abatement, set-off, or counterclaim. Subject to the foregoing and Section 29 hereof, until such time as the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with this Facilities Lease, the Board shall not suspend or discontinue payment of Rental or any other payments pursuant to this Facilities Lease for any cause, and shall continue to perform and observe all of its agreements contained in this Facilities Lease. The Corporation and the Board acknowledge and agree that the obligation of the Board to pay Rental shall constitute a current expense of the Board payable by the Board from funds budgeted and designated in accordance with law for and in consideration of the right to use the Facilities during the Term and that such obligation shall not in any manner be construed to be a debt of the Board in contravention of any constitutional or statutory limitations or requirements concerning indebtedness of the Board and nothing contained herein shall constitute a pledge, lien or encumbrance upon any specific tax or other revenues of the Board.

- (f) The payments of Base Rental and Additional Rental under this Facilities Lease for each Fiscal Year or portion thereof during the Term shall constitute the total Rental for such Fiscal Year or portion thereof and shall be paid by the Board for and in consideration of the

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construction by the Corporation of the Facilities and the right to the use and occupancy of the Facilities by the Board, for and during such Fiscal Year or portion thereof.

(g) Amounts necessary to pay each Base Rental payment shall be deposited by the Board on the dates set forth in Section 6(b) hereof in lawful money of the United States of America at the office of the Trustee or at such other place or places as may be established by the Corporation and/or Trustee in accordance with the Indenture. Any amount necessary to pay any Base Rental payment or portion thereof which is not so deposited shall remain due and payable until received by the Trustee. Notwithstanding any dispute between the Board and the Corporation hereunder, the Board shall make all Rental payments when due and shall not withhold payment of any Rental pending the final resolution of such dispute or for any other reason whatsoever.

(h) This Facilities Lease is intended to be a triple net lease. The Board agrees that the Rental provided for herein shall be an absolute net return to the Corporation free and clear of any expenses, charges, taxes, abatements, counterclaims, reductions or set-offs whatsoever of any kind, character or nature; it being understood and agreed to by the Board that the Board shall bear responsibility for the payment of all costs and expenses associated with the ownership, management, operation, and maintenance of the Facilities. Under no circumstances will the Corporation be required to make any payment on the Board's behalf or for the Board's benefit under this Facilities Lease, or assume any monetary obligation of the Board under this Facilities Lease, or with respect to the Facilities.

(i) In addition to the Rental payments required hereby, the Board covenants and agrees to make extraordinary rental payments to fund a portion of the capital costs of the Facilities from funds on hand or collected by the Board, not to exceed \$6,500,000.

(j) In the event the Food Service Contract is terminated and the Corporation or the Board begins providing operations and management services for the Food Service Areas as required by Section 9.1 of the Ground Lease, the Board agrees to pay amounts sufficient to make up any shortfall in the payment of Base Rental of debt service on the Series 2010 Bonds payable solely from Auxiliary Revenues of the University after payment of annual debt service on the Corporation's (Southeastern Louisiana University Student Housing/University Facilities, Inc. Project) Series 2004 Bonds and the Corporation's (Southeastern Louisiana University / University Facilities Inc.: Phase Four Parking Project) Series 2007 Bonds.

Section 7. Operation, Maintenance, Repair, Replacement and Security Service.

(a) The University, at the direction of the Board, shall be responsible for ensuring that all services necessary or required in order to adequately operate the Facilities in accordance with the Permitted Use are provided and maintained. The University shall continuously operate or cause to be operated the Facilities from the Date of Opening and continuing for the remainder of the Term for the Permitted Use, and in accordance with all Governmental Regulations.

(b) The University, at the direction of the Board, shall be responsible for maintaining the Facilities and shall make or contract or cause to be made or contracted with a suitable contractor for the making of all alterations, repairs, restorations, and replacements to the

Facilities, including without limitation the heating, ventilating, air conditioning, mechanical, electrical, elevators, plumbing, fire, sprinkler and duct systems, air and water pollution control and waste disposal facilities, structural roof, walls, and foundations, fixtures, equipment, and appliances, as well as when needed to preserve them in good working order, condition and repair (ordinary wear and tear excepted), regardless of whether such repairs, alterations, restorations or replacements are ordinary or extraordinary, foreseeable or unforeseeable, or are at the fault of the Board, the Corporation or some Other Party. All alterations, repairs, restoration, or replacements shall be of a quality and class equal to or better than the quality and class presently located in the Facilities.

(c) The University, at the direction of the Board, shall have the right during the Term to cause the Corporation or some other Party to make or construct any additions or improvements to the Facilities; alter the Facilities; attach fixtures, structures, or signs to or on the Facilities; and affix personal property to the Facilities without the Corporation's prior written consent to the extent allowed under the terms of any insurance covering the Facilities. All such alterations, improvements, additions, attachments, repairs, restorations, and replacements of all or any portion of the Facilities shall (i) be at the sole cost and expense of the University; (ii) not reduce the then fair market value of the Facilities; (iii) be constructed in a good and workmanlike manner; and (iv) be in compliance with all Governmental Regulations.

(d) The University, at the direction of the Board, shall provide or cause to be provided all security service, custodial service, janitorial service, trash disposal, and all other services necessary for the proper upkeep and maintenance of the Facilities as required herein. The Board acknowledges that the Corporation has made no representation or warranty with respect to systems and/or procedures for the security of the Facilities, any persons occupying, using or entering the Facilities, or any equipment, furnishings, or contents of the Facilities. It is the sole responsibility of the Board, through the University to cause to be provided or to provide for the security of persons on or entering the Facilities and/or property located at the Facilities, in accordance with reasonable and prudent business practices.

Section 8. Utilities.

All utilities which are used or consumed in or upon or in connection with the Facilities during the Term, including, without limitation water, gas, electricity, sewerage, garbage, or trash removal, light, cable, heat, telephone, power, computer data and other utilities necessary for the operation of the Facilities ("Utility Service") shall be the responsibility of the Board and/or Permitted Sublessees residing in the Facilities. Payments for Utility Services provided to the entire Facilities or to the common areas of the Facilities under such contract or contracts herefor as the Board may make shall be made by the Board directly to the respective utility companies furnishing such Utility Services.

The Corporation shall have no responsibility to the Board for the quality or availability of Utility Service to the Facilities, or for the cost to procure Utility Service. The Corporation shall not be in default under this Facilities Lease or be liable to the Board or any other Person for direct or consequential damage, or otherwise, for any failure in supply of any Utility Service, heat, air conditioning, elevator service, cleaning service, lighting, security, or for surges or interruptions of electricity.

Section 9. Insurance.

(a) The University, at the direction of the Board, shall cause to be secured and maintained at the University's cost and expense:

(i) A policy or policies of insurance covering the Facilities against loss or damage by fire, lightning, earthquake, collapse, vandalism and malicious mischief, flood and storm surge, and against such other perils as are included in so-called "extended coverage" and against such other insurable perils as, under good insurance practice, from time to time are insured for properties of similar character and location, which insurance shall be not less than the full replacement cost of the Facilities, without deduction for depreciation. In the event that the Facilities are not repaired or replaced, insurance proceeds shall be no greater than the actual cash value (replacement cost less depreciation) of the Facilities at the time of the loss. The policy shall be adjusted to comply with any applicable co-insurance provisions of such insurance policy. Full payment of insurance proceeds shall not be contingent on the degree of damage sustained at other facilities leased by the Board. The policy or policies covering such loss must explicitly waive any co-insurance penalty.

(ii) A policy of comprehensive public liability insurance with respect to the Facilities and the operations related thereto, whether conducted on or off the Facilities, against liability for personal injury (including bodily injury and death) and property damage, of not less than \$2,000,000 in combined single limit liability coverage. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability, water damage legal liability, motor vehicle liability for all owned and non-owned vehicles, including rented or leased vehicles.

(iii) Boiler and machinery insurance coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus, but only if steam boilers, pressure vessels or similar apparatus are installed on the Facilities, in an amount not less than \$5,000,000 with deductible provisions not exceeding \$100,000 per accident.

(iv) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State, or any act hereafter enacted as an amendment thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the Corporation in connection with the Facilities and to cover full liability for compensation under any such act aforesaid.

(b) The Corporation shall:

(i) cause to be secured and maintained a policy of title insurance insuring the Corporation's leasehold interest under the Ground Lease in an amount equal to the par amount of the Bonds; and

(ii) cause all of the construction professionals to secure and maintain:

(A) Comprehensive or Commercial General Liability insurance;

(B) Errors and Omissions insurance;

(C) Automobile Liability insurance;

(D) Worker's Compensation insurance;

(E) an all Risk Builder's Policy upon the construction of the Facilities; and

(F) boiler and machinery or additional property insurance;

all as required by the terms of any construction contracts entered into with regards to the demolition of certain existing facilities and the renovation, development and construction of the Facilities.

All insurance required in this Section 9 and all renewals of such insurance (excepting self insurance or commercial insurance, through ORM) shall be issued by commercial insurers authorized to transact business in the State, and rated at least A- by Best's Insurance Reports (property/liability) or in the two highest rating categories of S&P and Moody's. All insurance policies provided or caused to be provided by the Corporation shall expressly provide that the policies shall not be canceled or altered without thirty (30) days' prior written notice to the University and the Trustee; and shall, to the extent obtainable, provide that no act or omission of the Corporation or other provider of the insurance that would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained.

All policies of liability insurance that the University is obligated to maintain according to this Facilities Lease (other than any policy of worker's compensation insurance) will name the Corporation, the Trustee and such other Persons or firms as the University may be required to name from time to time as additional insureds and shall expressly provide that the policies shall not be cancelled or altered without thirty (30) days' prior written notice to the Corporation and the Trustee; and shall, to the extent obtainable, provide that no act or omission of the University or other provider of the insurance that would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained. All public liability, property damage liability, and casualty policies maintained by the University shall be written as primary policies.

Proceeds of insurance received and/or the amount of any loss that is self-insured with respect to destruction of or damage to any portion of the Facilities by fire, earthquake or other casualty or event shall be paid to the Trustee (or, in the case of ORM insurance, to the Board for delivery in full to the Trustee) for application in accordance with the provisions of Section 11 of the Facilities Lease and the Indenture.

The Corporation shall certify annually to the Bond Insurer, if any, that all insurance policies required by this Section 9 are as of the date of such certification in place and in effect.

Section 10. Condemnation, Casualty and Other Damage.

The risk of loss or decrease in the enjoyment and beneficial use of the Facilities due to any damage or destruction thereof by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion or otherwise (collectively "Casualty") or in consequence of any foreclosures, attachments, levies or executions; or the taking of all or any portion of the Facilities by condemnation, expropriation, or eminent domain proceedings (collectively "Expropriation") is expressly assumed by the Board. The Corporation and the Trustee shall in no event be answerable, accountable or liable therefor, nor shall any of the foregoing events entitle the Board to any abatements, set-offs or counter claims with respect to its Base Rental, Additional Rental or any other obligation hereunder.

Section 11. Application of Insurance Proceeds; Condemnation Award.

(a) If during construction, all or any portion of the Facilities is damaged or destroyed by a Casualty, or is taken by Expropriation proceedings, the Board shall instruct the Corporation, as expeditiously as possible, to continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof; provided however, that the Corporation shall in no way be liable for any costs of the repair, restoration or replacement of the Facilities in excess of the proceeds of any insurance or of any Expropriation award received because of such Casualty or Expropriation. Following the completion of construction and acceptance of the Facilities by the Board on behalf of the Corporation, the Board shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted, the repair, restoration, or replacement thereof. The proceeds of any insurance, including the proceeds of any self-insurance fund, or of any Expropriation award or payment in lieu of Expropriation, received on account of any damage, destruction or taking of all or any portion of the Facilities shall be delivered to the Trustee and held by the Trustee in trust (or in the case of self insurance through ORM, as set forth in paragraph (b) below), and shall be made available for, and to the extent necessary be applied to, such restoration, repair and replacement. Any amounts so held by the Trustee shall be disbursed to pay the costs of restoration, replacement and repair of the Facilities with respect to which they are held, in each case promptly after receipt of a written request of the Corporation stating that the amount to be disbursed pursuant to such request will be used to pay costs of replacing or repairing or restoring the Facilities and that no amount previously has been disbursed by the Trustee for payment of the costs to be so paid. In making such payments, the Trustee may conclusively rely upon such written requests and shall have no liability or responsibility to investigate any matter stated therein, or for any inaccuracy or misstatement therein. In no event shall the Trustee be responsible for the adequacy of the plans and specifications or construction contract relating to the replacement, restoration, or repair of the Facilities, or for the improper use of moneys properly disbursed pursuant to request made under this Section 11. Any proceeds remaining on deposit with Trustee following completion of the repairs, restoration or replacement of the Facilities shall be paid by Trustee in accordance with the terms of the Indenture.

In the event the proceeds of any insurance, and any additional funds deposited with the Trustee, are insufficient to fully repair, restore or replace the Facilities, the proceeds shall be paid to the Board for immediate delivery to Trustee and used to redeem the Outstanding Bonds.

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Notwithstanding the foregoing, the Corporation's obligation to replace the Facilities in the event of Expropriation proceedings is dependent on the Board entering into a lease with a different portion of the Campus as provided in Section 13.3 of the Ground Lease. In the event it is necessary to restore or replace the Facilities in a different location because of the Expropriation of all or a portion of the Facilities, the Corporation and the Board agree to amend or enter into a new Facilities Lease and Ground Lease in accordance with Section 13.3 of the Ground Lease. In the event the Board, pursuant to the Ground Lease, decides not to repair, restore or replace the Facilities for any reason, all insurance proceeds received or payable as a result of such Casualty, or all proceeds received or payable as a result of Expropriation proceedings (including payments received or payable in lieu of Expropriation) shall be paid to the Board for immediate delivery to the Trustee and applied to the prepayment of the Bonds in accordance with the terms of the Indenture, and this Facilities Lease and the Ground Lease shall terminate on the date that the events described in Section 2(a) or 2(b) hereof have occurred.

(b) In the event that ORM insures the Facilities, the Board shall use the insurance proceeds received from ORM in accordance with Policy and Procedure Memorandum Number 10 (requiring invoices to be submitted to ORM for payment to vendors, or alternatively, production of invoices paid by the Board to ORM for reimbursement of vendor payments) to effect the repair, restoration or replacement of the Facilities.

Section 12. Encumbrances.

(a) **Payment by the Board.** The Board shall pay or cause to be paid all costs and charges for alterations, improvements, additions, repairs and maintenance ("Work") (i) done by the Board or caused to be done by the Board in or to the Facilities, and (ii) for all materials furnished for or in connection with such Work. The Corporation reserves all rights to collect for any loss or damage sustained or incurred by the Corporation resulting from any and all Encumbrances, demands or liabilities arising on account of the Work, which shall be payable by the Board as Additional Rent hereunder.

(b) **Failure to Discharge.** If the Board fails to pay any charge for which an Encumbrance has been filed, and the Facilities or any portion thereof is placed in imminent danger of being seized, the Corporation may, but shall not be obligated to, pay such charge and related costs and interest, and the amount so paid, together with reasonable Legal Expenses incurred in connection with such Encumbrance, will be immediately due from the Board to the Corporation as Additional Rental. Nothing contained in this Facilities Lease will be deemed to consent or agreement of the Corporation to subject the Corporation's interest in the Facilities to liability under any Encumbrance, or any mechanics', materialman's or other lien law. If the Board receives written notice that an Encumbrance has been or is about to be filed against the Facilities, or that any action affecting title to the Facilities has been commenced on account of Work done by or for the Board or for materials furnished to or for the Board, it shall immediately give the Corporation Notice of such notice.

(c) **Notice of Work.** At least fifteen (15) days prior to the commencement of any Work in or to the Facilities, by or for the University, the University shall give the Corporation Notice of the proposed Work and the names and addresses of the Persons supplying labor and materials for the proposed Work. The Corporation will have the right to post notices of

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nonresponsibility or similar written notices on the Facilities in order to protect the Facilities against any such claimants.

Section 13. Assignment and Sublease.

(a) No interest of the Board in the Facilities shall be mortgaged, pledged, assigned or transferred by the Board by voluntary act or by operation of law, or otherwise; provided, however, the Board may sublease all or any portion of the Facilities, or grant concessions involving the use of all or any portion of the Facilities, whether such concessions purport to convey a leasehold interest or a license to use all or a portion of the Facilities to any University student, faculty, staff or Permitted Sublessee. The Board shall, however, at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Facilities Lease (including, without limitation, the payment of Base Rental and Additional Rental), notwithstanding any subletting or granting of concessions which may be made. Nothing herein contained shall be construed to relieve the Board from its obligations to pay Base Rental and Additional Rental as provided in this Facilities Lease or to relieve the Board from any other obligations contained herein. Other than subleases to Permitted Sublessees and use of the Facilities for Permitted Uses, in no event will the Board sublease or permit the use of all or any part of the Facilities to any person without an opinion of Bond Counsel that such will not cause interest on the Bonds to be included in the gross income of the owners of the Series 2010 Bonds for federal income tax purposes.

(b) The Corporation shall, concurrently with the execution hereof, assign all of its right, title and interest in and to this Facilities Lease, including without limitation its right to receive Base Rental payable hereunder, to the Issuer pursuant to the Agreement, and the Issuer will in turn assign its rights under this Facilities Lease to the Trustee pursuant to the Indenture. The parties hereto further agree to execute any and all documents necessary and proper in connection therewith. Anything required or permitted to be done by the Corporation under this Facilities Lease may be done by the Trustee under the Indenture.

(c) Except as set forth in Section 13(b) hereof, the Corporation shall not sell or assign its interest in the Facility or this Facilities Lease without the prior written consent of the Board.

Section 14. Additions and Improvements Removal.

At the expiration of the Term, or termination of this Facilities Lease, all alterations, fixtures, improvements and additions made by the Board or the University and all equipment placed upon the Facilities that are incorporated into or made into component parts of the Facilities, as well as, title to all property, furniture, equipment, fixtures, and other property installed at or placed upon the Facilities by the Board which is not incorporated into or made a component part of the Facilities remain the property of the Board.

The Board hereby agrees to replace such property from time to time as such property becomes worn out, obsolete, inadequate, unsuitable or undesirable. The Board may add to or remove such property from time to time, and upon expiration of the Term, provided that the Board repairs any damage to the Facilities caused by such removal.

Section 15. Right of Entry.

Representatives of the Corporation and the Bond Insurer, if any, shall, subject to reasonable security precautions, and upon giving the Board not less than twenty-four (24) hours advance Notice, have the right to enter upon the Facilities during reasonable business hours (and in emergencies without notice and at all times) accompanied by a Board Representative (i) to inspect the same, (ii) for any purpose connected with the rights or obligations of the Corporation under this Facilities Lease, or (iii) for all other lawful purposes. Any right of access to any portion of the Facilities leased to the students, faculty, staff or Permitted Sublessees shall be subject to their rights pursuant to their rental agreements and University policy.

Section 16. Mortgage Prohibition.

Except as set forth in the Indenture, the Ground Lease and the Agreement, the Corporation shall not be entitled to mortgage or grant a security interest in the Facilities.

Section 17. Sale of Facilities: Attornment; and Conveyance and Transfer of the Corporation's Interest.

If a person other than the Corporation shall succeed to the rights of the Corporation hereunder (in any case with the prior written consent of the Board as required hereby), upon the declaration of the successor to the Corporation's interest in this Facilities Lease, the Board agrees to fully attorn to and recognize any such successor as the Board's landlord under this Facilities Lease upon the then existing terms of this Facilities Lease, provided that such successor shall agree in writing to accept the Board's attornment and not to disturb the Board's possession so long as the Board shall observe the provisions and all covenants of this Facilities Lease. This attornment provision shall inure to the benefit of any such successor and shall be self-operative upon the election and declaration by such successor, and no further instrument shall be required to give effect to the provisions. However, the Board agrees to evidence and confirm the foregoing attornment provisions by the execution and delivery of instruments in recordable form satisfactory to such successor.

If the Facilities, or any part thereof, shall be sold or otherwise transferred by sale, assignment, transfer or other contract, or by operation of law or otherwise (with the prior written consent of the Board as required hereby and with an opinion of Bond Counsel that such action will not cause interest on the Series 2010A Bonds to be included in the gross income of the owner of the Series 2010A Bonds for federal tax purposes), and if such written consent specifically so provides, the Corporation shall be automatically and entirely released and discharged to the extent of the interest in or the portion of the Facilities sold, assigned or transferred from and after the effective date of such sale, assignment or transfer of all liability for the performance of any of the covenants of this Facilities Lease on the part of the Corporation hereafter to be performed. The purchaser or other transferee of the Facilities shall be deemed to have agreed to perform such covenants of the Corporation from and after the date of such assignment or sale during such transferee's period of ownership of the Corporation's interest under this Facilities Lease, all without further agreement between the Corporation, its successor and the Board. The Corporation's transferee shall not be held responsible for the performance of any of the covenants of this Facilities Lease on the part of the Corporation required to be

performed prior to such sale and transfer, the Board reserving its rights against the Corporation for any unperformed covenants prior to such sale or transfer.

Section 18. Quiet Enjoyment.

The Corporation covenants that the Board, on paying the Rental and performing and observing all of the covenants and agreements herein contained and provided to be performed by the Board or the University, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Facilities during the Term and may exercise all of its rights hereunder; and the Corporation agrees to warrant and forever defend the Board's right to such occupancy, use, and enjoyment and the title to the Facilities against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof subject only to the provisions of this Facilities Lease.

Section 19. Environmental Compliance and Indemnity.

(a) Environmental Compliance. The Board or the University shall operate or cause to be operated the Facilities in compliance with all Environmental Requirements continuously during the Term, and for such periods of time prior to the Commencement Date and after the Expiration Date, as long as the Board is in possession of the Facilities, in whole or in part. The Board shall not cause or permit any Hazardous Substances to be brought upon, kept, or used in or about the Facilities or the Land, except for such Hazardous Substance as is necessary or useful to the operation of the Facilities.

(b) The Board's Liability. If the Board fails to comply with any of the foregoing warranties, representations, and covenants, and removal or Remediation of any Hazardous Substances found on the Facilities is required by Environmental Requirements or Governmental Authority, the Board shall promptly undertake the removal or Remediation of such Hazardous Substances, at the Board's sole cost and expense. In the event the Board fails or refuses to undertake such removal or Remedial actions, the Corporation may cause the removal or Remediation (or other cleanup reasonably acceptable to the Corporation) of any such Hazardous Substance from the Land or the Facilities. The reasonable costs of removal, Remediation, or any other cleanup (including transportation and storage costs) will be considered as Additional Rental under this Facilities Lease, whether or not a court has ordered the cleanup, and those costs will become due and payable within ninety (90) days of written demand by the Corporation. In connection therewith, the Board will give the Corporation, its agents, and employees access to the Facilities to remove, remediate, or otherwise clean up any Hazardous Substance. The Corporation, however, has no affirmative obligation to remove, remediate, or otherwise clean up any Hazardous Substance, and this Facilities Lease will not be construed as creating any such obligation. The Board hereby agrees that it shall be fully liable for all costs and expenses related to the use, storage, and disposal of any Hazardous Substance located in or about the Facilities by the Board.

Section 20. The Corporation's Reservation of Rights.

(a) The Corporation hereby reserves all of its rights to recover from the Board for any and all Claims asserted against the Corporation, including Litigation Expenses arising out of or by reason of:

(i) any injury to or death of any person or damage to property occurring on or about the Facilities occasioned by or growing out of or arising or resulting from any tortious or negligent act on the part of the Board in connection with the operation and management of the Facilities; or

(ii) any failure, breach, or default on the part of the Board in the performance of or compliance with any of the obligations of the Board under the terms of this Facilities Lease.

(b) Notwithstanding the fact that it is the intention of the parties that the Corporation shall not incur any pecuniary liability by reason of the terms of this Facilities Lease or the undertakings required of the Corporation hereunder, nevertheless, if the Corporation should incur any such pecuniary liability, then in that event, the Corporation shall be entitled to assert all rights and remedies granted in law or in equity to recover from the Board the amount of any pecuniary liability incurred by the Corporation, plus all Litigation Expenses incurred in defense of such liability to the extent subject to indemnification pursuant to Subsection (a) above.

(c) No recourse shall be had for the enforcement of any obligation, covenant, or agreement of the Corporation contained in this Facilities Lease or any Claim based thereon against the Corporation or any successor thereto or member thereof, either directly or through the Corporation whether by virtue of any constitutional provision, statute, or rule of law. This Facilities Lease and the obligations of the Corporation hereunder, and any Claim asserted against the Corporation are solely corporate obligations, and the enforcement of any obligation or Claim shall be limited solely to the Corporation's interest in the Facilities. No personal liability shall attach to, or be incurred by, any officer, director, agent, employee or member of the Corporation and the Board acknowledges that all personal liability of any character against every such officer, director, agent, employee or member by the execution of this Facilities Lease, is expressly waived and released. The immunity of any officer, director, agent, employee or member of the Corporation under the provisions contained in this Section 20 shall survive any acquisition of the Facilities by the Board and the expiration or other termination of this Facilities Lease.

Section 21. Default by the Board.

If (i) the Board shall fail to deposit with the Trustee any Base Rental payment required to be so deposited pursuant to Section 6 hereof by the close of business on the day such deposit is required pursuant to Section 6 hereof, and shall fail to remedy such breach within five (5) days thereof, but in no event later than the date on which such payment is required to enable the Corporation to make payment on the Bonds (without use of moneys held in the Debt Service Reserve Fund), or (ii) the Board shall fail to pay or discharge any monetary obligation under this Lease (other than the payment of Base Rental) as and when due, or within forty (30) days after receipt of Notice from the Corporation that such sums are due and owing; or (iii) the Board shall

breach any non-monetary terms, covenants or conditions herein, and shall fail to remedy any such breach with all reasonable dispatch within a reasonable period of time (or such longer period as the Trustee may approve) after written notice thereof from the Corporation to the Board, then and in any such event the Board shall be deemed to be in default hereunder, and the Corporation shall have the right, at its option, without any further demand or notice to terminate this Facilities Lease on the earliest date permitted by law or on any later date specified in any Notice given to the Board, in which case the Board's right to possession of the Facilities will cease and this Facilities Lease will be terminated, without, however, waiving the Corporation's right to collect all Rental and other payments due or owing for the period up to the time the Corporation regains possession (which have been approved for payment under this Facilities Lease, but not paid by the Board), and to enforce other obligations of the Board which survive termination of this Facilities Lease, and in such event the Corporation may without any further demand or notice re-enter the Facilities and eject all parties in possession thereof, subject to the rights of students, faculty, staff and Permitted Sublessees. The foregoing remedies of the Corporation are in addition to and not exclusive of any other remedy of the Corporation. Any such re-entry shall be allowed by the Board without hindrance, and the Corporation shall not be liable in damages for any such re-entry or be guilty of trespass. The Corporation understands and agrees that upon its termination of the Board's right to possession of the Facilities or termination of this Facilities Lease, the Corporation upon its re-entry of the Facilities shall only be allowed to use the Facilities for the Permitted Use and shall be subject to all applicable Governmental Regulations heretofore or hereafter enacted by any Governmental Authority relating to the use and operation of the Facilities.

Notwithstanding any other provision of this Facilities Lease, (i) in no event shall the Corporation have the right to accelerate the payment of any Base Rental payment hereunder and (ii) the Bond Insurer, if any, shall have ninety (90) days to cure an Event of Default hereunder.

Notwithstanding anything contained in this Section 21 to the contrary, a failure by the Board to pay when due any payment required to be made under this Facilities Lease or a failure by the Board to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Facilities Lease, resulting from a failure by the Board to designate moneys shall not constitute an Event of Default under this Section 21 and the Corporation shall not have any of the remedial rights set forth in this Section 21. Notwithstanding the foregoing, in such event the Board acknowledges that the Facilities Lease shall terminate and the Board shall immediately vacate the Facilities, and deliver the Facilities to the Corporation.

Section 22. Cumulative Remedies.

Each right and remedy provided for in this Facilities Lease is cumulative and is in addition to every other right or remedy provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Corporation of any one or more of the rights or remedies provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by the Corporation of any or all other rights or remedies provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise. All costs

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Facilities Lease

incurred by the Corporation in collecting any amounts and damages owing by the Board pursuant to the provisions of this Facilities Lease or to enforce any provision of this Facilities Lease, including reasonable Litigation Expenses from the date any such matter is turned over to an attorney, whether or not one or more actions are commenced by the Corporation, will also be recoverable by the Corporation from the Board. The waiver by the Corporation of any breach by the Board and the waiver by the Board of any breach by the Corporation of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

Section 23. Option to Purchase.

For and in consideration of the obligations of the Board under the Facilities Lease, the mutual undertakings of the parties, the receipt and adequacy of which is hereby acknowledged, the Corporation grants to the Board an exclusive and irrevocable option to purchase for the price and on the terms, provisions, stipulations and conditions hereinafter set forth, all but not less than all of the Corporation's leasehold interest in the Facilities.

- (a) **Effective Date.** The effective date of this Option agreement shall be the Commencement Date.
- (b) **Term of Option.** The Option shall expire at midnight Central Time, on the Expiration Date, or upon the termination of this Facilities Lease, whichever occurs first.
- (c) **Limitation on Exercise of Option.** The Board may not exercise the Option, and the Option shall be voidable, at the sole election of the Corporation, if a default by the Board has occurred and is continuing under this Facilities Lease, and the applicable time period in which the Board may cure such default has expired. Notwithstanding any provision of this Option to the contrary, the Board shall be entitled to exercise the Option as long as the Board is legally obligated to make payments of Base Rental under the Facilities Lease.

(d) **Exercise of Option.** The Board may exercise the Option herein granted at any time on or before expiration of the Term, on any Interest Payment Date as set forth in the Indenture or on the date the Bonds are defeased pursuant to Article XII of the Indenture, by Notice to the Corporation of its election to exercise the Option and purchase the Corporation's interest in and to the Facilities given not less than sixty (60) days prior to the date on which the Board desires to purchase the Facilities.

(e) **Purchase Price.** The Purchase Price shall be equal to the principal of all Bonds then Outstanding plus the interest to accrue on such Bonds until the purchase date plus any prepayment penalties, charges or costs for early prepayment or defeasance of the Bonds and any Administrative Expenses owed prior to the purchase date which payments are necessary to discharge the Indenture pursuant to Article XII hereof (collectively, the "Purchase Price").

(f) **Effect on Facilities Lease and Ground Lease.** Upon the purchase of the Corporation's leasehold interest in the Facilities by the Board pursuant to this Option, the Facilities Lease and the Ground Lease shall terminate and all of the Corporation's leasehold interest in the Land and the Facilities shall terminate.

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Facilities Lease

(g) **Payment of Purchase Price.** The Board, on the purchase date, shall deposit an amount equal to the Purchase Price with the Trustee.

(i) **Conveyance.** In the event of and upon the payment of the Purchase Price and any other sums due under this Facilities Lease by the Board, the Corporation will on the purchase date execute and deliver to the Board a written cancellation of the Ground Lease and this Facilities Lease.

(ii) **Assignment of Contract Rights and Obligations.** The conveyance of the Corporation's leasehold interest in the Facilities shall also effect a transfer and assignment of all rights, warranties and liabilities of the Corporation under then existing contracts of any nature with respect to the Facilities.

(b) **Closing.** In the event the Option is timely exercised, notice of the Board's election to the Corporation shall constitute an irrevocable conversion of the Option into a binding obligation of the Corporation to sell its leasehold interest in the Facilities and the Board to buy the same under the terms and conditions set forth in this Section 23, and in such event, the Corporation and the Board shall have the right to demand specific performance of this agreement by the other. The closing shall occur at the offices of the Board or its counsel, or at such other time, place, and date as agreed upon by the Corporation and the Board.

(i) **Closing Costs.** The Board shall pay all closing costs and charges incident to the conveyance of the Corporation's interest in the Land and the Facilities.

(i) **No Warranty.** The Corporation shall convey its leasehold interest in the Facilities without any warranty whatsoever of any nature. The conveyance of the leasehold interest in the Facilities shall be without any warranty as to fitness and condition, as set forth in Section 5 of this Facilities Lease. Language substantially similar to the language contained in Section 5 of this Facilities Lease shall be incorporated into and made a part of such conveyance. In no event shall the Corporation be responsible for any defects in title.

(k) **Default under the Option.**

(i) In the event the Option is exercised, and the Corporation fails to consummate the transactions contemplated herein for any reason, except default by the Board or the failure of the Board to satisfy any of the conditions set forth herein, the Board may, in addition to any other rights and remedies which may otherwise be available to the Board, enforce this agreement by specific performance. The Board's remedies under this Section 23 are expressly subject to the provisions of Section 30 of this Facilities Lease.

(ii) In the event the Option is exercised, and the Board fails to consummate the transactions contemplated herein for any reason, except default by the Corporation or the failure of the Corporation to satisfy any of the conditions set forth herein, the Corporation (a) may enforce this agreement by specific performance and in such action shall have the right to recover damages suffered by reason of the Board's delay, or (b) may bring suit for damages for breach of this agreement.

(iii) No delay or omission in the exercise of any right or remedy accruing to either party upon any breach by the other party under this Section 23 shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter occurring. The waiver by either party of any condition or any subsequent breach of the same or any other term, covenant or condition contained in this Section 23 shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained.

(l) **Attorney's Fees.** Should either party employ an attorney or attorneys to enforce any of the provisions hereof, or to protect its interest in any matter arising under this agreement, or to recover damages for the breach of this agreement, the party prevailing in any final judgment shall have the right to collect from the losing party all Litigation Expenses incurred in enforcing such rights.

(m) **Notices.** Any notices required or permitted under this Section 23 shall be in writing and delivered either in person to the other party, or the other party's authorized agent, or by United States Certified Mail, return receipt requested, postage prepaid, to the address set forth in Section 50 of this Facilities Lease, or to such other address as either party may designate in writing and delivered as herein provided.

(n) **Assignability.** Except as set forth in the Indenture, the Mortgage or the Ground Lease, the Option may not be assigned by the Corporation or its interest in the Facilities sold (subject to the Option or otherwise) to any person or entity without the Board's prior written consent, which consent may be withheld by the Board in its sole discretion.

(o) **Time of Essence.** Time is of the essence of this Option.

(p) **Binding Effect.** This Option shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, successors and assigns.

Section 24. Severability.

If any provisions of this Facilities Lease shall be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable, to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Facilities Lease shall not affect the remaining portions of this Facilities Lease, or any part thereof.

Section 25. Redemption of Bonds.

The Corporation agrees that it will not exercise its option to redeem any Bonds pursuant to the Indenture unless the Board consents to such redemption or such redemption is to be effected with moneys derived from a source other than payments made by the Board under this Facilities Lease, however, in no event shall the mandatory redemption of any Bonds pursuant to

the Indenture require the consent of the Board. The Corporation further agrees that if requested by the Board it will take all actions necessary to redeem all or any portion of the Bonds designated by the Board on the first date that it may do so under the terms of the Indenture so long as the Board agrees to provide funds in an amount, and at the time, required to effect such redemption.

Section 26. Additional Bonds.

Upon the request and at the expense of the Board, the Corporation shall take action as may be required to effect the issuance of Additional Bonds in such amount as the Board may request as permitted by and in accordance with the provisions of the Indenture for any purpose permitted thereby.

Section 27. Execution.

This Facilities Lease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same Facilities Lease.

Section 28. Law Governing.

This Facilities Lease is made in the State under the constitution and laws of the State and is to be governed by the laws of the State.

Section 29. Nondesignation of Funds.

In the event no funds or insufficient funds are lawfully designated in any Fiscal Year enabling the payment of Base Rental and Additional Rental due during the next succeeding Fiscal Year, the Board will immediately notify the Corporation and the Trustee of such occurrence. On the first day of the month following the Base Rental payment date on which the last payment of Base Rental can be made in full from the Capital Funds and the Student Fees, this Facilities Lease shall terminate without penalty or expense to the Board of any kind whatsoever, except as to the portions of Base Rental and Additional Rental payments herein agreed upon for Fiscal Years for which sufficient funds have been lawfully designated. In the event of such termination, the Board agrees peaceably to surrender possession of the Facilities to the Corporation on the date of such termination in its original condition (normal wear and tear accepted). The Corporation will have all legal and equitable rights and remedies to take possession of the Facilities and re-let or sell the Facilities as the Corporation determines and as granted in this Facilities Lease. The Board acknowledges that the Corporation's rights to take possession and to re-let or sell the Facilities under this Section 29 may be assigned to the Trustee for the benefit of the owners of the Bonds, and the Board agrees that the Trustee shall be entitled to exercise all of the rights of the Corporation under this Section 29. The event of an inability by the Board to cause the designation of sufficient funds for the payment of sums due under this Facilities Lease shall not constitute a default hereunder, but shall ipso facto terminate this Facilities Lease. This provision is operative notwithstanding any provisions of this Facilities Lease to the contrary. The Board shall be considered in default hereunder if sufficient funds are lawfully designated for the payment of Rental required under this Facilities Lease and the Board

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fails to use lawfully designated funds for the payment of Rental. In such event, the Corporation shall be entitled to the rights and remedies set forth in Sections 21 and 22 hereof.

Section 30. Exculpatory Provision.

In the exercise of the powers of the Corporation and its trustees, officers, employees and agents under this Facilities Lease and the Indenture, the Corporation shall not be accountable or liable to the Board (i) for any actions taken or omitted by it or its officers, employees or agents in good faith and believed by it or them to be authorized or within their discretion or rights or powers conferred upon them, or (ii) for any claims based on this Facilities Lease against any officer, employee or agent of the Corporation in his or her personal capacity, all such liability, if any, being expressly waived by the Board by the execution of this Facilities Lease. Nothing in this Facilities Lease or the Indenture is intended to require or obligate, nor shall anything herein or therein be interpreted to require or obligate, the Corporation for any purpose or at any time whatsoever, to provide, apply or expend any funds coming into the hands of the Corporation other than the funds derived from the issuance of the Bonds under the Indenture and moneys derived pursuant to the Indenture and this Facilities Lease.

The Board specifically agrees to look solely to the Corporation's interest in the Facilities for the recovery of any judgments from the Corporation. It is agreed that the Corporation will not be personally liable for any such judgments, or incur any pecuniary liability as a result of this Facilities Lease to the Board, or the breach of its obligations hereunder. The Corporation's liability under this Facilities Lease is "in rem" as to its interest in the Facilities. The provisions contained in the preceding sentences are not intended to and will not limit any right that the Board might otherwise have to obtain injunctive relief against the Corporation or relief in any suit or action in connection with enforcement or collection of amounts that may become owing or payable under or on account of insurance maintained by the Corporation.

Section 31. Reserved.

Section 32. Recording.

The Corporation covenants and agrees that it will promptly record and from time to time re-record a memorandum in recordable form of this Facilities Lease and the Indenture and all supplements thereto and hereto in such manner and in such places as may be required by law in order to fully protect and preserve the security of the holders or owners of the Bonds.

Section 33. Construction Against Drafting Party.

The Corporation and the Board acknowledge that each of them and their counsel have had an opportunity to review this Facilities Lease and that each Party was responsible for the drafting thereof.

Section 34. Time of the Essence.

Time is of the essence of each and every provision of this Facilities Lease.

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Facilities Lease

Section 35. No Waiver.

The waiver by the Corporation of any agreement, condition, or provision contained in this Facilities Lease will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Facilities Lease, nor will any current or future custom or practice between the parties in the administration of the terms of this Facilities Lease be construed to waive or to lessen the right of the Corporation to insist upon the performance by the Board in strict accordance with the terms of this Facilities Lease. The subsequent acceptance of Rental by the Corporation will not be deemed to be a waiver of any preceding breach by the Board of any agreement, condition, or provision of this Facilities Lease, other than the failure of the Board to pay the particular Rental so accepted, regardless of the Corporation's knowledge of such preceding breach at the time of acceptance of such Rental.

Section 36. Survival.

To the extent permitted by law and to the extent such will not constitute the incurrance of debt by the Board, all of the Corporation's remedies and rights of recovery under Sections 19 and 20 of this Facilities Lease shall survive the Term and/or the purchase of the Facilities by the Board under the Option.

Section 37. Reserves.

Section 38. Estoppel Certificates.

At any time and from time to time but within ten (10) days after prior written request by the Corporation, the Board will execute, acknowledge, and deliver to the Corporation, promptly upon request but only to the extent accurate, a certificate certifying (i) that this Facilities Lease is unmodified and in full force and effect or, if there have been modifications, that this Facilities Lease is in full force and effect, as modified, and stating the date and nature of each modification; (ii) the date, if any, to which Rental and other sums payable under this Facilities Lease have been paid; (iii) that no Notice of any default has been delivered to the Corporation which default has not been cured, except as to defaults specified in said certificate; (iv) that there is no Event of Default under this Facilities Lease or an event which, with Notice or the passage of time, or both, would result in an Event of Default under this Facilities Lease, except for defaults specified in said certificate; and (v) such other matters as may be reasonably requested by the Corporation. Any such certificate may be relied upon by any prospective purchaser or existing or prospective mortgagee of the Facilities or any part thereof. The Board's failure to notify the Corporation of any inaccuracies in the proposed certificate within the specified time period shall be conclusive evidence that the matters set forth in the certificate are accurate and correct.

Section 39. Waiver of Jury Trial.

The Corporation and the Board waive trial by jury in any action, proceeding, or counterclaim brought by either of the Parties to this Facilities Lease against the other on any matters whatsoever arising out of or in any way connected with this Facilities Lease, the relationship of the Corporation and the Board, the Board's use or occupancy of the Facilities, or any other claims, and any emergency statutory or any other statutory remedy.

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Facilities Lease

Section 40. Written Amendment Required.

No amendment, alteration, modification of, or addition to the Facilities Lease will be valid or binding unless expressed in writing and signed by the Corporation and the Board and consented to the extent required by the Agreement.

Section 41. Entire Agreement.

This Facilities Lease, the exhibits and addenda, if any, contain the entire agreement between the Corporation and the Board. No promises or representations, except as contained in this Facilities Lease, have been made to the Board respecting the condition or the manner of operating the Facilities.

Section 42. Signs.

The Board may attach any sign on any part of the Facilities, or in the halls, lobbies, windows, or elevator banks of the Facilities, without the Corporation's approval. The Board may name the Facilities and change the name, number, or designation of the Facilities, without the Corporation's prior consent.

Section 43. Litigation Expenses.

The Board will pay the Corporation as Additional Rental all reasonable Litigation Expenses and all other reasonable expenses which may be incurred by the Corporation in enforcing any of the obligations of the Board under this Facilities Lease, in exercising its rights to recover against the Board for loss or damage sustained in accordance with the provisions of this Facilities Lease, or in any litigation or negotiation in which the Corporation shall, without its fault, become involved through or because of this Facilities Lease.

Section 44. Brokers.

The Corporation and the Board respectively represent and warrant to each other that neither of them has consulted or negotiated with any broker or finder with regard to the Facilities.

Section 45. No Easements for Air or Light.

Any diminution or shutting off of light, air, or view by any structure that may be created on any of the lands constituting the Facilities, or on lands adjacent to the Facilities, will in no way affect this Facilities Lease or impose any liability on the Corporation. This Facilities Lease does not grant any rights to light, view and/or air over the Facilities whatsoever.

Section 46. Binding Effect.

The covenants, conditions, and agreements contained in this Facilities Lease will bind and inure to the benefit of the Corporation and the Board and their respective permitted successors and assigns.

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Facilities Lease

Section 47. Rules of Interpretation.

The following rules shall apply to the construction of this Facilities Lease unless the context requires otherwise: (a) the singular includes the plural and the plural includes the singular; (b) words importing any gender include the other genders; (c) references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute to which reference is made and all regulations promulgated pursuant to such statutes; (d) references to "writing" include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible form; (e) the words "including", "includes" and "include" shall be deemed to be followed by words "without limitation"; (f) references to the introductory paragraph, preliminary statements, articles, sections (or subdivision of sections), exhibits, appendices, annexes or schedules are to those of this Facilities Lease unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments; (h) references to Persons include their respective successors and assigns to the extent successors or assigns are permitted or not prohibited by the terms of this Facilities Lease; (i) any accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles; (j) "or" is not exclusive; (k) provisions apply to successive events and transactions; (l) references to documents or agreements which have been terminated or released or which have expired shall be of no force and effect after such termination, release, or expiration; (m) references to mail shall be deemed to refer to first-class mail, postage prepaid, unless another type of mail is specified; (n) all references to time shall be to Hammond, Louisiana time; (o) references to specific persons, positions, or officers shall include those who or which succeed to or perform their respective functions, duties, or responsibilities; and (p) the terms "herem", "hereunder", "hereby", "hereof," and any similar terms refer to this Facilities Lease as a whole and not to any particular articles, section or subdivision hereof.

Section 48. Relationship of Parties.

The relationship of the Parties shall be one of lessor and lessee only, and shall not be considered a partnership, joint venture, license arrangement or unincorporated association. The Corporation is not controlled by the Board or under the control of any Person also in control of the Board.

Section 49. Law Between the Parties.

This Facilities Lease shall constitute the law between the Parties, and if any provision of this Facilities Lease is in conflict with the provisions of "Title IX - Of Lease" of the Louisiana Civil Code, Articles 2669 through 2777, inclusive, the provisions of this Facilities Lease shall control.

Section 50. Notices.

All notices, filings and other communications ("Notice") shall be in writing and shall be sufficiently given and served upon the other parties if delivered by hand directly to the persons at the addresses set forth below, or shall be sent by first class mail, postage prepaid, addressed as follows:

The Corporation:

University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director

With copies at the same time to:

Seale & Ross
200 North Cate Street
Hammond, Louisiana 70404
Attention: T. Jay Seale

The Board:

Board of Supervisors for the University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Assistant Vice President for Facilities Planning and
Capital Improvements

With copies at the same time to:

Southeastern Louisiana University
Western Avenue
Friendship Circle (SLU Box 10709)
Hammond, Louisiana 70402
Attention: Vice President for Administration and Finance

Trustee:

The Bank of New York Mellon Trust Company, N.A.
One American Place, Suite 1510
301 Main Street
Baton Rouge LA 70825
Attention: Kathy L. Puc, Vice President

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the undersigned representative has signed this Facilities Lease on behalf of the Board of Supervisors for the University of Louisiana System on the date set forth below his signature.

WITNESSES:

Laetitia Marshall
Printed Name: Laetitia Marshall

By: *John Crain*
Dr. John Crain, President of the University
And Authorized Officer of the Board

Christie McInee
Printed Name: Christie McInee

DATE: 1/14/10

STATE OF LOUISIANA
PARISH OF TANGIPAHOLA

BE IT KNOWN, that on this 13th day of February, 2010 before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

Dr. John Crain

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the President of Southeastern Louisiana University, and the authorized representative of the Board of Supervisors for the University of Louisiana System (the "Board"), that the aforesaid instrument was signed by him, on this date, on behalf of the Board and that the above named person acknowledges said instrument to be the free act and deed of the Board.

Laetitia Marshall
Printed Name: Laetitia Marshall

By:

John Crain

Christie McInee
Printed Name: Christie McInee

Sam Donohoo Jr.
Printed Name: Sam Donohoo Jr.

IN WITNESS WHEREOF, the undersigned representative has signed this Facilities Lease on behalf of University Facilities, Inc. on the date set forth below his signature.

WITNESSES:

Stephan Smith
Printed Name: STEPHAN SMITH

Phil K. Livingston
UNIVERSITY FACILITIES, INC.
Phil K. Livingston
Chairperson

DATE: 01/13/2010

Gene Truscott
NOTARY PUBLIC
Printed Name: Gene Truscott
Notary Identification Number: 612443

STATE OF LOUISIANA

PARISH OF TANGIPAHONA

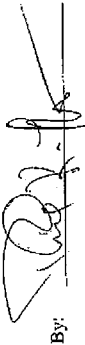
BE IT KNOWN, that on this 23rd day of January, 2010, before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:


Phil K. Livingston

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the Chairperson of University Facilities, Inc. (the "Corporation"), and that the aforesaid instrument was signed by him, on this date, on behalf of the Corporation and that the above named person acknowledges the approval of said instrument to be the free act and deed of the Corporation.

WITNESSES:


Printed Name: STEPHEN SMITH

By: 


Printed Name: Sam DOUTHETT JR.

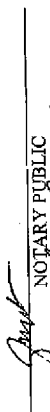

NOTARY PUBLIC
Printed Name: Cecile P. [unclear]
Notary Identification Number: 2176442

EXHIBIT A-1
TO THE FACILITIES LEASE

DESCRIPTION OF THE SERIES 2010A FACILITIES

This facility will contain some of the most important academic and non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. It will be the central core for the campus. The two major components in the 2010A Series will include the Student Union and the Center for Student Excellence. The square footage for this series of space will total approximately 94,320 square feet.

The Student Union will include a large event space and ballroom. It will also consist of a series of student support spaces such as conference and meeting rooms, student organization space, a theater, as well as other activity and lounge spaces. Several administrative offices will also be located in the Union including offices in Student Affairs and Auxiliary Services. Finally, it will be home to the Center for Student Excellence which provides programming and resources to students to enhance and in support of academic achievement, personal development and professional growth.

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Acknowledgement

Facilities Lease

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Facilities Lease

**EXHIBIT A-2
TO THE FACILITIES LEASE**

DESCRIPTION OF THE SERIES 2010B FACILITIES

This facility will contain some of the most important non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. The two major components in the 2010B Series will include Food Service and the Retail Bookstore totaling approximately 86,600 square feet.

The Food Service area will include a new residential and commuter dining facility as well as a food court and other smaller grab and go locations. The facility will include adequate support space such as seating, kitchens and production space. The Retail Bookstore will house retail textbooks, university paraphernalia, convenience items, reading areas and possibly a food and/or beverage concept. In addition to these two major components, approximately 3,600 square feet of space will be committed to other retail components providing additional services to our campus community.

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APPENDIX D

PROPOSED FORM OF BOND COUNSEL OPINION

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FORM OF BOND COUNSEL OPINION

November __, 2010

Louisiana Local Government Environmental Facilities
and Community Development Authority
Baton Rouge, Louisiana

\$ _____
Louisiana Local Government Environmental
Facilities and Community Development Authority
Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union /
University Facilities, Inc. Project)
Series 2010A

\$ _____
Louisiana Local Government Environmental
Facilities and Community Development Authority
Taxable Revenue Bonds
(Southeastern Louisiana University Student Union /
University Facilities, Inc. Project)
Series 2010B

We have acted as bond counsel to the Louisiana Local Government Environmental Facilities and Community Development Authority (the “*Issuer*”), a political subdivision of the State of Louisiana (the “*State*”), in connection with the issuance by the Issuer its \$ _____ Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010A (the “*Series 2010A Bonds*”) and its \$ _____ Taxable Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010B (the “*Series 2010B Bonds*”) and, together with the Series 2010A Bonds, the “*Series 2010 Bonds*”) pursuant to Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 33:4548.16, inclusive) (the “*Act*”).

The Series 2010 Bonds have been issued by the Issuer pursuant to the Act and other constitutional and statutory authority and a Trust Indenture dated as of November 1, 2010 (the “*Indenture*”) between the Issuer and Regions Bank, as trustee (the “*Trustee*”). Capitalized terms used herein that are not otherwise defined have the meaning given them in the Indenture.

The Series 2010 Bonds are issuable as fully registered bonds, are dated, bear interest until paid at the rates per annum, mature in the principal amounts and on the dates, and are subject to redemption all as set forth in the Indenture and in the Series 2010 Bonds.

The Series 2010 Bonds are issued under and are secured as to principal and interest by the Indenture, which provides a description of the nature and extent of the security for the Series 2010 Bonds, a statement of the terms and conditions under which the Series 2010 Bonds are issued and secured, the rights, duties and obligations of the Issuer, the rights, duties and immunities of the Trustee and the rights of the owners of the Series 2010 Bonds.

The Series 2010 Bonds are issued in order to enable University Facilities, Inc., a Louisiana non-profit corporation (the "*Corporation*") to provide financing for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related facilities for students, faculty, staff, and the general public, including all furnishings, fixtures and facilities incidental or necessary in connection therewith, on the campus of Southeastern Louisiana University (the "*Facilities*").

The Corporation has leased the property upon which the Facilities will be located from the Board of Supervisors for the University of Louisiana System (the "*Board*") pursuant to a Ground and Buildings Lease Agreement dated as of January 1, 2010 (the "*Ground Lease*"). The Board will lease back the completed Facilities from the Corporation pursuant that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010, as supplemented and amended by that certain First Amendment to Agreement to Lease with Option to Purchase dated as of November 1, 2010 by and between the Board and the Corporation (the "*Facilities Lease*").

The Issuer and Corporation have entered into a Loan and Assignment Agreement dated as of November 1, 2010 (the "*Loan Agreement*"), pursuant to which the Issuer will loan the proceeds from the sale of the Series 2010 Bonds to the Corporation for the foregoing purposes. Pursuant to the Agreement, the Corporation has agreed to make loan payments (the "*Payments*") solely from the Rentals (as defined in the Facilities Lease) sufficient to pay the principal of and interest on the Series 2010 Bonds. The rights of the Issuer under the Loan Agreement (except for the rights of the Issuer relating to exculpation, indemnification and payment of expenses thereunder) have been pledged and assigned by the Issuer to the Trustee as security for the Series 2010 Bonds.

The Series 2010 Bonds are also entitled to the benefits of the Act of Leasehold Mortgage, Assignment of Leases and Security Agreement dated November 1, 2010 and effective as of

November __, 2010 (the "*Mortgage*") executed by the Corporation in favor of the Trustee, pursuant to which the Corporation has mortgaged its leasehold interest in and to the Land and the improvements located thereon, granted a security interest in certain movable property and assigned its rights to all leases and rents relating to the Facilities.

We have examined: (i) the constitution and statutes of the State, including the Act; (ii) a certified transcript of the proceedings of the Issuer authorizing the issuance of the Series 2010 Bonds; (iii) the Indenture, the Loan Agreement, the Tax Regulatory Agreement and Arbitrage Certificate among the Issuer and the Trustee, together with the Borrower Certificate attached thereto executed by the Corporation and the Board, both dated the date of delivery and payment for the Series 2010 Bonds (collectively, the "*Tax Regulatory Agreement*"); and (iv) such other documents, instruments, proofs and matters of law as we have deemed relevant to the issuance of the Series 2010 Bonds and necessary for the purpose of this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Board and the Corporation contained in the Indenture, the Loan Agreement and the Tax Regulatory Agreement, the certified proceedings and other certifications of public officials and others furnished to us, including certifications furnished to us by or on behalf of the Issuer, the Corporation and the Board, without undertaking to verify the same by independent investigation.

On the basis of the foregoing examinations, we are of the opinion, as of the date hereof and under existing law, that:

1. The Issuer is a validly existing political subdivision of the State and has the power and authority to enter into the Loan Agreement and the Indenture and to issue and sell the Series 2010 Bonds.

2. The Series 2010 Bonds are valid and binding special and limited obligations of the Issuer secured by and entitled to the benefits of the Indenture and are payable solely from the revenues and other amounts pledged and assigned under the Indenture.

3. The Loan Agreement and the Indenture have been duly authorized, executed and delivered by the Issuer and constitute valid and binding obligations of the Issuer, enforceable upon the Issuer in accordance with their terms, and all rights of the Issuer under the Loan Agreement have been validly assigned to the Trustee under the Indenture, with the

exception of certain rights of the Issuer relating to notice, exculpation, indemnification and payment of expenses.

4. The Series 2010 Bonds and interest thereon do not constitute an indebtedness or pledge of the general credit of the Issuer within the meaning of any State constitutional or statutory provision and will not constitute a general obligation or a charge against any other revenues of the Issuer.

5. Interest on the Series 2010A Bonds (including the amount of original issue discount properly allocable to the owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining adjusted current earnings.

6. The Series 2010A Bonds are a "qualified tax-exempt obligation" under section 265(b)(3) of the Code, as amended by the American Recovery and Reinvestment Tax Act of 2009 of the United States Congress.

7. Under the Act, the Series 2010 Bonds, together with the interest thereof, income therefrom, and gain upon the sale thereof are exempt from all State taxes and local taxes.

In rendering the opinions expressed in paragraph 5 above, we have relied on representations of the Issuer, the Board and the Corporation with respect to matters solely within the knowledge of the Issuer, the Board and the Corporation, which we have not independently verified, and have assumed continuing compliance with the covenants in the Indenture, the Loan Agreement and the Tax Regulatory Agreement pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Series 2010 Bonds for federal income tax purposes. In the event that such representations are determined to be inaccurate or incomplete or the Issuer, the Board or the Corporation fails to comply with the foregoing covenants, interest on the Series 2010 Bonds could be includable in gross income for federal income tax purposes from the date of their original delivery, regardless of the date on which the event causing such inclusion occurs.

The accrual or receipt of interest on the Series 2010 Bonds may otherwise affect the federal income tax liability of certain recipients. The extent of these other tax consequences will

depend upon the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences and investors should consult their tax advisors regarding the tax consequences of purchasing or holding the Series 2010 Bonds.

It is to be understood that the rights of the owners of the Series 2010 Bonds and the enforceability of the Series 2010 Bonds, the Indenture, the Loan Agreement and the other documents enumerated above may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and that their enforcement may also be subject to the exercise of the sovereign police powers of the State or its governmental bodies and the exercise of judicial discretion in appropriate cases.

For purposes of this opinion, our services as bond counsel have not extended beyond the examinations and expressions of the conclusions referred to above. This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur. Except as stated above, no opinion is expressed as to any federal or state tax consequences resulting from the ownership of, receipt of interest on, or disposition of, the Series 2010 Bonds.

Respectfully submitted,

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APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. (FORMERLY KNOWN AS FINANCIAL SECURITY ASSURANCE INC.) ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. (FORMERLY KNOWN AS FINANCIAL SECURITY ASSURANCE INC.) has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.
(FORMERLY KNOWN AS FINANCIAL
SECURITY ASSURANCE INC.)

By _____
Authorized Officer

(212) 826-0100

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) constitutes the written undertaking of the **Board of Supervisors for the University of Louisiana System** (the “Board”), on behalf of **Southeastern Louisiana University** (the “University”) for the benefit of the holders of the Bonds (as defined herein), required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12) (the “Rule”). The Board is an “obligated person” within the meaning of the Rule.

SECTION 1. Definitions. In addition to the definitions set forth in that certain Trust Indenture dated as of November 1, 2010 (the “Indenture”) by and between the Issuer (as defined herein) and Regions Bank, as trustee (the “Trustee), which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Disclosure Certificate, the following capitalized terms shall have the following meanings:

“*Audited Financial Statements*” means annual financial statements of the Board or operating data prepared in accordance with GAAP and mandated by statutory accounting requirements in effect from time to time, which financial statements shall have been audited by a firm of independent certified public accountants or the Legislative Auditor of the State.

“*Board*” means the Board of Supervisors for the University of Louisiana System.

“*Bond Insurer*” means Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.).

“*Bonds*” means the \$ _____ Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A and the \$ _____ Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B and such Bonds issued in exchange for other such Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Bonds pursuant to the Indenture.

“*Corporation*” means University Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payment or provision for the payment of all of the Bonds.

“*Disclosure Representative*” means the President of the University or his or her designee or such other officer, employee, agent or representative as the Dissemination Agent shall designate in writing from time to time.

“*Dissemination Agent*” means the Board, in its capacity as such, which (through its Disclosure Representative) shall collect and provide the Financial Information in accordance with Section 2 hereof.

“EMMA” shall mean the internet-based portal referred to as the Electronic Municipal Market Access system operated by the Municipal Securities Rulemaking Board. The online address of EMMA is www.emma.msrb.org.

“Financial Information” means the annual financial information (which shall be based on financial statements prepared in accordance with GAAP), or operating data with respect to the University, provided at least annually, of the type included in the Official Statement as further described in **Exhibit B** hereto, which annual financial information shall include Audited Financial Statements.

“Fiscal Year” means the period commencing on the first day of July of any year and ending on the last day of June of the following year or such other period of twelve (12) consecutive calendar months as shall be specified by the Board.

“GAAP” means generally accepted accounting principles.

“Issuer” means the Louisiana Local Government Environmental Facilities and Community Development Authority as issuer of the Bonds.

“Material Event” means any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults;
- (iii) Unscheduled draws on debt service reserves, reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to rights of the owners of the Bonds;
- (viii) Bond calls;
- (ix) Defeasances;
- (x) Release, substitution or sale of property, if any, securing repayment of the Bonds;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar proceeding;
- (xiii) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated person or their termination; and
- (xiv) Appointment of a successor or additional trustee or the change of the name of a trustee.

“Notice of Material Events” means the Notice required to be given in accordance with Section 4 hereof.

“Official Statement” means the final Official Statement dated _____, 2010 with respect to the Bonds.

“Report Date” shall have the meaning set forth in Section 2(a)(i) hereof.

“Repository” shall mean EMMA and the SID.

“*Rule*” means Rule 15c2-12(b)(5)(i) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*SID*” means any public or private repository or entity designated by the Board as a state depository for the purpose of the Rule. The SIDs, as of the date of this Disclosure Certificate, appear in **Exhibit E** attached hereto.

“*State*” means the State of Louisiana.

“*Underwriter*” means Morgan Keegan and Company, Inc.

“*University*” means Southeastern Louisiana University, Hammond, Louisiana.

SECTION 2. Provision of Financial Information.

(a) (i) The Board hereby covenants and agrees to act as “Dissemination Agent” in connection with the Bonds.

(ii) The Dissemination Agent, either on its own or through its designated Disclosure Representative, shall, while any of the Bonds are Outstanding, collect and provide the Financial Information to the Repositories and to the Bond Insurer no later than six (6) months from the end of each Fiscal Year ending after the issuance of the Bonds (the “Report Date”), commencing December 31, 2010. The Dissemination Agent may adjust the Report Date if the Board or the University change their Fiscal Year by providing written notice of the change of Fiscal Year and the new Report Date to each then existing Repository; provided that the new Report Date shall be no more than 180 days after the end of the new Fiscal Year, and provided further that the period between the final Report Date relating to the former Fiscal Year and the initial Report Date relating to the new Fiscal Year shall not exceed one year in duration.

(iii) It shall be sufficient if the Dissemination Agent provides to each then existing Repository the Financial Information (or any portion thereof) by specific reference to documents previously provided to each Repository or filed with the Securities and Exchange Commission or, if such document is a final official statement, available from the Municipal Securities Rulemaking Board. The Dissemination Agent shall clearly identify each such other document so incorporated by reference.

(b) If the Dissemination Agent is unable to provide the Financial Information to each then existing Repository by the Report Date, then the Dissemination Agent shall send a notice to each then existing Repository in substantially the form attached hereto as **Exhibit A**.

(c) The Dissemination Agent shall determine, each year prior to the date for providing the annual report, the name and address of each then existing Repository.

(d) In accordance with MSRB Notice 2009-04 (January 9, 2009) the filing requirements set forth in Section (2) and (4) herein shall be satisfied exclusively by submitting to EMMA the Annual Report and Listed Bank described herein.

SECTION 3. Content of Financial Information. The Financial Information shall contain or incorporate by reference information described in **Exhibit B** attached hereto, as well as the following:

- (a) Audited Financial Statements for the Board;
- (b) Financial Information for the University;
- (c) the accounting principles pursuant to which the Audited Financial Statements were prepared;
- (d) the statement that the above-described information has been provided directly by the Board and/or the University and
- (e) identification of any documents previously filed by the Board, the University, the State or any other entity and incorporated by reference pursuant to Section (2)(a)(ii) hereof.

The Dissemination Agent reserves the right to cross-reference any or all of such annual financial information and operating data to other documents to be provided to the Repositories or the Municipal Securities Rulemaking Board.

The Dissemination Agent reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Dissemination Agent; provided that the Dissemination Agent agrees that any such modification will be done in a manner consistent with the Rule as provided in Section 6 hereof.

SECTION 4. Reporting of Material Events.

(a) If a Material Event occurs while any Bonds are Outstanding, the Dissemination Agent shall provide a Material Event Notice in a timely manner and shall promptly provide to the Municipal Securities Rulemaking Board and the Repository, if any, such Material Event Notice. Each Material Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds. Notwithstanding the foregoing, a Notice of Material Event described in items (viii) and (ix) under the definition of "Material Event" herein need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Bondholders of affected Bonds pursuant to the Indenture.

(b) The Dissemination Agent shall provide in a timely manner to the Municipal Securities Rulemaking Board and to the Repository, if any, notice of any failure while any Bonds are Outstanding by the Dissemination Agent to provide to each then existing Repository Financial Information on or before the Report Date.

(c) The Dissemination Agent may from time to time choose to provide notice of the occurrence of certain other events, in addition to Material Events, if, in the judgment of the Dissemination Agent, such other event is material with respect to the Bonds, but the Dissemination Agent does not undertake to commit to provide any such notice of the occurrence of any material event except Material Events.

(d) Whenever the Dissemination Agent obtains knowledge of the occurrence of a Material Event, the Dissemination Agent shall, as soon as possible, determine if such event would constitute material information for Bondholders; provided, that any Material Event under items (i), (vi), (vii), or (xi) of the definition of "Material Event" herein will always be deemed to be material.

SECTION 5. Termination of Reporting Obligation. The Board's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption in whole or payment in full of all of the Bonds. In addition, any provision hereof and any provision relating to the Rule as set forth in the resolution authorizing the issuance of the Bonds shall be null and void in the event that the Board delivers to the Trustee an opinion of counsel expert in federal securities laws to the effect that those portions of the Rule that require this Disclosure Certificate, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; provided that the Board shall have provided notice of such delivery and the cancellation of this Disclosure Certificate and that portion of the Indenture relating to the Rule to each then existing Repository.

SECTION 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Board may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not in and of itself cause the undertakings herein to violate, or adversely affect compliance with the Rule if such amendment or waiver had been effective on the date hereof, but taking into account any subsequent change in or official interpretation of the Rule.

Provided, however, that the following conditions must be satisfied prior to such amendment:

(a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Board, or type of business conducted;

(b) The undertaking hereunder, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the holders of the Bonds, as determined either by parties unaffiliated with the Board (such as bond counsel), or by approving vote of such holders in accordance with the terms of the Indenture at the time of the amendment.

Further, the Financial Information containing the amended operating data or financial information shall explain in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

Further provided, if an amendment is made to an undertaking hereunder specifying the accounting principles to be followed in preparing the Audited Financial Statements, the Financial Information for the year in which the change is made should present a comparison between the Audited Financial Statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison should include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the Audited Financial Statements, in order to provide information to investors to enable them to reevaluate the ability of the Board to meet its obligations. To the extent reasonably feasible, the comparison also should be quantitative. A notice of the change in the accounting principles should be sent to the Repositories or the Municipal Securities Rulemaking Board.

Amendments to **Exhibit C** may be made by the Dissemination Agent at any time to correct or update the list of SIDs.

SECTION 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Dissemination Agent from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or Notice of Material Event, in addition to that which is required by this Disclosure Certificate. If the Board chooses to include any information in any Financial Information or Notice of Material Event in addition to that which is specifically required by this Disclosure Certificate, the Board shall have no obligation under this Disclosure Certificate to update such information or include it in any future Financial Information or Notice of Material Event.

SECTION 8. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Board, the Underwriter and the holders of the Bonds, and shall create no rights in any other person or entity.

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[Signature Page - Continuing Disclosure Certificate]

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

By: _____
John L. Crain, Authorized Representative

Date: _____, 2010

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Louisiana Local Government Environmental Facilities and
Community Development Authority

Name of Obligated Person: Board of Supervisors for the
University of Louisiana System

Name of Bond Issue: \$_____ Louisiana Local Government Environmental
Facilities and Community Development Authority
Tax-Exempt Revenue Bonds (Southeastern Louisiana
University Student Union/University Facilities, Inc.
Project) Series 2010A and \$_____ Louisiana Local
Government Environmental Facilities and Community
Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project) Series 2010B

Date of Issuance: _____, 2010

NOTICE IS HEREBY GIVEN that the Board has not provided the Financial Information with respect to the above-named Bonds as required by the Continuing Disclosure Certificate of the Board dated _____, 2010. The Board anticipates that the Annual Report will be filed by _____.

Dated: _____

**Board of Supervisors for the
University of Louisiana System**

By: _____
Authorized Board Representative

EXHIBIT B

(A) Names of the entities, enterprises, funds, accounts and other persons with respect to whom information will be provided:

Entity:

1. BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM
2. SOUTHEASTERN LOUISIANA UNIVERSITY

(B) Types of information to be provided: (e.g., specific types of financial statements and general descriptions of operating, economic, statistical, utilization and trend data)

Audited Financial Statements, Financial Statement of the University, including the same type of information set forth in the Official Statement in **Appendix A** under the caption "**Debt Management**" attached thereto.

Collection information regarding the Student Fee and Capital Improvement Fund Revenues, on an annual basis.

(C) The accounting principles pursuant to which the Audited Financial statements will be prepared:

Generally accepted accounting principles.

*Note: In accordance with Section 3(d) of the Continuing Disclosure Certificate, the Board is required to specifically identify any documents previously filed with a Repository that is being incorporated by reference.

EXHIBIT C
STATE INFORMATION DEPOSITORIES

None

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SOUTHEASTERN
LOUISIANA UNIVERSITY



**RULE 15c2-12 CERTIFICATE OF THE
LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL
FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY**

\$25,470,000

**Louisiana Local Government Environmental
Facilities and Community Development Authority
Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A**

and

\$5,785,000

**Louisiana Local Government Environmental
Facilities and Community Development Authority
Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B**

The undersigned hereby certifies and represents to the Underwriter (within the meaning of the hereinafter defined Rule) (the "Underwriter") that he is the duly appointed officer or representative of the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") authorized to execute and deliver this Certificate and further certifies on behalf of the Issuer to the Underwriter as follows:

1. This Certificate is delivered to enable the Underwriter to comply with Rule 15c2-12, as amended, under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale of the above reference bonds (the "Bonds").

2. In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated October 27, 2010 setting forth information concerning the Bonds and the Issuer (the "Preliminary Official Statement").

3. As used herein, "Permitted Omissions" shall mean the offering prices, the interest rates, selling compensation, aggregate principal amounts, principal amounts per maturity, delivery dates, ratings and other terms of the Bonds and any underlying obligations depending on such matters and the identity of the Underwriter, all with respect to the Bonds and any underlying obligations.

4. The information with respect to the Issuer included in the Preliminary Official Statement under the captions "THE ISSUER" and "LITIGATION-THE ISSUER" is final within the meaning of the Rule except for Permitted Omissions and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the Preliminary Official Statement, in the light of the circumstances under which they were made, not misleading.

5. If, at any time prior to the formal award of the Bonds to the Underwriter, any event occurs as a result of which the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall promptly notify the Underwriter thereof.

6. The Issuer shall, within seven (7) business days of the signing of the Bond Purchase Agreement in connection with the sale of the Bonds, assist the Underwriter's acquisition of a sufficient number of final Official Statements to allow the Underwriter to comply with the Rule.

IN WITNESS WHEREOF, I have hereunto set my hand as of October 27, 2010.

**LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT
AUTHORITY**

By: 

Steve A. Dicharry, Executive Director

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial statements. This includes not only sales and purchases but also expenses and income. The text suggests that a systematic approach to record-keeping is essential for identifying trends and potential areas of concern.

Next, the document addresses the issue of reconciling accounts. It explains that regular reconciliation is necessary to detect any discrepancies between the company's records and the bank's records. This process involves comparing the company's ledger with the bank statements and identifying any differences. The text provides a step-by-step guide to performing a reconciliation, highlighting the importance of doing so at the end of each month.

The third section focuses on the preparation of financial statements. It outlines the key components of these statements, including the balance sheet, income statement, and cash flow statement. The text provides detailed instructions on how to calculate each component and how to present the information in a clear and concise manner. It also discusses the importance of providing a clear explanation of any significant changes or trends in the data.

Finally, the document concludes with a discussion on the importance of seeking professional advice. It notes that while many aspects of bookkeeping can be handled internally, there are certain situations where the expertise of an accountant or auditor is required. This includes the preparation of tax returns and the audit of the company's financial statements. The text encourages business owners to consult with a professional to ensure that all financial obligations are met and that the company's financial health is accurately reflected in its records.

RULE 15c2-12 CERTIFICATE OF UNIVERSITY FACILITIES, INC.

\$25,470,000

**Louisiana Local Government Environmental
Facilities and Community Development Authority
Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A**

and

\$5,785,000

**Louisiana Local Government Environmental
Facilities and Community Development Authority
Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B**

The undersigned hereby certifies and represents to the Underwriter (within the meaning of the hereinafter defined Rule) (the "Underwriter") that he is the authorized representative of University Facilities, Inc. (the "Corporation") authorized to execute and deliver this Certificate and further certifies on behalf of the Board to the Underwriter as follows:

1. This Certificate is delivered to enable the Underwriter to comply with Rule 15c2-12, as amended, under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale of the above reference bonds (the "Bonds").

2. In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated October 27, 2010 setting forth information concerning the Bonds and the Corporation (the "Preliminary Official Statement").

3. As used herein, "Permitted Omissions" shall mean the offering prices, the interest rates, selling compensation, aggregate principal amounts, principal amounts per maturity, delivery dates, ratings and other terms of the Bonds and any underlying obligations depending on such matters and the identity of the Underwriter, all with respect to the Bonds and any underlying obligations.

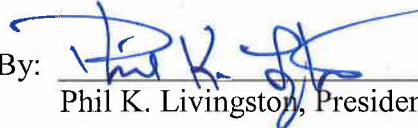
4. The information with respect to the Corporation included in the Preliminary Official Statement (including, without limitation, the information set forth in the Appendices thereto) is final within the meaning of the Rule except for Permitted Omissions and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the Preliminary Official Statement, in the light of the circumstances under which they were made, not misleading.

5. If, at any time prior to the formal award of the Bonds to the Underwriter, any event occurs as a result of which the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Corporation shall promptly notify the Underwriter thereof.

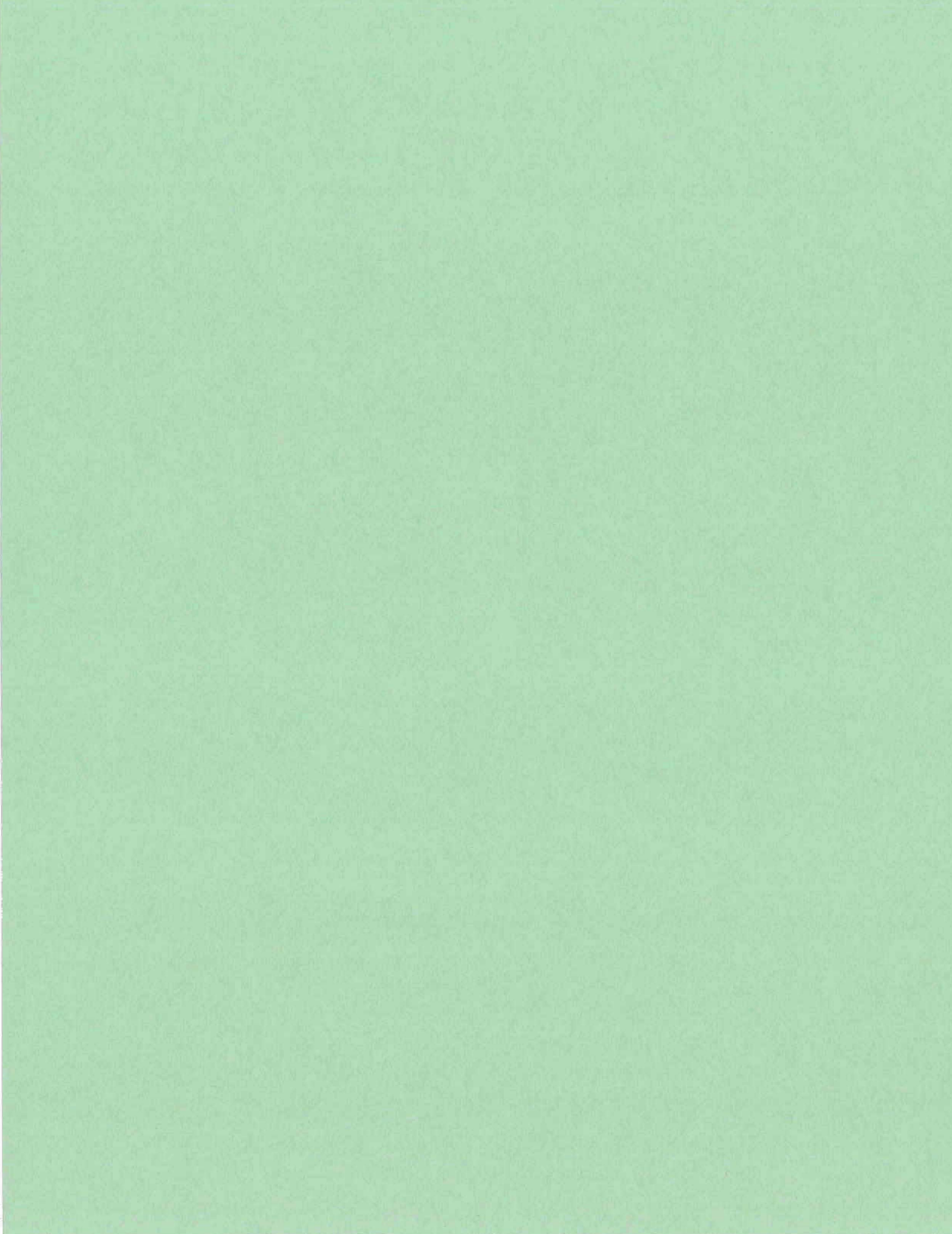
IN WITNESS WHEREOF, I have hereunto set my hand as of October 27, 2010.

UNIVERSITY FACILITIES, INC.

By:



Phil K. Livingston, President



RULE 15c2-12 CERTIFICATE OF THE BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM

\$25,470,000

**Louisiana Local Government Environmental
Facilities and Community Development Authority
Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A**

and

\$5,785,000

**Louisiana Local Government Environmental
Facilities and Community Development Authority
Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B**

The undersigned hereby certifies and represents to the Underwriter (within the meaning of the hereinafter defined Rule) (the "Underwriter") that he is the authorized representative of the Board of Supervisors for the University of Louisiana System (the "Board") authorized to execute and deliver this Certificate and further certifies on behalf of the Board to the Underwriter as follows:

1. This Certificate is delivered to enable the Underwriter to comply with Rule 15c2-12, as amended, under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale of the above reference bonds (the "Bonds").
2. In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated October 27, 2010 setting forth information concerning the Bonds, the Board and Southeastern Louisiana University (the "University") (the "Preliminary Official Statement").
3. As used herein, "Permitted Omissions" shall mean the offering prices, the interest rates, selling compensation, aggregate principal amounts, principal amounts per maturity, delivery dates, ratings and other terms of the Bonds and any underlying obligations depending on such matters and the identity of the Underwriter, all with respect to the Bonds and any underlying obligations.

4. The information with respect to the Board and the University included in the Preliminary Official Statement (including, without limitation, the information set forth in the Appendices thereto) is final within the meaning of the Rule except for Permitted Omissions and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the Preliminary Official Statement, in the light of the circumstances under which they were made, not misleading.

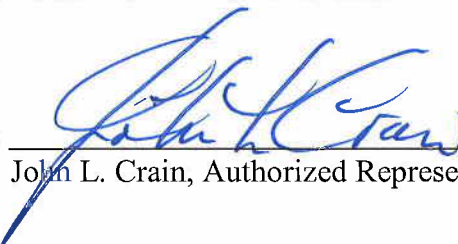
5. If, at any time prior to the formal award of the Bonds to the Underwriter, any event occurs as a result of which the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Board shall promptly notify the Underwriter thereof.

6. The section of the Preliminary Official Statement entitled "CONTINUING DISCLOSURE" refers to the Continuing Disclosure Certificate of the Board, the form of which is set forth in Appendix F to the Preliminary Official Statement which the Board expects to execute for the benefit of the Bondholders and by which the Board will undertake to provide continuing disclosure in accordance with Section (b)(5)(i) of the Rule.

IN WITNESS WHEREOF, I have hereunto set my hand as of October 27, 2010.

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

By: _____



John L. Crain, Authorized Representative

EXECUTION COPY

BOND PURCHASE AGREEMENT

\$25,470,000
LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT
AUTHORITY TAX-EXEMPT REVENUE BONDS
**(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)**
Series 2010A

\$5,785,000
LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT
AUTHORITY TAXABLE REVENUE BONDS
**(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)**
Series 2010B

November 4, 2010

Louisiana Local Government Environmental
Facilities and Community Development Authority
Baton Rouge, Louisiana

University Facilities, Inc.
Hammond, Louisiana

Board of Supervisors for the
University of Louisiana System
Baton Rouge, Louisiana

Ladies and Gentlemen:

On the basis of the representations and warranties contained in this Bond Purchase Agreement and upon the terms and conditions herein contained, Morgan Keegan & Company, Inc. (the "Underwriter") hereby offers to enter into this Bond Purchase Agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Authority"), University Facilities, Inc., a Louisiana non-profit corporation (the "Corporation") and the Board of Supervisors for the University of Louisiana System (the "Board").

This offer is made subject to the written acceptance of this Bond Purchase Agreement by the Authority and the Corporation on or before 6:00 p.m. prevailing Central time on the date hereof, as authorized by the resolutions duly adopted by the Executive Committee of the Board of Directors of the Authority on June 12, 2008 and December 16, 2008 (collectively, the "Resolution"), and if not so accepted and approved, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority and the Corporation by the Underwriter at any time prior to the acceptance of this Bond Purchase Agreement.

All capitalized terms used herein and not otherwise defined herein shall have the same meanings ascribed to such terms in the Indenture (as defined herein), unless the context shall clearly indicate otherwise.

SECTION 1
PURCHASE, SALE AND DELIVERY OF THE BONDS

(a) The Series 2010 Bonds (as defined herein) shall be described in and shall be issued pursuant to a Trust Indenture dated as of November 1, 2010 (the "Indenture") by and between the Authority and Regions Bank, as "Trustee."

(b) (i) Upon the terms and conditions and upon the basis of the representations, warranties and covenants set forth herein, the Underwriter hereby agrees to purchase from the Authority, and the Authority hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the (i) \$25,470,000.00 aggregate principal amount of the Authority's Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A (the "Series 2010A Bonds") and (ii) \$5,785,000.00 aggregate principal amount of the Authority's Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B (the "Series 2010B Bonds" and together with the Series 2010A Bonds, the "Series 2010 Bonds"). The purchase price of the Series 2010A Bonds shall be \$25,270,774.00 (representing \$25,470,000.00 original principal amount of the Series 2010A Bonds; less an Underwriter's Discount in the amount of \$163,008.00; less original issue discount of \$36,218.00). The purchase price of the Series 2010B Bonds shall be \$5,747,976.00 (representing \$5,785,000.00 original principal amount of the Series 2010B Bonds; less an Underwriter's Discount in the amount of \$37,024.00). The Series 2010 Bonds shall mature on the dates and shall bear interest at the fixed rates and yields, as described in **Schedule 1** attached.

(ii) The Underwriter agrees to comply with Securities and Exchange Commission Rule 15c2-12 and applicable rules of the Municipal Securities Rulemaking Board.

(c) Delivery of the Series 2010 Bonds shall be made in New York, New York, at the Depository Trust Company ("DTC"), 55 Water Street, at the Closing Time (as stated below), or at such other place as shall be mutually agreed upon by the Authority, the Corporation, the Board and the Underwriter. Subject to the terms hereof, the Closing shall take place at 10:00 a.m., prevailing Central time, on November 17, 2010, (or such other time or business day as may be mutually agreed upon by the Underwriter, the Board, the Corporation and the Authority in writing) at the offices of Jones, Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P., at 8555 United Plaza Blvd., Baton Rouge, Louisiana. Payment for the Series 2010 Bonds shall be made in lawful money of the United States of America in immediately available federal funds and shall be payable to the Trustee for the account of the Authority at 10:00 a.m., prevailing time on November 17, 2010, or such other date and time as shall be mutually agreed upon by the Authority, the Corporation, the Board and the Underwriter. The date of such delivery and payment is herein called the "Closing Date," and the hour and date of such delivery and payment is herein called the "Closing Time." The Series 2010 Bonds shall be delivered in definitive or temporary form as fully registered bonds bearing CUSIP numbers in such denominations as the Underwriter shall specify. There shall be one bond delivered for each maturity of the Series 2010 Bonds, registered in the name of Cede & Co., as nominee for DTC. On the Business Day preceding the Closing Date, the Series 2010 Bonds shall be delivered by the Authority to the Trustee to be held in escrow pending their release to the Underwriter on the Closing Date.

(d) The Series 2010 Bonds are to be issued by the Authority, pursuant to and in accordance with (i) the provisions of Sections 4548.1 through 4548.16, inclusive, of Chapter 10-D Title 33 of the Louisiana Revised Statutes of 1950, as amended (collectively, the "Act"); and (ii) the provisions of the Resolution.

(e) The proceeds of the Series 2010 Bonds will be loaned by the Authority to the Corporation, pursuant to a Loan and Assignment Agreement dated as of November 1, 2010 (the "Loan Agreement"). The proceeds of the Series 2010 Bonds will be used for the purpose of providing a portion of the funds required to: (i) demolish certain existing facilities and renovate, develop and construct the Student Union, the Center for Student Excellence, Student Health Center, Food Service Areas, the Bookstore and other related facilities on the campus of Southeastern Louisiana University (the "Facilities"); (ii) fund a deposit to the Debt Service Reserve Fund for the Series 2010 Bonds; (iii) pay costs of issuance of the Series 2010 Bonds, including the premium for any bond insurance policy insuring the Series 2010 Bonds.

The source of repayment of the Series 2010 Bonds will be payments of Base Rental made to the Corporation by the Board pursuant to the Facilities Lease; provided, however, the availability of Base Rental payable by the Board is subject to designation of such funds by the Board in its budget process sufficient for such purpose. The Board's revenues available to make the required payments under the Facilities Lease include: (i) Student Union Bond Fee, Health Center Bond Fee, Building Use Fee and Student Union Expansion Fee (collectively, the "Student Fees") and (ii) annual Capital Improvement Funds received by Southeastern Louisiana University (the "University") from the University's food service provider (the "Capital Funds"). Details with respect to the Student Fees and Capital Funds are set forth in the Official Statement (as defined herein).

The Series 2010 Bonds and the interest thereon are limited and special revenue obligations of the Authority payable solely, except to the extent paid out of moneys attributable to proceeds of the Series 2010 Bonds and temporary investment thereof, from payments derived by the Authority from the Loan Agreement, from the assets and interests pledged under the Act of Leasehold Mortgage, Assignment of Leases and Security Agreement, and from the Bond Insurance Policy. The Series 2010 Bonds shall not be deemed to constitute a debt or liability of the State of Louisiana (the "State") or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit of the State or of any political subdivision thereof. The issuance of the Series 2010 Bonds shall not directly, indirectly or contingently obligate the State of Louisiana, or any political subdivision thereof to levy any taxes or to make any appropriation of their payment. The Authority has no power to tax.

(f) At or before the time of the Corporation's acceptance hereof, the Authority shall furnish the Underwriter with a copy of the form of Official Statement (as defined in Section 3(A)(1)(iii) hereof). The Corporation will deliver to the Underwriter, as promptly as practical but in no event later than the Closing Date, such number of copies of the final Official Statement as the Underwriter may reasonably require in order to comply with the rules of the Municipal Securities Rulemaking Board ("MSRB") including, without limitation, Rule G-32 and U.S. Securities and Exchange Commission ("S.E.C.") Rule 15c2-12.

(g) The Authority has covenanted in the Resolution and hereby agrees that it will cause to be executed as a condition to the issuance of the Bonds, a Continuing Disclosure Certificate of the Board, in substantially the form attached as Appendix F to the Official Statement (the "Continuing

Disclosure Certificate”) on or before the Closing Date evidencing the written undertaking by the Board for the benefit of Bondholders required by Section (b)(5)(i) of S.E.C. Rule 15c2-12.

(h) The Authority and the Corporation consent to the use by the Underwriter, prior to the date hereof, of the Preliminary Official Statement relating to the Series 2010 Bonds in connection with the public offering of the Series 2010 Bonds.

(i) In order to assure compliance with the Internal Revenue Code of 1986, as amended, the Authority, the Board and the Corporation will execute a Tax Regulatory Agreement and Arbitrage Certificate dated the Closing Date (the “Tax Regulatory Agreement”).

(j) The Underwriter shall indemnify and hold harmless the Authority and the Corporation, each of their respective members, trustees, directors, officers, and employees, and each person who controls the Authority or the Corporation within the meaning of §15 of the Securities Act, but only with reference to written information relating to the Underwriter furnished by it specifically for inclusion in the Official Statement. The Authority and the Corporation acknowledge that the statements set forth under the heading “UNDERWRITING” in the Official Statement constitute the only information furnished in writing by or on behalf of the Underwriter for inclusion in the Official Statement. Further, the Underwriter will indemnify the Authority and the Corporation for (i) any information furnished by the Underwriter to purchasers of the Series 2010 Bonds that is not contained in the Official Statement and (ii) non-compliance with the state blue sky laws in connection with the offering and sale of the Series 2010 Bonds.

SECTION 2 EXCLUSIVE SOURCES OF THE OBLIGATIONS

Any other term or provision of this Bond Purchase Agreement, the Indenture, the Loan Agreement, the Tax Regulatory Agreement or elsewhere notwithstanding:

(a) Any and all obligations (including, without limitation, fees, claims, demands, payments, damages, liabilities, penalties, assessments and the like) of or imposed upon the Authority or its members, officers, agents, employees, representatives, advisors or successors or assigns, whether under this Bond Purchase Agreement, in the Indenture, the Loan Agreement, the Tax Regulatory Agreement or elsewhere, and whether arising out of or based upon a claim or claims of tort, contract, misrepresentation, or any other or additional legal theory or theories whatsoever (collectively, the “Obligations”), shall in all events be absolutely limited obligations and liabilities, payable solely out of the following, if any, available at the time the obligation in question is asserted: (1) Series 2010 Bond proceeds and investments therefrom, and (2) payments derived from the Series 2010 Bonds, the Indenture (including the trust estate to the extent provided in the Indenture), the Loan Agreement (except for the fees and expenses of the Authority and the Authority’s right to indemnification under the Loan Agreement and this Bond Purchase Agreement under certain circumstances), the foregoing provisions (1) and (2) being collectively referred to as the “Exclusive Sources of the Obligations”;

(b) The obligations shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit of the State or any political.

subdivision thereof, including the Authority, but shall be payable solely from and out of the Exclusive Sources of the Obligations and shall otherwise impose no liability whatsoever, primary or otherwise, upon the State or any political subdivision thereof, including the Authority, or any charge upon its credit or taxing power; and

(c) No recourse shall be had for the payment of the principal of or premium or interest on any of the Series 2010 Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Bond Purchase Agreement, the Indenture, the Loan Agreement or the Tax Regulatory Agreement contained, against any past, present or future officer, director, member, employee or agent of the Authority, or any officer, director, member, trustee, employee or agent of any successor corporation or body politic, as such, either directly or through the Authority or any successor corporation or body politic under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, trustees, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Bond Purchase Agreement, the Indenture, the Loan Agreement or the Tax Regulatory Agreement and the issuance of any of the Series 2010 Bonds.

SECTION 3 REPRESENTATIONS AND AGREEMENTS OF THE AUTHORITY AND THE CORPORATION

A. Representations and Agreements of the Authority.

(1) By its execution hereof, the Authority hereby represents and agrees with the Underwriter that:

(i) The Authority is a political subdivision of the State, duly created pursuant to the provisions of the Act. The Authority is authorized by the laws of the State, including particularly the Act and the Resolution, (A) to issue, sell, execute and deliver the Series 2010 Bonds, (B) to enter into and perform its obligations under the Resolution, the Indenture and the Tax Regulatory Agreement, and (C) to carry out and consummate the transactions contemplated by this Bond Purchase Agreement, the Series 2010 Bonds, the Resolution, the Indenture, the Loan Agreement and the Official Statement;

(ii) The Authority has complied with or will have complied on and as of the Closing Date all provisions of the constitution and laws of the State pertaining to the adoption of the Resolution, the issuance and sale of the Series 2010 Bonds and the delivery of the Official Statement, the Tax Regulatory Agreement, the Blanket Letter of Representations to DTC (the "Letter of Representations"), the Indenture, the Loan Agreement and this Bond Purchase Agreement, including the Act;

(iii) The information in the Preliminary Official Statement under the captions "THE ISSUER" and "LITIGATION-THE ISSUER" was, as of its date, deemed by the Authority to be final for purposes of Rule 15c2-12 except for the omission of no more than the information described in Section (b)(1) of Rule 15c2-12. The Authority hereby authorizes and consents to the use of the final Official Statement describing the Series 2010 Bonds, in the form of the Preliminary Official Statement but with the completion of such pricing

information and any other necessary information as amended (as completed, the "Official Statement"), by the Underwriter. The Authority has not participated in the preparation of the Preliminary Official Statement or the Official Statement and has not verified the accuracy of the information therein other than information under the captions "THE ISSUER" and "LITIGATION-THE ISSUER" (collectively, the "Authority Sections");

(iv) As of the date of this Bond Purchase Agreement and (unless an event occurs of the nature described in Section 3(A)(1)(vi) at all times subsequent thereto during the period from the date of this Bond Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Series 2010 Bonds (as defined and determined in accordance with Section 11 hereof), the information contained in the Authority Sections, does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading;

(v) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto during the period from the date of this Bond Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Series 2010 Bonds (as determined in accordance with Section 11 hereof), the information in the Authority Sections as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

(vi) If during the period from the date of this Bond Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Series 2010 Bonds (as defined and determined in accordance with Section 11 hereof), the Authority becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in the light of the circumstances under which they were made. Not misleading, it shall notify the Underwriter, and, if in the opinion of the Underwriter such fact or event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority shall cause the Corporation, at the expense of the Corporation to supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and furnish to the Underwriter a reasonable number of copies of the supplement or amendment;

(vii) The Authority has duly authorized all action necessary to be taken for: (a) the issuance and sale of the Series 2010 Bonds upon the terms set forth herein and in the Official Statement; (b) the use of the Official Statement and the execution of the Official Statement by the Authority's Chairman, Vice Chairman, Secretary-Treasurer and/or the Executive Director (or any of them acting alone); and (c) the execution, delivery and due performance of this Bond Purchase Agreement, the Tax Regulatory Agreement, the Indenture, the Loan Agreement, the Letter of Representations, the Resolution, the Series 2010 Bonds and any and all such other agreements and documents as may be required to be executed, delivered and

received by the Authority in order to carry out and give effect to and consummate the transactions contemplated hereby and by the Official Statement;

(viii) This Bond Purchase Agreement, the Tax Regulatory Agreement, the Indenture, the Loan Agreement, the Letter of Representations and the Resolution will each have been duly authorized, executed and delivered by the Authority and assuming the due authorization, execution and delivery by the other parties thereto, will each be valid and binding obligations of the Authority in accordance with their respective terms;

(ix) The execution and delivery of this Bond Purchase Agreement, the Series 2010 Bonds, the Tax Regulatory Agreement, the Indenture, the Loan Agreement, the Letter of Representations, the Resolution and the other agreements contemplated hereby and by the Official Statement, and performance of the provisions thereof, will not conflict with or constitute a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, loan, rule or regulation or other instrument to which the Authority is subject or by which the Authority is or may be bound;

(x) The Authority has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Authority is a bond issuer whose arbitrage certifications may not be relied upon;

(xi) Any certificate signed by any of the Authority's authorized officers and delivered to the Underwriter shall be deemed a representation by the Authority to the Underwriter as to the statements made therein;

(xii) The Authority is not in violation in any respect material to the transactions contemplated by the Resolution and has not received notice of any claimed violation material to said transactions (except such violations as heretofore have been specifically disclosed in the Official Statement) of the current Bylaws and Regulations of the Authority, or any laws, ordinances, governmental rules or regulations or court or other governmental orders or the terms of any agreement or other instruments to which it is a party or by which it, its properties or operations are bound;

(xiii) No consent, approval or authorization of, or filing, registration or qualification with, any governmental authority (other than those, if any, already obtained and other than any required under "Blue Sky" laws) is required on the part of the Authority as a condition to the execution and delivery of the Resolution, the Tax Regulatory Agreement, the Indenture, the Loan Agreement, the Letter of Representations or the performance of the Authority's obligations under any such documents;

(xiv) The Authority has all requisite power to issue the Series 2010 Bonds and has been duly authorized to execute and deliver the Series 2010 Bonds under the terms and provisions of the Resolution and the Indenture;

(xv) Neither the execution and delivery of the Series 2010 Bonds and the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the terms and conditions of the Series 2010 Bonds, the Resolution, the Letter of Representations, the Indenture, the Loan Agreement, or the Tax Regulatory Agreement, except to the extent disclosed in the Official Statement, will conflict with or result in a breach

of any of the material terms, conditions or provisions of, or will result, except to the extent disclosed in the Official Statement, in the creation or imposition of any material lien, charge or encumbrance upon any property or assets of the Authority pursuant to, any indenture, ordinance, loan agreement or other agreement or instrument (other than liens, charges and encumbrances created by the Indenture) or corporate restriction to which the Authority is a party or by which the Authority, or its properties or operations, may be bound, and such action will not, except to the extent disclosed in the Official Statement, result in any material violation of the Bylaws or Regulations of the Authority or the provisions of any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the Authority or its properties or operations are subject;

(xvi) There is no litigation or governmental action, proceeding, inquiry or investigation pending or threatened by governmental authorities or others or to which the Authority is a party or of which any property of the Authority is subject or, to the knowledge of the Authority, any basis for any such action, proceeding, inquiry or investigation, except for matters disclosed in the Official Statement, which, if determined adversely to the Authority, would individually or in the aggregate (a) materially and adversely affect the validity or the enforceability of the Series 2010 Bonds, this Bond Purchase Agreement or any related document; or (b) otherwise materially adversely affect the ability of the Authority to comply with its obligations under the Series 2010 Bonds, the Indenture, the Loan Agreement, the Tax Regulatory Agreement, this Bond Purchase Agreement or any related document. Except as provided in the Official Statement, no litigation, proceedings or investigations are pending or, to the knowledge of the Authority, threatened against the Authority, except for litigation, proceedings or investigations which the Authority believes is nonmeritorious or that insurance coverage provided by applicable insurance policies is adequate to offset any significant liabilities that may result from such action and which has a material impact of the Authority's ability to pay debt service on the Series 2010 Bonds;

(xvii) The representations and warranties of the Authority set forth in the Indenture will be true and correct in all material respects on the date thereof; and

(xviii) The Authority acknowledges and approves the terms and conditions of this Bond Purchase Agreement and its participation in the transactions contemplated thereby and, subject to the terms and conditions of this Bond Purchase Agreement, the Authority agrees to pay the expenses contemplated to be paid by the Authority pursuant to Section 8 of this Bond Purchase Agreement.

(2) The Authority will cooperate with the Underwriter in taking all necessary action for the qualification of the Series 2010 Bonds for sale and the determination of their eligibility for investment under the securities or Blue Sky laws of such jurisdictions as the Underwriter designates, with the exception of any jurisdiction where consent to local service of process in suits other than those arising out of the sale of the Series 2010 Bonds is a prerequisite to such qualification, and the continuation of such qualifications in effect so long as required for distribution of the Series 2010 Bonds.

(3) The representations, warranties, covenants and indemnities of or by the Authority contained in this Bond Purchase Agreement are given solely for the benefit of the Underwriter and the other Reimbursable Parties referred to herein and their respective successors, assigns, executors

and administrators, and no other person, including any registered owner of the Series 2010 Bonds as such, shall require or have any right under or by virtue of this Bond Purchase Agreement.

B. Representations and Agreements of the Corporation.

(1) The Corporation represents, warrants and covenants to and with the Authority and the Underwriter, as follows:

(i) The information contained in the Preliminary Official Statement and the Official Statement relating to the Corporation (the "Corporation Sections") at the date and the time each were used by the Underwriter in connection with the solicitation of offers to purchase Bonds, were and will be accurate in all material respects, and did not and will not, as of such dates, include any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were or are made, not misleading. The Preliminary Official Statement, as evidenced by a certificate to be executed by the Corporation, has been "deemed final" within the meaning of Rule 15c2-12(b) under the Securities Exchange Act of 1934. The Corporation hereby ratifies the use and distribution of the Preliminary Official Statement by the Underwriter to persons who maybe interested in the purchase of the Series 2010 Bonds, and hereby authorizes the Underwriter to use and distribute the Preliminary Official Statement, and copies of all other documents executed in connection with the sale of the Series 2010 Bonds. The Corporation also agrees to deliver to the Underwriter, at such address as the Underwriter shall specify, as many copies of the Official Statement as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12 and with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board. The Corporation agrees to deliver such copies of the Official Statement within seven (7) business days after the date hereof, but in no event later than the Closing Date. Such Official Statement shall contain all information previously permitted to be omitted by Rule 15c2-12;

(ii) The Corporation is a private, nonprofit corporation duly organized and validly existing in good standing under the laws of the State and in good standing in the State licensed to carry on its operations under the laws of the State. The Corporation is not in violation in any respect material to the transactions contemplated by the Loan Agreement, this Bond Purchase Agreement, the Ground Lease, and the Facilities Lease (collectively, the "Corporation's Documents") or the Official Statement, and has not received notice of any claimed violation material to said transactions (except such violations as heretofore have been specifically disclosed in the Official Statement) or its Articles of Incorporation or bylaws or any laws, ordinances, governmental rules or regulations or court or other governmental orders or the terms of any agreement or other instruments to which it is a party or by which it, its properties or operations are bound;

(iii) No consent, approval or authorization of, or filing, registration or qualification with, any governmental authority (other than those, if any, already obtained and other than any required under "Blue Sky" laws) is required on the part of the Corporation as a condition to the execution and delivery of the Corporation's Documents or the performance of the Corporation's obligations under any of such documents;

(iv) The Corporation has all requisite power to enter into the Corporation's Documents under the terms and provisions of a resolution of the Board of Directors of the Corporation;

(v) Neither the execution and delivery of the Corporation's Documents and the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the terms and conditions of the Corporation's Documents, will conflict with or result in a breach of any of the material terms, conditions or provisions of, or will result in the creation or imposition of any material lien, charge or encumbrance upon any property or assets of the Corporation pursuant to, any indenture, ordinance, loan agreement or other agreement or instrument (other than liens, charges and encumbrances created by the Indenture or Permitted Encumbrances, as defined in the Indenture) or corporate restriction to which the Corporation is a party or by which the Corporation, or its properties or operations, may be bound, and such action will not result in any material violation of the Articles of Incorporation or bylaws of the Corporation or the provisions of any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the Corporation or its properties are subject;

(vi) There is no litigation or governmental action, proceeding, inquiry or investigation pending or threatened by governmental authorities or others or to which the Corporation is a party or of which any property of the Corporation is subject nor, to the knowledge of the Corporation, is there any basis for any such action, proceeding, inquiry or investigation, except for matters disclosed in the Official Statement, which, if determined adversely to the Corporation, would individually or in the aggregate (i) materially and adversely affect the validity or the enforceability of the Corporation's Documents or any related document or (ii) otherwise materially adversely affect the ability of the Corporation to comply with its obligations under the Corporation's Documents or any related document. No litigation, proceedings or investigations are pending or, to the knowledge of the Corporation, threatened against the Corporation, except for litigation, proceedings or investigations which management of the Corporation believes is nonmeritorious or for which insurance coverage provided by applicable insurance policies is adequate to offset any significant liabilities that may result from such action;

(vii) The representations and warranties of the Corporation set forth in the Loan Agreement will be true and correct in all material respects on the date thereof, and the Corporation will be in compliance with all terms, covenants and conditions of the Loan Agreement on the date thereof;

(viii) The Corporation will deliver or cause to be delivered all opinions, certificates and other documents, as provided for in, and required by, this Bond Purchase Agreement, including, but not limited to, an opinion of its counsel dated as of the Closing Date;

(ix) The Corporation acknowledges and approves the terms and conditions of this Bond Purchase Agreement and its participation in the transactions contemplated hereby;

(x) Any certificate signed by any of the Corporation's authorized officers and delivered to the Underwriter shall be deemed a representation and warranty by the Corporation as to the statements made therein;

(xi) As of the date of this Bond Purchase Agreement and (unless an event occurs of the nature described in Section 3(A)(1)(vi) at all times subsequent thereto during the period from the date of this Bond Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Series 2010 Bonds (as determined in accordance with Section 11 hereof) the information contained in the Corporation Sections does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

(xii) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto during the period from the date of this Bond Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Series 2010 Bonds (as determined in accordance with Section 11 hereof), the information in the Corporation Sections, as so supplemented or amended, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading; and

(xiii) The Corporation will indemnify the Authority and the Underwriter against any losses, claims, damages, or liabilities, joint or several, to which the Authority or the Underwriter may become subject under the Securities Act, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act, or any other statute or at common law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon the failure in connection with the offering of the Series 2010 Bonds to register any security under the Securities Act or to qualify any indenture under the Trust Indenture Act and any claims based upon any information in the entire Official Statement, excepting only the Authority Sections, and any information provided by the Bond Insurer and certified as accurate by the Bond Insurer. The foregoing indemnity shall include reimbursement for any legal or other expenses reasonably incurred by the Authority or the Underwriter in connection with investigating or defending any such action or claim; provided, however, that if the Corporation assumes the defense of any such action or claims pursuant to the following paragraph, the indemnifying Party shall not be liable to any indemnified party under this subsection (d) for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. Promptly after the commencement of any action against any party indemnified hereunder in respect of which indemnity is to be sought against an indemnifying party, such indemnified party will notify the indemnifying party in writing of such action and the indemnifying party may assume the defense thereof, including the employment of counsel and the payment of all expenses; but the omission so to notify the indemnifying party will not relieve the indemnifying party from any liability which it may have to any indemnified party otherwise than hereunder. The parties hereto agree to provide for contribution by the parties for any losses and expenses incurred in the event that the indemnification provided in this paragraph is unenforceable.

(2) The Corporation will cooperate with the Underwriter in taking all necessary action for the qualification of the Series 2010 Bonds for sale and the determination of their eligibility for investment under the securities or Blue Sky laws of such jurisdictions as the Underwriter designates, with the exception of any jurisdiction where consent to local service of process in suits other than those arising out of the sale of the Series 2010 Bonds is a prerequisite to such qualification, and the continuation of such qualifications in effect so long as required for distribution of the Series 2010 Bonds.

(3) The representations, warranties, covenants and indemnities of or by the Corporation contained in this Bond Purchase Agreement are given solely for the benefit of the Underwriter and the other Reimbursable Parties referred to herein and their respective successors, assigns, executors and administrators, and no other person, including any registered owner of the Series 2010 Bonds as such, shall require or have any right under or by virtue of this Bond Purchase Agreement.

SECTION 4 CONDITIONS TO THE UNDERWRITER'S OBLIGATIONS

The Underwriter's obligations hereunder shall be subject to the accuracy of and compliance with the representations and agreements of the Authority and Corporation contained herein, as of the date hereof and as of the Closing Date, and are also subject to the following conditions:

(a) On the Closing Date, the Authority and the Corporation shall deliver or cause to be delivered to the Underwriter herewith:

- (i) Two executed copies of the Official Statement; and
- (ii) An executed copy of this Bond Purchase Agreement.

(b) On the Closing Date, the Series 2010 Bonds (including any opinions attached thereto or printed thereon), the Tax Regulatory Agreement, the Continuing Disclosure Certificate, the Indenture, the Loan Agreement, the Ground Lease, the Facilities Lease, the Letter of Representations, the Official Statement and the Resolution shall have been duly authorized, executed and delivered, each in the form submitted to the Underwriter on the date hereof with only such changes therein as shall be agreed upon by the Underwriter.

(c) At or before the Closing Time, the Underwriter shall have received:

(i) The opinions, addressed to the Underwriter in form and substance satisfactory to the Underwriter, their counsel and Bond Counsel, dated as of the Closing Date, indicating that the Underwriter may rely upon such opinions as if the same were addressed to the Underwriter, of:

(A) Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Baton Rouge, Louisiana, Bond Counsel, substantially in the form attached as Appendix D to the Official Statement;

(B) Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Baton Rouge, Louisiana, Bond Counsel, to the effect that the Series 2010

Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended;

- (C) McGlinchey Stafford PLLC, Counsel to the Underwriter;
- (D) Gregory A. Pletsch & Associates, Counsel to the Trustee;
- (E) DeCuir, Clark & Adams, LLP, Baton Rouge, Louisiana,
Counsel to the Board;
- (F) Seale & Ross, P.L.C., Attorney, Counsel to the Corporation;
and
- (G) Casten & Pearce, A.P.L.C., Counsel to the Authority.

(ii) Certified copies of the minutes of the Louisiana State Bond Commission reflecting approval of the issuance of the Bonds by the Commission;

(iii) Evidence satisfactory to the Underwriter that the Series 2010 Bonds have received ratings of "Aa3" from Moody's and that such rating is in effect at the Closing Time;

(iv) Evidence that Form 8038 will be provided to the Internal Revenue Service promptly following the Closing Date with respect to the Series 2010A Bonds;

(v) Specimen form of the Series 2010 Bonds;

(vi) Certified copies of the Resolution and executed originals of the Continuing Disclosure Certificate;

(vii) The Tax Regulatory Agreement of the Authority supporting the opinion of Bond Counsel that interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes;

(viii) A certificate of the Corporation, dated the Closing Date, in form and substance satisfactory to the Underwriter, in which such officer states that:

- (A) (1) each of the representations and warranties of the Corporation contained herein and, to the best of its knowledge, in the Corporation Documents, is true, accurate, and complete in every material respect on the Closing Date as if made on and as of the Closing Date, and (2) all of the agreements of the Corporation to be complied with and each, of the obligations to be performed by the Corporation hereunder and under all of the Corporation Documents on or prior to the Closing Date have been complied with and performed in every material respect;

- (B) The information in the Official Statement relating to the Corporation, as of such date, is accurate in all material respects, and does not include any untrue statements of a material fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.
- (C) Except as disclosed in the Official Statement, there is neither pending nor, to the best of the knowledge of the Corporation, threatened against the Corporation any action, suit, other proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, authority, board, body or arbitrator or, to the best of the knowledge of the Authority, is there any basis therefor, wherein an unfavorable decision, ruling or funding would materially adversely affect the validity or enforceability of the Corporation Documents, the Official Statement or any agreement or instrument to which the Corporation is a party or by which it is bound, and which is used or contemplated for use in the consummation of the transactions contemplated therein and herein, or which would materially adversely affect the transactions contemplated by the foregoing, or which would adversely affect the exclusion from gross income of the interest on the Bonds for federal income tax purposes.

(ix) A certificate of an Authorized Authority Representative dated as of the Closing Date to the effect that:

(A) As of the date hereof, the information contained in the Authority Sections of the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make statements contained therein, in the light of the circumstances under which they were made, not misleading;

(B) At all times subsequent to the date hereof to and including the Closing Date, the information contained in the Authority Sections of the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make statements contained therein, in the light of the circumstances under which they were made, not misleading; and

(C) No litigation is pending or, to their knowledge threatened, to restrain or enjoin the execution and delivery of the Bonds, the Resolution, the Tax Regulatory Agreement, the Indenture, the Loan Agreement or the existence or powers of the Authority or the right of the Authority to carry out the terms thereof, and the issuance of the Bonds and the execution and delivery of the other agreements contemplated hereby and by the Official Statement under the circumstances contemplated thereby and the compliance by the Authority with the provisions thereof will not conflict with or constitute on the part of the Authority a breach of or a default under the By-Laws, as amended, or any existing law, court or administrative regulation, decree or order or

any agreement, indenture, mortgage, loan or other instrument to which the Authority is subject or by which it is bound;

(x) The executed copies of the Bond Insurance Policy issued by the Bond Insurer and such opinions and certificates as may be required by the Bond Insurer's commitment dated October 26, 2010;

(xi) An opinion of counsel to the Bond Insurer and a certificate of an officer of the Bond Insurer dated the Closing Date and addressed to the Underwriter, concerning the Bond Insurer, the Bond Insurance Policy and the information relating to the Bond Insurer and the Bond Insurance Policy contained in the Official Statement, in form and substance satisfactory to the Underwriter and their counsel;

(xii) A copy of the Authority's Blanket Letter of Representations to The Depository Trust Company;

(xiii) A certificate of an authorized representative of the Trustee to the effect that (A) the Trustee is a state banking corporation duly organized and validly existing under and by virtue of the laws of the State of Alabama and is duly authorized to exercise trust powers in the State of Louisiana, (B) the Trustee has full right, power and authority to accept the duties enumerated in the Indenture and to perform its obligations under the Indenture, (C) the Indenture constitutes a valid and binding obligation of the Trustee in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity, (D) the performance of the Trustee of its functions under the Indenture, and the Tax Regulatory Agreement will not result in any violation of the incorporating documents or bylaws of the Trustee, any court order to which the Trustee is subject or any agreement, indenture or other obligation or instrument to which the Trustee is subject or any agreement, indenture or other obligation or instrument to which the Trustee is a party or by which the Trustee is bound, and no approval or other action by any governmental authority or agency having supervisory authority over the Trustee is required to be obtained by the Trustee in order to perform its functions under the Indenture and the Tax Certificate, and (E) to the best of such authorized representative's knowledge, there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body pending or threatened against or affecting the Trustee wherein an unfavorable decision, ruling or finding on an issue raised by any party thereto is likely to materially and adversely affect the ability of the Trustee to perform its obligations under the Indenture and the Tax Regulatory Agreement; and

(xiv) Such additional certificates, opinions and other documents as the Underwriter, Underwriter's Counsel or Bond Counsel may reasonably request to evidence performance of or compliance with the provisions of this Bond Purchase Agreement and the transactions contemplated hereby and by the Official Statement, all such certificates and other documents to be satisfactory in form and substance to the Underwriter and Underwriter's Counsel.

SECTION 5
THE UNDERWRITER'S RIGHT TO CANCEL

The Underwriter shall have the right to cancel its obligations hereunder to purchase the Series 2010 Bonds by notification to the Authority and the Corporation in writing or by email of their election to do so between the date hereof and the Closing Date, if at any time hereafter and prior to the Closing Time:

(i) Legislation shall be introduced in or enacted by the Congress of the United States or adopted by either house thereof or introduced in or enacted by the legislature of the State, or a decision by a federal court (including the Tax Court or Claims Court of the United States) or a State court shall be rendered, or a ruling, regulation (proposed, temporary or final) or statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other federal or State agency shall be made, with respect to the revenues and other property pledged to the payment of the Series 2010 Bonds or with respect to interest received which is of the general character of interest paid on the Series 2010 Bonds, or which would have the effect of changing directly or indirectly the federal or State income tax consequences of interest on bonds of the general character of the Series 2010 Bonds in the hands of the holders thereof, which legislation, ruling, regulation or official statement would, in the Underwriter's reasonable judgment, materially adversely affect the market price of the Series 2010 Bonds;

(ii) Any legislation, ordinance, rule, regulation or policy statement shall be introduced in or be enacted by any governmental body, department or agency in the State or the federal government, or a decision by any court of competent jurisdiction within the State or the federal government shall be rendered which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Series 2010 Bonds;

(iii) A stop order, ruling, regulation or official statement by, or on behalf of; the Securities and Exchange Commission or any governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of the obligations of the general character of the Series 2010 Bonds, or the issuance, offering or sale of the Series 2010 Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement is in violation or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and then in effect, or the registration provisions of the Securities Exchange Act of 1934, as amended and as then in effect, or the qualification provisions of the Trust Indenture Act of 1939, as amended and as then in effect;

(iv) Legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered to the effect that obligations of the general character of the Series 2010 Bonds are not exempt from registration under the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, to that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended and as then in effect;

(v) Any event shall have occurred, or information become known, which, in the Underwriter's reasonable opinion, makes untrue in any material respect any statement or information contained in the Official Statement (as it may have been previously supplemented or amended) or has the effect that the Official Statement (as it may have been previously supplemented or amended) contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(vi) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(vii) The New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Series 2010 Bonds or obligations of the general character of the Series 2010 Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, underwriters such as the Underwriter;

(viii) A general banking moratorium shall have been established by federal, New York or State authorities;

(ix) Any proceeding shall be pending or threatened by the Securities Exchange Commission against the Authority;

(x) A war involving the United States of America shall have been declared, or any conflict involving the armed forces of the United States of America shall have escalated, or any other national emergency (including without limitation, acts of terrorism) relating to the effective operation of government or the financial community shall have occurred, which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Series 2010 Bonds;

(xi) The President of the United States of America, the Office of Management and Budget, the Department of the Treasury, the Internal Revenue Service, or any other governmental body, department or agency of the United States of America shall take or propose to take any action or implement or propose regulations or rulings which, in the Underwriter's reasonable opinion, materially adversely affect the market price of the Series 2010 Bonds, impacts adversely in a material manner upon the Authority's ability to apply the proceeds of the Series 2010 Bonds for the purposes for which the Series 2010 Bonds were authorized to be issued or causes the Official Statement (as it may have been previously supplemented or amended pursuant to Section 3(A)(1)(vi) hereof) to be incorrect or misleading in any material respect;

(xii) The Authority shall fail to deliver Official Statements to the Underwriter as provided in Section 1(e) hereof; provided, however, that the Underwriter may not terminate its obligations hereunder as a result of the failure of the Authority to deliver such Official Statement unless such failure materially affects the Underwriter's marketing and sale of the Bonds or subjects the Underwriter to compliance infractions under the Securities and Exchange Commission or MSRB delivery requirements;

(xiii) The long-term unsecured debt rating of the Bond Insurer is downgraded below "Aa3" by Moody's;

(xiv) Any federal or state court, authority *or* administrative or regulatory body shall take action materially adversely affecting or questioning the ability of (A) the Bond Insurer to issue or perform under credit facilities in transactions similar to the transaction contemplated by this Bond Purchase Agreement; or (B) the Bond Insurer fails to perform its obligations under any credit facility provided by the Bond Insurer; or

(xv) The Policy of the Bond Insurer securing the Series 2010 Bonds or other insurance policy issued by the Bond Insurer shall have been repudiated by the Bond Insurer or any litigation or proceedings shall be pending or threatened which questions the validity or enforceability thereof, or seeks to enjoin performance by the Bond Insurer thereunder or the Authority or the Underwriter shall have received notice from the Bond Insurer that they will be able to perform thereunder.

SECTION 6 CONDITIONS TO THE AUTHORITY'S OBLIGATIONS

The Authority's obligations hereunder are subject to the Underwriter's performance of its obligations hereunder. If the Underwriter defaults on its obligation to purchase Series 2010 Bonds hereunder, this Bond Purchase Agreement shall terminate and the Authority shall have all rights and remedies as may be allowed by law to enforce the action or inaction of the Underwriter hereunder. In the event of any such termination, neither the Authority nor the Corporation shall be under any obligation to the Underwriter.

SECTION 7 REPRESENTATIONS AND AGREEMENTS TO SURVIVE DELIVERY

All of the Authority's and the Corporation's representations, warranties and agreements shall remain operative and in full force and effect, regardless of any investigations made by the Underwriter on its own behalf, and shall survive delivery of the Series 2010 Bonds to the Underwriter.

SECTION 8 PAYMENT OF EXPENSES

Whether or not the Series 2010 Bonds are sold by the Authority to the Underwriter, the Underwriter shall be under no obligation to pay any expenses incident to the performance of the Authority's obligations hereunder nor shall the Authority be under any obligation for any fees or expenses of the Underwriter should the Series 2010 Bonds not be delivered, and then only to the extent set forth herein. All expenses and costs of the Authority incident to issuing the Series 2010 Bonds including, without limitations, the fees and expenses of Bond Counsel, the premiums of the Bond Insurer, the initial fee of the Trustee and the fees and expenses of counsel to the Trustee, fees and expenses of counsel to the Authority, fees and expenses of Counsel to the Corporation, the expenses and costs for the preparation, printing, photocopying, executing and delivery of the Resolution, this Bond Purchase Agreement and all other agreements and documents contemplated hereby, the fees and expenses of consultants and rating agencies, the State Bond Commission fees,

the fees and expenses of Underwriter Counsel, the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Series 2010 Bonds and the Official Statement shall be paid by the Corporation.

SECTION 9 NOTICE

Any notice or other communication to be given under this Bond Purchase Agreement may be given by mailing or delivering the same in writing to:

If to the Authority:	Louisiana Local Government Environmental Facilities and Community Development Author 8712 Jefferson Highway, Suite A Baton Rouge, LA 70809-2233 Facsimile: 225-924-6171 Attn: Steve A. Dicharry, Executive Director
If to the Corporation:	University Facilities, Inc. SLU Box 10746 Hammond, LA 70402 Attention: President
If to the Underwriter:	Morgan Keegan & Company, Inc. 400 Convention Street, Suite 300 Baton Rouge, LA 70802 Facsimile: 504-595-3293 Attn: Mr. John B. Poche, Managing Director

SECTION 10 APPLICABLE LAW; NONASSIGNABILITY

The Bond Purchase Agreement shall be governed by the laws of the State. This Bond Purchase Agreement shall not be assigned by any party. The representations, warranties, covenants and obligations of the Underwriter hereunder, and the terms and conditions of this Bond Purchase Agreement shall be binding on the Underwriter.

SECTION 11 DETERMINATION OF END OF UNDERWRITING PERIOD

For purposes of this Bond Purchase Agreement the "End of the Underwriting Period" for the Series 2010 Bonds shall mean the earlier of (a) the Closing Date unless the Authority has been notified in writing to the contrary by the Underwriter on or prior to the Closing Date, or (b) the date on which the End of the Underwriting Period of the Series 2010 Bonds has occurred under Rule 15c2-12; provided, however, that the Authority shall be entitled to treat as the End of the Underwriting Period for the Series 2010 Bonds the date specified in the notice from the Underwriter stating the date which is the End of the Underwriting Period.

The Authority may request from the Underwriter from time to time, and the Underwriter shall provide to the Authority upon such request, such information as may be reasonably required in order to determine whether the End of the Underwriting Period for the Series 2010 Bonds has occurred under Rule 15c2-12 with respect to the unsold balances of Series 2010 Bonds that were originally sold to the Underwriter for resale to the public and which are held by the Underwriter for sale to the public.

If in the opinion of the Underwriter, for purposes of Rule 15c2-12, the Underwriter does not retain for sale to the public any unsold balance of Series 2010 Bonds originally sold to the Underwriter pursuant to this Bond Purchase Agreement, then the Underwriter shall promptly notify the Authority in writing that, in its opinion, the End of the Underwriting Period for the Series 2010 Bonds under Rule 15c2-12 has occurred on a date which shall be set forth in such notification.

The individuals executing this Bond Purchase Agreement are doing so in their official capacities as persons authorized to sign on behalf of the respective parties hereto.

**SECTION 12
NO LIABILITY; SELLING THE SERIES 2010 BONDS**

No individual member, officer, agent or employee of any of the parties hereto will be charged personally with any liability, or held liable under any term or provision of this Bond Purchase Agreement because of his or her execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

**SECTION 13
EXECUTION OF COUNTERPARTS**

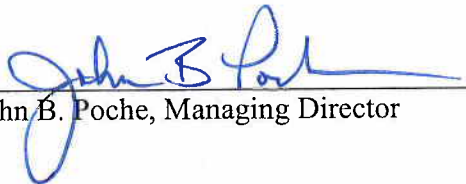
This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

[Remainder of this page intentionally left blank]

[Signature page - Bond Purchase Agreement]

Sincerely,

Morgan Keegan & Company, Inc.

By: 
John B. Poche, Managing Director

ACCEPTED THIS 4th DAY OF NOVEMBER, 2010:

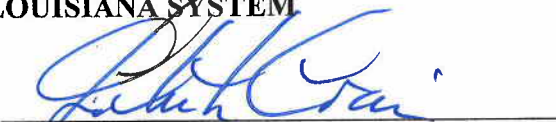
**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL
FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY**

BY: 
Steve A. Dicharry, Executive Director

UNIVERSITY FACILITIES, INC.

BY: 
Phil K. Livingston, President

**BOARD OF SUPERVISORS FOR THE UNIVERSITY
OF LOUISIANA SYSTEM**

BY: 
John L. Crain, Authorized Board
Representative

SCHEDULE I

MATURITY SCHEDULE

SERIES 2010A BONDS

Serial Bonds

<u>Due October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Yield</u>
2020	\$670,000	3.500%	99.090%	3.610%
2021	\$795,000	3.625%	98.537%	3.790%
2022	\$825,000	3.750%	98.581%	3.900%
2023	\$855,000	4.000%	100.000%	4.000%
2024	\$890,000	4.000%	98.946%	4.100%
2025	\$930,000	4.000%	98.234%	4.160%
2026	\$965,000	4.000%	97.696%	4.200%

\$5,520,000 4.50% Term Bonds due October 1, 2031, Yield 4.620%, Price 98.398%

\$14,020,000 5.00% Term Bonds due October 1, 2040, Yield 4.880%, Price 100.925%

SERIES 2010B BONDS

<u>Due October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Yield</u>
2011	\$440,000	.800%	100.00%	.800%
2012	\$600,000	1.400%	100.00%	1.400%
2013	\$610,000	1.600%	100.00%	1.600%
2014	\$625,000	2.200%	100.00%	2.200%
2015	\$640,000	2.600%	100.00%	2.600%
2016	\$655,000	3.150%	100.00%	3.150%
2017	\$680,000	3.550%	100.00%	3.550%
2018	\$705,000	4.100%	100.00%	4.100%
2019	\$735,000	4.400%	100.00%	4.400%
2020	\$95,000	4.600%	100.00%	4.600%

Upon delivery of the Series 2010A Bonds, Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Bond Counsel, will render its opinion that, assuming continuing compliance with certain covenants designed to satisfy the applicable requirements of the Code, and subject to the matters discussed under the caption "TAX EXEMPTION" herein, under the law existing on the date thereof, interest on the Series 2010A Bonds will (i) be excludable from gross income of the beneficial owners thereof for federal income tax purposes, (ii) will not be an item of tax preference for purposes of determining the alternative minimum tax imposed on individuals and corporations under Section 57(a)(5) of the Code and (iii) will not result in an adjustment to a corporation's adjusted current earnings for purposes of determining the corporation's alternative minimum taxable income. Bond Counsel is also of the opinion that, pursuant to the Act, the Series 2010A Bonds and the Series 2010B Bonds, together with interest thereof, income therefrom, and gain upon the sale thereof are exempt from all State of Louisiana taxes and local taxes. See "TAX EXEMPTION" herein.



\$25,470,000
**LOUISIANA LOCAL GOVERNMENT
 ENVIRONMENTAL FACILITIES AND
 COMMUNITY DEVELOPMENT
 AUTHORITY TAX-EXEMPT REVENUE BONDS
 (Southeastern Louisiana University Student Union/
 University Facilities, Inc. Project)
 Series 2010A**

\$5,785,000
**LOUISIANA LOCAL GOVERNMENT
 ENVIRONMENTAL FACILITIES AND
 COMMUNITY DEVELOPMENT
 AUTHORITY TAXABLE REVENUE BONDS
 (Southeastern Louisiana University Student Union/
 University Facilities, Inc. Project)
 Series 2010B**

Dated: Date of Delivery

Due: October 1, as shown below

The Series 2010A Bonds and the Series 2010B Bonds (collectively, the "Series 2010 Bonds") are being issued by the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") to provide a portion of the funds required (i) to demolish certain existing facilities and renovate, develop and construct the Student Union, the Center for Student Excellence, Student Health Center, Food Service Areas, the Bookstore and other related facilities on the campus of Southeastern Louisiana University (the "Facilities"); (ii) fund a deposit to the Debt Service Reserve Fund for the Series 2010 Bonds; and (iii) pay Costs of Issuance for the Series 2010 Bonds, including the premium for the bond insurance policy insuring the Series 2010 Bonds.

The land on which the Facilities will be constructed has been leased to the Corporation by the Board of Supervisors for the University of Louisiana System, acting on behalf of the University (the "Board"), pursuant to the Ground and Buildings Lease Agreement by and between the Corporation and the Board dated as of January 1, 2010, and the Facilities leased back to, and operated by, the Board pursuant to an Agreement to Lease With Option to Purchase by and between the Corporation and the Board dated as of January 1, 2010, as supplemented and amended by the First Amendment to Facilities Lease dated as of November 1, 2010 by and between the Board and the Corporation (collectively, the "Facilities Lease"). The Issuer will lend the proceeds of the Series 2010 Bonds to University Facilities, Inc. (the "Corporation"), a non-profit corporation organized under the laws of the State of Louisiana (the "State") for the benefit of the University pursuant to a Loan Agreement dated as of November 1, 2010, between the Issuer and the Corporation (the "Loan Agreement"). The Corporation will be obligated pursuant to the Loan Agreement to pay to the Issuer such loan payments as will always be sufficient to pay the principal of, premium, if any, and interest on the Series 2010 Bonds, as the same mature and become due, and under the Loan Agreement, it will be the obligation of the Corporation to pay all expenses of operating and maintaining the Facilities in good repair, to keep it properly insured, and to pay all taxes, assessments, and other charges levied or assessed against or with respect to the Facilities.

The Facilities, as completed, will be leased back to, and operated by, the Board pursuant to the Facilities Lease. The Corporation will make the payments required by the Loan Agreement from revenues generated by the Facilities Lease. See "Sources of Payment for the Series 2010 Bonds" herein. The Facilities will be owned by the Board of Supervisors for the University of Louisiana System (the "Board").

Purchasers of the Series 2010 Bonds will not receive certificates representing their interest in the Series 2010 Bonds purchased. Series 2010 Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). Principal of and premium, if any, and interest on the Series 2010 Bonds will be payable by Regions Bank (the "Trustee") to Cede & Co., which will remit such payments to the DTC Participants (as defined herein) for subsequent disbursement to the purchasers of the Bonds. See "THE SERIES 2010 BONDS - Book Entry System Only" herein.

The Series 2010 Bonds will mature on October 1 in each of the years and at the interest rates per annum (using a year of 360 days comprised of twelve 30-day months) indicated on the inside-cover page of this Official Statement. Interest on the Series 2010 bonds will be payable on April 1 and October 1 of each year (each an "Interest Payment Date"), commencing April 1, 2011.

THE SERIES 2010 BONDS AND THE INTEREST THEREON ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY, EXCEPT TO THE EXTENT PAID OUT OF MONEYS ATTRIBUTABLE TO PROCEEDS OF THE SERIES 2010 BONDS AND TEMPORARY INVESTMENTS THEREOF, FROM PAYMENTS DERIVED BY THE ISSUER UNDER THE LOAN AGREEMENT (AS DEFINED HEREIN), FROM THE ASSETS AND INTERESTS PLEDGED UNDER THE MORTGAGE, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT, AND FROM THE BOND INSURANCE POLICY (AS DEFINED HEREIN). THE SERIES 2010 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NOT CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE SERIES 2010 BONDS SHALL NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAXES OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE ISSUER HAS NO POWER TO TAX.

As further described herein, the scheduled payments of principal of and interest on the Series 2010 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2010 Bonds by Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (the "Bond Insurer"). See "MUNICIPAL BOND INSURANCE" herein and Appendix E herein.



AN INVESTMENT IN THE SERIES 2010 BONDS INVOLVES A DEGREE OF RISK BECAUSE OF THE VARIOUS RISKS DESCRIBED HEREIN. See "BONDHOLDERS' RISKS" herein.

The Series 2010 Bonds are offered when, as, and if issued by the Issuer and received by the Underwriter and are subject to prior sale and the approval of legality by Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Baton Rouge, Louisiana, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Issuer by Casten & Pearce, A.P.L.C., Shreveport, Louisiana; for the Corporation by Seale & Ross, P.L.C., Hammond, Louisiana; and for the Underwriter by McGlinchey Stafford PLLC, Baton Rouge, Louisiana. Delivery of the Series 2010 Bonds to DTC in New York, New York is expected on or about November 17, 2010.

Morgan Keegan

The Series 2010 Bonds will be issuable as fully registered bonds without coupons. The Series 2010 Bonds will be issued in the denominations of \$5,000 or any integral multiple thereof. The Series 2010 Bonds will bear interest from their date of delivery. Interest on the Series 2010 Bonds will be payable on each Interest Payment Date (as defined herein). Principal of and premium, if any, on the Series 2010 Bonds will be payable at the corporate trust office of Regions Bank (the “Trustee”), in Baton Rouge, Louisiana (the “Office of the Trustee”) at maturity or upon redemption, upon surrender of the Series 2010 Bonds, and interest will be payable by check or draft mailed to the registered owners of Series 2010 Bonds, as shown on the registration books of the bond registrar as of the close of business on the Record Date (as defined herein) for the Series 2010 Bonds or by wire transfer to the bank account number filed with the Trustee in writing prior to the close of business on the Record Date by the person in whose name such Series 2010 Bond shall be registered if such owner shall be the registered owner of not less than \$1,000,000 in aggregate principal amount of Series 2010 Bonds Outstanding. **The Series 2010A Bonds will be subject to prior mandatory, optional, and extraordinary redemption as described herein. The Series 2010B Bonds will not be subject to mandatory or optional redemption prior to their maturity, but will be subject to extraordinary redemption as described herein. See “THE SERIES 2010 BONDS” herein.**

MATURITY SCHEDULE

SERIES 2010A BONDS \$5,930,000 SERIAL BONDS

<u>Maturity October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2020	\$670,000	3.500%	3.610%	546282 FG4
2021	\$795,000	3.625%	3.790%	546282 FH2
2022	\$825,000	3.750%	3.900%	546282 FJ8
2023	\$855,000	4.000%	4.000%	546282 FK5
2024	\$890,000	4.000%	4.100%	546282 FL3
2025	\$930,000	4.000%	4.160%	546282 FM1
2026	\$965,000	4.000%	4.200%	546282 FN9

\$5,520,000 4.500% Term Bonds due October 1, 2031, Yield 4.620%, CUSIP 546282 FP4
\$14,020,000 5.000% Term Bonds due October 1, 2040, Yield 4.880%, CUSIP 546282 FQ2

SERIES 2010B BONDS \$5,785,000 SERIAL BONDS

<u>Maturity October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2011	\$440,000	0.800%	0.800%	546282 FR0
2012	\$600,000	1.400%	1.400%	546282 FS8
2013	\$610,000	1.600%	1.600%	546282 FT6
2014	\$625,000	2.200%	2.200%	546282 FU3
2015	\$640,000	2.600%	2.600%	546282 FV1
2016	\$655,000	3.150%	3.150%	546282 FW9
2017	\$680,000	3.550%	3.550%	546282 FX7
2018	\$705,000	4.100%	4.100%	546282 FY5
2019	\$735,000	4.400%	4.400%	546282 FZ2
2020	\$95,000	4.600%	4.600%	546282 GA6

No dealer, broker, salesman, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Issuer, the Corporation, or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2010 Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation, or sale.

The information set forth herein has been obtained from the Issuer, the Corporation, the Board, the University, or other sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriter. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Corporation since the date hereof.

The Issuer has provided only that information in this Official Statement that is contained under the heading "THE ISSUER" and, as to the Issuer, under the heading "LITIGATION." The Issuer has not furnished or verified any other information or statements contained in this Official Statement and is not responsible for the sufficiency, completeness, or accuracy of such other information or statements.

The Trustee has not furnished or verified any information or statements contained in this Official Statement and is not responsible for the sufficiency, completeness, or accuracy of such other information or statements.

THE BOND INSURER MAKES NO REPRESENTATION REGARDING THE SERIES 2010 BONDS OR THE ADVISABILITY OF INVESTING IN THE SERIES 2010 BONDS. IN ADDITION, THE BOND INSURER HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING THE BOND INSURER SUPPLIED BY THE BOND INSURER AND PRESENTED UNDER THE HEADING "MUNICIPAL BOND INSURANCE" AND "APPENDIX E - SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2010 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Series 2010 Bonds will not be registered under the Securities Act of 1933, as amended, and neither the Issuer or the Underwriter intend to list the Series 2010 Bonds on any stock or other security exchange. The Securities and Exchange Commission has not passed upon the accuracy or adequacy of this Official Statement. With respect to the various states in which the Series 2010 Bonds may be offered, no attorney general, state official, state agency or bureau, or other state or local governmental entity has passed upon the accuracy or adequacy of this Official Statement or passed upon or endorsed the merits of this offering or the Series 2010 Bonds.

In making an investment decision, investors must rely on their own examination of the Issuer, the University, the Corporation, the Underwriter or the Bond Insurer and the terms of the offering, including the merits and risks involved. Those securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

This Official Statement is being provided to prospective purchasers either in bound printed form (the "Original Bound Format") or in electronic format on the following website: <https://www.munios.com>. This Official Statement may be relied upon only if it is in its Original Bound Format or as printed in its entirety directly from such website.

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SUMMARY STATEMENT

The following Summary Statement is qualified in its entirety by the more detailed information and financial statements contained elsewhere in this Official Statement and the Appendices hereto (collectively, the "Official Statement"). The offering of the Series 2010 Bonds to potential investors is made only by means of this entire Official Statement, and no person is authorized to detach this Summary Statement from the Official Statement or otherwise use it otherwise without the entire Official Statement.

- The Issuer** The Louisiana Local Government Environmental Facilities and Community Development Authority (the "**Issuer**") is a political subdivision of the State of Louisiana (the "**State**") and is authorized pursuant to Sections 33:4548.1 through 4548.16, inclusive, of the Louisiana Revised Statutes of 1950, as amended (the "**Act**") to issue bonds to provide funds for and to fulfill and achieve its authorized public functions or corporate purposes as set forth in the Act.
- The Corporation** University Facilities, Inc. (the "**Corporation**") is a non-profit corporation duly organized and existing under the laws of the State for the benefit of Southeastern Louisiana University (the "**University**") and is an exempt organization under §501(c)(3) of the Internal Revenue Code of 1986, as amended. The proceeds of the Series 2010 Bonds will be loaned to the Corporation pursuant to a Loan Agreement dated as of November 1, 2010 (the "**Loan Agreement**") between the Issuer and the Corporation to finance the costs described below under "**The Series 2010 Bonds.**" See "**THE CORPORATION**" herein.
- The Board** The Board of Supervisors for the University of Louisiana System (the "**Board**") is a public constitutional corporation and agency of the State whose responsibility is the supervision and management of State colleges and universities not managed by a separate higher education board created by the Louisiana Constitution. See "**THE BOARD**" herein.
- The Series 2010 Bonds** The Issuer will issue \$25,470,000 principal amount of revenue bonds to be designated "Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A" (the "**Series 2010A Bonds**") and \$5,785,000 principal amount of revenue bonds to be designated "Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B" (the "**Series 2010B Bonds**") and together with the Series 2010A Bonds, the "**Series 2010 Bonds**"), for the purpose of providing a portion of the funds required (i) to demolish certain existing facilities and renovate, develop and construct the Student Union, the Center for Student Excellence, the Student Health Center, the Food Service Areas, the Bookstore and other related facilities on the campus of Southeastern Louisiana University (the "**Facilities**"); (ii) fund a deposit to the Debt Service Reserve Fund for the Series 2010 Bonds; and (iii) pay Costs of Issuance for the Series 2010 Bonds, including the premium for the bond insurance policy insuring the Series 2010 Bonds.
- The Trustee** Regions Bank, Baton Rouge, Louisiana will act as trustee, bond registrar, and paying agent for the Series 2010 Bonds.

The Bond Insurer	Simultaneously with the issuance of the Series 2010 Bonds, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), a New York stock insurance company, will issue its municipal bond insurance policy (the " <i>Policy</i> ") relating to the Series 2010 Bonds. See " MUNICIPAL BOND INSURANCE " herein.
The University	The University is a member of the eight (8) member University of Louisiana System (the " <i>System</i> "). The System is governed by the Board. The University is a tax-supported, comprehensive regional university that is co-educational and is located in Tangipahoa Parish, Hammond, Louisiana. See " THE UNIVERSITY " herein.
The Facilities	The proceeds of the Series 2010 Bonds, together with an extraordinary rental payment of \$6,500,000 made by the Board, pursuant to the Facilities Lease, will be used for the renovation and expansion of the University's student union, including, but not limited to, the addition of the Center for Student Excellence, Student Health Center and renovations to the Food Service Areas and Bookstore. See " THE FACILITIES " herein. The Facilities will be owned by the Board. The land on which the Facilities will be located has been leased to the Corporation by the Board pursuant to a Ground and Buildings Lease Agreement dated as of January 1, 2010, between the Board, as lessor, and the Corporation, as lessee (the " <i>Ground Lease</i> "), and the Facilities leased back (as completed) to, and operated by, the Board pursuant to an Agreement to Lease With Option to Purchase dated as of January 1, 2010, between the Corporation, as lessor, and the Board, as lessee, as supplemented and amended by that certain First Amendment to Facilities Lease dated as of November 1, 2010 by and between the Board and the Corporation (collectively, the " <i>Facilities Lease</i> ").
The Ground Lease	Pursuant to the Ground Lease, the Board has leased the land on which the Facilities will be located (the " <i>Property</i> ") to the Corporation, for a term of forty (40) years, subject to early termination in accordance with the terms of the Ground Lease. The rental payable under the Ground Lease is \$1.00 per year. See " THE GROUND LEASE " herein.
The Facilities Lease	Pursuant to the Facilities Lease, the Corporation has leased the Facilities (as completed) to the Board, for a term of forty (40) years, subject to early termination in accordance with the terms of the Facilities Lease. The rental payable under the Facilities Lease is equal to the amount of principal of and premium, if any, and interest due on the Series 2010 Bonds, the amounts required to be deposited in the various funds or accounts established under the Indenture in accordance with the terms of the Indenture, and all other expenses arising out of or relating to the ownership or operation of the Facilities or the issuance of the Series 2010 Bonds. Payments by the Board under the Facilities Lease will be subject to, and dependent upon, designation of Capital Funds and Student Fees by the Board. The Corporation's rights under the Facilities Lease will be assigned to the Trustee as security for the payment of the Series 2010 Bonds. See " THE FACILITIES LEASE " herein.
Security for the Bondholders	To secure the Corporation's obligations to the Issuer to repay the moneys loaned to the Corporation pursuant to the Loan Agreement, the Corporation will execute and deliver to the Trustee an Act of Leasehold Mortgage, Assignment of Leases and Security Agreement (the " <i>Mortgage</i> ") dated as of November 1, 2010, pursuant to which the Corporation will grant to the Trustee (i) a first mortgage lien on its leasehold interest in (A) the Property

and (B) the equipment, furnishings, and other tangible personal property included in the Facilities and (ii) a first priority security interest in the leases and subleases affecting the Property and/or the Facilities, including, without limitation, the Facilities Lease (collectively, the “*Leases*”) and all revenues, rentals, and other sums due or becoming due under the Leases. As security for its obligations under the Series 2010 Bonds, the Issuer will enter into the Indenture with the Trustee. Pursuant to the Indenture, the Issuer will pledge to the Trustee its interest in the Loan Agreement. The sum of \$1,937,108.76, the amount required for the amount in the Debt Service Reserve Fund created under the Indenture (the “*Debt Service Reserve Fund*”) to equal the Debt Service Reserve Fund Requirement, will be used to pay the debt service payments on the Series 2010 Bonds if insufficient funds are on deposit with the Trustee on the date such payments are due and will be available to be used to pay the cost of replacing property, placed upon or used in connection with the Facilities. See “**SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS**” and “**BONDHOLDERS’ RISKS**” herein.

Bondholders’ Risks

There are certain considerations relating to an investment in the Series 2010 Bonds that are set forth in the sections of this Official Statement, including the heading “**BONDHOLDERS’ RISKS**,” and that should be carefully reviewed by prospective purchasers of the Series 2010 Bonds. These considerations include that (i) the Corporation’s ability to generate revenues and make timely payment under the Loan Agreement, failure to do which may result in the Series 2010 Bonds’ not being paid or being paid before maturity or applicable redemption dates and which may result in forfeiture of redemption premiums, may be adversely affected by a wide variety of future events and conditions including a decline in the enrollment of the University, increased competition from other schools, loss of accreditation, failure to meet federal guidelines or some other event that results in students being ineligible for federal financial aid, and cost overruns in connection with the Facilities or other capital improvements, (ii) the obligation of the Board on behalf of the University to pay rental to the Corporation under the Facilities Lease is subject to, and dependent upon, designation of funds necessary to make payments of rental required under the Facilities Lease, and if such amounts are not designated for such purpose, the Corporation may be unable to make timely payment under the Loan Agreement, (iii) the Board is obligated to make payments of Base Rental under the Facilities Lease solely from Capital Funds and Student Fees; (iv) Capital Funds are currently generated by the Food Service Contract, by and between the Board and a third party provider, for the operation and management of the University’s Food Service Areas. If the current Food Services Contract is terminated or expires, it is possible a subsequent contract, if any, would not generate comparable Capital Funds; (v) the ability of the Board to increase or assess new fees may require approval by the Louisiana Legislature, (vi) the Series 2010 Bonds constitute limited obligations of the Issuer and the only significant sources of payment therefor are the deposits received by the Trustee pursuant to the Loan Agreement and, if such deposits prove insufficient, payments by the Bond Insurer pursuant to the Policy, (vii) the Facilities will be constructed to serve as student facilities and the special use nature of the Facilities and the fact that the Facilities are located on the campus of the University and the interest of the Corporation serving as collateral is in the nature of a leasehold interest and subject to the terms of the Ground Lease, may curtail its value as collateral, (viii) there are risks associated with the construction of the Facilities, (ix) future clean-up costs with respect to the Facilities could be imposed under environmental statutes and liens relating thereto may

adversely affect the security for the owners of the Series 2010 Bonds, (x) certain statutory provisions and interests and claims of others may impair the security interest of the Trustee in the revenues derived by the Corporation from its interest in the Facilities, (xi) judicial actions may impair the remedies available to the Trustee and the owners of the Series 2010 Bonds under the Indenture and the Mortgage providing security for the Series 2010 Bonds, (xii) interest on the Series 2010A Bonds could, in certain events, become includable in the gross income of the owners thereof and owners of the Series 2010A Bonds would be subject to adverse federal tax consequences, (xiii) there can be no assurance that there will be a secondary market for the Series 2010 Bonds, (xiv) Completion Bonds payable from the Trust Estate or Additional Debt (all as hereinafter defined) on a parity with the Bonds may in the future dilute the security for the Series 2010 Bonds, (xv) a change in the Corporation's or the University's status as a 501(c)(3) organization could cause interest on the Series 2010A Bonds to become includable in the gross income of the owners thereof, (xvi) if the Issuer should fail to make payment of the principal of or interest on the Series 2010 Bonds when the same shall become due, any owner of Series 2010 Bonds will have recourse against the Bond Insurer for such payments, and if the Bond Insurer is unable to make payments of and interest on the Series 2010 Bonds, such Series 2010 Bonds will be payable solely from moneys received by the Trustee pursuant to the Indenture and the Loan Agreement, (xvii) the Bond Insurance Policy does not insure the principal of or interest on the Series 2010 Bonds coming due by reason of acceleration or redemption (other than mandatory sinking fund redemption), nor does it insure the payment of any redemption premium payable upon the Series 2010 Bonds, and under no circumstances, including the situation in which the interest on the Series 2010A Bonds becomes subject to federal or Louisiana income taxation for any reason, the maturities of the Series 2010 Bonds may not be accelerated without the consent of the Bond Insurer, (xviii) so long as the Bond Insurer performs its obligations under the Bond Insurance Policy (hereinafter defined), the Bond Insurer may direct, and its consent must be obtained before the exercise of, any remedies to be undertaken by the Trustee under the Indenture, and (xix) the obligations of the Bond Insurer under the Bond Insurance Policy is a general obligation of the Bond Insurer and rank equally in priority of payment and in all other respects with all other unsecured obligations of the Bond Insurer, and in the event of insolvency of the Bond Insurer, the Owners of the Series 2010 Bonds would have to depend entirely on the ability of the Corporation to pay the principal of and interest on the Series 2010 Bonds. See "**BONDHOLDERS' RISKS**" herein.

Tax Status of Interest

Upon delivery of the Series 2010 Bonds, Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Bond Counsel, will render its opinion that, assuming continuing compliance with certain covenants designed to satisfy the applicable requirements of the Code, and subject to the matters discussed under the caption "**TAX EXEMPTION**" herein, under the law existing on the date thereof, interest on the Series 2010A Bonds will (i) be excludable from gross income of the beneficial owners thereof for federal income tax purposes, (ii) will not be an item of tax preference for purposes of determining the alternative minimum tax imposed on individuals and corporations under Section 57(a)(5) of the Code and (iii) will not result in an adjustment to a corporation's adjusted current earnings for purposes of determining the corporation's alternative minimum taxable income. Bond Counsel is also of the opinion that, pursuant to the Act, the Series 2010 Bonds together with interest thereof, income therefrom, and gain upon the

sale thereof are exempt from all State of Louisiana taxes and local taxes. In addition, Bond Counsel will opine that the Series 2010A Bonds are a “qualified tax-exempt obligation” under Section 265(b)(3) of the Code, as amended by the American Recovery and Reinvestment Tax Act of 2009 of the United States Congress. See “**TAX EXEMPTION**” herein.

Continuing Disclosure

The Board will agree to provide such information as may be required by the provisions of Rule 15c2-12 (“**Rule 15c2-12**”) promulgated by the Securities and Exchange Commission, and neither the Corporation, the Trustee, nor the Issuer will undertake any responsibility with respect to continuing disclosure under Rule 15c2-12.

Underwriter

The Issuer is offering the Series 2010 Bonds through Morgan Keegan & Company, Inc., New Orleans, Louisiana (the “**Underwriter**”), pursuant to a Bond Purchase Agreement. The obligation of the Underwriter to sell the Series 2010 Bonds will be subject to various conditions contained in the Bond Purchase Agreement.

Rating

Moody’s Investors Service, Inc. (“**Moody’s**”) is expected to assign the Series 2010 Bonds the rating of “Aa3” (negative outlook), with the understanding that upon delivery of the Series 2010 Bonds, a municipal bond insurance policy will be issued by the Bond Insurer. Further, Moody’s has assigned an underlying rating of “A3” (stable outlook) to the Series 2010 Bonds. An explanation of the significance of such rating may be obtained from Moody’s. Such rating reflects only the view of Moody’s, and neither the Issuer, the University, the Bond Insurer, nor the Underwriter makes any representation as to the appropriateness thereof.

General

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the Official Statement in final form will be deposited with the Municipal Securities Rulemaking Board, 1818 N Street, N.W., Suite 800, Washington, D.C. 20036-2491. Copies of the Official Statement and other relevant documents and information regarding the documents are available upon request from the Underwriter prior to the issuance and delivery of the Series 2010 Bonds and from the Trustee after the issuance and delivery of the Series 2010 Bonds. The Official Statement, including the cover page and the attached Appendices, contains specific information relating to the Series 2010 Bonds, the Issuer, and the Corporation and other information pertinent to this issue.

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OFFICIAL STATEMENT

\$25,470,000

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES
AND COMMUNITY DEVELOPMENT AUTHORITY TAX-EXEMPT REVENUE BONDS
(SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION /
UNIVERSITY FACILITIES, INC. PROJECT)

SERIES 2010A

AND

\$5,785,000

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES
AND COMMUNITY DEVELOPMENT AUTHORITY TAXABLE REVENUE BONDS
(SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION /
UNIVERSITY FACILITIES, INC. PROJECT)

SERIES 2010B

INTRODUCTORY STATEMENT

This Official Statement, including the cover page and the Appendices hereto, furnishes certain information in connection with the sale by the Louisiana Local Government Environmental Facilities and Community Development Authority (the "**Issuer**") of \$25,470,000 in aggregate principal amount of its Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A (the "**Series 2010A Bonds**") and \$5,785,000 in aggregate principal amount of its Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B (the "**Series 2010B Bonds**") and, together with the Series 2010A Bonds, the "**Series 2010 Bonds**") to be issued by the Issuer pursuant to a Trust Indenture dated as of November 1, 2010 (the "**Indenture**"), between the Issuer and Regions Bank, as Trustee (the "**Trustee**") for the purpose of providing a portion of the funds required (i) to demolish certain existing facilities and renovate, develop and construct the Facilities, (ii) to fund a deposit to the Debt Service Reserve Fund, and (iii) to pay the costs of issuing the Series 2010 Bonds, including the premium for the bond insurance policy insuring the Series 2010 Bonds. **Definitions of certain capitalized terms used in this Official Statement are set forth in APPENDIX C hereto.**

The land on which the Facilities will be constructed (the "**Property**") has been leased to University Facilities, Inc. (the "**Corporation**"), a non-profit corporation organized under the laws of the State of Louisiana (the "**State**") for the benefit of the University pursuant to a Ground and Buildings Lease Agreement dated as of January 1, 2010, between the Board of Supervisors for the University of Louisiana System (the "**Board**"), as lessor, and the Corporation, as lessee (the "**Ground Lease**"), and the Facilities leased back (as completed) to, and operated by, the Board pursuant to an Agreement to Lease With Option to Purchase between the Corporation, as lessor, and the Board, as lessee, dated as of January 1, 2010, as supplemented and amended by the First Amendment to Facilities Lease dated as of November 1, 2010 by and between the Board and the Corporation (collectively, the "**Facilities Lease**"). The Issuer will lend the proceeds of the Series 2010 Bonds to the Corporation pursuant to a Loan Agreement dated as of November 1, 2010, between the Issuer and the Corporation (the "**Loan Agreement**"). The Corporation will be obligated pursuant to the Loan Agreement to pay to the Issuer such loan payments as will always be sufficient to pay the principal of, premium, if any, and interest on the Series 2010 Bonds, as the same mature and become due, and under the Loan Agreement, it will be the obligation of the Corporation to pay all expenses of operating and maintaining the Facilities in good repair, to keep it properly insured, and to pay all taxes, assessments, and other charges levied or assessed against or with respect to the Facilities.

To secure the Corporation's obligations to the Issuer to repay the moneys loaned to the Corporation pursuant to the Loan Agreement, the Corporation will execute and deliver to the Trustee an Act of Leasehold Mortgage, Assignment of Leases and Security Agreement (the "**Mortgage**") dated as of November 1, 2010, pursuant to which the Corporation will grant to the Trustee (i) a first mortgage lien on its leasehold interest in (A) the Property and (B) the equipment, furnishings, and other tangible personal property included in the Facilities, and (ii) a first priority security interest in the leases and subleases affecting the Property and/or the Facilities, including, without limitation, the Facilities Lease (collectively, the "**Leases**") and all revenues rentals, and other sums due or becoming due under the Leases.

The Issuer, pursuant to the Indenture, will pledge to the Trustee its interest in the Loan Agreement (except for rights relating to exculpation, indemnification, and payment of expenses thereunder). See “**SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS**” herein.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Issuer, the Corporation, the Bond Insurer, the Board, the University, the Facilities, the Series 2010 Bonds, the Loan Agreement, the Ground Lease, the Facilities Lease, and the Indenture. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Ground Lease, the Facilities Lease, the Loan Agreement, and the Indenture are qualified in their entirety by reference to such documents, and references herein to the Series 2010 Bonds are qualified in their entirety to the forms thereof included in the Indenture.

THE ISSUER

The Issuer is a political subdivision created and existing under the laws of the State of Louisiana (the “*State*”) pursuant to the provisions of the laws of the State, including the Act. Any political subdivision, the State, or agency of the State may participate as a member of the Issuer by adopting a resolution indicating its intention to do so. The Issuer is governed by its Board of Directors, whose membership is limited to those members of the Issuer whose governing authorities have previously adopted a resolution indicating their membership in the Issuer. Each member appoints a director to the Board of Directors of the Issuer in accordance with the Act. Directors are appointed to serve two (2)-year terms and may be removed for just cause by the Board of Directors. Officers of the Issuer are elected by and from the ranks of the members of the Board of Directors and consist of a Chairman, Vice-Chairman and Secretary-Treasurer. Officers serve two (2)-year terms and may not be re-elected for successive terms in any one office; however, officers may be elected to another office, but, in no event may a person serve more than two (2) terms in a particular office. The Issuer is authorized to issue the Series 2010 Bonds, to finance the costs of the Facilities and to secure the Series 2010 Bonds by an assignment of the payments to be received under the Loan Agreement. In order to accomplish the foregoing, the Issuer is authorized to enter into and/or accept delivery of the Indenture and the Loan Agreement.

Pursuant to the Issuer’s bylaws, the Board of Directors has established an Executive Committee and delegated certain duties and authorities of the Board of Directors to the Executive Committee in accordance with the Act, including the authority to approve “Authorized Projects” (as defined in the Act) and authorize the issuance of bonds by the Issuer. The Executive Committee consists of seven (7) members, three of whom are the Chairman, the Vice-Chairman, and the Secretary-Treasurer of the Issuer. The Chairman, the Vice-Chairman, and the Secretary-Treasurer serve on the Executive Committee as *ex officio* members for as long as they remain officers of the Board of Directors. The four at-large members of the Executive Committee serve one (1) year terms. A member of the Executive Committee may be removed by the Board of Directors for just cause at any special or emergency meeting called for that purpose. The Executive Committee is required to make an annual report to the Board of Directors at its annual meeting.

The current members of the Executive Committee, their positions, terms of office and respective Participating Political Subdivisions are as follows:

Present Committee Members	Position	Term Expires	Participating Political Subdivision
Julian Dufreche	Chairman	12/31/10	Tangipahoa Parish Clerk
Mary Sue Adams	Vice Chairman	12/31/10	Varnado Waterworks District
Mayor David C. Butler, II	Secretary-Treasurer	12/31/10	Town of Woodworth
William A. Lazaro, Jr.	Member	12/31/10	Jefferson Parish
Lynn Austin	Member	12/31/11	City of Bossier City
Mike Grimmer	Member	12/31/13	Livingston Parish Council

One seat on the Executive Committee is currently vacant.

Pursuant to the Act, the Issuer's bylaws and resolutions adopted by the Issuer on June 12, 2008, December 11, 2008 and November 10, 2010 the Issuer has duly authorized the issuance of the Series 2010 Bonds and the execution, delivery, and performance of the Indenture and the Loan Agreement.

EXCEPT FOR INFORMATION CONCERNING THE ISSUER IN THE SECTIONS HEREOF CAPTIONED "THE ISSUER" AND "LITIGATION - The Issuer," NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE ISSUER, AND THE ISSUER MAKES NO REPRESENTATIONS OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH OTHER INFORMATION.

The Series 2010 Bonds will be limited obligations of the Issuer as described under the caption "**THE SERIES 2010 BONDS -- Series 2010 Bonds Are Limited Obligations**" herein.

THE FACILITIES

The project will include the renovation of existing space, as well as the addition of newly constructed space, which will result in a student union facility that better meets the needs of the students and the University. The current student union building was constructed in 1966. Two (2) additions were later added, one in 1984 and another in 1999, bringing the total square footage of the facility to approximately 91,000 square feet of space, housing the bookstore, food service areas, meeting rooms, a post office and other services vital for student life. The student body served by the student union facility has continued to increase, serving just over 10,000 students in 1990 and more than 15,000 students in 2010.

The proceeds of the Series 2010 Bonds, along with the \$6,500,000 contribution from the Board, will be used to renovate and/or construct five (5) major components, all encompassed as part of a student union renovation and expansion project: the Student Union, Center for Student Excellence, the Health Center, Food Service Areas and Bookstore (collectively, the "*Facilities*"). The project will include the renovation of approximately 91,000 square feet and the addition of approximately 89,920 square feet of new space, collectively providing a student union that provides a series of spaces central to campus life.

The combining of the five (5) components (the Student Union, the Center for Student Excellence, the Health Center, the Food Service Areas and the Bookstore) into a single construction and financing project will allow each of them to be completed in a more timely and efficient manner. It will also afford the University the opportunity, through its design, function, and placement, to move forward in the implementation of the University's Master Plan. The Facilities will guide change that will impact the University for many years to come. In addition, the sharing of necessary facilities, such as meeting and gathering spaces, will provide significant savings to the overall project and the University.

Construction of the Facilities is expected to begin construction in May, 2011 with completion by November, 2013.

Student Union

While the student body of the University has experienced significant growth, the one facility that serves as the hub of campus has not grown at the same pace. As a result, the current student union does not have adequate space to provide the types and levels of service that students have come to expect. The improvements designated as part of the general student union portion of the project will include renovation/construction space for a large ballroom/banquet room, meeting rooms, lounge and study areas, offices and storage for student activities.

Center for Student Excellence

The Center for Student Excellence's (the "*Center*") mission is to provide specific programming and resources that enable students to develop skills and strategies that enhance academic achievement and personal and professional growth. The Center provides career exploration and academic advising to students who need information for making life-impacting decisions. Learning assistance is also provided in the form of tutoring and supplemental instruction, promoting the academic success of students.

A reception area will provide a one-stop information point to answer student questions, schedule appointments with specific staff, and direct students to specific rooms and resources. Classrooms and computer lab facilities will be "smart" classrooms with full technology access to campus networks as well as the internet. Classrooms will be multi-purpose, usable for scheduled classes at certain times of the day and for Center functions at other times.

In addition, the Center will provide appropriate office space for both professional and clerical staff. It will include work stations for graduate assistants and student workers, storage areas, conference rooms, a break/vending room, a Career Resources Center, group tutoring rooms, computer classrooms, faculty training rooms, an Excellence Resource Center, equipment storage and repair areas, and a video recording room.

Adequate space to accommodate other similar and related resources available to students will also be adjacent to the Center for Student Excellence.

Health Center

The student union renovation and expansion project will enable the establishment of a one-stop-shop for all health services including both physical and mental health care as the space will house the University Counseling Center and Health Center.

The Vera W. Thomason Health Center was originally built in 1966. Consisting of approximately 7,769 square feet, it currently houses all medical health services for students. Services provided at the center include an outpatient clinic and infirmary for the care of most minor illnesses and injuries. Physicians are also available for consultation during appointed clinic hours.

The University Counseling Center is currently housed in approximately 3,472 square feet of space in a facility originally designed as an ROTC facility, which was built in 1970. The Counseling Center provides free mental health counseling services to students, faculty and staff. Staffed by licensed mental health professionals as well as master's level interns, the University Counseling Center offers individual counseling, group counseling, couples counseling, and family counseling as well as workshops and consultation.

Food Service Areas

Food Service Operations are currently housed in a space originally built in 1956 and expanded in 1966. The space served as a traditional cafeteria and, due to both the age and design of the facility, the space is extremely inefficient. The space consists of approximately 64,891 square feet. In addition to serving as the main residential dining facility, the space also houses a banquet facility, as well as a couple of branded concept offerings. Additional food service operations are made available in approximately 17,138 square feet of space in the existing Student Union facility. The space includes a food court as well as other retail options such as Subway and Starbucks. Due to the lack of space in the food court area, access to retail offerings by residential students has been restricted during peak times as the space is not adequate to serve the residential population while also serving commuter students, faculty and staff.

The renovated Food Service Areas will contain space for the Fresh Food Company, which will serve as residential/commuter dining, as well as an extensive food court and smaller grab-and-go convenience-type locations.

Bookstore

The current Bookstore is housed in approximately 9,000 square feet of space in the Student Union Annex. The space, originally housing a bowling alley, was renovated in 1998, at which time the University Bookstore was relocated to the facility. The new Bookstore, which will be relocated to a larger space within the Student Union, will occupy approximately 12,000 square feet of space and will be designed and laid out with current retail trends in mind. It will house retail textbooks, university paraphernalia, convenience items, reading areas and possibly a food and/or beverage service spot. This will enable the Bookstore to better serve its students, faculty, staff, alumni, community members and guests.

Construction of the Facilities

Construction of the Facilities will be coordinated by representatives of the University’s Facility Planning and Physical Plant offices, representatives of the architect and a Corporation-selected on-site project manager or clerk of the works. Through a competitive bid process, the Corporation intends to select a project construction contractor to construct the Facilities (the “*General Contractor*”). The proposed construction contract will obligate the General Contractor to complete the Facilities within a specified period of time for a fixed construction price. The construction contract will also require the General Contractor to furnish a performance and payment bond.

A project budget of \$34,900,000 was prepared by the University and the architect. This consists of preliminary construction costs of \$32,500,000, which includes permanent equipment and project contingencies, and professional fees of \$2,400,000. The project will be funded from proceeds of the Series 2010 Bonds and a additional Board contribution of approximately \$6,500,000 (the “*Board Contribution*”). Approximately \$668,400 of the Board Contribution has been expended to date to pay for part of the design costs associated with the project.

SOURCES AND USES OF FUNDS

	<u>Series 2010A Bonds</u>	<u>Series 2010B Bonds</u>	<u>Total Series 2010 Bonds</u>
Par Amount of Bonds	\$25,470,000.00	\$5,785,000.00	\$31,255,000.00
Net Original Issue Discount	(\$36,218.00)	\$0.00	(\$36,218.00)
Board Initial Lease Payment	<u>\$0.00</u>	<u>\$5,831,600.00</u>	<u>\$5,831,600.00</u>
Total Sources of Funds	\$25,433,782.00	\$11,616,600.00	\$37,050,382.00
Deposit to Project Fund	\$23,029,049.33	\$11,102,499.11	\$34,131,548.44
Debt Service Reserve Fund	\$1,578,568.55	\$358,540.21	\$1,937,108.76
Cost of Issuance & Underwriter’s Discount	\$387,896.40	\$97,668.74	\$485,565.14
Bond Insurance Premium	<u>\$438,267.72</u>	<u>\$57,891.94</u>	<u>\$496,159.66</u>
Total Uses of Funds	\$25,433,782.00	\$11,616,600.00	\$37,050,382.00

SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS

The Series 2010 Bonds will be payable solely from payments made by the Board, on behalf of the University, pursuant to the Facilities Lease.

Revenues Available for Debt Service

The Board’s revenues available to make the required payments under the Facilities Lease include: (i) Student Union Bond Fee, Health Center Bond Fee, Building Use Fee and Student Union Expansion Fee (collectively, the “*Student Fees*”) and (ii) annual Capital Improvement Funds received by the University from the University’s food service provider (the “*Capital Funds*”) and together with the Student Fees, “*Revenues*”).

Student Fees

A history of the collection of the Student Fees is provided in the chart below.

Student Fee Historical Collections

FEE HISTORY OVERVIEW

Fee Description	<u>FY 2010</u>	<u>FY 2009</u>	<u>FY 2008</u>	<u>FY 2007</u>	<u>FY 2006</u>	<u>FY 2005</u>
Student Union Bond Fees	\$319,933	\$312,590	\$303,566	\$309,670	\$321,226	\$321,226
Health Center Bond Fees	\$191,960	\$187,554	\$182,139	\$185,802	\$192,736	\$194,747
Building Use Fee	\$349,615	\$339,707	\$329,852	\$345,468	\$345,468	\$351,783
Student Union Expansion Fee	\$1,411,064	\$1,376,380	\$1,339,195	-----	-----	-----

Source: Southeastern Budget Office

Student Union Bond Fee

A Student Union Bond Fee of \$10.00 per student, per semester is being assessed by the University on all students for the use and availability of the student union facilities. The fee has been collected annually since the fee was effective in Fall, 1964. The Student Union Bond Fee generated \$319,933 in fiscal year 2010.

Health Center Bond Fee

A Health Center Bond Fee of \$6.00 per student, per semester is being assessed by the University on all students for the use and availability of on-campus health center facilities. The Health Center Bond Fee has been collected annually since the fee was effective in Fall, 1964. The Health Center Bond Fee generated \$191,960 in fiscal year 2010.

Building Use Fee

A Building Use Fee of \$10.00 per student, per semester is being assessed by the University on all students for the renovation, construction and development of on-campus facilities. **One half (\$5.00 per student) of the Building Use Fee is dedicated to this project.** The Building Use Fee was originally approved on June 10, 1967. The Building Use Fee generated \$349,615 in fiscal year 2010.

Student Union Expansion Fee

A Student Union Expansion Fee of \$44.00 per student, per semester is being assessed by the University on all students for the planning, development, construction and equipping of a student union facility. The fee was effective in Summer, 2007. The Student Union Expansion Fee generated \$1,411,064 in fiscal year 2010.

Food Service Capital Improvement Funds

Food Service Capital Improvement Funds are additional annual payments required by the University's contract with its Food Service Operator, initially Aramark Educational Services. The purpose of these additional annual payments is to facilitate renovations and additions to the Student Union which will house the Fresh Food Company (residential dining facility). The current food service contract (the "**Food Service Contract**"), effective July 1, 2008 through June 30, 2023, provides the University, on October 1 of each year, an annual amount of \$675,000 for the first two fiscal years, \$760,000 in fiscal years three and four and \$990,000 in fiscal years five through fifteen. The University's previous food service contract, ending June 30, 2008, provided for a food service capital improvement fund payment of \$450,000 annually each October 1 payable over a 10-year period.

In the event the Food Service Contract is terminated and the Corporation or the Board begins providing operations and management services for the Food Services Areas, as required by the Ground Lease, the Board will agree, pursuant to the Facilities Lease, to pay amounts sufficient to make up any shortfall in the payment of Base Rental of debt service on the Series 2010 Bonds payable solely from Auxiliary Revenues of the University after payment of annual debt service of the Corporation's (Southeastern Louisiana University Student Housing/University Facilities, Inc. Project) Series 2004 Bonds and the Corporation's (Southeastern Louisiana University/University Facilities, Inc.: Phase Four Parking Project) Series 2007 Bonds.

Pro-forma Debt Service Coverage

The following presentation shows on a pro forma basis for the next seven years, the University's expected revenues available to the Board for Rental payments under the Facilities Lease to satisfy aggregate debt service requirements on the Series 2010 Bonds. This presentation has been prepared based on enrollment figures provided by the University. Neither the Authority nor Underwriter make representation with respect to the revenue forecast or the University's ability to pay Base Rental under the Facilities Lease.

FISCAL YEAR ENDING	<u>6/30/11</u>	<u>6/30/12</u>	<u>6/30/13</u>	<u>6/30/14</u>	<u>6/30/15</u>	<u>6/30/16</u>	<u>6/30/17</u>
Project Revenue Sources							
Student Fees¹							
Student Union Bond	\$310,000	\$310,000	\$310,000	\$310,000	\$310,000	\$310,000	\$310,000
Health Center Bond	185,000	185,000	185,000	185,000	185,000	185,000	185,000
Building Use Fee	170,000	170,000	170,000	170,000	170,000	170,000	170,000
Student Union Fee	1,375,000	1,375,000	1,375,000	1,375,000	1,375,000	1,375,000	1,375,000
Food Service Capital Improvement Funds	760,000	760,000	990,000	990,000	990,000	990,000	990,000
Series 2010 estimated DSRF Earnings ²	<u>14,400</u>	<u>38,740</u>	<u>38,740</u>	<u>38,740</u>	<u>38,740</u>	<u>38,740</u>	<u>38,740</u>
Total Project Revenues	<u>\$2,814,400</u>	<u>\$2,838,740</u>	<u>\$3,068,740</u>	<u>\$3,068,740</u>	<u>\$3,068,740</u>	<u>\$3,068,740</u>	<u>\$3,068,740</u>
Pro-Forma Series 2010 Debt Service							
Series 2010 Principal	\$0	\$440,000	\$600,000	\$610,000	\$625,000	\$640,000	\$655,000
Series 2010 Interest	<u>499,025</u>	<u>1,338,904</u>	<u>1,332,944</u>	<u>1,323,864</u>	<u>1,312,109</u>	<u>1,296,914</u>	<u>1,278,278</u>
Annual Debt Service	<u>\$499,025</u>	<u>\$1,778,904</u>	<u>\$1,932,944</u>	<u>\$1,933,864</u>	<u>\$1,937,109</u>	<u>\$1,936,914</u>	<u>\$1,933,278</u>
Net Annual Cash Flow to University	<u>\$2,315,375</u>	<u>\$1,059,836</u>	<u>\$1,135,796</u>	<u>\$1,134,876</u>	<u>\$1,131,631</u>	<u>\$1,131,826</u>	<u>\$1,135,462</u>
Pro-Forma Debt Service Coverage	5.64	1.60	1.59	1.59	1.58	1.58	1.59

Source: Southeastern Louisiana University

NOTES:

- 1) See "SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS – Student Fees" herein for Student Fee historical collections.
- 2) Debt Service Reserve Fund earnings assumed at 2.00%.

The assumptions described above and elsewhere herein could cause actual results to differ materially from those expressed in any forward-looking statement. All of the forward-looking statements made in this Official Statement are qualified by these cautionary statements. There can be no assurance that the actual results or developments anticipated will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the University's business or operations. All subsequent forward-looking statements attributable to the University or persons acting on its behalf are expressly qualified in their entirety by the factors and assumptions described above and in any documents containing those forward-looking statement. No person has any obligation to prepare or release any updates or revisions to any forward-looking statement.

Extraordinary Lease Payments

In the Facilities Lease, the Board will covenant to make an extraordinary Rental payment to fund a portion of the cost of the Facilities in an amount not to exceed \$6,500,000 from funds on hand and/or collected by the Board within the fiscal year ending June 30, 2011 (the "**Board Contribution**"). To date, \$668,400 of the Board Contribution has been expended on design costs associated with the project. The balance of the Board Contribution will be deposited into the Project Fund at the closing for the Series 2010 Bonds.

Trust Estate and Mortgaged Property

The Series 2010 Bonds are special limited obligations of the Issuer payable from the Trust Estate held for the benefit of the Bondholders pursuant to the Indenture and from property pledged under the Mortgage. The Series 2010 Bonds are not payable from any other revenues, funds, or assets of the Issuer. The Trust Estate will include:

(i) all right, title, and interest of the Issuer in, to and under the Loan Agreement; (ii) all right, title and interest of the Issuer in, to and under the Facilities Lease assigned by the Corporation to the Issuer under the Agreement; (iii) moneys held in funds and accounts (other than the Rebate Fund) established pursuant to the Indenture; and (iv) all cash, securities and investment that may at any time be held by the Trustee under the Mortgage. The property pledged under the Mortgage will include all right, title, and interest of the Corporation in, to and under the Facilities Lease, including all Rental payments received pursuant to the Facilities Lease. The obligation of the Board to make rental payments under the Facilities Lease is subject to, and dependent upon, the University budgeting and designating funds necessary to make payments required under the Facilities Lease. Any discussion in this Official Statement concerning the Trust Estate or any other source of payment for the Series 2010 Bonds should be construed to be limited to the extent described in this paragraph. The Trustee has no authority to extend the time for any Payment of principal, premium, or interest without the prior written consent of or authorization of the owners of the Series 2010 Bonds so affected.

Limitation of Issuer's Obligations

THE SERIES 2010 BONDS AND THE INTEREST THEREON ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY, EXCEPT TO THE EXTENT PAID OUT OF MONEYS ATTRIBUTABLE TO PROCEEDS OF THE SERIES 2010 BONDS AND TEMPORARY INVESTMENTS THEREOF, FROM PAYMENTS DERIVED BY THE ISSUER UNDER THE LOAN AGREEMENT (AS DEFINED HEREIN), FROM THE ASSETS AND INTERESTS PLEDGED UNDER THE MORTGAGE, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT, AND FROM THE BOND INSURANCE POLICY (AS DEFINED HEREIN). THE SERIES 2010 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NOT CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF. THE ISSUANCE OF THE SERIES 2010 BONDS SHALL NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAXES OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE ISSUER HAS NO POWER TO TAX.

Funds and Accounts

The Indenture will create the following funds and accounts which will be held by the Trustee:

- (i) a Bond Proceeds Fund consisting of the following accounts and sub-accounts:
 - (A) Series 2010A Bonds Proceeds Account including a Series 2010A Bonds Cost of Issuance Sub-Account
 - (B) Series 2010B Bonds Proceeds Account including a Series 2010B Bonds Cost of Issuance Sub-Account;
- (ii) a Debt Service Fund including a Series 2010A Bonds Debt Service Account and a Series 2010B Bonds Debt Service Account therein;
- (iii) a Debt Service Reserve Fund, including a Series 2010A Bonds Debt Service Reserve Account and a Series 2010B Bonds Debt Service Reserve Account therein;
- (iv) a Project Fund, including a Series 2010A Bonds Project Account and a Series 2010B Bonds Project Account therein;
- (v) a Series 2010 Bonds Replacement Fund; and
- (vi) a Series 2010A Bonds Rebate Fund.

Bond Proceeds Fund. The Bond Proceeds Fund will be used to receive the proceeds of the Series 2010 Bonds. On the Closing Date, the Trustee will disburse amounts held in the Bond Proceeds Fund as follows:

(i) to retain such sum in the Series 2010A Bonds Costs of Issuance Sub-Account and the Series 2010B Bonds Costs of Issuance Sub-Account as may be specified in the request and authorizations delivered pursuant to the Indenture;

(ii) to the Series 2010A Bonds Debt Service Reserve Account and the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund an amount equal to the Debt Service Reserve Fund Requirement; and

(iii) to the Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund the balance of the proceeds of the Bonds.

Amounts deposited on the Closing Date into the Costs of Issuance Accounts of the Bond Proceeds Fund will be disbursed, pursuant to the written instructions of the Issuer, to pay Costs of Issuance. Any amounts remaining in the Costs of Issuance Accounts one hundred eighty (180) days after delivery of the Series 2010 Bonds will be deposited into the Project Fund.

Debt Service Fund. (i) Semiannually, on or before the third Business Day preceding each Interest Payment Date to the Series 2010A Bonds Debt Service Account and the Series 2010B Bonds Debt Service Account of the Debt Service Fund the Issuer will transfer or cause to be transferred to the Trustee an amount equal to the interest due and payable on the respective Series 2010 Bonds on such Interest Payment Date;

(ii) Annually, on or before the third Business Day preceding each Principal Payment Date to the Series 2010A Bonds Debt Service Account and the Series 2010B Bond Debt Service Account of the Debt Service Fund the Issuer shall transfer or cause to be transferred to the Trustee an amount equal to the principal due and payable on the Series 2010 Bonds on such Principal Payment Date;

(iii) At the written request of the Corporation, all or any part of the moneys in the Debt Service Fund will be invested in accordance with the provisions of the laws of the State of Louisiana in Permitted Investments, in which event all income derived from such investments will be credited to the Debt Service Fund.

(iv) In the event of the refunding of the Bonds pursuant to the Indenture, the Trustee will, if the Corporation so directs, withdraw from the appropriate account of the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service Requirements on the Series 2010 Bonds being refunded and deposit such amounts with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Series 2010 Bonds being refunded; provided that such withdrawal will not be made unless immediately thereafter the Series 2010 Bonds being refunded will be deemed to have been paid pursuant to the Indenture and provided, further, that at the time of such withdrawal, there will exist no deficiency in any Fund or Account held under the Indenture and all Bond Insurer Amounts shall have been indefeasibly paid in full. In the event of such refunding, the Issuer, through the Corporation and the Board, may also direct the Trustee to withdraw from the appropriate account of the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service Requirements on the Series 2010 Bonds being refunded and deposit such amounts in any Fund or Account under the Indenture and all Bond Insurer Amounts shall have been indefeasibly paid in full.

Notwithstanding anything to the contrary, at the option of the Board, moneys in the Series 2010 Bonds Replacement Fund may be used to pay debt service on the Series 2010 Bonds in the event there are insufficient monies in the Debt Service Fund on the date such principal and/or interest is due, before moneys in the Debt Service Reserve Fund are expended for such purpose. Use of moneys in the Series 2010 Bonds Replacement Fund to pay debt service on the Series 2010 Bonds shall not be considered an Event of Default.

Project Fund. The Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund will be maintained by the Trustee in trust and be used to receive: (i) the immediate transfer from the balance of the proceeds of the Series 2010 Bonds as provided in the Indenture and (ii) a capital contribution by the Board. Moneys in the Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund will be applied to the payment of the Costs of the Facilities pursuant to the procedure established in the Indenture and, pending such application, will be subject to a lien and charge in favor of the Bondholders and the

Bond Insurer, if any, for the further security of such Bondholders until paid out or transferred as provided in the Indenture. Funds in the Series 2010A Bonds Project Account of the Project Fund may not be transferred to the Series 2010B Bonds Project Account of the Project Fund, and vice versa unless such transfer is approved by Bond Counsel.

Debt Service Reserve Fund. On the date of issuance of the Series 2010 Bonds, the Trustee will deposit from the proceeds of the Series 2010 Bonds into the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund an amount equal to \$1,578,568.55 and into the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund an amount equal to \$358,540.21. Monies in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund will be used solely for transfer to the Series 2010A Bonds Debt Service Account of the Debt Service Fund in amounts required to prevent any default in the payment of the principal of and interest on the Series 2010A Bonds. Monies in the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund may be used for transfer to the Series 2010A Bonds Debt Service Account of the Debt Service Fund in the event that the transfer of monies from the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund to the Series 2010A Bonds Debt Service Account of the Debt Service Fund should prove insufficient to prevent any default in the payment of the principal of and interest on the Series 2010A Bonds. Monies in the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund will be used for transfer to the Series 2010B Bonds Debt Service Account of the Debt Service Fund in amounts required to prevent any default in the payment of the principal of and interest on the Series 2010B Bonds. The Weighted Average Maturity of investments in the accounts of the Debt Service Reserve Fund will not at any time exceed five (5) years.

Whenever the amount in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund, together with the amount in the Series 2010A Bonds Debt Service Account of the Debt Service Fund is sufficient to pay in full all Series 2010A Bonds Outstanding in accordance with their terms (including principal and interest thereon), the funds on deposit in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund will be transferred to the Series 2010A Bonds Debt Service Account of the Debt Service Fund and will be available to pay all of the Series 2010A Bonds Outstanding. Prior to said transfer, all investments held in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund will be liquidated to the extent necessary in order to provide for the timely payment of principal and interest on the Series 2010A Bonds. Funds in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund may be transferred only to the Series 2010A Bonds Debt Service Account of the Debt Service Fund, unless such transfer is approved by Bond Counsel and by the prior written consent of the Bond Insurer, if any.

Series 2010 Replacement Fund. The Trustee will, in accordance with the Indenture, deposit an amount equal to the Series 2010 Bonds Replacement Fund Requirement into the Series 2010 Bonds Replacement Fund. The Series 2010 Bonds Replacement Fund Requirement may be reduced with the approval of the staff of the Board of Regents of the State of Louisiana (“*Regents*”), the Board and, with the written consent of the Bond Insurer, if any.

Pursuant to Regents policy, as an alternative to annual payments in the Series 2010 Bonds Replacement Fund, the Corporation may direct the Trustee to make a one time deposit in an amount equal to the Series 2010 Bonds Replacement Fund Requirement into the Series 2010 Bonds Replacement Fund upon substantial completion of the Facilities. In the event that the Corporation directs the Trustee to deposit the Series 2010 Bonds Replacement Fund Requirement into the Series 2010 Bonds Replacement Fund, the Trustee shall not be required to make the annual deposits referenced above.

All moneys in the Series 2010 Bonds Replacement Fund will be part of the Trust Estate subject to the lien of the Indenture and may be drawn on and used by the Board or the Corporation to (i) replace any worn out, obsolete, inadequate, unsuitable or undesirable property, furniture, equipment, fixtures and other property owned by the Board or the Corporation and located on the Facilities; and (ii) maintain the Facilities and to make all alterations, repairs, restorations and replacements to the Facilities as and when needed to preserve the Facilities in good working order, condition and repair, each as required by the Facilities Lease. Withdrawals from the Series 2010 Bonds Replacement Fund for the purposes set forth above shall be made by the Trustee upon its receipt of a requisition from the Board or the Corporation in accordance with the Indenture and shall not require replenishment. Moneys in the Series 2010 Bonds Replacement Fund may, with the consent of the Board and shall, at the direction of the Board or the Bond Insurer, if any, also be used to pay debt service on the Series 2010 Bonds in the event there are

insufficient moneys in the Debt Service Fund therefor on the date such principal and/or interest is due. If moneys in the Series 2010 Bonds Replacement Fund are used to pay debt service, said deficiency shall be replenished in accordance with the Indenture.

Any funds remaining in the Series 2010 Bonds Replacement Fund at the time the Series 2010 Bonds are paid in full or provision for their payment is made in accordance with the Indenture and the fees, charges and expenses of the Issuer, the Bond Insurer, if any, and the Trustee are paid in full will be paid to the Board on behalf of the University.

Series 2010A Bonds Rebate Fund. Moneys in the Series 2010A Bonds Rebate Fund will be used to make any rebate payments required to be made to the United States under the Code. The Series 2010A Bonds Rebate Fund shall be held for the sole benefit of the United States of America and will not be pledged under the Indenture. Moneys required to be paid to the United States of America will be deposited in the Series 2010A Bonds Rebate Fund by the Board as Base Rental under the Facilities Lease as required thereby and by the Indenture.

Flow of Funds

The Issuer will covenant and agree to cause the Corporation to make Payments, which payments will be made directly to the Trustee and applied by the Trustee in the following priority:

(i) At such time as may be required by the Tax Regulatory Agreement but not less often than annually, to the Series 2010A Bonds Rebate Fund the amount required to be deposited thereunder;

(ii) At such time as may be required by the Indenture, to the Debt Service Fund to make the payments set forth therein;

(iii) On the dates required in the Indenture, to the Trustee for deposit into the Debt Service Reserve Fund, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by the Indenture. Following any drawing on the Debt Service Reserve Fund in accordance with the Indenture, to the Trustee for deposit into the Debt Service Reserve Fund: (A) in twenty-four (24) equal monthly installments beginning in the month following any withdrawal, or (B) in four (4) consecutive equal monthly installments beginning in the month following any calculation of the value of the Debt Service Reserve Fund at an amount less than the Debt Service Reserve Fund Requirement, an amount necessary to cause the amount on deposit in the Debt Service Reserve Fund to equal the Debt Service Reserve Fund Requirement; and

(iv) On the dates required in the Indenture, into the Series 2010 Bonds Replacement Fund, an amount sufficient to meet the requirements of the Indenture.

THE BOARD

General

The Board is a public constitutional corporation and agency of the State whose responsibility is the supervision and management of State colleges and universities not managed by a separate higher education board created by the Louisiana Constitution. The colleges and universities supervised by the Board are the following: Grambling State University, Grambling, Louisiana; Louisiana Tech University, Ruston, Louisiana; McNeese State University, Lake Charles, Louisiana; Nicholls State University, Thibodaux, Louisiana; Northwestern State University, Natchitoches, Louisiana; Southeastern Louisiana University, Hammond, Louisiana; University of Louisiana at Lafayette, Lafayette, Louisiana; and University of Louisiana at Monroe, Monroe, Louisiana.

The Board adopted a resolution on October 24, 2008 authorizing the development of the Facilities and the execution of the Ground Lease and the Facilities Lease.

The address of the University of Louisiana System is 1201 North Third Street, Suite 7-300, Baton Rouge, Louisiana 70802.

Membership

The Board is governed by a sixteen (16)-member Board of Trustees. Members are appointed by the Governor and serve six-year overlapping terms (except for the student member whose term is one year) or until their successors are appointed, whichever occurs later. There are two members from each congressional district, one at-large member and one student member. There are currently two (2) vacancies. The current Board members are as follows:

<u>Name</u>	<u>Profession/Occupation</u>	<u>Term</u>
Mr. Paul G. Aucoin	Attorney	12/31/12
Mrs. Elsie P. Burkhalter	Educator/Administrator	12/31/10
Mr. Andre G. Coudrain	Attorney Cash, Lewis, Moody & Coudrain	12/31/14
Mr. Edward J. Crawford III	Partner Atco Investment Co.	12/31/14
Dr. Mildred G. Gallot	Retired Educator	12/31/10
Mr. E. Gerald Hebert	President Patriot Services Corporation	12/31/12
Mr. Jeffrey S. Jenkins	Vice President of Special Projects The Shaw Group	12/31/10
Ms. Renee A. Lapeyrolerie	Executive Director Louisiana Democratic Party	12/31/12
Mr. Jimmy D. Long, Sr.	Retired State Legislator	12/31/12
Mr. Russell L. Mosely	Attorney Mosely Law Firm, L.L.P.	12/31/12
Mr. D. Wayne Parker	Retired	12/31/14
Mr. Carl Shetler	Owner, Car Dealership	12/31/10
Mr. Winfred F. Sibille	Retired Educator	12/31/12
Ms. Brook Sebren	Student	5/31/11

Senior Administrative Officer

Dr. Randy Moffett, President

Dr. Randy Moffett became the seventh President of the University of Louisiana System in July, 2008. Dr. Moffett previously served seven years as President of Southeastern Louisiana University. Prior to his campus presidency, he worked at Southeastern in various staff, faculty and administrative positions for more than 25 years. Dr. Moffett oversaw Southeastern's transition from being an open-admissions institution to one that embraced admission standards ahead of the state's time schedule. In spite of this move, the University, under the leadership of Dr. Moffett, maintained a strong enrollment of approximately 15,000 students, making it the third largest university in the state of Louisiana.

During his first year at the helm, the UL System implemented and completed a comprehensive economic and community impact study, partnered with the Louisiana Department of Education to establish mentoring programs at all eight universities, and established a cost containment and efficiencies committee to streamline operations.

Governor Bobby Jindal recently appointed Dr. Moffett to serve as a Louisiana representative on the Southern Regional Education Board (SREB). SREB is a non-profit organization that works with leaders and policy-makers in 16 member states to improve pre-K through postsecondary education.

Active in community affairs, Dr. Moffett has served on the Board of Directors of the Hammond Chamber of Commerce and has been active with the United Way. He is a strong advocate of student service learning, where students combine academic pursuits with service to their communities. He served as Vice Chair of Louisiana Campus Compact, a coalition of state college and university presidents committed to the civic purposes of higher education. He also served on the President's Leadership Group of the U.S. Department of Education's Higher Education Center for Alcohol and Other Drug Prevention.

Under Dr. Moffett's leadership, the University opened the Southeast Louisiana Business Center to help facilitate the economic development of the north shore area; launched the opening of the Columbia Theatre for the Performing Arts, the region's foremost performance facility; fostered a close partnership with Charter Communications to facilitate the operation of the Southeastern Channel, an educational access TV channel that reaches into more than 94,000 north shore homes. He also guided Southeastern through the devastation of Hurricane Katrina, when the university opened its doors and accepted more than 1,600 New Orleans area college students so that they could continue their higher education pursuits even though their home colleges and universities were forced to close temporarily.

Dr. Moffett is a graduate of Louisiana Tech University and earned a master's degree from Northwestern State University. In 1980, he was awarded a doctorate in educational administration from LSU and received an honorary doctorate from the Ibero-American Council for Excellence in Education in 2007. He has also completed studies at the Institute for Educational Management at Harvard University.

THE UNIVERSITY

The University is located in Hammond, Louisiana, the heart of Louisiana's "Florida Parishes." Hammond is located at the intersection of Interstate Highways 55 and 12, approximately 60 miles north of New Orleans, Louisiana's largest city, and 40 miles east of Baton Rouge, the state's capital. The University has a current enrollment of approximately 15,351 students with a faculty and staff population of 1,434.

The University is the outgrowth of Hammond Junior College, which was established in 1925. By Act No. 136 of 1928 of the Louisiana Legislature, the institution was made part of the state educational system under control of the State Board of Education. The same act of the legislature granted the college the right to establish four-year curricula and to grant the baccalaureate degrees when the facilities of the college permitted and the State Board approved.

In 1937, the State Board of Education authorized the President to submit curricula extending through four years and leading to the baccalaureate degrees. Four-year curricula in the liberal arts, teacher education, business administration, music, the social sciences, and health and physical education were submitted to the State Board and were formally approved. The first degrees were conferred in May 1939.

On July 15, 1970, the Hon. John J. McKeithen, Governor of the State of Louisiana, signed the legislative act changing the name of the institution to Southeastern Louisiana University.

The 1974 Constitution of the State of Louisiana created the Louisiana State Board of Regents with certain powers, duties, and responsibilities relative to all public institution of higher education in the State of Louisiana. The 1974 Constitution also established three higher education management boards, placing the University under the Board of Trustees for State Colleges and Universities (now known as the University of Louisiana System).

THE CORPORATION

The Corporation is a Louisiana non-profit corporation created exclusively to promote, assist, and benefit the educational, scientific, research, and public service mission of the University by engaging in any lawful activity

in which a non-profit corporation meeting the requirements of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) may participate. The business affairs of the Corporation are administered by a Board of three (3) of Directors, who also comprise the entire membership of the Corporation. Officers of the Corporation are the President and Vice President. Information concerning the members of the Board of Directors of the Corporation is set forth below.

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>	<u>Employment</u>
Phil K. Livingston	President	June 30, 2012	Banking Officer-AmSouth Bank (Retired)
Jack Gautier	Vice President	June 30, 2011	Banking Officer-AmSouth Bank (Retired)
Stephen M. Smith	Member	June 30, 2013	Vice President of Finance and Administration of the University

Management of the Corporation has been delegated to Joseph Morris, Executive Director, 8 White Drive, Hammond, Louisiana 70401. Dr. Morris is an Associate Professor of the University. See “CONFLICTS OF INTEREST; RELATIONSHIPS” herein.

In accordance with its Articles of Incorporation, the Corporation may specifically engage in acquiring, constructing, developing, managing, leasing, mortgaging, or conveying student housing and other facilities on the campus of the University.

THE SERIES 2010 BONDS

General Provisions

The Series 2010 Bonds will be issued pursuant to the Indenture in fully registered form without coupons in book-entry only form. So long as Cede & Co., as nominee of The Depository Trust Company, New York, New York, (“DTC”), is the registered owner of the Series 2010 Bonds, references herein to the Bondholders or registered owners of the Series 2010 Bonds mean Cede & Co. and not the beneficial owners of the Series 2010 Bonds. See “Book-Entry Only System” below. The Series 2010 Bonds will be issued in the denominations of \$5,000 and any multiple thereof. The Series 2010 Bonds will bear interest at the rates shown on the cover hereof. Interest shall be computed on the basis of a 360-day year consisting of twelve (12) thirty (30) day months.

Payments of Principal and Interest

Principal on the Series 2010 Bonds is payable upon maturity or redemption to the registered owners upon presentation and surrender of the Series 2010 Bonds at the principal corporate trust office of the Trustee. Interest on the Series 2010 Bonds is payable semiannually on April 1 and October 1 of each year (each an “Interest Payment Date”), commencing on April 1, 2011

The Series 2010A Bonds will be issued in the aggregate principal amount of \$25,470,000, will be dated their date of delivery, and will mature on October 1, 2040, subject to earlier redemption as stated herein.

The Series 2010B Bonds will be issued in the aggregate principal amount of \$5,785,000, will be dated their date of delivery, and will mature on October 1, 2020. The Series 2010B Bonds will not be subject to redemption prior to their maturity except as stated herein.

The payment of principal of and premium, if any, on the Series 2010 Bonds will be payable to the registered owners thereof upon surrender of the Series 2010 Bonds at the principal corporate trust office of the Trustee. The interest on the Series 2010 Bonds when due and payable, will be paid by check or draft mailed by the Trustee on such date to each person in whose name a Series 2010 Bond is registered, at the address(es) as they

appear on the Bond Register maintained by the Trustee at the close of business on the applicable Record Date, irrespective of any transfer or exchange of the Series 2010 Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the Issuer shall default in payment of interest due on such Interest Payment Date. Owners of \$1,000,000 or more in aggregate principal amount of Series 2010 Bonds may request payment by wire transfer if such owners have requested such payment in writing to the Trustee, which request shall be made no later than a Record Date and shall include all relevant bank account information and be otherwise acceptable to the Trustee. Such request will be irrevocable until a new request is delivered not later than a Record Date. In the event of any such default, such defaulted interest will be payable on a payment date established by the Trustee to the persons in whose names the Series 2010 Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of the Series 2010 Bonds not fewer than fifteen (15) days preceding such special record date. Payment of interest will be made in such coin or currency of the United States of America as is legal tender for payment of public and private debts.

Annual Debt Service Requirements

The following table sets forth, for each Fiscal Year (ending June 30) of the Corporation, the payment obligations of the Corporation under the Loan Agreement to pay aggregate debt service on the Series 2010 Bonds. Numbers may not add due to rounding.

<u>Fiscal Year</u>	<u>Series 2010A Principal</u>	<u>Series 2010B Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2011	--		\$499,025	\$499,025
2012	--	\$440,000	1,338,904	1,778,904
2013		600,000	1,332,944	1,932,944
2014		610,000	1,323,864	1,933,864
2015		625,000	1,312,109	1,937,109
2016		640,000	1,296,914	1,936,914
2017		655,000	1,278,278	1,933,278
2018		680,000	1,255,891	1,935,891
2019		705,000	1,229,369	1,934,369
2020		735,000	1,198,746	1,933,746
2021	\$670,000	95,000	1,168,666	1,933,666
2022	795,000		1,140,347	1,935,347
2023	825,000		1,110,469	1,935,469
2024	855,000		1,077,900	1,932,900
2025	890,000		1,043,000	1,933,000
2026	930,000		1,006,600	1,936,600
2027	965,000		968,700	1,933,700
2028	1,005,000		926,788	1,931,788
2029	1,055,000		880,438	1,935,438
2030	1,100,000		831,950	1,931,950
2031	1,155,000		781,213	1,936,213
2032	1,205,000		728,113	1,933,113
2033	1,265,000		669,375	1,934,375
2034	1,330,000		604,500	1,934,500
2035	1,400,000		536,250	1,936,250
2036	1,470,000		464,500	1,934,500
2037	1,545,000		389,125	1,934,125
2038	1,625,000		309,875	1,934,875
2039	1,705,000		226,625	1,931,625
2040	1,795,000		139,125	1,934,125
2041	1,885,000		47,125	1,932,125
TOTAL	\$25,470,000	\$5,785,000	\$27,116,724	\$58,371,724

Redemption Prior to Maturity

Optional Redemption.

(i) The Series 2010A Bonds maturing October 1, 2021 and thereafter are subject to redemption prior to maturity at the option of the Corporation, upon written direction to the Issuer, on or after October 1, 2020 as a whole at any time, or in part on any Interest Payment Date, the maturity of said Series 2010A Bonds to be redeemed to be designated by the Corporation and selected within a maturity by the Trustee in such manner as the Trustee may determine, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

(ii) During the terms of the Ground Lease and the Facilities Lease, consent of the Board is required for optional redemption. To exercise such option, the Corporation will give written notice to the Issuer, the Trustee and the Bond Insurer, if any, and will specify therein the date of such prepayment, which prepayment date will not be fewer than thirty-five (35) days from the date such notice is received by the Trustee.

(iii) Series 2010B Bonds are not subject to optional redemption prior to maturity.

Mandatory Redemption. The Series 2010A Bonds will be redeemed as a whole on the Interest Payment Date on or after October 1, 2020, on or after which the Board exercises its option to purchase the Corporation's interest in the Facilities pursuant to the Facilities Lease, at a price equal to the then Outstanding principal amount of the Series 2010 Bonds plus accrued and unpaid interest to the date of redemption. The Series 2010B Bonds are not subject to mandatory redemption prior to maturity.

Extraordinary Redemption.

(i) The Series 2010 Bonds will be subject to redemption in part at the option of the Corporation, upon written direction to the Issuer, on any Interest Payment Date from amounts transferred by the Trustee from the Project Fund to the respective account of the Debt Service Fund upon completion of construction of the Facilities in accordance with the Indenture. The Series 2010 Bonds to be redeemed will be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine, at a price equal to the principal of the Bonds so redeemed plus accrued and unpaid interest to the date of redemption.

(ii) Series 2010 Bonds will be redeemed as a whole or in part (in an integral multiple of \$5,000) on the first Interest Payment Date at least thirty (30) days after the Trustee receives notice from the Corporation that any insurance proceeds, condemnation award or payment in lieu of condemnation with respect to the Facilities will not be applied to the restoration, repair or reconstruction of the Facilities, and subject to the prior written consent of the Bond Insurer, if any, at a price equal to the principal amount of the Series 2010 Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not used for restoration, repair or reconstruction. If in part, the Series 2010 Bonds to be redeemed will be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine. If the amount of any insurance proceeds, condemnation award or payment in lieu of condemnation to be applied in redemption of the Series 2010 Bonds is not an integral multiple of \$5,000, the principal amount of Series 2010 Bonds to be redeemed pursuant to this paragraph shall be decreased to the next lower multiple of \$5,000.

Mandatory Sinking Fund Redemption. Those Series 2010 Bonds maturing on the dates set forth below, will be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

(i) Series 2010A Bonds. The Series 2010A Bonds maturing on the dates set forth below, will be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

Series 2010A Bonds
due October 1, 2031

Redemption Date (October 1)	Principal Amount
2027	\$1,005,000
2028	1,055,000
2029	1,100,000
2030	1,155,000
2031+	1,205,000

+Final Maturity

Series 2010A Bonds
due October 1, 2040

Redemption Date (October 1)	Principal Amount
2032	\$1,265,000
2033	1,330,000
2034	1,400,000
2035	1,470,000
2036	1,545,000
2037	1,625,000
2038	1,705,000
2039	1,795,000
2040+	1,885,000

+Final Maturity

Partial Redemption of Series 2010 Bonds

Unless otherwise specified above, if fewer than all of the Series 2010 Bonds of any series are called for redemption, the maturity of the Series 2010 Bonds to be redeemed will be in inverse order of their maturity, and selected by the Trustee within a maturity in such manner as the Trustee may determine; provided, however, that the portion of any Series 2010 Bond to be redeemed will be in the principal amount of an Authorized Denomination. If a portion of any Series 2010 Bonds shall be called for redemption, a new Series 2010 Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

Notice of Redemption

At least thirty (30) days before the redemption date of any Series 2010 Bonds redeemed other than by mandatory sinking fund redemption, the Trustee will cause a notice of any such redemption, signed by an authorized officer of the Trustee to be mailed, postage prepaid, to all Bondholders of record owning Series 2010 Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice will set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Series 2010 Bonds then outstanding shall be called for redemption, the numbers of such Series 2010 Bonds to be redeemed and, in the case of Series 2010 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Series 2010 Bond is to be redeemed in part only, the notice of redemption will state also that on or after the redemption date, upon surrender of such Series 2010 Bond, a new Series 2010 Bond in principal amount equal to the unredeemed portion of such Series 2010 Bond will be issued.

On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided and money for payment of the redemption price being held in the Debt Service Fund in trust for the owners of the Series 2010 Bonds or portions thereof to be redeemed, the Series 2010 Bonds or portions of Series 2010 Bonds so called for redemption will become and be due and payable at the redemption price provided for redemption of such Series 2010 Bonds or portions of Series 2010 Bonds on such date, interest on the Series 2010 Bonds or portions of Series 2010 Bonds so called for redemption shall cease to accrue, such Series 2010 Bonds or portions of Series 2010 Bonds shall cease to be entitled to any benefit or security under the Indenture, and the owners of such Series 2010 Bonds or portions of Series 2010 Bonds will not have rights in respect thereof except to receive payment of the redemption price thereof and, in the case of partial redemption, to receive Series 2010 Bonds for any unredeemed portions of Series 2010 Bonds.

Series 2010 Bonds and portions of Series 2010 Bonds which have been duly called for redemption, or with respect to which irrevocable instructions to call for redemption have been given to the Trustee in form satisfactory to it, and for the payment of the redemption price for which moneys, or Defeasance Obligations, shall be held by the Trustee in a segregated account in trust for the owners of the Series 2010 Bonds or portions thereof to be redeemed,

will not thereafter be deemed to be outstanding under the provisions of the Indenture and will cease to be entitled to any security or benefit under the Indenture other than the right to receive payment from such moneys.

Completion Bonds

Subject to the requirements set forth concerning Additional Debt below, Completion Bonds may be issued in one or more series by the Authority on a parity with the Series 2010 Bonds at the request of the Corporation as advised by the Board, pursuant to a supplement to the Indenture to pay all or part of the additional cost of the Facilities so long as no Event of Default or event which with notice or the lapse of time or both would constitute an Event of Default under the Indenture has occurred and is then continuing.

Refunding Bonds

Refunding Bonds may be issued under and secured by a supplement to the Indenture for the purpose of providing funds for the refunding of the Series 2010 Bonds and any Completion Bonds. Refunding Bonds will not be subject to the requirements regarding Additional Debt provided that the total Maximum Annual Debt Service Requirement for all then Outstanding Bonds immediately after issuance of any such Refunding Bonds is not greater than 110% of the total Maximum Annual Debt Service Requirement for all then Outstanding Bonds immediately preceding the issuance of such Refunding Bonds.

Book-Entry Only System

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT ISSUER BELIEVES TO BE RELIABLE, BUT ISSUER TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

The Depository Trust Company ("**DTC**"), New York, NY, will act as securities depository for the Series 2010 Bonds. The Series 2010 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2010 Bond will be issued for each maturity of the Series 2010 Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2010 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2010 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their

holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2010 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2010 Bonds, except in the event that use of the book-entry system for the Series 2010 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2010 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2010 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2010 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2010 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2010 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2010 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the financing documents. For example, Beneficial Owners of Series 2010 Bonds may wish to ascertain that the nominee holding the Series 2010 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2010 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2010 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2010 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2010 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Trustee or the Issuer, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2010 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2010 Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2010 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

NEITHER THE ISSUER, THE CORPORATION, THE BOARD, THE UNIVERSITY, NOR THE TRUSTEE HAS ANY RESPONSIBILITY OR OBLIGATIONS TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2010 BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (D) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2010 BONDS; OR (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS REGISTERED BONDHOLDER.

Series 2010 Bonds Are Limited Obligations

The Series 2010 Bonds and the interest thereon are special, limited obligations of the Issuer payable solely, except to the extent paid out of moneys attributable to proceeds of the Series 2010 Bonds and temporary investments thereof, from payments derived by the Issuer under the Loan Agreement (as defined herein), from the assets and interests pledged under the Mortgage, and from the Bond Insurance Policy (as defined herein). The Series 2010 Bonds shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit of the State or of any political subdivision thereof. The issuance of the Series 2010 Bonds shall not, directly, indirectly or contingently obligate the State or any political subdivision thereof to levy any taxes or to make any appropriation for their payment. The Issuer has no power to tax.

BONDHOLDERS' RISKS

Introduction

AN INVESTMENT IN THE SERIES 2010 BONDS INVOLVES A DEGREE OF RISK BECAUSE OF THE VARIOUS RISKS DESCRIBED IN THIS OFFICIAL STATEMENT. No person should purchase any of the Series 2010 Bonds without carefully reviewing the following information, which summarizes some, but not all, of the factors that should be carefully considered prior to such a purchase. Furthermore, the tax-exempt feature of the Series 2010A Bonds is relatively more valuable to high tax bracket investors than to investors who are in the lower tax brackets, and so the value of the interest compensation to any particular investor will vary with his or her marginal tax rate. Each prospective investor should, therefore, determine his or her present and anticipated marginal tax rate before investing in the Series 2010 Bonds. Each prospective investor should also carefully examine this Official Statement and his or her own financial condition (including the diversification of his or her investment portfolio) in order to make a judgment as to whether the Series 2010 Bonds are an appropriate investment.

Identified and summarized below are a number of "Bondholders' Risks" that could adversely affect the operation of the Facilities and/or the Series 2010 Bonds and that should be considered by prospective investors. The following discussion is not intended to be exhaustive, but includes certain major factors that should be considered along with other factors set forth elsewhere in this Official Statement, including the Appendices hereto.

Student Fee and Capital Improvement Fund Revenues

If the Board is unable to generate sufficient revenues from the Student Fee and Capital Improvement Fund Revenues to make Rental Payments under the Facilities Lease, an Event of Default may occur under the Indenture. Upon an Event of Default, the Series 2010 Bonds may not be paid or may be paid before maturity or applicable redemption dates and a forfeiture of redemption premiums may result. The Board's ability to generate these revenues and its overall financial condition may be adversely affected by a wide variety of future events and conditions including (i) a decline in the enrollment of the University, (ii) increased competition from other schools, (iii) loss of accreditation, (iv) failure to meet applicable federal guidelines or some other event that results in students being ineligible for federal financial aid, and (v) cost overruns in connection with the Facilities or other capital improvements.

Selective Admissions Standards

Prior to the Fall 2000 semester, the University maintained an open admissions standard, whereby persons with high school diplomas or their equivalent could enroll as a new student at the University regardless of grades or college entrance exam scores. Beginning the Fall 2000 semester, the University implemented selective admissions standards, whereby students may, with certain exceptions, enroll at the University only if they achieve certain standards with grades and college entrance exams. Following implementation of the selective admissions standards, enrollment at the University dropped slightly and, although enrollment is currently reaching levels maintained prior to the implementation of the selective admissions standards, no assurance can be given that current enrollment levels will be maintained. Admissions standards were raised again in 2004 and 2005 and additional admissions standards were implemented in 2010.

Operating Budget Environment

In January 2009 the University experienced a State-mandated, mid-year budget cut of \$3,425,153 (or approximately 4.5%) due to a drop in State funding. The University targeted budget reductions so as not to affect its core academic mission. The reduction in budgeted expenditures was realized among all areas with some of the major reductions taking place in personal services, including the reduction of permanent, full-time staff positions and student labor. Other reductions included decreases in deferred maintenance, travel, professional services and a \$400,000 reduction to athletics.

The University later received a reduction of nearly \$6,700,000 in state appropriations for the 2009-10 operating fund budget. Attempting to accommodate a budget reduction of this magnitude, the University remained focused on preserving the instructional capacity for the upcoming academic year, while limiting the negative impact on student recruitment and retention. In addition to cutting additional dollars from those areas previously reduced, including deferred maintenance, supplies, and travel, the University also instituted a stratified furlough plan for employees for the year, deferred merit pay increases and reduced library acquisitions. The University was again cut in January of 2010 by approximately \$3,500,000, requiring that further reductions be made. However, the University held steadfast in maintaining and protecting its core mission.

The final cut to the University in fiscal year 2009-10 was in the amount of \$1,800,000. The University applied these cuts to additional positions, both filled and vacant, as well as building maintenance, facility repair and various contingency accounts. In fiscal year 2010-11, the University incurred a budget reduction resulting from a state shortfall realized at year end, 2009-10. Southeastern's portion of the cut is estimated to be \$750,000; however, the University expects to offset the majority of this cut through savings yielded from the reorganization of various academic programs.

The University increased tuition by 10% in Fall 2010 which has helped offset some of the reductions in state funds. This tuition increase generated \$4,200,000 in additional revenue. In addition, demand for entry into the University remains high. Even with increased admission standards implemented in Fall 2010, the number of student applications increased to more than 12,000, a 12.5% increase over the previous year, and overall enrollment was up from 15,160 to 15,351. The number of entering freshmen with a 24 or higher ACT exceeded 700, with the average ACT score of all entering freshmen increasing from a 21.7 to a 22.1. Such results suggest that the University has been extremely successful in its commitment to protect the core mission of the University even given the challenging budget situation.

Housing on the University campus also remains in high demand. The University has experienced a waiting list for on-campus housing for the past two fall semesters. In an effort to accommodate some of the demand, private rooms are being rented as shared spaces. As a result, occupancy has exceeded 100% for the second consecutive year.

Even with the major budget reductions and increases in tuition, the University remains vibrant. Tuition rates, even given the increases, remain low when compared to other peer institutions; population growth in key markets remains high; and the University's position as a college of "choice" for higher quality students continues to increase. Given a stable enrollment, the fees and other revenue committed to this project will not be impacted

directly by further reductions in state appropriations. However, based on the magnitude of any future cuts, and given the significance of cuts realized to-date, the ability of the University to make payments of base rental under the Facilities Lease could be indirectly impacted should such reductions have a significant negative impact on enrollment.

LA GRAD Act

In response to the budget shortfalls, Act. No. 741 of the 2010 Regular Session of the Louisiana Legislature, known as the Louisiana Granting Resources and Autonomy for Diplomas Act ("LA GRAD Act"), was enacted to enable the State's public post-secondary institutions to remain competitive and increase their overall effectiveness and efficiency by achieving specific, measurable objectives aimed at improving college completion rates. Beginning with the State's fiscal year ending June 30, 2011, any public post-secondary education institution may enter into an initial performance agreement with Regents to be granted limited operational autonomy and flexibility in exchange for committing to meet established targets for certain performance objectives as applicable to the institution as determined by Regents. Among other objectives, the performance objectives included in the LA GRAD Act include the following:

- improve graduation and retention rates that are consistent with institutional peers;
- increase the percentage of program completers at all levels annually;
- eliminate academic program offerings that have low student completion rates or are not aligned with workforce needs of the State and eliminate associate degree, remedial and developmental study offerings that are available at community colleges in the institution's area;
- increase use of technology for distance learning;
- increase research productivity and technology transfer consistent with the institution's peers;
- demonstrate progress in student job placement and increase the performance of associate degree recipients who transfer to institutions offering baccalaureate and graduate degrees; and
- with some exceptions, increase nonresident tuition to the average tuition charged to Louisiana residents attending peer institutions in other states.

Each institution that enters into a performance agreement as provided in the LA GRAD Act will be granted the authority, among other autonomies, as follows:

- for the fiscal year 2010-11, to increase tuition and mandatory fee amounts by up to five percent (5%) annually;
- for the fiscal year 2011-12, if Regents has determined that the institution has met the short-term targets established in the performance agreement, to increase tuition and mandatory fee amounts by up to five percent (5%) annually; and
- beginning with fiscal year 2012-13 and thereafter, if Regents has determined that the institution has met the short-term targets established in the performance agreement and demonstrated progress on long-term targets, within certain guidelines, increase tuition and fee amounts by up to ten percent annually, without legislative approval, until the institution reaches the average tuition and fees of its peer institutions and, thereafter, maintain tuition and fees as close to that average as practicable.

Each initial performance agreement will be for a period of six years. At the end of the initial performance agreement period and subsequent renewal periods, Regents, upon a comprehensive review and evaluation of the institution's progress in meeting the performance objectives, will determine whether to recommend renewal of an institution's performance agreement, subject to the approval of the Joint Legislative Committee on the Budget. In the event the performance agreement is renewed for additional six year periods, the institution will be required to meet and/or maintain increased graduation rate goals and continue to make progress in other performance objectives. Regents may revoke a performance agreement at any time if it determines that an institution has failed to abide by the terms of such agreement.

Some of the primary uses of the funds generated as a result of the LA GRAD Act will be to fund hardship waivers (as required by state law), as well as increases in scholarships and other legislative fee waivers that will increase as a result of tuition increases. A large portion of the funds will be used to offset the loss of stimulus

dollars and/or reductions in state appropriations to the University. Other uses of funds will cover increases in mandated costs, as well as the additional annual increases in such costs.

Designation of Rental by the University

The Facilities are being leased by the Corporation to the Board on behalf of the University pursuant to the Facilities Lease. The obligation of the Board on behalf of the University to pay rental to the Corporation under the Facilities Lease is subject to, and dependent upon, designation by the Board in its budget process of funds necessary to make payments of rental required under the Facilities Lease. Although each of the Board and University acknowledges its obligation to budget annually an amount sufficient to make payments of rental under the Facilities Lease, notwithstanding this obligation such amounts may or may not ultimately be designated by the Board for such purpose. Further, both the Corporation and the Board acknowledge the Board's obligation on behalf of the University to pay rental shall not be construed as a debt of the Board, nor a pledge, lien, or encumbrance upon any specific tax or other revenues of the Board.

Non-designation of Funds

In the event no funds or insufficient funds are lawfully designated in any Fiscal Year enabling the payment of Base Rental and Additional Rental payments due during the next succeeding Fiscal Year, the Board will be required to notify the Corporation immediately of such occurrence. On the first day of the month following the Base Rental payment date on which the last payment of Base Rental can be made in full from the Student Fees and Capital Improvement Funds, the Facilities Lease will terminate without penalty or expense to the Board of any kind whatsoever, except as to the portions of Base Rental and Additional Rental payments therein agreed upon for Fiscal Years for which sufficient funds shall have been lawfully appropriated. In the event of such termination, the Board will agree to surrender possession of the Facilities to the Corporation peaceably on the date of such termination in its original condition (normal wear and tear excepted). The Corporation will have all legal and equitable rights and remedies to take possession of the Facilities and re-let or sell the Facilities as the Corporation determines and as granted in the Facilities Lease. The Board will acknowledge that the Corporation's rights to take possession and to re-let or sell the Facilities under the Facilities Lease may be assigned to the Trustee for the benefit of the owners of the Series 2010 Bonds, and the Board will agree that the Trustee will be entitled to exercise all of the rights of the Corporation under the Facilities Lease. The inability by the Board to cause the designation of sufficient funds for the payment of sums due under the Facilities Lease will not constitute a default thereunder, but will, *ipso facto*, terminate the Facilities Lease. This provision will be operative notwithstanding any provisions of the Facilities Lease to the contrary. The Board will be considered in default thereunder if sufficient funds shall have been lawfully designated for the payment of Rental required under the Facilities Lease and the Board shall fail to use lawfully designated funds for the payment of Rental. In such event, the Corporation will be entitled to the rights and remedies set forth in the Facilities Lease.

Constitutional Limitations – Approval for Fees and Civil Fines

Article VII, §2.1 of the Louisiana Constitution requires that any new fee or civil fine or increase in an existing fee or civil fine imposed or assessed by the State or any board, department, or agency of the State shall require the enactment of a law by a two-thirds vote of the elected members of each house of the legislature. It is unclear whether this constitutional provision should be applied to any fees, rates and charges for the use and enjoyment of the Auxiliary Facilities and the services provided thereby or any increases thereof which form part of the Auxiliary Revenues. On October 9, 1996 the Louisiana Attorney General issued Opinion Number 96-353, which opined that, for purposes of Article VII, § 2.1 of the Louisiana Constitution, the word "fee" does not include charges for auxiliary and self-generated operations of the University, such as for food services, book store merchandise, medical or veterinary services, student housing and admittance to extracurricular events. This opinion was based on the rationale that the term "fee" as used in Article VII, § 2.1 should be restricted to only those charges assessed by a governmental entity for the purpose of defraying the costs of providing a governmental service or the costs of regulating a particular area. Therefore, according to the opinion, charges assessed by the University for the provision of higher education would be considered fees, but charges which are for services or products which are not directly a part of the delivery of an education are not considered fees. Opinions of the Louisiana Attorney General are advisory only, and are not binding on any court of law.

In litigation brought by an LSU student against the Board (civil action filed on October 16, 2003 captioned “Donald C. Hodge, Jr. vs. Board of Supervisors of Louisiana State University and Agricultural and Mechanical College,” Number 512,930, Sect. “D”) which sought to enjoin the Board from implementing a football ticket pricing policy as violative of Article VII, § 2.1 of the Constitution of Louisiana, the 19th Judicial District Court (the “*Trial Court*”) ruled that the Board’s adoption of a new general pricing policy for home football games did not constitute implementation or assessment of a fee under said Article VII, Section 2.1 which would otherwise require approval by a vote of two-thirds of each house of the Legislature. The Trial Court decision was appealed by Hodge to the Louisiana First Circuit Court of Appeal (the “*Appeal Court*”). In affirming the Trial Court’s decision, the Appeal Court, as did the Trial Court, agreed with the reasoning of the Louisiana Attorney General that the Legislature has evidenced no intent to have oversight over “fees” with respect to LSU, other than those fees directly connected with the principal governmental function of providing higher education to the citizens of the State.

The Trial Court ruled on the Hodge action on November 18, 2003 and the Appeal Court rendered its affirming decision on December 23, 2001. The Louisiana Supreme Court denied writs on March 11, 2004. While the Hodge action does not directly address Auxiliary Revenues, the above described reasoning of the Attorney General was followed by the courts in this first judicial interpretation of Article VII, Section 2.1 of the Constitution.

In the event the Food Service Contract is terminated and the University or the Corporation begins providing operation and management services for the Food Services Areas, there can be no assurance absent favorable judicial interpretation that this Constitutional provision does not apply to charges which generate Auxiliary Revenues. In the event this provision does apply, neither the Board nor the University could increase an Auxiliary Revenue charge or impose a new Auxiliary Revenue charge without a two-thirds favorable vote of the Louisiana Legislature.

Litigation

While there may be lawsuits pending involving either the University or the Board, it is not possible to confer with every attorney handling such matters. Furthermore, it would be impossible to predict the outcome of all such cases. However, to the extent that there are adverse judgments in excess of the Board’s insurance policy limits, such judgment may be satisfied only through appropriation by the Louisiana Legislature because Board assets are not available to satisfy such judgments. See “Difficulties in Enforcing Rights and Remedies” below.

Risk Factors Inherent in Higher Education

There are a number of factors affecting institutions of higher education in general, including the University, that could have an adverse effect on the Board’s financial position and its ability to make the payments of Rental required under the Facilities Lease. These factors include the rising costs of providing higher education services; the expected decline in the number of college-age persons in the country generally; the failure to maintain or increase in the future the funds obtained by the Board from other sources, including gifts and contributions from donors, grants or appropriations from governmental bodies and income from investment of endowment funds; adverse results from the investment of endowment funds; increasing costs of compliance with federal or State regulatory laws or regulations, including, without limitation, laws or regulations concerning environmental quality, work safety and accommodating the handicapped; and legislation or regulation which may affect student aid and other program funding. The Board cannot assess or predict the ultimate effect of these factors on its operation or financial results of operations.

Limited Obligations of the Issuer

The Series 2010 Bonds constitute limited obligations of the Issuer and have three potential sources of payment. The sources of payment are as follows:

- (1) Loan Payments received by the Trustee from the Corporation pursuant to the terms of the Indenture and the Loan Agreement.

The Issuer has no obligation to pay the Series 2010 Bonds except from the related Trust Estate, including the loan payments derived from the Loan Agreement. See “**FORM OF TRUST INDENTURE – Definitions**” in **APPENDIX C-1** hereto for the definition of “*Trust Estate*.” The Series 2010 Bonds, together with interest and premium, if any, thereon, will not be or constitute general obligations or indebtedness of the State, the University, the Board, or any other

political subdivision of the State, but will be limited obligations of the Issuer. Neither the faith and credit nor the taxing power of the State or any other agency or political subdivision thereof is pledged to the payment of the debt service payments on the Series 2010 Bonds, and the owners of the Series 2010 Bonds, will not have the right to compel any exercise of the taxing power of the State or any other political subdivision of the State to pay the Series 2010 Bonds, any premium thereon, or the interest thereon. The Issuer has no taxing power. The Corporation will be required to make loan payments (the interest in which the Trustee has received by assignment from the Issuer) to the Trustee in amounts sufficient to enable the Trustee to pay the debt service payments on the Series 2010 Bonds. See “**FORM OF TRUST INDENTURE – Debt Service Fund**” in **APPENDIX C-1** hereto. The Loan Payments will be derived solely from Student Fee and Capital Improvement Fund Revenues received under the Facilities Lease. No assurance can be made that the Corporation will generate sufficient revenues from the Student Fee and Capital Improvement Fund Revenues to pay debt service payments on the Series 2010 Bonds.

(2) Revenues received from operation of the Facilities by a receiver upon a default under the Indenture.

It has been the experience of lenders in recent years that attempts to have a receiver appointed to take charge of properties with respect to which loans have been made are frequently met with defensive measures such as the initiation of protracted litigation and the initiation of bankruptcy proceedings. Such defensive measures can prevent the appointment of a receiver or greatly increase the expense and time involved in having a receiver appointed. See “**BONDHOLDERS’ RISKS - Enforceability of Remedies**” herein. Accordingly, prospects for uninterrupted payment of principal and interest on the Series 2010 Bonds in accordance with their terms are largely dependent upon Loan Payments from the Corporation described in the preceding paragraph, which are wholly dependent upon the success of the University in the collection of Student Fee and Capital Improvement Fund Revenues.

(3) Proceeds available for payment of the Series 2010 Bonds.

Prospects for uninterrupted payment of principal and interest on the Series 2010 Bonds in accordance with their terms are largely dependent upon the Loan Payment described in paragraph (1) above, which are largely dependent upon the University’s collection of Student Fee and Capital Improvement Fund Revenues and the Board’s payments under the Facilities Lease. Even if the Facilities are operating in an efficient manner other factors could affect the ability of the Corporation to make Loan Payments under the Loan Agreement. The Corporation also may become engaged in other ventures in the future.

Special Use Nature of the Facilities

The Facilities will be constructed to serve as student facilities and are located on the campus of the University. For all practical purposes, payment of the Series 2010 Bonds will be almost solely dependent upon the University’s collection of the Student Fee and Capital Improvement Fund Revenues.

Assignment of Agreements and Documents

The Corporation will grant to the Trustee a first priority security interest in the leases and subleases affecting the Land and/or the Facilities, including, without limitation, the Facilities Lease (collectively, the “**Leases**”) and all revenues, rentals, and other sums due or becoming due under the Leases. Nevertheless, certain interests and claims of others may be on a parity with or prior to the grant of security interest and certain statutes and other provisions may limit the Corporation’s and the Issuer’s rights to make such pledges, assignments, and/or grants of security interests. Examples of such claims, interests, and provisions are:

- (1) statutory liens,
- (2) the Louisiana Uniform Commercial Code may not recognize a security interest in future revenues derived from the Facilities,
- (3) constructive trusts, equitable liens, or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction,

(4) federal bankruptcy laws as they affect amounts earned with respect to the Facilities after any effectual institution of bankruptcy proceedings by or against the Corporation or the Issuer,

(5) as to those items in which a security interest can be perfected only by possession, including items converted to cash, the rights of third parties in such items not in the possession of the Trustee,

(6) items not in possession of the Trustee, the records to which are located or moved outside the State of Louisiana, which are thereby not subject to or are removed from the operation of Louisiana law, and

(7) the requirement that appropriate continuation statements be filed in accordance with the Louisiana Uniform Commercial Code as from time to time in effect.

Enforceability of Remedies

The Series 2010 Bonds are payable from the Trust Estate and from the property pledged under the Mortgage, including payments to be made under the Loan Agreement and the Indenture. The payments to be made by the Corporation under the Loan Agreement are secured by a first mortgage lien on the Corporation's leasehold interest in the Facilities and the Land and in the furnishings, equipment, and other personal property included in the Facilities and by first priority security interest in the Leases and all revenues, rentals, and other sums due or becoming due thereunder. Pursuant to the Indenture, the Bonds are secured by the Trust Estate, including the pledge to the Trustee of the Issuer's interest in the Loan Agreement. The practical realization of value upon any default will depend upon the exercise of various remedies specified by the Indenture and the Mortgage. These and other remedies may, in many respects, require judicial actions, which are often subject to discretion and delay. Under existing law (including, particularly, federal bankruptcy law), the remedies specified by the Indenture and the Mortgage may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Indenture and the Mortgage. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies, including judicial discretion in the application of the principles of equity, and by bankruptcy, reorganization, or other laws affecting the enforcement of creditors' rights generally.

Effect of Determination of Taxability

The Corporation will covenant not to take any action that would cause the Series 2010A Bonds to be arbitrage bonds or that would otherwise adversely affect the federal income tax status of interest in the Series 2010A Bonds. The Corporation will also make representations with respect to certain matters within their knowledge that have been relied on by Bond Counsel and that Bond Counsel has not independently verified. Failure to comply with such covenants could cause interest on the Series 2010A Bonds to become subject to federal income taxation retroactively from their date of issuance.

It is possible that a period of time may elapse between the occurrence of the event that causes interest to become taxable and the determination that such an event has occurred. In such a case, interest previously paid on the Series 2010A Bonds could become retroactively taxable from the date of their issuance. Additionally, certain owners of the Series 2010A Bonds are subject to possible adverse tax consequences. See "**TAX EXEMPTION**" herein.

Market for the Series 2010 Bonds

There can be no assurance that a secondary market exists, or that the Series 2010 Bonds can be sold for any particular price. Accordingly, a purchaser of the Series 2010 Bonds should recognize that an investment in the Series 2010 Bonds will in all likelihood not be liquid and be prepared to have his or her funds committed until the Series 2010 Bonds mature or are redeemed.

Completion Bonds

The Issuer has the right to issue Completion Bonds under the Indenture that will be equally and ratably secured on a parity basis with the Series 2010 Bonds. See "**THE SERIES 2010 BONDS - COMPLETION BONDS**" herein

and “FORM OF TRUST INDENTURE” in APPENDIX C-1 hereto. **SUCH COMPLETION BONDS COULD DILUTE THE SECURITY FOR THE SERIES 2010 BONDS.**

Consequences of Changes in the Corporation’s or the University’s Tax Status

The Corporation has obtained a determination letter from the Internal Revenue Service stating that it will be treated as an exempt organization as described in §501(c)(3) of the Code and can reasonably be expected to not be classified as a “private foundation.” In order to maintain its exempt status and to not be considered a private foundation, the Corporation will be subject to a number of requirements affecting its operation. The possible modification or repeal of certain existing federal income tax laws, the change of Internal Revenue Service policies or positions, the change of the Corporation’s method of operations, purposes or character or other factors could result in loss by the foundation of its tax-exempt status.

The Corporation will covenant to cause to remain eligible for such tax-exempt status and to avoid operating the Facilities as an unrelated trade or business (as determined by applying §512(a) of the Code). Failure of the Facilities to remain so qualified or of the Corporation so to operate the Facilities could affect the funds available to the Corporation for payments under the Loan Agreement by subjecting the Corporation to federal income taxation and could result in the loss of the excludability of interest on the Series 2010A Bonds from gross income for purposes of federal income taxation. Potential investors should note that in such event, the provisions of the Indenture relating to a Determination of Taxability may be applicable. Continuation of the tax-exempt status of the Series 2010A Bonds may also be dependent upon the continuing tax-exempt status of the University. See “**BONDHOLDERS’ RISKS - Effect of Determination of Taxability**” above.

Taxation of Series 2010A Bonds

An opinion of Bond Counsel will be obtained as described under “**TAX EXEMPTION**” herein. Such an opinion is not binding on the Internal Revenue Service. Application for a ruling from the Internal Revenue Service regarding the status of the interest on the Series 2010A Bonds has not been made. The opinion of Bond Counsel contains certain exceptions and is based on certain assumptions described herein under the heading “**TAX EXEMPTION.**” Failure by the Issuer or the Corporation to comply with certain provisions of the Code and covenants contained in the Indenture, the Loan Agreement, and the Tax agreement could result in interest on the Series 2010A Bonds becoming includable in gross income for federal tax purposes.

An opinion of Bond Counsel will be obtained regarding the exemption of interest on the Series 2010 Bonds from certain taxation by the State of Louisiana, as described under “**TAX EXEMPTION**” herein. Bond Counsel has not opined as to whether interest on the Series 2010 Bonds is subject to state or local income taxation in jurisdictions other than Louisiana. Interest on the Series 2010 Bonds may or may not be subject to state or local income taxation in jurisdictions other than Louisiana under applicable state or local laws. Each purchaser of the Series 2010 Bonds should consult his or her own tax advisor regarding the taxable status of the Series 2010 Bonds in a particular state or local jurisdiction.

Municipal Bond Insurance

If the Issuer should fail to make payment of the principal of or interest on the Series 2010 Bonds when the same shall become due, any owner of Series 2010 Bonds will have recourse against the Bond Insurer for such payments; however, the Policy does not insure the principal of or interest on the Series 2010 Bonds coming due by reason of acceleration or redemption (other than mandatory sinking fund redemption), nor do they insure the payment of any redemption premium payable upon the Series 2010 Bonds, and under no circumstances, including the situation in which the interest on the Series 2010 Bonds becomes subject to federal or Louisiana income taxation for any reason, may the maturities of the Series 2010 Bonds be accelerated without the consent of the Bond Insurer. Furthermore, so long as the Bond Insurer shall perform its obligations under the Policy, the Bond Insurer may direct, and its consent must be obtained before the exercise of, any remedies to be undertaken by the Trustee under the Indenture. If the Bond Insurer should be unable to make payments of and interest on the Series 2010 Bonds, such Series 2010 Bonds will be payable solely from moneys received by the Trustee pursuant to the Indenture and the Loan Agreement. See the heading “**MUNICIPAL BOND INSURANCE**” herein and APPENDIX E attached hereto for more information about the Bond Insurer and the Policy.

Insolvency of the Bond Insurer

The obligations of the Bond Insurer under the Policy are general obligations of the Bond Insurer and rank equally in priority of payment and in all other respects with all other unsecured obligations of the Bond Insurer. In the event of insolvency of the Bond Insurer, the Owners of the Series 2010 Bonds would have to depend entirely on the ability of the Corporation to pay the principal of and interest on the Series 2010 Bonds.

MUNICIPAL BOND INSURANCE

The following information has been furnished by the Bond Insurer for use in this Official Statement. Reference is made to **APPENDIX E** for a specimen of the Policy.

The Bond Insurance Policy

Concurrently with the issuance of the Series 2010 Bonds, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (the "**Bond Insurer**") will issue its municipal bond insurance policy (the "**Policy**") for the Series 2010 Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included in **APPENDIX E** attached hereto.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

The Bond Insurer

The Bond Insurer is a New York stock insurance company and a wholly owned subsidiary of Assured Guaranty Municipal Holdings Inc. ("**Holdings**"). Holdings is an indirect subsidiary of Assured Guaranty Ltd. ("**AGL**"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. No shareholder of AGL, Holdings or the Bond Insurer is liable for the obligations of the Bond Insurer.

Effective November 9, 2009, Financial Security Assurance Inc. changed its name to Assured Guaranty Municipal Corp.

The Bond Insurer's financial strength is rated "AA+" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("**S&P**") and "Aa3" (negative outlook) by Moody's Investors Service, Inc. ("**Moody's**"). On February 24, 2010, Fitch, Inc. ("**Fitch**"), at the request of AGL, withdrew its "AA" (Negative Outlook) insurer financial strength rating of the Bond Insurer at the then current rating level. Each rating of the Bond Insurer should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of the Bond Insurer in its sole discretion. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of any security guaranteed by the Bond Insurer. The Bond Insurer does not guarantee the market price of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength

On October 25, 2010, S&P published a Research Update in which it downgraded the Bond Insurer's counterparty credit and financial strength rating from "AAA" (negative outlook) to "AA+" (stable outlook). At the same time, S&P continued its negative outlook on the Bond Insurer. Reference is made to the Research Update, a copy of which is available at www.standardandpoors.com, for the complete text of S&P's comments.

In a press release dated February 24, 2010, Fitch announced that, at the request of AGL, it had withdrawn the "AA" (Negative Outlook) insurer financial strength rating of the Bond Insurer at the then current rating level.

Reference is made to the press release, a copy of which is available at www.fitchratings.com, for the complete text of Fitch's comments.

On December 18, 2009, Moody's issued a press release stating that it had affirmed the "Aa3" insurance financial strength rating of the Bond Insurer, with a negative outlook. Reference is made to the press release, a copy of which is available at www.moody's.com, for the complete text of Moody's comments.

There can be no assurance as to any further ratings action that Moody's or S&P may take with respect to the Bond Insurer.

For more information regarding the Bond Insurer's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2009, which was filed by AGL with the SEC on March 1, 2010, AGL's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, which was filed by AGL with the SEC on May 10, 2010, AGL's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010, which was filed by AGL with the SEC on August 9, 2010 and AGL's Quarterly Report Form 10-Q for the quarterly period ended September 30, 2010, which was filed by AGL with the SEC on November 9, 2010.

Capitalization of the Bond Insurer

At September 30, 2010, the Bond Insurer's consolidated policyholders' surplus and contingency reserves were approximately \$2,512,828,657 and its total net unearned premium reserve was approximately \$2,305,542,616, in each case, in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the SEC that relate to the Bond Insurer are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) The Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (which was filed by AGL with the SEC on March 1, 2010); and
- (ii) The Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010 (which was filed by AGL with the SEC on May 10, 2010); and
- (iii) The Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010 (which was filed by AGL with the SEC on August 9, 2010); and
- (iv) The Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2010 (which was filed by AGL with the SEC on November 9, 2010).

All information relating to the Bond Insurer included in, or as exhibits to, documents filed by AGL pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, after the filing of the last document referred to above and before the termination of the offering of the Series 2010 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.): 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 826-0100).

Any information regarding the Bond Insurer included herein under the caption "**MUNICIPAL BOND INSURANCE – The Bond Insurer**" or included in a document incorporated by reference herein (collectively, the "**Bond Insurer Information**") shall be modified or superseded to the extent that any subsequently included the Bond Insurer Information (either directly or through incorporation by reference) modifies or supersedes such previously included the Bond Insurer Information. Any Bond Insurer Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

The Bond Insurer makes no representation regarding the Series 2010 Bonds or the advisability of investing in the Series 2010 Bonds. In addition, the Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Bond Insurer supplied by the Bond Insurer and presented under the heading "MUNICIPAL BOND INSURANCE".

DISCLAIMER

The information relating to the Bond Insurer and the Policy contained herein and in APPENDIX E has been furnished by the Bond Insurer. No representation is made by the Issuer or the Underwriter as to the accuracy, completeness, or adequacy of such information or as to the absence of material adverse changes in the condition of the Bond Insurer subsequent to the date of this Official Statement. Reference is made to APPENDIX E for a copy of a specimen municipal bond insurance policy.

NO ASSURANCE CAN BE GIVEN THAT THE BOND INSURER WILL BE ABLE TO MEET ITS OBLIGATIONS UNDER THE POLICY.

THE GROUND LEASE

General

The Ground Lease has been entered into between the Board, on behalf of the University, as Lessor, and the Corporation, as Lessee, for lease of the Facilities. As a consideration for the Ground Lease, the Corporation has agreed to perform its obligations under the Facilities Lease and all other documents contemplated by and ancillary to the Ground Lease and the Facilities Lease.

The Corporation's obligations under the Ground Lease may be suspended if by reason of *force majeure*, as described in the Ground Lease, the Corporation is unable to carry out such obligations.

Default and Remedies

Each of the following is an Event of Default under the Ground Lease:

(a) failure by the Corporation to make timely payment of any sum required to be paid to the Board under the Ground Lease that remains uncured after thirty (30) days following receipt of written notice from the Board of such failure;

(b) the taking by execution of the Corporation's leasehold estate (other than a foreclosure of the Mortgage) for the benefit of any Person;

(c) failure by the Corporation to perform any other covenant or agreement, other than the payment of money, on its part under the Ground Lease and such failure remaining uncured for more than ninety (90) days following receipt of written notice from the Board of such failure; provided that if during such ninety (90) day period, the Corporation shall take action to cure such failure but shall be unable, by reason of the nature of the work involved, to cure such failure within such period and shall continue such work thereafter diligently and without unnecessary delays, such failure will not constitute an Event of Default hereunder until the expiration of a period of time after such ninety (90) day period as may be reasonably necessary to cure such failure;

(d) a court of competent jurisdiction shall enter an order for relief in any involuntary case commenced against the Corporation, 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 over the Facilities appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for the Corporation or any substantial part of the properties of the Corporation or ordering the winding up or liquidation of the affairs of the Corporation, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days;

(e) commencement by the Corporation of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted, or the consent or acquiescence by the Corporation to the commencement of a case under such Code or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for the Corporation or any substantial part of the properties of the Corporation; and

(f) the Corporation, after commencement of construction but prior to substantially completing construction of the Facilities, abandons (with no intent to continue) demolition, renovation, or construction for a period of forty-five (45) consecutive days.

Whenever an Event of Default shall have occurred and be continuing, the Board will be permitted to seek any and all damages or other remedies available at law or in equity, including specific performance. The Board will not have the right to terminate the Ground Lease prior to its Expiration Date, but upon ninety (90) days' written notice and opportunity to cure provided to the Bond Insurer and the Trustee, will be permitted to terminate the Corporation's right to occupancy of the Property and to take possession of the Property and the Facilities and to re-let the same or take possession in its own right for the remainder of the Term. Upon such re-letting, the Corporation will agree to release its leasehold interest and all of its rights under the Ground Lease and the Facilities Lease to the new lessee of the Property (or to the Board, if the Board wishes to remain in possession on its own behalf) in consideration for the new lessee (or the Board, if applicable) agreeing to assume all of the Corporation's obligations under the Ground Lease, the Facilities Lease, and under any debt incurred by or for the Corporation in connection with the Facilities.

The Bond Insurer, if any, will be required to be notified by the University in the Event of Default and will have an opportunity to cure said default.

THE FACILITIES LEASE

General

Under the Facilities Lease, the Corporation has leased the Facilities (as completed) to the Board.

Rental

The Board has agreed to pay Base Rental and Additional Rental as set forth in the Facilities Lease. The Base Rental amount is an amount equal to the principal of, premium, if any, and interest due on the Series 2010 Bonds and any Completion Bonds, payable prior to the dates that such debt shall become due and payable. The Base Rental also includes any amounts required to be paid into any funds established in the Indenture, including the Debt Service Reserve Fund or to make up any deficiency or to restore any loss resulting from investment and any other payment required to be made to such fund by the Indenture.

In addition, the Board has agreed in the Facilities Lease, to pay as Additional Rental any and all expenses incurred by or on behalf of the Corporation on behalf of the Board and/or by the Board in the management, operation, ownership, and/or maintenance of the Facilities, owed to the Issuer or the Trustee.

In the event the Food Service Contract is terminated and the Corporation or the Board begins providing operations and management services for the Food Service Areas as required by the Ground Lease, the Board will agree to pay amounts sufficient to make up any shortfall in the payment of Base Rental of debt service on the Series 2010 Bonds payable solely from Auxiliary Revenues of the University after payment of annual debt service on the Corporation's (Southeastern Louisiana University Student Housing/University Facilities, Inc. Project) Series 2004 Bonds and the Corporation's (Southeastern Louisiana University/University Facilities Inc.: Phase Four Parking Project) Series 2007 Bonds.

Extraordinary Lease Payments

Pursuant to the Facilities Lease, the Board has covenanted to make an extraordinary Rental payment to fund a portion of the capital costs of the Facilities from funds on hand or collected by the Board within the fiscal year ending June 30, 2011, not to exceed \$6,500,000 on or before the closing date of the Series 2010 Bonds.

Additional Debt

Without the prior written consent of the Bond Insurer, if any, neither the Corporation, the University nor the Board will issue or incur or permit to be issued and incurred, any Additional Debt, unless each of the following conditions have been satisfied:

(i) no Event of Default or event which with notice for lapse of time, or both, would constitute an Event of Default shall have occurred and be continuing (unless such Event of Default or other event would be cured by such issuance or incurrence) or will occur upon the issuance or incurrence by the Board of any such obligations;

(ii) the Debt Service Coverage Ratio for the most recently completed Fiscal Year, taking into account the Additional Debt proposed to be issued or incurred, would not have been less than 1.25:1.00. If the Additional Debt is being issued to finance the construction of facilities which generate available revenues or additional student fees, the Board may include in the calculation of Debt Service Coverage Ratio the proposed revenues to be generated by the future Facilities and/or the additional student fees attributable thereto; and

(iii) the Debt Service Coverage Ratio set forth above for the two most recently completed Fiscal Years has been met.

Rate Maintenance Covenant

The Board has covenanted that, as long as any bonds, notes or lease obligations remain outstanding that are payable from the Capital Funds and the Student Fees, if the Debt Service Coverage Ratio falls below 1.20:1.00, the Board will use its best efforts to raise its fees, rentals, rates and charges relating to the Facilities so that within two (2) full semesters after the Debt Service Coverage Ratio becomes deficient, the Debt Service Coverage Ratio at least equals 1.20:1.00. At the end of two (2) full semesters, if the Debt Service Coverage Ratio is still below 1.20:1.00, the Board shall hire an outside consultant, approved by the Bond Insurer, if any, and the Board shall follow any reasonably feasible recommendations of such consultant regarding the operation and management of the Facilities, including raising fees and rents, and reducing expenses. So long as the Board is working in good faith with such consultant to increase any deficient Debt Service Coverage Ratio, there shall not be an Event of Default hereunder unless the Debt Service Coverage Ratio is less than 1.00:1.00 at the end of any Fiscal Year. For purposes of the foregoing, when establishing such fees, rentals, rates and charges and calculating the Debt Service Coverage Ratio for this Section, the Board shall take into account payments required to be made into the Debt Service Reserve Fund pursuant to the Indenture. The Board has further covenanted that it will seek any required approval necessary in order to comply with this covenant.

Insurance

(a) The University, at the direction of the Board, is required to secure and maintain or cause to be secured and maintained at the University's cost and expense:

(i) A policy or policies covering the Facilities against loss or damage by fire, lightning, earthquake, collapse, vandalism and malicious mischief, flood and storm surge, and against such other perils as are included in so-called "extended coverage" and against such other insurable perils as, under good insurance practice, from time to time are insured for properties of similar character and location, which insurance will be required to be not less than the full replacement cost of the Facilities, without deduction for depreciation. In the event that the Facilities shall not be repaired or replaced, insurance proceeds will be no greater than the actual cash value (replacement cost less depreciation) of the Facilities at the time of the loss. The policy will be required to be adjusted to comply with any applicable co-insurance provisions of such insurance policy. Full payment of insurance proceeds shall not be contingent

on the degree of damage sustained at other facilities leased by the Board. The policy or policies covering such loss must explicitly waive any co-insurance penalty.

(ii) A policy of comprehensive public liability insurance with respect to the Facilities and the operations related thereto, whether conducted on or off the Facilities, against liability for personal injury (including bodily injury and death) and property damage, of not less than \$2,000,000 in combined single limit liability coverage. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability, water damage legal liability, motor vehicle liability for all owned and non-owned vehicles, including rented or leased vehicles.

(iii) Boiler and machinery insurance coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus, but only if steam boilers, pressure vessels or similar apparatus are installed on the Facilities, in an amount not less than \$5,000,000 with deductible provisions not exceeding \$100,000 per accident.

(iv) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State, or any act hereafter enacted as an amendment thereto or in lieu thereof, such worker's compensation insurance to cover all persons employed by the Corporation in connection with the Facilities and to cover full liability for compensation under any such act aforesaid.

(b) The Corporation shall cause all of the construction professionals to secure and maintain:

- (i) Comprehensive or Commercial General Liability insurance;
- (ii) Errors and Omissions insurance;
- (iii) Automobile Liability insurance;
- (iv) Worker's Compensation insurance;
- (v) an all Risk Builder's Policy upon the construction of the Facilities; and
- (vi) boiler and machinery or additional property insurance;

all as required by the terms of any construction contracts entered into with regards to the demolition of certain existing facilities and the renovation, development and construction of the Facilities.

All insurance required in the Facilities Lease and all renewals of such insurance (excepting self insurance or commercial insurance through ORM) are required to be issued by commercial insurers authorized to transact business in the State, and rated at least A- by Best's Insurance Reports (property liability) or in the two highest rating categories of S&P and Moody's. All insurance policies provided or caused to be provided by the Corporation are required to expressly provide that the policies shall not be canceled or altered without thirty (30) days prior written notice to the University and the Trustee; and will, to the extent obtainable, be required to provide that no act or omission of the Corporation or other provider of insurance that would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained.

All policies of liability insurance that the University is obligated to maintain according to the Facilities Lease (other than any policy of worker's compensation insurance) are required to name the Corporation, the Trustee, and such other Persons or firms as the Board specifies from time to time as additional insureds and will be required to expressly provide that the policies shall not be cancelled or altered without thirty (30) days' prior written notice to the Corporation and the Trustee and will, to the extent obtainable, be required to provide that no act or omission of the University that would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained. All public liability, property damage liability, and casualty policies maintained by the University will be required to be written as primary policies.

Proceeds of insurance received and/or the amount of any loss that is self-insured through ORM with respect to destruction of or damage to any portion of the Facilities by fire, earthquake, or other casualty or event will be required to be paid to the Trustee for application in accordance with the provisions of the Facilities Lease and the Indenture.

The Corporation will certify annually to the Bond Insurer, if any, that all insurance policies required by the Facilities Lease are as of the date of such certification in place and in effect.

Condemnation, Casualty, and Other Damage

The risk of loss or decrease in the enjoyment and beneficial use of the Facilities due to any damage or destruction thereof by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion or otherwise (collectively "*Casualty*") or in consequence of any foreclosures, attachments, levies or executions; or the taking of all or any portion of the Facilities by condemnation, expropriation, or eminent domain proceedings (collectively "*Expropriation*") is expressly assumed by the Board. The Corporation and the Trustee will in no event be answerable, accountable or liable therefor, nor shall any of the foregoing events entitle the Board to any abatements, set-offs or counter claims with respect to its Base Rental, Additional Rental or any other obligation hereunder.

Application of Insurance Proceeds: Condemnation Award

If, during construction, all or any portion of the Facilities shall be damaged or destroyed by a Casualty, or shall be taken by Expropriation proceedings, the Board will be required to instruct the Corporation, as expeditiously as possible, to continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof; provided however, that the Corporation will in no way be liable for any costs of the repair, restoration, or replacement of the Facilities in excess of the proceeds of any insurance or of any Expropriation award received because of such Casualty or Expropriation. Following the completion of construction and acceptance of the Facilities by the Board on behalf of the Corporation, the Board will be required, as expeditiously as possible, to continuously and diligently prosecute or cause to be prosecuted, the repair, restoration, or replacement thereof. The proceeds of any insurance, including the proceeds of any self-insurance through ORM, or of any Expropriation award or payment in lieu of Expropriation, received on account of any damage, destruction, or taking of all or any portion of the Facilities will be required to be delivered to the Trustee and held by the Trustee in a special account to be established upon receipt of any such funds and held by the Trustee in trust (or in the case of self insurance through ORM, as set forth in the third succeeding paragraph below), and will be made available for, and to the extent necessary be applied to, such restoration, repair, and replacement. Any amounts so held by the Trustee will be required to be disbursed to pay the costs of restoration, replacement, and repair of the Facilities with respect to which they shall be held, in each case promptly after receipt of a written request of the Corporation stating that the amount to be disbursed pursuant to such request will be used to pay costs of replacing, repairing, or restoring the Facilities and that no amount previously shall have been disbursed by the Trustee for payment of the costs to be so paid. In making such payments, the Trustee will be permitted to rely conclusively upon such written requests and will have no liability or responsibility to investigate any matter stated therein or for any inaccuracy or misstatement therein. In no event will the Trustee be responsible for the adequacy of the plans and specifications or construction contract relating to the replacement, restoration, or repair of the Facilities or for the improper use of moneys properly disbursed pursuant to request made under the Facilities Lease. Any proceeds remaining on deposit with Trustee following completion of the repairs, restoration, or replacement of the Facilities will be required to be paid by Trustee in accordance with the terms of the Indenture.

In the event the proceeds of any insurance, and any additional funds deposited with the Trustee, are insufficient to fully repair, restore, or replace the Facilities, the proceeds shall be paid to the Trustee and used to redeem the outstanding Bonds.

Notwithstanding the foregoing, the Corporation's obligation to replace the Facilities in the event of Expropriation Proceedings will be dependent on the Board's entering into a lease with a different portion of the campus of the University as provided in the Ground Lease. In the event it shall be necessary to restore or replace the Facilities in a different location because of the Expropriation of all or a portion of the Facilities, the Corporation and the Board will agree to amend or enter into a new Facilities Lease and Ground Lease in accordance with the Ground Lease. In the event the Board, pursuant to the Ground Lease, shall decide not to repair, restore or replace the Facilities for any reason, all insurance proceeds received or payable as a result of such Casualty, or all proceeds received or payable as a result of Expropriation proceedings (including payments received or payable in lieu of Expropriation) will be required to be paid to the Board for immediate delivery to the Trustee and applied to the

prepayment of the Bonds in accordance with the terms of the Indenture, and the Facilities Lease and the Ground Lease will terminate.

In the event that ORM insures the Facilities, the Board will be required to use the insurance proceeds received from ORM in accordance with the policies and procedures of ORM (requiring invoices to be submitted to ORM for payment to vendors, or alternatively, production of invoices paid by the Board to ORM for reimbursement of vendor payments) to effect the repair, restoration, or replacement of the Facilities

Default by the Board

If (i) the Board shall fail to deposit with the Trustee any Base Rental payment required to be so deposited pursuant to the Facilities Lease by the close of business on the day such deposit is required pursuant to the Facilities Lease, and shall fail to remedy such breach within five (5) days thereof, but in no event later than the date on which such payment is required to enable the Corporation to make payment on the Series 2010 Bonds (without use of moneys held in the Debt Service Reserve Fund), or (ii) the Board shall fail to pay or discharge any monetary obligation under the Lease (other than the payment of Base Rental) as and when due, or within thirty (30) days after receipt of Notice from the Corporation that such sums are due and owing; or (iii) the Board shall breach any non-monetary terms, covenants, or conditions therein, and shall fail to remedy any such breach with all reasonable dispatch within a reasonable period of time (or such longer period as the Trustee may approve) after written notice thereof from the Corporation to the Board, then and in any such event the Board will be deemed to be in default under the Facilities Lease, and the Corporation will have the right, at its option, without any further demand or notice to terminate the Facilities Lease on the earliest date permitted by law or on any later date specified in any Notice given to the Board in which case the Board's right to possession of the Facilities will cease, and the Facilities Lease will be terminated, without, however, waiving the Corporation's right to collect all Rental and other payments due or owing for the period up to the time the Corporation regains possession (and which have been appropriated for payment to the Corporation under the Facilities Lease, but not paid by the Board), and to enforce other obligations of the Board that survive termination of the Facilities Lease, and in such event the Corporation may without any further demand or notice re-enter the Facilities and eject all parties in possession thereof, subject to the rights of students, faculty, staff, and Permitted Sublessees. The foregoing remedies of the Corporation are in addition to and not exclusive of any other remedy of the Corporation. Any such re-entry will be required to be allowed by the Board without hindrance, and the Corporation will not be liable in damages for any such re-entry or be guilty of trespass. The Corporation will agree that upon its termination of the Board's right to possession of the Facilities or termination of the Facilities Lease, the Corporation upon its re-entry of the Facilities will only be allowed to use the Facilities for the Permitted Use and will be subject to all applicable Governmental Regulations heretofore or hereafter enacted by any Governmental Authority relating to the use and operation of the Facilities.

Notwithstanding any other provision of the Facilities Lease, (i) in no event will the Corporation have the right to accelerate the payment of any Base Rental payment under the Facilities Lease, and (ii) the Bond Insurer will have ninety (90) days to cure an Event of Default thereunder.

Notwithstanding anything contained in the Facilities Lease to the contrary, a failure by the Board to pay when due any payment required to be made under the Facilities Lease or a failure by the Board to observe and perform any covenant, condition, or agreement on its part to be observed or performed under the Facilities Lease, resulting from a failure by the Board to designate moneys will not constitute an Event of Default thereunder, and the Corporation will not have any of the remedial rights set forth in the Facilities Lease. Notwithstanding the foregoing, in such event, the Facilities Lease will terminate and the University will be required to vacate the Facilities immediately and deliver the Facilities to the Corporation.

Cumulative Remedies

Each right and remedy provided for in the Facilities Lease shall be cumulative and shall be in addition to every other right or remedy provided for in the Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Corporation of any one or more of the rights or remedies provided for in the Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by the Corporation of any or all other rights or remedies provided for in the Facilities Lease or now or after the Commence-

ment Date existing at law or in equity or by statute or otherwise. All costs incurred by the Corporation in collecting any amounts and damages owing by the Board pursuant to the provisions of the Facilities Lease or to enforce any provision of the Facilities Lease, including reasonable Litigation Expenses from the date any such matter is turned over to an attorney, whether or not one or more actions are commenced by the Corporation, will also be recoverable by the Corporation from the Board. The waiver by the Corporation of any breach by the Board and the waiver by the Board of any breach by the Corporation of any term, covenant, or condition of the Facilities Lease will not operate as a waiver of any subsequent breach of the same or any other term, covenant, or condition thereof.

LITIGATION

The Issuer

There is no litigation now pending or threatened against the Issuer, of which the Issuer has knowledge, that restrains or enjoins the issuance or delivery of the Series 2010 Bonds or questions or affects the validity of the Series 2010 Bonds or the proceedings and authority under which they are to be issued. To the Issuer's knowledge, neither the creation, organization, or existence of the Issuer, nor the title of the present members or other officers of the Issuer to their respective offices, is being contested or questioned. There is no litigation now pending or threatened against the Issuer, of which the Issuer has knowledge, that in any manner questions the right of the Issuer to enter into the Indenture or the Loan Agreement to secure the Series 2010 Bonds in the manner provided in the Indenture.

The Corporation

There is no litigation now pending or threatened against the Corporation, of which the Corporation has knowledge, that in any manner questions the right of the Corporation to enter into or perform its obligations under the Loan Agreement or the Mortgage or that individually or in the aggregate would adversely affect the operations of the Corporation, financial or otherwise.

CONFLICTS OF INTEREST; RELATIONSHIPS

Stephen M. Smith is a member of the Board of Directors of the Corporation and is also Vice President of Administration and Finance of the University. Joseph Morris is the Executive director of the Corporation and is also an Associate Professor at the University.

Regions Bank, an Alabama banking corporation is serving as Trustee under the Indenture. Morgan Keegan & Company, Inc., the Underwriter, is a wholly-owned subsidiary of Regions Financial Corporation.

TAX EXEMPTION

General

In the opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Baton Rouge, Louisiana, Bond Counsel, subject to the discussion below, interest on the Series 2010A Bonds (and original issue discount treated as interest (see discussion below)) is excludable from gross income for federal income tax purposes under existing statutes, regulations, published rulings, and judicial decisions. Interest on Series 2010A Bonds (and original issue discount treated as interest) will not be an item of tax preference for purposes of the federal alternative minimum tax on individuals and corporations.

The Internal Revenue Code of 1986, as amended (the "*Code*") imposes a number of requirements that must be satisfied for interest on state and local obligations to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of certain bond proceeds be paid periodically to the United States government, except under certain circumstances, and a requirement that information reports be filed with the Internal Revenue Service.

In rendering the foregoing opinions, Bond Counsel will assume continuing compliance by the Corporation with the provisions of the Indenture and the Loan Agreement by the Issuer and the Corporation subsequent to the

issuance of the Series 2010A Bonds which affect the exclusion from gross income of all amounts treated as interest on the Series 2010A Bonds. In addition, Bond Counsel will rely upon certain representations and certifications of the Corporation made in certificates dated the date of initial delivery of the Series 2010A Bonds pertaining to the use, expenditure and investment of the proceeds of the Series 2010A Bonds. These representations relate to matters that are solely within the knowledge of the Corporation, which Bond Counsel has not verified. The Indenture and the Loan Agreement contain certain covenants by the Issuer and the Corporation with respect to, among other matters, the above requirements. Failure of the Corporation to comply with any of the covenants may result in interest on the Series 2010A Bonds being included in the gross income of the owners thereof from the date of issue of the Series 2010A Bonds.

Prospective purchasers of the Series 2010A Bonds should be aware that ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred to continued indebtedness to purchase or carry tax-exempt obligations. In addition, certain foreign corporations doing business in the United States may be subject to the “branch profits tax” on their effectively connected earnings and profits including tax-exempt interest such as interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences.

Alternative Minimum Tax Considerations

As stated above, interest on the Series 2010A Bonds will not be an item of tax preference for purposes of computing the federal alternative minimum tax on individuals and corporations. In addition, interest on the Series 2010A Bonds will not result in an adjustment to a corporation’s adjusted current earnings for purposes of determining the corporation’s alternative minimum taxable income.

Original Issue Premium and Discount

Certain maturities of the Series 2010 Bonds (the “**Premium Bonds**”) may be offered and sold to the public at a price in excess of their stated principal amounts. Such excess is characterized as a “bond premium.” For federal income tax purposes, bond premium on the Premium Bonds must be amortized by an investor purchasing a Premium Bond on a constant yield basis over the remaining term of the Premium Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium related to a tax-exempt bond for federal income tax purposes.

Certain maturities of the Series 2010 Bonds may be offered and sold at an original issue discount (the “**OID Bonds**”). The difference between the initial public offering price of the OID Bonds (as set forth on the front cover hereon) and their stated principal amount payable at maturity constitutes original issue discount treated as interest. OID on the OID Bonds is treated as interest that is excluded from gross income for federal income tax purposes and which is exempt from all taxation in the State subject to the caveats and provisions described above.

In the case of an owner of an OID Bond, the amount of original issue discount which is treated as having accrued with respect to such OID Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such OID Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such an OID Bond which are attributable to accrued original issue discount will be treated as interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual OID Bond, on days which are determined by reference to the maturity date of such OID Bond. The amount treated as original discount on such OID Bond for a particular semiannual period is equal to (i) the product of (a) the yield to maturity for such OID Bond and (b) the amount which would have been the tax basis of such OID Bond at the beginning of the particular semiannual period if held by the original purchaser, (ii) less the amount of any payments on such OID Bond during the semiannual period. The tax basis is determined by adding to the initial public offering price on such OID Bond the sum of the amounts which would have been treated as original issue discount for such purposes during all prior periods. If such an OID Bond is sold between compounding dates, original issue discount which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Investors who purchase an OID Bond should consult their own tax advisors with respect to the determination for federal income tax purposes of original issue discount accrued with respect to such OID Bonds as of any date, with respect to the accrual of original issue discount for such OID Bonds purchased on the secondary markets and with respect to the state and local tax consequences of owning such OID Bonds.

Louisiana Taxes

In the opinion of Bond Counsel and in accordance with the Act, the Series 2010 Bonds together with interest thereof, income therefrom, and gain upon the sale thereof are exempt from all State taxes and local taxes.

Qualified Tax-Exempt Obligations (Bank Deductibility)

Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a "financial institution", on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible by such taxpayer in determining taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer which is a "financial institution" allocable to tax-exempt obligations, other than "private activity bonds", which are designated by an issuer as "qualified tax-exempt obligations". Section 265(b)(5) of the Code defines the term "financial institution" as referring to any corporation described in Section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person's trade or business which is subject to federal or state supervision as a financial institution.

The Series 2010A Bonds will be designated by the Issuer as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, as amended by the American Recovery and Reinvestment Tax Act of 2009 of the United States Congress.

No Other Opinions

Except as stated above, Bond Counsel expresses no other opinions with respect to any tax consequences resulting from the ownership of, receipt of interest on, or disposition of the Series 2010 Bonds.

UNDERWRITING

The Issuer is offering the Series 2010 Bonds through Morgan Keegan & Company, Inc., New Orleans, Louisiana (the "*Underwriter*"), pursuant to a Bond Purchase Agreement. The obligation of the Underwriter to sell the Series 2010 Bonds will be subject to various conditions contained in the Bond Purchase Agreement.

The Underwriter is purchasing the Series 2010 Bonds and intends to offer the Series 2010 Bonds to the original purchasers thereof at the offering prices set forth on the cover page of this Official Statement, which offering prices may subsequently be changed without any requirement of prior notice. The Underwriter will purchase the Series 2010 Bonds at an aggregate price equal to \$31,018,750.00. The Underwriter has reserved the right to permit other securities dealers who are members of the National Association of Securities Dealers, Inc. to assist in selling the Series 2010 Bonds. The Underwriter may offer and sell Series 2010 Bonds to certain dealers at prices lower than the public offering price or otherwise allow concessions to such dealers who may re-allow concessions to other dealers. Any discounts and/or commissions that may be received by such dealers in connection with the sale of the Series 2010 Bonds will be deducted from the Underwriter's discount.

The Corporation will agree to indemnify the Underwriter against certain civil liabilities, including certain liabilities under federal securities law. Under existing statutes, regulations and court decisions, the enforceability of such an agreement to indemnify is uncertain.

Regions Bank, an Alabama banking corporation is serving as Trustee under the Indenture. Morgan Keegan & Company, Inc., the Underwriter is also a wholly-owned subsidiary of Regions Financial Corporation.

RATING OF THE SERIES 2010 BONDS

Moody's Investors Service, Inc. ("**Moody's**") is expected to assign the Series 2010 Bonds the rating of "Aa3" (negative outlook), with the understanding that upon delivery of the Series 2010 Bonds, a municipal bond insurance policy will be issued by the Bond Insurer. Further, Moody's has assigned an underlying rating of "A3" (stable outlook) to the Series 2010 Bonds. An explanation of the significance of such rating may be obtained from Moody's. Such rating reflects only the view of Moody's, and neither the Issuer, the University, the Bond Insurer, nor the Underwriter makes any representation as to the appropriateness thereof.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely, if in the judgment of Moody's, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2010 Bonds.

LEGAL MATTERS

All legal matters incidental to the authorization and issuance of the Series 2010 Bonds will be subject to the approving opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Baton Rouge, Louisiana, Bond Counsel, the form of which is included as **APPENDIX D** hereto. Certain legal matters will be passed on for the Issuer by its counsel, Casten & Pearce, A.P.L.C., Shreveport, Louisiana, for the Corporation by its counsel, Seale & Ross, P.L.C., Hammond, Louisiana, and for the Underwriter by its counsel, McGlinchey Stafford PLLC, Baton Rouge, Louisiana.

Bond Counsel has been employed primarily for the purpose of preparing certain legal documents and supporting certificates, reviewing the transcript of proceedings by which the Series 2010 Bonds have been authorized to be issued, and rendering opinions in conventional form as to the validity and legality of the Series 2010 Bonds and to the exemption of interest on the Series 2010 Bonds from income taxation by the United States of America and the State of Louisiana. While Bond Counsel has assisted in the preparation of this Official Statement and is of the opinion that the statements made herein under the headings "**SUMMARY STATEMENT, - The Series 2010 Bonds,**" "**THE SERIES 2010 BONDS,**" "**TAX EXEMPTION,**" "**LEGAL MATTERS**" and "**FORM OF PRINCIPAL FINANCING DOCUMENTS**" in **APPENDIX C** hereto fairly summarize the matters there referred to, such counsel has not been requested to check or verify, has not checked or verified, and will express no opinion with respect to the accuracy, completeness, or fairness of any other information contained in this Official Statement (other than the form of legal opinion set forth in **APPENDIX D**).

None of the legal counsel referenced in this Official Statement has (a) participated in the underwriting of the Series 2010 Bonds, (b) provided any advice regarding the creditworthiness of the Series 2010 Bonds or (c) assisted in determining the value of the collateral for the Series 2010 Bonds upon the occurrence of an event of default. Legal counsel have solely and exclusively opined to those matters which are expressly set forth in their opinions which are attached hereto or which have been delivered in connection herewith and no holder of a Series 2010 Bond shall be authorized or entitled to infer that such legal counsel have rendered opinions beyond those stated in their written opinions or to rely on the participation of counsel in this transaction. Except for negligent errors in their express written opinions, legal counsel shall have no obligations to holders of the Series 2010 Bonds and holders of the Series 2010 Bonds must not rely either expressly or implicitly upon such counsel in determining whether the Series 2010 Bonds represent suitable investments or otherwise meet their creditworthiness and risk tolerance standards.

CONTINUING DISCLOSURE

The Board will agree to provide such information as may be required by the provisions of the Rule, and neither the Corporation, the Trustee, the University, nor the Issuer will undertake any responsibility with respect to continuing disclosure under the Rule.

The Issuer has determined that no financial or operating data concerning the Issuer is material to an evaluation of the offering of the Series 2010 Bonds or to any decisions to purchase, hold or sell the Bonds, and the Issuer will not provide any such information. The Board has undertaken all responsibilities for any continuing disclosure to Owners

of the Series 2010 Bonds as described below, and the Authority will have no liability to the Owners of the Series 2010 Bonds or any other person with respect to such disclosures.

The Board will covenant, pursuant to a Continuing Disclosure Certificate, for the benefit of Bondowners to provide, or cause its Dissemination Agent to provide, certain financial information and operating data relating to the Board by not later than December 31 in each year commencing December 31, 2010, (the “*Annual Report*”), and to provide notices of the occurrence of certain enumerated events, if deemed by the Issuer to be material (the “*Undertaking*”). The Annual Report will be filed by the Board with the internet-based portal referred to as the Electronic Municipal Market Access system (“*EMMA*”) operated by the Municipal Securities Rulemaking Board (the “*MSRB*”) and the State information depository, if any, and in the case of notice of certain material events, to EMMA and the MSRB pursuant to the requirements of Section (b)(5) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, §240. 15c2-12 (the “*Rule*”). The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in their respective captions in “**APPENDIX F – FORM OF CONTINUING DISCLOSURE CERTIFICATE.**” The covenants have been made in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

The Board failed to comply with its prior undertakings due December 31, 2007 and December 31, 2008 and was late filing its annual report and annual financial statements for the Fiscal Year ended June 30, 2009 (due December 31, 2009) in connection with previous bond issues. The Board is implementing internal and external procedures to insure timely compliance with its undertakings in the future.

Additional Information

The Board will not be obligated to provide additional or more frequent information than is described above. The Board may, however, elect to disseminate other information, using the means of dissemination described above or any other means of communication, or include other information in any annual financial information or event disclosure in addition to that required by the Loan Agreement.

Failure to Comply

UNDER NO CIRCUMSTANCES WILL THE BOARD BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY SERIES 2010 BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE BOARD WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT DESCRIBED UNDER THIS HEADING, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH WILL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the Board in observing or performing its obligations described under this heading will comprise a breach of or default under the Loan Agreement for purposes of any other provision thereof.

FINANCIAL ADVISOR TO THE UNIVERSITY

Sisung Securities Corporation serves as independent financial advisor (the “*Financial Advisor*”) to the University in connection with the issuance of the Series 2010 Bonds. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the University to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information. The Financial Advisor may receive additional compensation in conjunction with the investment of certain bond proceeds.

MISCELLANEOUS

The information set forth herein relating to the Corporation has been furnished by the Corporation.

The information set forth herein regarding the University has been furnished by the University.

The Issuer has furnished only the information included herein under the headings, "THE ISSUER," and "LITIGATION - The Issuer."

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as a contract with the owners of the Series 2010 Bonds.

The Corporation has duly authorized the execution, delivery, and distribution of this Official Statement in connection with the offering of the Series 2010 Bonds.

UNIVERSITY FACILITIES, INC.



By: /s/ Phil K. Livingston
Phil K. Livingston, President

APPENDIX A

DEMOGRAPHIC AND SUMMARY INFORMATION CONCERNING THE UNIVERSITY

THE UNIVERSITY

Southeastern Louisiana University (the “*University*”) is located in Hammond, Louisiana, the heart of Louisiana’s “Florida Parishes.” Hammond is located at the intersection of Interstate Highways 55 and 12, approximately 60 miles north of New Orleans, Louisiana’s largest city, and 40 miles east of Baton Rouge, the state’s capital. The University has a current enrollment of approximately 15,351 students with a faculty and staff population of 1,434.

HISTORY OF THE UNIVERSITY

The University began as a grass roots movement by the people of Hammond and the surrounding area, who recognized the need for an institution of higher education in order to further the educational, economic, and cultural development of southeast Louisiana. What began as a junior college supported by local taxes has developed into a major university as the University has grown to meet the evolving needs of southeast Louisiana and the Florida parishes.

On July 7, 1925, the voters overwhelmingly approved a bond issue that created Hammond Junior College. Operated under the auspices of the Tangipahoa Parish School Board, President Linus A. Sims opened the doors on September 14, 1925 with a faculty of three women, two men and forty students. The two-year coeducational institution offered basic undergraduate work in arts and sciences that culminated in a teaching certificate.

Rapidly increasing enrollments quickly forced the college out of its two rooms in Hammond High School. In 1927, voters supported the purchase of the Hunter Leake estate on Hammond’s north end. In 1928 Hammond Junior College became Southeastern Louisiana College, formally adopted into the state educational system under the control of the State Board of Education. The purchase of sixty acres adjoining the original fifteen-acre plot provided the space to develop a suitable campus, and in 1934, a state bond issue provided for the construction of McGehee Hall and a gymnasium.

In 1937, the State Board of Education authorized curricula for four-year programs in liberal arts, teacher education, business administration, music, social sciences, and physical education. The first baccalaureate degrees were conferred in May, 1939.

Voter approval of Act No. 388 in 1938, an amendment to the 1920 Louisiana Constitution, granted Southeastern Louisiana College the same legal status as other four-year colleges. The amendment did not, however, require the state to fund the University at the level of other institutions of higher education, despite strong local support.

On January 18, 1946, the State Board made available funds to purchase seven city blocks east and west of the campus, and 275 acres of land north and northwest of the campus, increasing the University’s total area to approximately 365 acres.

On March 3, 1946, the University was formally approved and accepted into full membership in the Southern Association of Colleges and Schools (SACS), as a four-year degree-granting institution.

In 1960, the State Board authorized the University to offer master’s degrees through the newly-formed Division of Graduate Studies. The University began awarding the Education Specialist degree in 1967. Governor John J. McKeithen on June 16, 1970 signed into law the legislative act turning Southeastern Louisiana College into Southeastern Louisiana University. The early 1970’s also saw the construction of D. Vickers, the Athletics Building, and the C.E. Cate Teacher Education Building.

In October of 1986, a group of faculty members launched Fanfare, a festival celebrating the arts, humanities and sciences. Since then, Fanfare has become an acclaimed month long event, drawing nationally and internationally recognized artists and providing recognition for those closer to home. In addition to providing entertainment for the North Shore, Fanfare has an educational outreach program that works closely with local schools. In October of 2005, Fanfare proudly celebrated its 20th anniversary.

The University's enrollment, continually increasing since its inception, reached an important milestone in 1997, registering over fifteen thousand students for the fall semester. Since 1925 the University has conferred over fifty thousand degrees.

As the University celebrated its 75th anniversary in 2000, the Fall semester marked an exciting change as the University implemented screened admissions standards for the first time. Also during the 2000-2001 academic year, the Village, Fayard Hall and the Claude B. Pennington, Jr. Student Activity Center were completed.

In May of 2001, the University received full approval from the Board of Regents for its first new graduate degree program in more than a decade, a MS in Integrated Science and Technology. Since then, Southeastern received approval for seven additional masters-level programs: MA in Organizational Communications, MS in Applied Sociology, BS in Athletic Training, BS in Health Education & Promotion, BS in Health Studies, BS in Occupational Health, Safety & Environment, and Master of Arts in Teaching. In 2006, the University was given approval to offer its first doctoral level program, a doctorate in educational leadership designed to prepare a new generation of school principals, district superintendents, and other administrators. The program is offered in consortium with the University of Louisiana at Lafayette.

During the Fall of 2003, the University hit a record enrollment of 15,662 students. Fall, 2003 also saw the return of football to Strawberry Stadium. The Lions completed the season 5-7.

During the Fall of 2004, the University began implementing portions of the Board of Regents Master Plan admissions criteria, a full year ahead of schedule and before any other schools in the state. In the Fall of 2005, the University began its first year under the full Board of Regents Master Plan admissions criterion.

On August 29, 2005, just six days into the semester, Hurricane Katrina hit southeast Louisiana, devastating the parishes of St. Bernard, Orleans, Jefferson, Plaquemines, and St. Tammany, as well as the Mississippi Gulf Coast. Southeastern fared well and suffered no major structural damages (although the University campus did lose many trees). After the storm, Southeastern was able to play an instrumental role in the relief effort by providing housing for the National Guard, disaster relief teams from across the country, and utility workers. The University also provided housing for its displaced faculty, staff, and students as it re-opened its doors on September 6, 2005. In addition, the University re-opened enrollment and provided housing for many displaced students from other universities and community colleges in the disaster area; this also included the hiring of several displaced faculty from these institutions. By the 14th class day, in spite of Katrina, the University had again enrolled a record breaking number of students, 16,068.

Since 1925, many dedicated individuals have led the University from a junior college to the vibrant university it is today. Those individuals are: Linus A. Sims, Yves Leon Fontenot, J. Leon Clark, George W. Bond, Gladney Jack Tinsley, Luther Dyson, Clark LeBlanc Barrow, J.B. Wooley, Clea Parker, J. Larry Crain, G. Warren Smith, Sally Clausen, Randy Moffett, and John Crain.

ORGANIZATION AND ADMINISTRATION

The University is governed by the Board of Supervisors for the University of Louisiana System (the "**Board**"). The Board determines broad administrative and educational policies for the institutions under its management and control.

The administrative officers of the University are responsible for its operation and maintenance in accordance with the rules and policies established by the Board. The following are brief resumes of the principal administrators of the University:

Dr. John L. Crain was named President of Southeastern Louisiana University on February 17, 2009 by the Board of Supervisors of the University of Louisiana System, after serving as Interim President since July 2008.

Crain served as Provost and Vice President for Academic Affairs for seven years prior to his appointment as President. His 23 years of experience on the Hammond campus includes head of the Department of Accounting, chair of the Council of Department Heads, president of the Faculty Senate, director of the Small Business Development Center, and 13 years as a full-time member of the accounting faculty.

An alumnus of the University, Crain headed the University's Accounting Department from 1999-2001. As department chair, he led efforts to reaffirm the department's accreditation by the Association to Advance Collegiate Schools of Business.

Crain is a native of Franklinton and 1978 graduate of Franklinton High School. He received a Bachelor of Science degree in accounting from the University in 1981 and Master of Business Administration in 1984. He attained Certified Public Accountant status in 1983. He received his doctoral degree in accountancy from the University of Mississippi in 1988.

Crain's scholarly accomplishments include publication of more than 50 refereed journal articles and presentations at academic conferences. He was the 1992 recipient of the University's highest faculty award, the President's Award for Excellence in Research. He was a member of the Louisiana Blue Ribbon Commission on Educational Excellence, the Louisiana Board of Regents Master Plan National Advisory Panel Workgroup on Retention and Completion, and chair of the Accounting Education Issues Committee of the Society of Louisiana CPAs.

He is a member of numerous professional, civic and academic organizations, currently serving on the Boards of the Lake Pontchartrain Basin Maritime Museum, the North Shore Business Council, GNO, Inc., and the Committee of 100 for Economic Development. He previously served on the Board of the Louisiana Children's Discovery Museum from 2006 to 2009. He is a member of the Hammond Rotary Club.

Dr. Tammy Bourg served in an interim capacity as Provost and Vice President of Academic Affairs at Southeastern Louisiana University since June 2008, and was named permanently to the position following a nationwide search in 2010. Dr. Bourg served as dean of the Southeastern College of Arts and Sciences from 2003 to 2005 and as dean of the new College of Arts, Humanities and Social Sciences from 2005-2008. She also served on the psychology faculty at California State University, Sacramento, for 17 years, and headed its Department of Psychology during her last four years there. In 1992 and 1993, she was a visiting scholar at the Center for Research in Learning, Perception, and Cognition at the University of Minnesota. Dr. Bourg holds a doctorate and master's degree in psychology, with a specialization in child development, from the University of Houston and an undergraduate degree in psychology from the University of New Orleans.

Stephen Smith has been serving as Vice President of Administration and Finance at Southeastern Louisiana University since December, 1990. Mr. Smith has more than 32 years in managerial positions of ever-increasing scope and responsibility. He has a proven track record of success in fiscal management, budgeting administration, support services, information processing, and other related areas. He began his career at Southeastern in 1977 and has served in various roles since including Controller, Assistant Vice President of Finance and Controller, and, currently, Vice President of Administration and Finance. Prior to joining Southeastern, he worked as a staff auditor for private accounting firms in Louisiana. He has an earned Bachelor of Science in Accounting and a Master of Business Administration both from Southeastern. He received his license to practice as a Certified Public Accountant in 1980 and is a member of the American Institute of CPAs.

ACCREDITATION

The University is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award Associate, Baccalaureate, Master's, and Doctoral degrees. The University is a Level V institution.

The University's role, mission, and scope statement addresses the role of the University as a regional university and describes the variety of degree programs the University is authorized to award. The University focuses on providing relevant and current instruction through credit and non-credit offerings as well as learning experiences beyond the traditional classroom. In addition, service to the region (particularly through partnerships with others) and the scope of appropriate research are addressed as important aspects to the University's mission.

The University is a member of and is fully accredited by the:

- Accreditation Board for Engineering and Technology (B.S. in Computer Science)
- American Association of Family and Consumer Sciences (B.S. in Family & Consumer Science)
- American Chemical Society (B.S. in Chemistry)
- Association to Advance Collegiate Schools of Business (B.S. in Accounting, B.B.A. in Business Administration, B.S. in Finance, B.A. in Marketing, B.A. in Management, M.B.A., B.S. In Supply Chain Management)
- Commission on Accreditation of Athletic Training Education (B.S. in Athletic Training)
- Commission on Collegiate Nursing Education (B.S. in Nursing, M.S.N. in Nursing)
- Council on Academic Accreditation in Audiology and Speech-Language Pathology (M.S. in Communication Sciences & Disorders)
- Council for Accreditation of Counseling and Related Educational Programs (M.Ed. in Counselor Education)
- Council on Social Work Education (B.A. in Social Work)
- Association of Technology, Management, and Applied Engineering (A.A.S. and B.S. in Industrial Technology)
- National Association of Schools of Music (B.M. and M.Mus. in Music, B.M.Ed. in Music Education)
- National Council for Accreditation of Teacher Education (Ed.D. in Educational Leadership; M.Ed. in Curriculum & Instruction; M.Ed. in Educational Technology Leadership; M.Ed. in Educational Leadership; M.Ed. in Counselor Education; M.Ed. and B.A. in Special Education; B.S. in Elementary Education; B.A. in Art Education; B.A. in English Education; B.S. in Mathematics Education; B.M.Ed. in Music Education; B.S. in Science Education; B.A. in Social Studies Education; B.A. in French Education; B.A. in Spanish Education; B.S. in Speech Education; B.S. in Family & Consumer Science Education; B.S. in Health & Physical Education; B.S. in Computer Science Education)
- National Association of Schools of Art and Design (B.A. in Art)

UNIVERSITY DEMOGRAPHIC INFORMATION

	<u>2010*</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Total Students	15,351	15,160	15,224	14,757	15,118	16,068	15,472
Total Hours	187,239	189,207	189,059	187,745	193,420	198,438	191,896
Students, By Class							
Freshmen	5,185	4,919	5,255	4,808	4,927	5,732	5,002
Sophomore	2,459	2,693	2,626	2,578	2,712	2,787	2,880
Junior	2,441	2,399	2,353	2,328	2,405	2,356	2,348
Senior	<u>3,865</u>	<u>3,773</u>	<u>1,641</u>	<u>3,539</u>	<u>3,508</u>	<u>3,488</u>	<u>3,434</u>
Undergraduate Total	13,950	13,784	13,875	13,253	13,552	14,363	13,664
Grad/Spec	1,401	1,376	1,349	1,504	1,566	1,705	1,808
New Students							
Undergraduate							
New Freshmen	3,074	2,998	3,320	2,950	2,744	2,330	2,387
Transfers	559	562	596	634	659	798	734
Other	<u>228</u>	<u>197</u>	<u>187</u>	<u>60</u>	<u>77</u>	<u>33</u>	<u>35</u>
Undergraduate Total	3,861	3,757	4,103	3,644	3,430	3,161	3,156
Graduate	265	288	311	349	372	323	374
Beginning Freshman ACT	22.1	21.7	21.4	21.2	21.1	21.0	21.0
Average H.S. GPA	N/A	3.019	3.076	3.003	3.093	3.065	2.993
Graduated in Top 20% of Class	N/A	23.5%	23.9%	22.4%	22.4%	22.1%	21.6%

*Preliminary

Source: Southeastern Institutional Research and Assessment

COMPOSITION OF STUDENT BODY

Fall Semester of Academic Year

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Average Age							
Undergraduate	21.9	22	21.8	22	22.4	22.7	23
Graduate	33.2	32.8	32.7	33	33.2	33.3	33.3
Undergraduates							
Males	5,799	5,312	5,269	5,370	5,148	5,476	5,246
	38%	39%	38%	36%	38%	38%	38%
Females	9,552	8,472	8,606	9,387	8,404	8,887	8,418
	62%	61%	62%	64%	62%	62%	62%
Race (Undergraduate)							
White	11,650	10,436	10,459	11,368	12,372	10,904	10,822
African American	2,577	2,381	2,407	2,515	2,364	2,630	2,217
Hispanic	407	290	314	310	279	346	206
Other	717	677	695	504	537	533	419
Federal Financial Aid (# of Students)	6,859*	7,587	6,840	6,906	6,688	8,320	8,131

*Awards through September 30, 2010. Awards are continuing to be made.

Source: Southeastern Institutional Research and Assessment

UNIVERSITY STUDENT DEMAND

All Entering Undergraduate Students	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall
	2010	2009	2008	2007	2006	2005	2004
Applications	12,084	10,745	9,884	9,401	8,540	7,354	6,987
Accept %	48.2%	51.2%	53.3%	50.4%	54.7%	60.6%	61.8%
Accepts	5,823	5,503	5,269	4,738	4,673	4,458	4,320
Capture %	83.4%	83.9%	85.2%	87.8%	84.7%	82.2%	78.1%
Enrolled in Fall	4,857	4,618	4,488	4,160	3,958	3,663	3,373
	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall
First Time Freshmen	2010	2009	2008	2007	2006	2005	2004
Applications	8,710	7,552	7,154	6,472	6,227	5,128	4,963
Accept %	49.2%	53.2%	54.9%	49.0%	56.1%	60.9%	62.7%
Accepts	4,282	4,015	3,930	3,173	3,494	3,123	3,113
Capture %	85.1%	84.9%	86.4%	87.7%	85.0%	85.3%	81.2%
Enrolled in Fall	3,643	3,408	3,395	2,782	2,970	2,664	2,527
	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall
Transfers	2010	2009	2008	2007	2006	2005	2004
Applications	2,210	2,092	1,847	2,128	1,986	1,951	1,702
Accept %	38.1%	38.4%	42.4%	42.8%	47.4%	58.0%	57.1%
Accepts	841	803	783	911	942	1,131	971
Capture %	78.7%	84.2%	84.5%	86.6%	83.9%	84.2%	82.8%
Enrolled in Fall	662	676	662	789	790	952	804
	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall	Summer/Fall
New Graduate Students	2010	2009	2008	2007	2006	2005	2004
Applications	1,348	1,293	1,196	1,150	1,168	1,319	1,186
Accept %	58.9%	61.8%	59.3%	56.3%	66.6%	61.6%	64.7%
Accepts	794	799	709	647	778	812	767
Capture %	65.4%	65.8%	75.6%	80.1%	74.9%	63.1%	60.8%
Enrolled in Fall	519	526	536	518	583	512	466

Source: Southeastern Institutional Research and Assessment

STATEWIDE GRADUATION RATES

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
ULS Schools						
Grambling State University	29.9%	37.3%	35.3%	39.8%	37.7%	35.9%
McNeese State University	37.9%	38.6%	37.3%	33.0%	35.8%	31.4%
Nicholls State University	31.9%	30.1%	29.7%	32.1%	32.1%	33.5%
Louisiana Tech University	53.2%	53.1%	52.3%	53.5%	55.0%	55.5%
University of Louisiana at Monroe	32.7%	32.8%	34.7%	32.2%	32.1%	30.2%
Northwestern Louisiana University	35.3%	33.9%	38.6%	38.1%	37.0%	35.3%
Southeastern Louisiana University	34.8%	31.2%	35.0%	32.7%	30.0%	28.8%
University of Louisiana at Lafayette	46.4%	44.3%	46.3%	45.0%	43.1%	35.6%
ULS System Graduation Rates	39.0%	38.3%	39.7%	38.9%	38.1%	35.4%

Note: The statewide graduation rate credits the initial institution for a student graduating from any state public university.

Source: Southeastern Institutional Research and Assessment

UNIVERSITY FACULTY

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Full-time Faculty	N/A	542	554	542	518	496	497
Part-time Faculty	N/A	118	155	156	181	197	233
Number Tenured**	N/A	203	196	192	167	181	164
Number with Terminal Degree**	N/A	331	336	340	384	394	382
Total:		1194	1241	1230	1250	1268	1276

** Only includes full-time faculty

Source: Southeastern Institutional Research and Assessment

TUITION AND FEES

The University meets the cost of its educational program primarily through tuition, fees, state appropriations and federal grants contracts. The following table sets forth the base tuition and fees charged each semester to full-time undergraduate students on the basis of in-state residence for the year.

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Tuition	\$1,496.50	\$1,273.00	\$1,188.00	\$1,108.00	\$1,108.00	\$1,108.00	\$1,063.60
Student Union Bond Fee	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Health Center Bond Fee	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Student Rec Building Fee	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Academic Excellence Fee	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00
Student Union Expansion/ Operations Fee	\$44.00	\$44.00	\$44.00	\$44.00	N/A	N/A	N/A
Other Fees	<u>\$303.30</u>	<u>\$339.30</u>	<u>\$297.30</u>	<u>\$297.30</u>	<u>\$322.50</u>	<u>\$281.50</u>	<u>\$202.90</u>
TOTAL	\$1,999.80	\$1,812.30	\$1,685.30	\$1,605.30	\$1,586.50	\$1,545.50	\$1,422.50
Dormitory and Meal Plan	\$3,155.00	\$3,055.00	\$2,945.00	\$2,835.00	\$2,715.00	\$2,470.00	\$1,820.00

Source: Southeastern Controller's Office

STATE APPROPRIATIONS 2004-2011

The chart shows the appropriations received by the University from the State of Louisiana annually since 2004.

FISCAL YEAR	STATE HIGHER EDUCATION TOTAL APPROPRIATION	SYSTEM APPROPRIATION	% OF STATE	UNIVERSITY APPROPRIATION	% OF SYSTEM
2010-2011+*	\$1,508,841,602	\$388,765,475	25.77%	\$63,915,964	16.00%
2009-2010++*	\$1,500,259,749	\$375,285,654	25.01%	\$63,704,975	17.00%
2008-2009	\$1,564,400,608	\$447,415,885	28.60%	\$75,839,584	17.00%
2007-2008	\$1,569,649,952	\$441,609,891	28.13%	\$74,000,335	17.00%
2006-2007	\$1,332,872,517	\$342,433,156	25.69%	\$52,794,476	15.00%
2005-2006	\$1,105,152,585	\$317,024,613	28.69%	\$46,015,098	15.00%
2004-2005	\$1,045,065,101	\$303,100,479	29.00%	\$45,694,764	15.00%

The State General Fund appropriations include the Statutory Dedication appropriations.

* These amounts contain funds directed to higher education pursuant to the American Recovery Reinvestment Act of 2009 ("ARRA"). The ARRA funds were directed to higher education to help offset lower State appropriations to higher education. ARRA funds are allocated at the State level by the Board and are not a permanent source of funding.

+These amounts provided include approximately \$289,000,000 of ARRA funds in the total higher education appropriation and \$95,309,823 of ARRA funds in the System's appropriations.

++ These amounts provided include approximately \$189,000,000 of ARRA funds in the total higher education appropriation and \$59,971,982 of ARRA funds in the System's appropriations.

Note: FY 2010-2011 Appropriations are budget, all other Fiscal Years are actual.

Source: University of Louisiana System

SOURCES OF UNRESTRICTED REVENUE

	<u>2010</u>		<u>2009</u>		<u>2008</u>		<u>2007</u>		<u>2006</u>		<u>2005</u>	
State Appropriations	\$53,482,495	40%	\$75,839,584	54%	\$74,000,335	54%	\$52,794,476	46%	\$46,015,098	43%	\$45,694,764	46%
ARRA Funds	\$10,222,480	8%	\$-	0%	\$-	0%	\$-	0%	\$-	0%	\$-	0%
Tuition and Fees	\$44,585,703	34%	\$39,644,771	28%	\$37,011,087	27%	\$37,844,957	33%	\$38,950,557	36%	\$37,529,680	37%
Auxiliary Revenue	\$17,023,671	13%	\$17,006,489	12%	\$20,602,165	15%	\$18,305,190	16%	\$17,352,890	16%	\$11,689,506	12%
Other Revenue	\$7,025,323	5%	\$7,247,037	5%	\$6,653,564	5%	\$6,384,397	6%	\$5,861,868	5%	\$5,273,348	5%

Source: Southeastern Louisiana University Budget Office

DEBT MANAGEMENT

The following is a list of the bonded indebtedness of the University and the principal amount outstanding as of October 1, 2010:

\$7, 690,000 Board of Trustees for the University of Louisiana System Revenue Bonds (Southeastern Louisiana University Student Recreation Center Project, Series 1998

Issue Date: June 30, 1998

Final Maturity: June 1, 2020

Outstanding Balance: \$4,455,000

Purpose: The Series 1998 Bonds were issued to provide funds for: (i) the planning and construction of the Student Recreation and Activity Center (the "**Recreation Center**"); (ii) the funding of a reserve fund and (iii) paying the costs of issuance for the Series 1998 Bonds.

Security: The Series 1998 Bonds are secured by: (i) all revenue generated by Pledged Student Fees; (ii) any other student fees collected and dedicated to the Recreation Center and (iii) membership fees imposed on users of the Recreation Center (other than students of the University). "Pledged Student Fees" consist of (i) a \$25 per student, per regular semester (\$12.50 for summer) dedicated to the planning, construction, staffing, equipment and operation of the Recreation Center and (ii) a \$5 per student per regular semester (\$2.50 for summer) fee to be placed in the Intramural/Recreational Sports department budget to increase the scope and range of the intramural program.

Historical Debt Coverage:

	<u>FY 2009-2010</u>	<u>FY 2008-2009</u>	<u>FY 2007-2008</u>
Pledged Revenues	\$814,339	\$806,785	\$866,320
Annual Debt Service	\$581,850	\$577,600	\$578,960
Debt Service Coverage	1.40	1.40	1.50

Source: Southeastern Controller's Office

\$60,985,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Housing/University Facilities, Inc. Project) Series 2004A
AND

\$15,000,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Housing/University Facilities, Inc. Project) Series 2004B

Issue Date: August 13, 2004

Final Maturity: **Series 2004A:** August 1, 2031
Series 2004B: August 1, 2034

Outstanding Balance: **Series 2004A:** \$58,620,000
Series 2004B: \$15,000,000

Purpose: The Series 2004 Bonds (the Series 2004A Bonds, the Series 2004B Bonds and the Series 2004C Bonds) were issued to provide funds (i) to finance the cost of (a) acquiring, constructing, furnishing and equipping two student housing facilities containing 1,514 beds, including the buildings, furniture, fixtures and equipment therefore and related facilities (the "*New Facilities*"), (b) renovating an existing student housing facility (the "*Renovated Facility*") and (c) demolishing four existing student housing facilities, all on the campus of the University, (ii) to fund the costs of marketing the New Facilities and the Renovated Facility, (iii) to provide working capital for the New Facilities and the Renovated Facility, (iv) to fund interest on the Series 2004A Bonds, the Series 2004B Bonds and the Series 2004C Bonds during construction, (v) to provide funds to repay certain indebtedness of University Facilities, Inc., (vi) to fund a Debt Service Reserve Fund, (vii) to fund a replacement fund, and (viii) to pay the costs of issuing the Series 2004 Bonds. The Series 2004C Bonds are no longer outstanding.

Security: The Series 2004A Bonds are secured by the revenues generated by an Agreement to Lease With Option to Purchase (the "*Facilities Lease*") between the Corporation and the Board. The Board is obligated to make payments under the Facilities Lease from revenues from the operation of the New Facilities and the Renovated Facility.

Historical Debt Coverage:

	Fiscal Year 6/30/10	Fiscal Year 6/30/09	Fiscal Year 6/30/08	Fiscal Year 6/30/07	Fiscal Year 6/30/06
University Auxiliary Services Revenues					
Auxiliary Services Revenue	\$7,691,242	\$7,406,893	\$7,234,350	\$6,078,602	\$6,019,540
Auxiliary Expenditures	5,655,606	5,928,431	6,072,539	5,467,125	4,963,016
<i>Pledged Funds Available from Auxiliary Revenues</i>	\$2,035,636	\$1,478,463	\$1,161,811	\$611,477	\$1,056,524
University Housing Services/University Facilities, Inc.					
Housing/UFI Revenues	\$11,204,597	\$10,722,375	\$10,483,891	\$10,379,165	\$9,215,058
Housing/UFI Expenditures	4,422,297	4,417,307	4,920,108	5,092,097	5,348,974
<i>Pledged Funds Available from Housing/UFI Revenues</i>	\$6,782,300	\$6,305,068	\$5,563,783	\$5,287,068	\$3,866,084
Total Pledged Funds Available:	\$8,817,936	\$7,783,531	\$6,725,594	\$5,898,545	\$4,922,608
Annual Debt Service	\$4,050,907	\$4,243,934	\$4,276,348	\$3,653,241	\$3,279,112
Debt Service Coverage (Housing Revenues Only)	1.67	1.49	1.3	1.45	1.18
Debt Service Coverage (Available Auxiliary/Housing)	2.18	1.83	1.57	1.61	1.5

Source: Southeastern Controller's Office

**\$5,545,000 Louisiana Local Government Environmental Facilities and Community Development Authority
Revenue Bonds (Southeastern Louisiana University Student Housing/University Facilities, Inc.
Parking Project) Series 2007A**

AND

**\$2,490,000 Louisiana Local Government Environmental Facilities and Community Development Authority
Revenue Bonds (Southeastern Louisiana University Student Housing/University Facilities, Inc.
Parking Project) Series 2007B**

Issue Date: March 14, 2007

Final Maturity: Series 2007A: February 1, 2031
Series 2007B: February 1, 2037

Outstanding Balance: Series 2007A: \$5,085,000
Series 2007B: \$330,000

Purpose: The Series 2007 Bonds (the Series 2007A Bonds and the Series 2007B Bonds) were issued to provide funds (i) to finance a portion of the cost of construction of a new intermodal parking facility located on the campus of the University, (ii) to fund a deposit to the Debt Service Reserve Fund, and (iii) to pay the costs of issuing the Series 2007 Bonds.

Security: The Series 2007 Bonds are secured by the revenues generated by the Agreement to Lease With Option to Purchase (the "*Facilities Lease*") between the Corporation and the Board. The Board is obligated to make payments under the Facilities Lease from: (i) the proceeds of a student parking fee being assessed on all students for the planning, building and maintaining of a University parking garage, in the amount of \$20 per semester (\$10 for summer) and (ii) the funds and revenues held by the University derived by its Auxiliary Enterprises and any earnings thereof from the self generated fees, rates, charges or income received by students, faculty or the public in connection with the utilization or operation of Auxiliary Enterprises after payment of any auxiliary expenses.

Historical Debt Coverage:

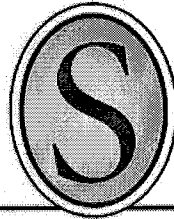
	<u>FY 2009-2010</u>	<u>FY 2008-2009</u>	<u>FY 2007-2008</u>
Pledged Revenues	\$1,390,701	\$1,237,048	\$866,320
Annual Debt Service	\$534,262	\$372,523	\$578,960
Debt Service Coverage	2.60	3.32	1.50

Source: Southeastern Controller's Office

APPENDIX B

FINANCIAL STATEMENT OF THE UNIVERSITY

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SOUTHEASTERN

L O U I S I A N A U N I V E R S I T Y

Annual Financial Statements

**for the fiscal year ended
June 30, 2010**

STATE OF LOUISIANA
COLLEGE AND UNIVERSITY SYSTEMS
END OF YEAR REPORT PACKET

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STATE OF LOUISIANA
COLLEGE AND UNIVERSITY SYSTEMS
END OF YEAR REPORT PACKET

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STATE OF LOUISIANA
Annual Financial Statement
Fiscal Year Ended June 30, 2010

Southeastern Louisiana University
SLU 10720
Hammond, LA 70402

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397


Physical Address:
1201 N. Third Street
6th Floor, Suite 130
Baton Rouge, Louisiana 70802

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Nettie L. Burchfield, Controller of Southeastern Louisiana University, who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Southeastern Louisiana University at June 30, 2010 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 1st day of September, 2010.


Signature of Agency Official


NOTARY PUBLIC

Prepared by: Nettie L. Burchfield

Title: Controller

Telephone No.: (985) 549-2088

Email address: nburchfield@selu.edu

Date: 9/1/10

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UNIVERSITY OF LOUISIANA SYSTEM
SOUTHEASTERN LOUISIANA UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

The Management's Discussion and Analysis of Southeastern Louisiana University's financial performance presents a narrative overview and analysis of Southeastern's financial activities for the year ended June 30, 2010. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with Southeastern's financial statements, which begin on page 1.

FINANCIAL HIGHLIGHTS

Southeastern Louisiana University's net assets changed from \$95,666,138 to \$91,195,058 or 4.67% from July 1, 2009 to June 30, 2010. The overall reasons for this change include a decrease in state appropriations, an increase in capital appropriations, and an increase in the Other Post Employment Benefits (OPEB) liability.

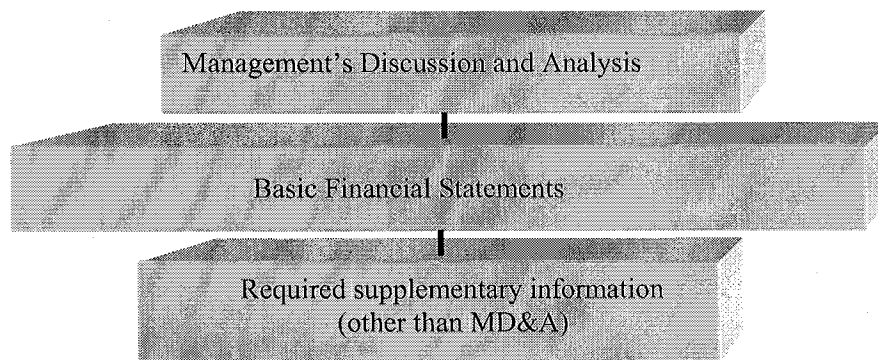
Enrollment changed from 34,029 (Summer 5,358, Fall 15,224, Spring 13,447) to 34,832 (Summer 5,555, Fall 15,160, Spring 14,117) from July 1, 2009 to June 30, 2010, a change of 2.36%. The reason for this change is attributed in large part to two specific initiatives impacting new student enrollment. The university marketed its programs and scholarship opportunities heavily in the southeast region of the state which resulted in an increased number of applications from new and transfer students. The increase in new student enrollment is also due to an increased number of "Early Start" students. Early Start is a Louisiana Board of Regents sponsored program that allows qualified high school juniors and seniors at participating schools to earn both high school and college credit for certain courses.

Southeastern Louisiana University's operating revenues changed from \$74,633,314 to \$80,375,030 or 7.69% from July 1, 2009 to June 30, 2010. Operating expenses, however, changed by 5.85% to \$165,513,312 for the year ended June 30, 2010. The changes in enrollment as discussed above, a decrease in state appropriations, and an additional increase in OPEB expenses are the primary reasons for this change.

Non-operating revenues (expenses) fluctuate depending upon levels of state operating and capital appropriations. The change to \$78,144,289 in 2010 from \$87,717,735 in 2009 is attributed to a reduction in state appropriations and an increase in federal non-operating revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

UNIVERSITY OF LOUISIANA SYSTEM
SOUTHEASTERN LOUISIANA UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

Basic Financial Statements

The basic financial statements present information for Southeastern Louisiana University as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets (SNA); the Statement of Revenues, Expenses, and Changes in Net Assets (SRECNA); and the Statement of Cash Flows.

The Statement of Net Assets (page 1) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of Southeastern Louisiana University is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets (page 2) presents information showing how Southeastern Louisiana University's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 4-5) presents information showing how Southeastern Louisiana University's cash changed as a result of current year operations. The Statement of Cash Flows is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

The financial statements provide both long-term and short-term information about Southeastern Louisiana University's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

Southeastern Louisiana University's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statement of Revenues, Expenses, and Changes in Net Assets. All assets and liabilities associated with the operation of the University are included in the Statement of Net Assets.

UNIVERSITY OF LOUISIANA SYSTEM
SOUTHEASTERN LOUISIANA UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

FINANCIAL ANALYSIS

Statement of Net Assets
as of June 30, 2010
(in thousands)

	Total	
	2010	2009
Current and other assets	\$ 85,512	\$ 80,262
Capital assets	150,461	154,129
Total assets	235,973	234,391
Other liabilities	11,380	12,934
Long-term debt outstanding	133,398	125,791
Total liabilities	144,778	138,725
Net assets:		
Invested in capital assets, net of debt	82,714	80,763
Restricted	44,526	43,514
Unrestricted	(36,045)	(28,611)
Total net assets	\$ 91,195	\$ 95,666

This schedule is prepared from Southeastern Louisiana University's Statement of Net Assets as shown on page 1, which is presented on an accrual basis of accounting. Significant SNA changes for 2010 include:

- Intangible assets are included as part of Capital Assets in compliance with Governmental Accounting Standard Board Statement 51, *Accounting and Reporting for Intangible Assets*;
- An increase in Accounts Receivable;
- A decrease in Bonds Payable; and
- An increase in the OPEB liability

Net assets invested in capital assets, net of related debt, consists of capital assets net of accumulated depreciation, reduced by the amount of outstanding indebtedness attributable to the acquisition, construction, or improvement of those assets. Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that have no limitations on how these amounts may be spent.

UNIVERSITY OF LOUISIANA SYSTEM
SOUTHEASTERN LOUISIANA UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

Statement of Revenues, Expenses, and Changes in Net Assets
(in thousands)

	2010	2009
Operating Revenues:		
Student tuition and fees, net	\$ 43,871	\$ 41,328
Grants and contracts	22,015	12,571
Sales and services of educational departments	1,032	1,124
Auxiliary enterprises, net	11,040	17,007
Other	2,418	2,603
Total operating revenues	\$ 80,376	\$ 74,633
Operating Expenses:		
Education and general:		
Instruction	\$ 65,546	\$ 70,786
Research	2,178	2,215
Public service	3,711	4,589
Academic support	13,440	15,198
Student services	10,839	11,611
Institutional support	15,340	16,676
Operations and maintenance of plant	14,795	17,527
Depreciation	7,082	7,079
Scholarships and fellowships	19,321	14,610
Auxiliary enterprises	12,579	14,286
Other operating expenses	683	1,226
Total operating expenses	165,514	175,803
Operating income (loss)	\$ (85,138)	\$ (101,170)
Nonoperating Revenues (Expenses)		
State appropriations	\$ 53,482	\$ 75,840
Gifts	778	487
Federal nonoperating revenues (expenses)	20,900	14,876
Other nonoperating revenues (expenses)	2,984	(3,485)
Net nonoperating revenues (expenses)	78,144	87,718
Income (loss) before other revenues, exp, gains, losses	\$ (6,994)	\$ (13,452)
Capital appropriations	\$ 2,223	\$ 627
Capital grants and gifts		
Additions to permanent endowments	300	700
Other additions, net		
Change in Net Assets	\$ (4,471)	\$ (12,125)
Net assets at the beginning of the year	95,666	107,791
Net assets at the end of the year	\$ 91,195	\$ 95,666

State appropriations changed from \$75.8 to \$53.4 million due to the current state of the economy. This reduction was offset by ARRA funding of \$10.3 million.

UNIVERSITY OF LOUISIANA SYSTEM
SOUTHEASTERN LOUISIANA UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2010, Southeastern Louisiana University had invested approximately \$150 million in capital assets, net of accumulated depreciation. This amount represents a net decrease (including additions and disposals, net of depreciation) of approximately \$3,668,195 or 2.38% over the previous fiscal year. More detailed information about the university's capital assets is presented in Note E to the financial statements.

**Capital Assets at Year-end
(Net of Depreciation, in thousands)**

	2010	2009
Land	\$ 1,544	\$ 1,544
Non-depreciable Land Improvements	5,829	5,829
Capitalized Collections	315	205
Construction in Progress	4,172	8,362
Land Improvements	605	644
Buildings	132,376	130,683
Equipment (Including Library Books)	5,620	6,862
Totals	\$ 150,461	\$ 154,129

The primary difference is due to a decrease in construction in progress, a decrease in equipment, and an increase in buildings.

Debt

Southeastern Louisiana University had \$83 million in bonds and notes outstanding at year-end, compared to \$87 million last year, a decrease of 4.6% as shown in the table below.

**Outstanding Debt at Year-end
(in thousands)**

	2010	2009
General Obligation Bonds	\$ -	\$ -
Revenue Bonds and Notes	83,490	87,345
Total	\$ 83,490	\$ 87,345

Southeastern Louisiana University had no new debt for the year ended June 30, 2010.

See Notes I and P for details relating to changes in and the composition of long-term liabilities and capital leases.

UNIVERSITY OF LOUISIANA SYSTEM
SOUTHEASTERN LOUISIANA UNIVERSITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The following currently known facts, decisions, or conditions are expected to have a significant effect on financial position or results of operations:

- Increase in Tuition and Fees
- Decrease in State Appropriations

CONTACTING SOUTHEASTERN LOUISIANA UNIVERSITY'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of Southeastern Louisiana University's finances and to show Southeastern's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Nettie L. Burchfield at (985) 549-2088.

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

Assets	<u>2010</u>	<u>Component Units</u>
Current Assets		
Cash and cash equivalents	\$ 22,130,706	\$
Investments	6,655,056	
Derivative instrument		
Deferred outflow of resources		
Receivables, net (Note D)	5,184,175	
Pledges receivable		
Due from Other Campuses (Note D)	83,173	
Due from State Treasury		
Due from Federal Government (Note D)	2,502,258	
Inventories	776,726	
Deferred charges and prepaid expenses	409,760	
Notes receivable	286,337	
Other current assets	2,561,301	
Total current assets	<u>\$ 40,589,492</u>	<u>\$ -</u>
Noncurrent Assets		
Restricted assets:		
Cash and cash equivalents	24,069,879	
Investments	15,344,650	
Accounts receivable, net (Note D)		
Notes receivable, net	2,294,468	
Other		
Investments		
Pledges receivable		
Notes receivable, net		
Capital assets, net (Note E)	150,460,810	
Other noncurrent assets	3,213,738	
Total noncurrent assets	<u>195,383,545</u>	<u>-</u>
Total assets	<u>\$ 235,973,037</u>	<u>\$ -</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 4,425,845	\$
Derivative instrument		
Deferred inflow of resources		
Due to State Treasury	761	
Due to Federal Government		
Deferred revenues	3,775,500	
Amounts held in custody for others	399,636	
Other Liabilities		
Current Portion of Noncurrent Liabilities:		
Compensated absences payable (Note I)	936,940	
Capital lease obligations (Note I)		
Claims and litigation payable (Note I)		
Notes payable (Note I)		
Pollution remediation obligation (Note I)		
Contracts payable (Note I)		
Reimbursement contracts payable (Note I)		
Bonds payable (Note I)	1,835,000	
Other current liabilities	6,030	
Total current liabilities	<u>\$ 11,379,712</u>	<u>\$ -</u>
Long-term Portion of Noncurrent Liabilities:		
Compensated absences payable	5,107,423	
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Pollution remediation obligation		
Contracts payable		
Reimbursement contracts payable		
OPEB payable	46,428,585	
Bonds payable	81,655,000	
Other noncurrent liabilities	207,259	
Total noncurrent liabilities	<u>133,398,267</u>	<u>-</u>
Total liabilities	<u>\$ 144,777,979</u>	<u>\$ -</u>
Net Assets		
Invested in capital assets, net of related debt	82,713,839	
Restricted for: Nonexpendable	8,517,529	
Expendable	36,008,351	
Unrestricted	(36,044,661)	
Total net assets	<u>91,195,058</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 235,973,037</u>	<u>\$ -</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

Operating Revenues	<u>2010</u>	<u>Component Unit</u>
Student tuition and fees	\$ 56,883,543	\$
Less scholarship allowances	<u>(13,012,926)</u>	<u></u>
Net student tuition and fees	<u>43,870,617</u>	<u>-</u>
Gifts received by the foundations <i>(for comp. units only)</i>		
Endowment income <i>(for comp. units only)</i>		
Federal appropriations		
Federal grants and contracts	7,356,645	
ARRA revenues	10,326,141	
State and local grants and contracts	4,135,563	
Nongovernmental grants and contracts	196,402	
Sales and services of educational departments	1,032,260	
Hospital income		
Auxiliary enterprise revenues, (see note HH for revenue amounts pledged as security for bond issues)	15,117,291	
Less scholarship allowances	<u>(4,077,063)</u>	<u></u>
Net auxiliary revenues	<u>11,040,228</u>	<u>-</u>
Other operating revenues	<u>2,418,319</u>	<u></u>
Total operating revenues	<u>\$ 80,376,175</u>	<u>\$ -</u>
Operating Expenses		
Education and general:		
Instruction	\$ 65,546,296	\$
Research	2,177,470	
Public service	3,710,891	
Academic support	13,439,855	
Student services	10,839,427	
Institutional support	15,340,225	
Operations and maintenance of plant	14,795,304	
Depreciation	7,082,162	
Scholarships and fellowships	19,321,287	
Auxiliary enterprises	12,578,794	
Hospital		
Other operating expenses	682,746	
Total operating expenses	<u>\$ 165,514,457</u>	<u>\$ -</u>
Operating income (loss)	<u>(85,138,282)</u>	<u>-</u>
Nonoperating Revenues (Expenses)		
State appropriations	\$ 53,482,495	\$
Gifts	777,700	
Federal nonoperating revenues (expenses)	20,900,496	
Net investment income (loss)	439,647	
Interest expense	(3,083,973)	
Payments to or on behalf of the university		
Other nonoperating revenues (expenses)	5,627,924	
Net nonoperating revenues (expenses)	<u>78,144,289</u>	<u>-</u>
Income (loss) before other revenues, exp, gains, losses	<u>(6,993,993)</u>	<u>-</u>
Capital appropriations	2,222,913	
Capital grants and gifts		
Additions to permanent endowments	300,000	
Other additions, net		
Increase (decrease) in Net Assets	<u>(4,471,080)</u>	<u>-</u>
Net assets at the beginning of the year, as restated	<u>95,666,138</u>	<u></u>
Net assets at the end of the year	<u>\$ 91,195,058</u>	<u>\$ -</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SIMPLIFIED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	Component Units	Eliminations	Combined Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions				
University	\$ (168,598,430)	\$ 55,943,105	\$ 22,314,751	\$ 2,222,913	\$ (88,117,661)		
Component Units							
Eliminations							
Combined Total	\$ (168,598,430)	\$ 55,943,105	\$ 22,314,751	\$ 2,222,913	\$ (88,117,661)		
General revenues:							
State appropriations				\$ 53,482,495	\$		\$ 53,482,495
Grants and contributions not restricted to specific programs				21,678,196			21,678,196
Interest				439,647			439,647
Miscellaneous				8,046,243			8,046,243
Special items							
Extraordinary item - loss on impairment of capital assets							
Transfers							
Total general revenues, special items, and transfers				83,646,581	-		83,646,581
Change in net assets				(4,471,080)	-		(4,471,080)
Net assets, beginning of year				95,666,138			95,666,138
Net assets, ending of year				91,195,058	\$	\$	91,195,058

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010

Cash flow from operating activities	
Tuition and fees	\$ 43,123,436
Federal appropriations	
ARRA receipts	10,326,141
Grants and contracts	10,926,301
Sales and services of educational departments	883,734
Hospital income	
Auxiliary enterprise receipts	11,248,990
Payments for employee compensation	(78,497,752)
Payments for benefits	(22,483,286)
Payments for utilities	(4,230,177)
Payments for supplies and services	(26,249,714)
Payments for scholarships and fellowships	(15,256,950)
Loans to students	(245,875)
Collection of loans to students	379,017
Other receipts (payments)	103,246
Net cash provided (used) by operating activities	<u>\$ (69,972,889)</u>
Cash flows from non-capital financing activities	
State appropriations	\$ 52,104,660
Gifts and grants for other than capital purposes	
Private gifts for endowment purposes	300,000
TOPS receipts	11,656,304
TOPS disbursements	(11,433,136)
Pell grant receipts	19,599,588
FEMA receipts	
FEMA disbursements	
Federal non-operating receipts	1,300,908
Federal non-operating disbursements	
Direct lending receipts	132,961
Direct lending disbursements	(171,057)
Federal Family Education Loan Program receipts	44,415,618
Federal Family Education Loan Program disbursements	(44,428,593)
Other receipts (payments)	7,510,401
Net cash provided (used) by noncapital financing sources	<u>\$ 80,987,654</u>
Cash flows from capital financing activities	
Proceeds from capital debt	\$
Capital appropriations received	2,222,913
Capital grants and gifts received	
Proceeds from sale of capital assets	
Purchases of capital assets	(4,518,743)
Principal paid on capital debt and leases	(3,854,834)
Interest paid on capital debt and leases	(3,083,973)
Deposit with trustees	
Other sources	80,405
Net cash provided (used) by capital financing activities	<u>\$ (9,154,232)</u>
Cash flows from investing activities	
Proceeds from sales and maturities of investments	\$ 525,034
Interest received on investments	439,647
Purchases of investments	(1,330,491)
Net cash provided (used) by investing activities	<u>\$ (365,810)</u>
Net increase (decrease) in cash and cash equivalents	<u>1,494,723</u>
Cash and cash equivalents at beginning of the year	<u>44,705,862</u>
Cash and cash equivalents at end of the year	<u>\$ 46,200,585</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010

**Reconciliation of Net Operating Revenues (Expenses) to
Net Cash Provided (Used) by Operating Activities**

Operating income (loss)	\$ (85,138,282)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation expense	7,082,161
Changes in assets and liabilities:	
(Increase) decrease in accounts receivables, net	(1,047,513)
(Increase) decrease in inventories	21,821
(Increase) decrease in deferred charges and prepaid expenses	(378,229)
(Increase) decrease in notes receivable	133,142
(Increase) decrease in other assets	(656,470)
Increase (decrease) in accounts payable and accrued liabilities	(983,558)
Increase (decrease) in deferred revenue	(940,188)
Increase (decrease) in amounts held in custody for others	(100,709)
Increase (decrease) in compensated absences	164,010
Increase (decrease) in OPEB payable	11,870,926
Increase (decrease) in other liabilities	
Net cash provided (used) by operating activities:	<u>\$ (69,972,889)</u>

**Noncash Investing, Noncapital Financing, and Capital and
Related Financing Transactions**

Capital appropriations for construction of capital assets	\$ 2,222,913
Library donations	16,710
Net increase in the fair value of investments	556,000
	<u>\$ 2,795,623</u>

Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets

Cash and cash equivalents classified as current assets	\$ 22,130,706
Cash and cash equivalents classified as noncurrent assets	24,069,879
	<u>\$ 46,200,585</u>

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NOTES TO FINANCIAL STATEMENTS

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In July of 1984, the GASB issued Statement No. 1, which provided that all statements and interpretations issued by the National Council on Governmental Accounting (NCGA) continue as generally accepted accounting principles until altered, amended, supplemented, revoked or superseded by subsequent GASB pronouncements.

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This was followed in November 1999 by GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. As a component unit of the State of Louisiana, Southeastern Louisiana University is required to report its financial statements in accordance with GASBs 34 and 35 as amended by GASBs 37 and 38. The financial statement presentation required by GASBs 34 and 35 provides a comprehensive, entity-wide perspective of the institution's assets, liabilities, net assets, revenues, expenses, changes in net assets, and cash flows, and replaces the fund-group perspective previously required.

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. Therefore, the accompanying financial statements of the university contain sub-account information of the various funds of the State of Louisiana. As such, the accompanying financial statements present information only as to the transactions of the programs of the university as authorized by Louisiana statutes and administrative regulations.

2. REPORTING ENTITY

Southeastern Louisiana University is a publicly supported institution of higher education. Using the criteria established in GASB Statement 14, *The Financial Reporting Entity* as amended by GASB 39, the institution is reported as a discrete component unit of the State of Louisiana since it is legally separate from and is financially accountable to the State.

Annually, the State of Louisiana issues a comprehensive financial report, which includes the activity contained in the accompanying financial statements. The Louisiana Legislative Auditor audits the basic financial statements.

3. BASIS OF ACCOUNTING

For financial reporting purposes, the university is considered a special-purpose government engaged in only business-type activities. Accordingly, the institution's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

The institution has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The institution has elected not to apply FASB pronouncements issued after the applicable date.

The financial statements of the university have been prepared on the accrual basis of accounting.

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FOR THE YEAR ENDED JUNE 30, 2010

4. CASH EQUIVALENT

The institution considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

5. INVESTMENTS

The institution accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in the carrying value of investments resulting in unrealized gains or losses are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Assets.

6. INVENTORIES

Inventories are valued at the lower of cost or market on the weighted average basis. The institution accounts for its inventories using the consumption method.

7. NONCURRENT CASH AND INVESTMENTS

Cash and investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, are classified as noncurrent assets in the Statement of Net Assets.

8. CAPITAL ASSETS

Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. For movable property, the institution's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 40 years for buildings and infrastructure, 20 years for depreciable land improvements, and 3 to 10 years for most movable property. Library collections regardless of age, with a total acquisition value of \$5,000,000 or more will be capitalized and depreciated.

9. DEFERRED REVENUES

Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year, but are related to the subsequent accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

10. NONCURRENT LIABILITIES

Noncurrent liabilities include (1) principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year; (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as noncurrent assets.

STATE OF LOUISIANA
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

11. NET ASSETS

The institution's net assets are classified as follows:

(a) INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT

This represents the institution's total investment in capital assets, net of accumulated depreciation and reduced by outstanding debt obligations related to acquisition, construction, or improvement of those capital assets.

(b) RESTRICTED NET ASSETS – EXPENDABLE

Restricted expendable net assets include resources that the institution is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

(c) RESTRICTED NET ASSETS – NONEXPENDABLE

Restricted nonexpendable net assets consist of endowment and similar type funds for which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

(d) UNRESTRICTED NET ASSETS

Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the university, and may be used at the discretion of the governing board to meet current expenses and for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the university's policy is to first apply the expense towards unrestricted resources, and then towards restricted resources.

12. CLASSIFICATION OF REVENUES

The institution has classified its revenues as either operating or nonoperating revenues according to the following criteria:

(a) OPERATING REVENUE - Operating activity include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, and (3) most Federal, state, and local grants and contracts and Federal appropriations.

(b) NON-OPERATING REVENUE – Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions.

13. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Assets. Scholarship discounts and allowances are the difference between the stated charge

STATE OF LOUISIANA
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

for goods and services provided by the institution, and the amount that is paid by students and/or third parties making payments on the student's behalf.

14. ELIMINATING INTERFUND ACTIVITY

Activities between Southeastern Louisiana University and the institution's service units are eliminated for purposes of preparing the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Net Assets.

15. COMPONENT UNITS

Southeastern Louisiana University does not have any reportable component units.

B. BUDGETARY PRACTICES

The annual budget for the General Fund of the university is established by annual Legislative action and by Title 39 of the Louisiana Revised Statutes. The submission of the budget for approval by the Board of Regents and the Legislative budget process is required. Budgets of the university's other funds, although subject to internal budgeting, are not required to be submitted for approval through the Legislative budget process.

State law provides that appropriations lapse at the end of the fiscal year with the exception noted in Note H, General Fund. In compliance with these legal restrictions, budgets are adopted on the accrual basis of accounting with some exceptions. The following is a list of exceptions, but is not all inclusive, (1) depreciation is not recognized; (2) leave costs are treated as budgeted expenditures to the extent that they are expected to be paid; (3) summer school tuition and fees and summer school faculty salaries and related benefits for June are not prorated but are recognized in the succeeding year; and (4) certain capital leases are not recorded.

BUDGETARY COMPARISON

The following is an appropriation budgetary comparison for current year General Fund appropriation:

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FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted		Actual	Adjustment to Budget Basis	Actual on Budget Basis	Variance Favorable (Unfavorable)
	Original	Final				
REVENUES:						
Appropriated by Legislature:						
State General Fund (Direct)	\$ 51,274,932	\$ 50,998,368	\$ 50,998,368			\$ 0
State General Fund by Self-Generated Revenues	51,282,680	52,272,680	51,593,441			(679,239)
State General Fund by Interagency Transfers	10,222,480	10,222,480	10,222,480			
Interim Emergency Board Federal Funds						
Statutory Dedications	2,209,032	2,640,830	2,484,127			(156,703)
Other						0
Total Revenues	114,989,124	116,134,358	115,298,416			(835,942)
EXPENDITURES:						
Program Expenditures	114,989,124	116,134,358	115,292,524			841,834
Unallotted Expenditures						
Total Expenditures	114,989,124	116,134,358	115,292,524			841,834
UNEXPENDED APPROPRIATION						
-CURRENT YEAR	\$ -	\$ -	\$ 5,892			\$ 5,892

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Further, the university may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of savings and loan associations and savings banks; and share accounts and share certificate accounts of federally or state chartered credit unions.

As reflected on the Statement of Net Assets, the university had deposits with financial institutions totaling \$46,156,775 at June 30, 2010. Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the state treasurer.

The deposits at June 30, 2010, consisted of the following:

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 SOUTHEASTERN LOUISIANA UNIVERSITY
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2010

	Cash	Nonnegotiable Certificates of Deposit	Other	Total
	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other</u>	<u>Total</u>
Deposits per Statement of Net Assets	\$ 44,656,775	\$ 1,500,000	\$	\$ 46,156,775
Deposits in bank accounts per bank	\$ 50,840,925	\$	\$	\$ 50,840,925
 Bank Balances of Deposits Exposed to Custodial Credit Risk:				
a. Uninsured and uncollateralized	_____	_____	_____	-
b. Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	-
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, <u>but not in the entity's name-UFI</u>	4,769,024	_____	_____	4,769,024

At year end, the deposits reflected in the bank accounts totaled \$50,840,925. Of the bank balances, \$4,769,024 was held in the name of University Facilities, Inc. (UFI), a blended component. UFI's cash balances are deposited with high quality, credit worthy, financial institutions. Management monitors the soundness of these financial institutions and considers the custodial credit risk insignificant.

Petty cash totaling \$43,810 is included in the Statement of Net Assets but is excluded from the note above.

The following is a breakdown by banking institution, program, and amount of the "deposits in bank accounts per bank" balances shown above:

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Banking institution</u>	<u>Program</u>	<u>Amount</u>
1. Whitney National Bank	Disbursement-Operating Account	\$ 40,508,780
2. Whitney National Bank	Payroll	1,181,338
3. Whitney National Bank	Nursing Loan	1,764
4. Whitney National Bank	Perkins / NDSL	1,574,656
5. Whitney National Bank	Charge Card Processing Account	60,357
6. Whitney National Bank	Federal Direct Loan Funds	15
7. First Guaranty Bank	UFI - Operating Account	7,353
8. First Guaranty Bank	UFI - NOW Account	134,506
9. Regions Bank	UFI - Project Account	101,045
10. Whitney National Bank	UFI - Rental Revenue	96,083
11. Bank of New York	UFI - Student Housing Debt Service Prin 2004A	1,214,616
12. Bank of New York	UFI - Student Housing Receipts 2004A	1,729,089
13. Bank of New York	UFI - Student Housing Debt Service Int 2004A	1,152,201
14. Bank of New York	UFI - Student Housing Debt Service Int 2004B	1,459
15. Bank of New York	UFI - Student Housing Surplus 2004A	42,476
16. Bank of New York	UFI - Student Housing Debt Service Int FD 2007	108,734
17. Bank of New York	UFI - Student Housing Debt Service Prin FD 2007	64,605
18. Bank of New York	UFI - Student Housing Receipts FD 2007	14,152
19. Federated Money Market	UFI - Federated Money Market	102,705
20. U.S. Bank	Federal Loan Billing Service	5,754
21. Hancock Bank	98 Stu Rec Center Bonds Interest	18,749
22. Hancock Bank	98 Stu Rec Center Bonds Principal	29,594
23. Hancock Bank	98 Stu Rec Center Bonds Reserve	578,750
24. Hancock Bank	SEMPRA Reserve	612,144
25. Florida Parishes Bank	Certificate of Deposit	750,000
26. First Guaranty Bank	Certificate of Deposit	750,000
Total		\$ 50,840,925

2. Investments

Southeastern Louisiana University maintains investment accounts as authorized by Louisiana Revised Statute 49:327. These investments are stated at fair market value. All investment income, including changes in the fair market value of investments, is reported as revenue on the financial statements.

Investments held by the Bond Trustees for University Facilities, Inc. are primarily stated at cost, which approximates market value. Investment income in excess of capitalized interest is reflected as a change in net assets.

The market values of investments at June 30, 2010 are as follows:

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NOTES TO FINANCIAL STATEMENTS
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<u>Type of Investment</u>	<u>Uninsured, Unregistered, and Held by Counterpart</u>	<u>Unregistered, and Held by Counterparty's Trust Dept. or Agent not in Entity's Name</u>	<u>Reported Amount</u>	<u>Fair Value</u>
Negotiable CDs	\$ _____	\$ _____	\$ _____	\$ _____
Repurchase Agreements	_____	_____	_____	_____
U.S. Government Obligations	_____	_____	_____	_____
U.S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Mortgages (including CMOs & MBSs)	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Real estate	_____	_____	_____	_____
External Investment Pool	_____	_____	_____	_____
Other:	_____	_____	_____	_____
Mutual Funds	_____	_____	_____	_____
Vanguard Federal Money Market	_____	_____	2,047,745	2,047,745
Vanguard Prime Money Market	_____	_____	317,792	317,792
Vanguard Wellington Fund	_____	_____	2,335,676	2,335,676
Vanguard Inflation-Protected Fund	_____	_____	750,039	750,039
Vanguard Total Bond Market Index Fund	_____	_____	1,901,961	1,901,961
Vanguard Mid-Cap Index Fund	_____	_____	160,233	160,233
Vanguard REIT Index Fund	_____	_____	141,982	141,982
Vanguard Small-Cap Index Fund	_____	_____	167,103	167,103
Vanguard Total International Stock	_____	_____	146,919	146,919
UFI-BNY-Fidelity Treas. Daily Money #58	11,882,001	_____	11,882,001	11,882,001
UFI-BNY-Federated Treas. Obl.#68	534,171	_____	534,171	534,171
Investments Held by Foundations	_____	_____	_____	_____
Cash	_____	_____	27,742	27,742
U.S. Agency Obligations	_____	_____	60,180	60,180
Common & preferred stock	_____	_____	107,100	107,100
Mutual Funds	_____	_____	1,341,447	1,341,447
Money Market Accounts	_____	_____	77,615	77,615
Total investments	\$ 12,416,172	\$ -	\$ 21,999,706	\$ 21,999,706

The cost of these investments at June 30, 2010 was \$21,902,824.

The market value of investments at June 30, 2010 totaled \$21,999,706. Of this amount, \$1,614,084 is held by the Southeastern Development Foundation and mainly consists of money market funds, mutual funds, and U.S. Government and Agency obligations. Investments related to the 2004 and the 2007 Series Bond Issuances are valued at \$12,416,172 and are held by bond trustees for University Facilities, Inc. These funds are invested under the terms of the various trust indentures. These documents direct the types of investments and collateralization requirements, and work to mitigate the credit risk of these investments.

STATE OF LOUISIANA
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

3. Derivatives

Southeastern Louisiana University does not invest in derivatives as part of its investment policy.

4. Credit Risk, Interest Rate Risk, Concentration of Credit Risk, and Foreign Currency Risk Disclosures

A. Credit Risk of Debt Investments

<u>Rating Agency Used</u>	<u>Rating</u>	<u>Fair Value</u>
Moody's	Aaa	15,213,957
Moody's	Aa1	317,792
Moody's	Aa1/Aa2	1,901,961
Moody's	Aa3	2,335,675
	Unrated	616,237
Total		<u>\$ 20,385,622</u>

B. Interest Rate Risk

<u>Type of Debt Investment</u>	<u>Investment Maturities (in Years)</u>				
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government Obligations	\$	\$	\$	\$	
U.S. Agency Obligations					
Mortgage Backed Securities					
Collateralized mortgage obligations					
Corporate bonds					
Other bonds					
Mutual Funds:					
Vanguard Federal Money Market	2,047,745	2,047,745			
Vanguard Prime Money Market	317,792	317,792			
Vanguard Wellington Fund	2,335,676			2,335,676	
Vanguard Inflation-Protected Fund	750,039			750,039	
Vanguard Total Bond Mkt Index Fd	1,901,961			1,901,961	
Vanguard Mid-Cap Index Fund	160,233	160,233			
Vanguard REIT Index Fund	141,982	141,982			
Vanguard Small-Cap Index Fund	167,103	167,103			
Vanguard Total International Stock	146,919	146,919			
UFI-BNY-Fidelity Treas. Daily Money #58	11,882,001	11,882,001			
UFI-BNY-Federated Treas. Obl.#68	534,171	534,171			
Other					
Total debt investments	<u>\$ 20,385,622</u>	<u>\$ 15,397,946</u>	<u>\$ -</u>	<u>\$ 4,987,676</u>	<u>\$ -</u>

C. Concentration of Credit Risk

No concentration of credit risk with any one issuer exceeds 5% or more of the total investments, exclusive of U.S. government securities, mutual funds, and external investment pools.

STATE OF LOUISIANA
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NOTES TO FINANCIAL STATEMENTS
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D. Foreign Currency Risk

All investments are denominated in U.S. currency and are not exposed to foreign currency risk.

5. Policies

Endowments are maintained in investment accounts as authorized by policies and procedures established by the Board of Regents. To reduce overall volatility of investment returns and to provide a hedge against the effects of economic downturns, these policies require that at least 40% of assets be invested in fixed income funds. No more than 60% of funds may be invested in equities. The fixed income funds are diversified among various sectors of the fixed income market. The overall average quality of debt investments must be "AA" and, with exception of the U.S. government and its agencies, no more than 5% of the fixed income fund may be invested in the securities of any one issuer. Investments in foreign stocks and foreign fixed income are limited to 15% and 5% of the equity and fixed income funds, respectively.

6. Other Disclosures Required for Investments

Southeastern does not directly participate in reverse repurchase agreements and does not have any unrealized investment losses.

D. ACCOUNTS RECEIVABLE

Accounts receivable are shown on the Statement of Net Assets net of an allowance for doubtful accounts as follows:

	Accounts Receivable	Doubtful Accounts	Net Accounts Receivable	Amts. not scheduled for collection within a year
Student tuition and fees	\$ 3,448,151	\$ (1,067,774)	\$ 2,380,377	\$
Auxiliary enterprises	232,351		232,351	
Contributions and gifts			-	
State and private grants and contracts	194,056		194,056	
Due from Federal Government	2,502,258		2,502,258	
Other miscellaneous	2,460,564		2,460,564	
Total	<u>\$ 8,837,380</u>	<u>\$ (1,067,774)</u>	<u>\$ 7,769,606</u>	<u>\$ -</u>

E. CAPITAL ASSETS

Capital assets for the year ended June 30, 2010 were as follows:

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NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2010

SCHEDULE OF CAPITAL ASSETS
(schedule includes capital leases)

	Balance 6/30/2009	Prior Period Adjustment	Restated Balance 6/30/2009	Additions	Transfers	Retirements	Balance 6/30/2010
Capital assets not depreciated:							
Land	\$ 1,544,209		\$ 1,544,209	\$ -	\$ -	\$ -	\$ 1,544,209
Non-depreciable land improvements	5,828,837		5,828,837				5,828,837
Non-depreciable easements							
Capitalized collections	205,002		205,002		109,619		314,621
Livestock							
Software - development in progress							
Construction in progress	8,362,065		8,362,065	2,663,690	(6,854,133)		4,171,622
Total capital assets not being depreciated	\$ 15,940,113	\$ -	\$ 15,940,113	\$ 2,663,690	\$ (6,744,514)	\$ -	\$ 11,859,289
Other capital assets							
Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation							
Total infrastructure							
Depreciable land improvements	770,427		770,427				770,427
Accumulated Depreciation	(126,451)		(126,451)	(38,522)			(164,973)
Total land improvements	643,976		643,976	(38,522)			605,454
Buildings	205,212,159		205,212,159	1,043,289	6,744,514	(1,043,289)	211,956,673
Accumulated Depreciation	(74,529,274)		(74,529,274)	(5,050,989)			(79,580,263)
Total buildings	130,682,885		130,682,885	(4,007,700)	6,744,514	(1,043,289)	132,376,410
Equipment (including library books)	23,749,780	(1,066,242)	22,683,538	828,474		(1,681,966)	21,830,046
Accumulated Depreciation	(16,887,749)	1,066,242	(15,821,507)	(1,992,651)		1,603,769	(16,210,389)
Total equipment	6,862,031	-	6,862,031	(1,164,177)		(78,197)	5,619,657
Software (internally generated and purchased)							
Other intangibles							
Accumulated Amortization - Software		1,066,242	1,066,242				1,066,242
Accumulated Amortization - Other intangibles		(1,066,242)	(1,066,242)				(1,066,242)
Total intangibles							
Total other capital assets	\$ 138,188,892	\$ -	\$ 138,188,892	\$ (5,210,399)	\$ 6,744,514	\$ (1,121,486)	\$ 138,601,521
Capital Asset Summary:							
Capital assets not being depreciated	\$ 15,940,113	\$ -	\$ 15,940,113	\$ 2,663,690	\$ (6,744,514)	\$ -	\$ 11,859,289
Other capital assets, at cost	229,732,366		229,732,366	1,871,763	6,744,514	(2,725,255)	235,623,388
Total cost of capital assets	245,672,479		245,672,479	4,535,453		(2,725,255)	247,482,677
Less accumulated depreciation	(91,543,474)		(91,543,474)	(7,082,162)		1,603,769	(97,021,867)
Capital assets, net	\$ 154,129,005	\$ -	\$ 154,129,005	\$ (2,546,709)	\$ -	\$ (1,121,486)	\$ 150,460,810

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

Recap of Adjustments to Beginning Balance of Capital Assets
(schedule includes capital leases)

	Southeastern Louisiana University		Component Unit(s)		Total by Category	
	Adjustments to AFR after OSRAP	Restatements	Adjustments to AFR after OSRAP	Restatements	Adjustments to AFR after OSRAP	Total Prior Year Adjustments
Capital assets not depreciated:						
Land					\$ -	-
Non-depreciable land improvements					-	-
Non-depreciable easements					-	-
Capitalized collections					-	-
Livestock					-	-
Software - development in progress					-	-
Construction in progress					-	-
Total capital assets not being depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	-
Other capital assets						
Infrastructure					\$ -	-
Accumulated Depreciation					-	-
Total infrastructure					\$ -	-
Depreciable land improvements					-	-
Accumulated Depreciation					-	-
Total land improvements					-	-
Buildings					-	-
Accumulated Depreciation					-	-
Total buildings					-	-
Equipment (including library books)		(1,066,242)			(1,066,242)	(1,066,242)
Accumulated Depreciation		1,066,242			1,066,242	1,066,242
Total equipment		-			-	-
Software (internally generated and purchased)		1,066,242			1,066,242	1,066,242
Other intangibles					-	-
Accumulated Amortization - Software		(1,066,242)			(1,066,242)	(1,066,242)
Accumulated Amortization - Other intangibles					-	-
Total intangibles		-			-	-
Total other capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	-
Capital Asset Summary:						
Capital assets not being depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	-
Other capital assets, at cost	-	-	-	-	-	-
Total cost of capital assets	-	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-	-
Capital assets, net	\$ -	\$ -	\$ -	\$ -	\$ -	-

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F. COLLECTIONS (WORKS OF ART and HISTORICAL TREASURES)

Southeastern Louisiana University does capitalize collections. These collections include the following:

- Works of art – such as murals, sculptures, statues, portraits, etc.
- Historical items – such as book collections, war artifacts, an antique piano, maps, etc.

G. NOT USED

H. GENERAL FUND

At June 30, 2010, the General Fund had no unexpended appropriation due to the State Treasury. However, the university did have \$5,892 unexpended, which will be reappropriated as required by law and outlined below.

As provided by Louisiana Revised Statute 17:3386(A), the university adopted a building and facility preventative maintenance program, which was approved by the Louisiana Board of Regents. This program allows the university to retain any funds appropriated or allocated that were unexpended and unobligated at the end of the fiscal year. At least 50% of the retained funds will be maintained in a preventative maintenance reserve fund and will be used solely for preventative maintenance purposes in accordance with the approved plan, subject to approval by the supervisory board, the Louisiana Board of Regents, and the Joint Legislative Committee on the Budget. All retained funds will be spent for non-recurring projects. As shown in the Statement of Net Assets at June 30, 2010, included in restricted net assets are amounts totaling \$2,946, which will be retained for these purposes.

I. LONG-TERM LIABILITIES (Current and Noncurrent Portion)

The following is a summary of bond, notes, reimbursement contracts and other long-term debt transactions of the university for the year ended June 30, 2010:

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Southeastern Louisiana University

	<u>Year ended June 30, 2010</u>				
	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2010</u>	<u>Amounts due within one year</u>
Notes & bonds payable:					
Notes payable	\$ 34,834	\$ -	\$ 34,834	\$ -	\$ -
Bonds payable	87,310,000	-	3,820,000	83,490,000	1,835,000
Total bonds and notes payable	<u>87,344,834</u>	<u>-</u>	<u>3,854,834</u>	<u>83,490,000</u>	<u>1,835,000</u>
Other liabilities:					
Compensated absences payable	5,880,353	1,075,527	911,517	6,044,363	936,940
Capital lease obligations	-	-	-	-	-
Claims and litigation payable	-	-	-	-	-
Pollution remediation obligations	-	-	-	-	-
Contracts payable	-	-	-	-	-
Reimbursement contracts payable	-	-	-	-	-
OPEB payable	34,557,659	14,407,400	2,536,474	46,428,585	-
Total other liabilities	<u>40,438,012</u>	<u>15,482,927</u>	<u>3,447,991</u>	<u>52,472,948</u>	<u>936,940</u>
Total long-term liabilities	<u>\$ 127,782,846</u>	<u>\$ 15,482,927</u>	<u>\$ 7,302,825</u>	<u>\$ 135,962,948</u>	<u>\$ 2,771,940</u>
Component Units					
Notes & bonds payable:					
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds payable	-	-	-	-	-
Total bonds and notes payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other liabilities:					
Compensated absences payable	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
Claims and litigation payable	-	-	-	-	-
Pollution remediation obligations	-	-	-	-	-
Contracts payable	-	-	-	-	-
Reimbursement contracts payable	-	-	-	-	-
OPEB payable	-	-	-	-	-
Total other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total long-term liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Combined Total					
Notes & bonds payable:					
Notes payable	\$ 34,834	\$ -	\$ 34,834	\$ -	\$ -
Bonds payable	87,310,000	-	3,820,000	83,490,000	1,835,000
Total bonds and notes payable	<u>87,344,834</u>	<u>-</u>	<u>3,854,834</u>	<u>83,490,000</u>	<u>1,835,000</u>
Other liabilities:					
Compensated absences payable	5,880,353	1,075,527	911,517	6,044,363	936,940
Capital lease obligations	-	-	-	-	-
Claims and litigation payable	-	-	-	-	-
Pollution remediation obligations	-	-	-	-	-
Contracts payable	-	-	-	-	-
Reimbursement contracts payable	-	-	-	-	-
OPEB payable	34,557,659	14,407,400	2,536,474	46,428,585	-
Total other liabilities	<u>40,438,012</u>	<u>15,482,927</u>	<u>3,447,991</u>	<u>52,472,948</u>	<u>936,940</u>
Total long-term liabilities	<u>\$ 127,782,846</u>	<u>\$ 15,482,927</u>	<u>\$ 7,302,825</u>	<u>\$ 135,962,948</u>	<u>\$ 2,771,940</u>

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J. SHORT-TERM DEBT

Not Applicable.

K. COMPENSATED ABSENCES

Employees accrue and accumulate annual and sick leave in accordance with state law and administrative regulations. The leave is accumulated without limitation; however, nine-month faculty members do not accrue annual leave, but are granted faculty leave during holiday periods when students are not in classes. Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave (K-time) earned.

Upon separation or termination of employment, classified and non-classified personnel (or their heirs) are compensated for accumulated annual leave not to exceed 300 hours. In addition, academic personnel or their heirs are compensated for accumulated sick leave not to exceed 25 days upon retirement or death. Act 343 of 1993 allows members of the Louisiana State Employees' Retirement System, upon application for retirement, the option of receiving an actuarially determined lump sum payment for annual and sick leave that would otherwise have been used to compute years of service for retirement. Upon retirement, any sick or annual leave not compensated for is used as credited service in either Louisiana Teachers' Retirement System or Louisiana State Employees' Retirement System.

Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on employees' hourly rate of pay at termination or transfer.

The liability for unused annual leave, sick leave, and compensatory leave at June 30, 2010, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards Section C60.104 – C60.105, is estimated to be \$2,749,588, \$3,139,768, and \$155,007, respectively. The leave payable is recorded in the accompanying financial statement.

Southeastern Louisiana University's liability for compensated absences (annual, sick, and compensatory leave) at June 30, 2010 is as follows:

Current liability – estimated to be paid within one year	\$	936,940
Long-term liability		5,107,423
Total liability for compensated absences	\$	6,044,363

L. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

On-behalf payments for fringe benefits and salaries are direct payments made by one entity to a third-party recipient for the employees of another, legally separate entity. On-behalf payments include pension plan contributions, employee health and life insurance premiums, and salary supplements or stipends. For example, a nongovernmental fund-raising foundation affiliated with a governmental university may supplement salaries of certain university employees. Those payments constitute on-behalf payments for purposes of reporting by the university if they are made to the faculty members in their capacity as employees of the university (GASB 24).

Southeastern Louisiana University does not have any on-behalf payments for fringe benefits and salaries for the year ending June 30, 2010.

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M. CONTINGENT LIABILITIES

As of June 30, 2010, Southeastern Louisiana University has no anticipated liability for current pending litigation or litigation is being handled by the Office of Risk Management or the Attorney General.

N. RELATED PARTY TRANSACTIONS

Not Applicable.

O. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

Not Applicable.

P. LEASES

Lease agreements have non-appropriation exculpatory clauses that allow lease cancellation if the Legislature does not make an appropriation for continuation during any future fiscal period.

Operating Leases

Total operating lease expenditures for fiscal year 2009-10 amounted to \$857,804. The annual rental payments for the next five years are presented as follows:

Nature of lease:	a. Office Space	b. Equipment	c. Land	d. Other	Total Minimum Future Rentals
FY2011	238,665			622,997	861,662
FY2012	6,665			622,575	629,240
FY2013	2			620,325	620,327
FY2014	2			618,700	618,702
FY2015	2			621,200	621,202
FY2016 - 2020	10			3,103,017	3,103,027
FY2021 - 2025	10			930,863	930,873
FY2026 - 2030	10				10
FY2031 - 2035	10				10
FY2036 - 2040	10				10
Total Minimum Future Rentals	\$ 245,386	\$ -	\$ -	\$ 7,139,677	\$ 7,385,063

Rental revenue/expense for operating leases with scheduled rent increases is based on the relevant lease agreement except in those cases where a temporary rent reduction is used as an inducement to enter a lease. In those instances, rental revenue/expense is determined on either a straight-line or interest basis over the term of the lease and not in accordance with lease terms as required by GASB 13.

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Capital Leases

The university records items under capital leases as an asset and an obligation in the accompanying financial statements.

Capital leases are defined as an arrangement in which any one of the following conditions apply (1) ownership transfers at the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life, or (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

Southeastern Louisiana University does not have capital leases or future minimum lease payments under capital leases as of and for the period ending June 30, 2010.

Lessor Direct Financing Leases

Southeastern Louisiana University does not have any lessor direct financing leases as of and for the period ending June 30, 2010.

Lessor - Operating Lease

Southeastern Louisiana University's leasing operations consist primarily of the leasing of property for the purposes of providing food services to students, bookstore operations, office space for postal services, banking services, and vending operations.

The following schedule provides the cost and carrying amount, if different, of property on lease or held for leasing organized by major class of property and the amount of accumulated depreciation as of June 30, 2010.

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Carrying Amount</u>
a. Office space	\$ 2,573,837	\$ (2,198,507)	\$ 375,330
b. Buildings	_____	_____	_____
c. Equipment	_____	_____	_____
d. Land	_____	_____	_____
e. Other	_____	_____	_____
Total	\$ 2,573,837	\$ (2,198,507)	\$ 375,330

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The following is a schedule of minimum future rentals on noncancellable operating leases as of June 30, 2010:

	Office Space	Equipment	Land	Other
2011	\$ 250,500	\$ _____	\$ _____	\$ _____
2012	250,000	_____	_____	_____
2013	250,000	_____	_____	_____
2014	250,000	_____	_____	_____
2015	250,000	_____	_____	_____
2016-2020	1,250,000	_____	_____	_____
2021-2025	750,000	_____	_____	_____
Total minimum future rentals	\$ 3,250,500	\$ -	\$ -	\$ -

Contingent rentals received from operating leases for the fiscal year were \$178,904 for office space.

Q. NET ASSETS

Restricted Expendable Net Assets

Southeastern Louisiana University had the following restricted expendable net assets as of June 30, 2010.

<u>Account title</u>	<u>Amount</u>
Loans	\$ 3,241,301
Endowments	1,423,883
Capital Projects	8,335,750
Debt Service	8,929,280
Auxiliary	2,836,644
Enabling Legislation	7,016,728
Other	4,224,765
Total	\$ 36,008,351

Net Assets Restricted By Enabling Legislation (GASB Statement 46)

Restricted Expendable Net Assets reported above include net assets that are restricted by enabling legislation. Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation. Listed below are the net assets restricted by enabling legislation, the purpose of the restriction, and the Louisiana Revised Statute (LRS) that authorized the revenue:

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Purpose of Restriction	LA Revised Statute Authorizing Revenue	Amount
Student Technology Fee	LRS 17:3351.1(A)(1)	2,250,322
Building Use Fee	Act 15 - 1967 Regular Session	3,141,746
Vehicle Registration Fee	LRS 17:1804	1,137,349
Academic Excellence Fee	LRS 17:3351.9(A)	186,389
Operational Fee	LRS 17:3351(A)(5)(d)(i)	-
Preventive Maintenance	LRS 17:3386(A)	300,922
Total		<u>\$ 7,016,728</u>

Restricted Nonexpendable Net Assets

Southeastern Louisiana University had the following restricted nonexpendable net asset as of June 30, 2010:

<u>Account title</u>	<u>Amount</u>
Endowments	\$ 8,517,529
Total	<u>\$ 8,517,529</u>

R. OTHER POSTEMPLOYMENT BENEFITS

Plan description - Employees of Southeastern Louisiana University voluntarily participate in the State of Louisiana's health insurance plan. The Office of Group Benefits (OGB) provides medical and life insurance benefits to eligible retirees and their beneficiaries. Participants are eligible for retiree benefits if they meet the retirement eligibility as defined in the applicable retirement system, and they must be covered by the active medical plan immediately prior to retirement. The postemployment benefits plan is a cost sharing multiple-employer defined benefit plan. Louisiana Revised Statute (LRS) 42:801-883 provides the authority to establish and amend benefit provisions of the plan. OGB does not issue a publicly available financial report; however, the entity is included in Louisiana Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

Funding Policy - The contribution requirements of plan members and the University are established and may be amended by LRS 42:801-883. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. OGB offers three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) plan, the Exclusive Provider Organization (EPO) plan, and the Health Maintenance Organization (HMO) plan. Retired employees who have Medicare Part A and Part B coverage also have access to five OGB Medicare Advantage plans - three HMO plans and two private fee-for-service (PFFS) plans. The three HMO plans are Humana Regional HMO Plan, Peoples Health Regional HMO-POS Plan, and Vantage HMO-POS Plan. The two PFFS plans are Humana PFFS Plan, and Secure Horizons Medicare Direct PFFS Plan.

Employees hired before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Total annual per capita medical contribution rates for 2009-2010 are shown in the Premium Rates table that follows.

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Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate upon retirement based on the following schedule:

<u>Service</u>	<u>Employer Contribution Percentage</u>	<u>Employee Contribution Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

Total Premium Rates are as follows:

	<u>PPO</u>	<u>EPO</u>	<u>HMO</u>
<u>Active</u>			
Single	558.64	581.04	536.36
With Spouse	1,186.56	1,234.04	1,139.12
With Children	681.32	708.60	654.12
Family	1,251.40	1,301.44	1,201.36
<u>Retired No Medicare & Re-employed Retiree</u>			
Single	1,039.28	1,080.80	997.72
With Spouse	1,835.20	1,908.56	1,761.72
With Children	1,157.64	1,203.92	1,111.40
Family	1,826.32	1,899.36	1,753.28
<u>Retired with 1 Medicare</u>			
Single	337.96	351.48	324.44
With Spouse	1,248.72	1,298.64	1,198.68
With Children	584.96	608.36	561.60
Family	1,663.80	1,730.32	1,597.20
<u>Retired with 2 Medicare</u>			
With Spouse	607.48	631.72	583.16
Family	752.16	782.24	722.08

All members who retire on or after July 1, 1997, must have Medicare Parts A and B in order to qualify for the reduced premium rates.

<u>Medicare Supplemental Rates</u>	Retired with	
	<u>1 Medicare</u>	<u>2 Medicare</u>
Humana FFS	174.00	348.00
Humana HMO	137.00	274.00
People's Health	142.00	284.00
Secure Horizons	269.64	539.26
Vantage	178.00	356.00

OGB also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life and Employee Accidental Death and Dismemberment coverage, which is underwritten by The Prudential Insurance Company of America. The total premium is approximately \$1 per thousand dollars of coverage of which the employer pays fifty cents for retirees and twelve

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cents for spouses. Maximum coverage is capped at \$50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with accidental death and dismemberment coverage ceasing at age 70 for retirees.

Annual Other Post Employment Benefit Cost and Liability - The University's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) over a period of thirty years. A 30-year, open amortization period had been used. The total ARC for fiscal year 2010 is \$14,345,600.

The following schedule presents the University's OPEB Obligation for fiscal year 2010:

Annual required contribution	\$14,345,600
Interest on Net OPEB Obligation	1,382,300
ARC Adjustment	<u>(1,320,500)</u>
OPEB Cost	14,407,400
Contributions made (current year retiree premiums)	<u>(2,536,473)</u>
Increase in Net OPEB Obligation	11,870,927
Beginning net OPEB Obligation at July 1, 2009	<u>34,557,659</u>
Ending Net OPEB Obligation at June 30, 2010	\$46,428,586

Using the pay-as-you-go method, the University contributed 17.7% of the annual post-employment benefits cost during 2010.

Funded Status and Funding Progress - During fiscal year 2010, neither the University nor the State of Louisiana made contributions to its post-employment benefits plan trust. A trust was established during fiscal year 2008, but was not funded at all, has no assets, and hence has a funded ratio of zero. Since the plan was not funded, the University's entire actuarial accrued liability of \$165,841,800 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2009, was as follows:

Actuarial accrued liability (AAL)	\$165,841,800
Actuarial value of plan assets	<u>0</u>
Unfunded actuarial accrued liability	165,841,800
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	48,361,800
UAAL as a percentage of covered payroll	343%

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in the State of Louisiana's CAFR, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include

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techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2009, Office of Group Benefits actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return and an initial annual health care cost trend rate of 8.5% and 9.6% for pre-Medicare and Medicare eligible, respectively, scaling down to ultimate rates of 5% per year. The RP 2000 Mortality Table was used in making actuarial assumptions. Retirement rate assumptions differ by employment group and date of plan participation. The State's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls over an open amortization period of 30 years. The remaining amortization period at June 30, 2010, was 27 years. Annual per capita medical claims costs were updated to reflect an additional year of actual experience. The actuarial accrued liability decreased significantly since the last actuarial evaluation. A number of issues contributed to this change since the prior valuation. The current actuary determined that the prior actuary was overly conservative in estimating the per capita cost and statewide retirement system pension actuaries updated demographic assumptions, such as retirement, turnover, and mortality rates. There were no other changes in assumptions.

S. ACCOUNTING CHANGES

None.

T. PRIOR-YEAR RESTATEMENT OF NET ASSETS

Southeastern Louisiana University had no changes to beginning net assets for the year ended June 30, 2010.

U. PLEDGES OF GIFTS

Not Applicable.

V. SEGMENT INFORMATION

University Facilities, Inc. issues revenue bonds to finance certain of Southeastern's auxiliary enterprises. The revenues generated by the auxiliary enterprise are used to pay the interest and principal of these revenue bonds.

Condensed financial information for each of the institution's segments follows:

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CONDENSED STATEMENT OF NET ASSETS

	<u>University Facilities, Inc.</u>
Assets	
Current assets	\$ 12,332,467
Due from other funds	
Capital assets	61,195,959
Other assets	9,029,931
Total Assets	82,558,357
Liabilities	
Current liabilities	3,434,213
Due to other funds	
Long-term liabilities	77,683,702
Total Liabilities	81,117,915
Net Assets	
Invested in capital assets, net of related debt	
Restricted net assets - expendable	
Restricted net assets - nonexpendable	
Unrestricted net assets	1,440,442
Total Net Assets	\$ 1,440,442

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS:

	<u>University Facilities, Inc.</u>
Operating Revenue	\$ 13,053,748
Operating Expenses	(8,070,202)
Depreciation Expense	(1,935,655)
Net Operating Income	3,047,891
Nonoperating Revenues (Expenses):	
Investment Income	19,700
Gifts of Equipment	
Gift Income	
Interest Expense	(3,083,769)
Other (net)	(133,634)
Capital contributions/additions to permanent and term endowments	
Changes in Net Assets	(149,812)
Net Assets, beginning of the year	1,590,254
Net Assets, end of the year	\$ 1,440,442

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CONDENSED STATEMENT OF CASH FLOWS

	<u>University Facilities, Inc.</u>
Net cash flows provided (used) by:	
Operating activities	\$ 3,529,538
Noncapital financing	
Capital and related financing	(3,480,000)
Investing activities	98,157
Net increase (decrease) in cash	147,695
Cash, beginning of the year	191,293
Cash, end of the year	\$ 338,988

W. PER DIEM PAID TO BOARD MEMBERS

Southeastern Louisiana University made no per diem payments to board members.

X. PENSION PLANS

Substantially all of the employees of the university are members of the State Employees (LASERS), Teacher's (TRSL), or School Employee's Retirement System, all of which are cost sharing multiple employer defined pension plans.

Name of retirement system or plan	ID of the plan (A, B, or C see below)	Percentage of covered salaries that employees contribute	University's employer contributions to the plan for the year ended June 30, 2010
LA State Employees' Retirement System	C	7.5 if hired before 07/01/06	\$ 2,301,755
LA State Employees' Retirement System	C	8.0 if hired after 07/01/06	\$ 525,445
LA State Employees' Retirement System	C	11.5 for Judges Plan	\$ 419
LA School Employees' Retirement System	C	7.5	\$ 15,647
Teachers' Retirement System of Louisiana	C	8.0	\$ 4,404,720

Identification of retirement plans:

- A) Single-employer defined benefit plan
- B) Agent multiple-employer defined benefit plan
- C) Cost-sharing multiple-employer defined benefit plan
- D) Defined-contribution plan

Each System or plan is a statewide public employee retirement system and is available to all eligible employees. Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service. Article 10, Section 29 of the Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The Systems publish yearly annual financial reports that include detailed historical, financial, and actuarial information.

LRS 11:921 created an optional retirement plan (ORP) for academic and administrative employees of public institutions of higher education. This is a defined contribution plan that provides for full and immediate vesting of all contributions remitted on behalf of the participants. Participants contribute 8.0% and the university contributes 15.5% of the covered payroll. Benefits payable to participants

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

are not obligations of the State of Louisiana or the retirement systems; but are the liability and responsibility solely of the designated company or companies to whom contributions have been made. Employer and employee contributions to the optional retirement plan totaled \$3,898,593 and \$1,993,869 respectively, for the year ended June 30, 2010.

Y. DEBT REFUNDING

Not Applicable.

Z. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

Not Applicable.

AA. DONOR RESTRICTED ENDOWMENTS

If a donor has not provided specific instructions, state law permits the Board of Regents to authorize expenditure of the net appreciation (realized and unrealized) of the investments of endowment funds. Any net appreciation that is spent is required to be spent for the purposes for which the endowment was established.

At June 30, 2010, net appreciation of \$1,006,393 is available to be spent and is restricted to specific purposes.

The maximum spending allowed is 5% of the market value of program assets averaged for the previous five-year period. The maximum spending rate may be used if the average annual real total return (investment return less fees less inflation) exceeds the annual spending level.

BB. NOT USED

CC. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2010, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Operating Fund	\$ 333,429	\$ 1,445,673	\$ -	\$ -	\$ 1,779,102
Revenue Fund	205,625	83,937	-	-	289,562
Restricted Fund	253,090	129,124	-	-	382,214
Plant Fund	49,680	-	-	-	49,680
Agency Fund	26,812	24,006	-	-	50,818
UFI	627,206	-	1,247,263	-	1,874,469
Total payables	<u>\$ 1,495,842</u>	<u>\$ 1,682,740</u>	<u>\$ 1,247,263</u>	<u>\$ -</u>	<u>\$ 4,425,845</u>

DD. SUBSEQUENT EVENTS

The Health Care and Education Affordability Reconciliation Act of 2010 ("HCEARA"-H.R. 4872) mandated, effective July 1, 2010, all federal student loans (Stafford, PLUS, and Grad PLUS) be originated through the Federal Direct Loan Program. The Family Federal Education Loan Program which permitted private lenders to originate these loans was eliminated effective June 30, 2010. Southeastern began participating in the Federal Direct Loan Program in June 2010 with the summer semester.

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

EE. NOT USED

FF. IMPAIRMENT OF CAPITAL ASSETS AND INSURANCE RECOVERIES

Southeastern Louisiana University has no impaired capital assets as of June 30, 2010.

GG. EMPLOYEE TERMINATION BENEFITS

Termination benefits are benefits, other than salaries and wages that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Involuntary termination benefits include benefits such as severance pay or continued access to health insurance through the employer's group insurance plan. Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan.

A retirement incentive plan for tenured faculty was initiated during the 2010 fiscal year. The one-time incentive compensation payment was 50% of the employee's actual nine-month salary for the academic year, not to exceed \$50,000.

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. For the fiscal year ending June 30, 2010, the cost of providing those benefits for 14 voluntary terminations totaled \$521,074.

HH. REVENUES – PLEDGED OR SOLD (GASB 48)

1. PLEDGED REVENUES

Pledged revenues are specific revenues that have been formally committed to directly collateralize or secure debt of the pledging government, or directly or indirectly collateralize or secure debt of a component unit. Pledged revenues are disclosed for each period in which the secured debt remains outstanding and for each secured debt issued.

Board of Trustees for State College and Universities State of Louisiana Revenue Bonds (Southeastern Louisiana University Student Recreation and Activity Center Project) Series 1998 – Revenue pledged for this bond includes all revenue related to the Student Recreation and Activity Center, including student fees, membership fees, and other miscellaneous revenue related to the Recreation Center. The bond was originally issued for \$7,690,000. As of June 30, 2010, principal and interest outstanding was \$4,455,000 and \$1,313,800, respectively. The revenue was pledged for the purpose of this bond for the period July 1995 through June 2020.

The debt secured by the revenue pledged was for the planning and construction of the Recreation Center, the funding of a Reserve Fund, and the funding of certain expenses related to the issuance of the bond. Pledged revenue related to this bond includes (1) all revenue from the Pledged Student Fee; (2) any other student fees collected to pay for the Recreation Center; (3) membership fees imposed on users of the Recreation Center other than Southeastern students; and (4) all funds and accounts held pursuant to the Bond Resolution, except the Rebate Fund and the Costs of Issuance Account of the Bond Proceeds Fund created for the payment of costs associated with the issuance of the bonds. A self assessed student fee consisting of a \$30 per student per regular semester (\$15 for summer) fee composed of, collectively, (a) the Pledged Student Fee and (b) a \$5 per student per regular semester (\$2.50 for summer) fee to be placed in the Intramural/Recreational Sports department budget to increase the scope and range of the

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010

intramural program. The Pledged Student Fee is equal to \$25 per student per regular semester (\$12.50 for summer) dedicated to the planning, construction, staffing, equipment and operation of the Recreation Center.

For the year ending June 30, 2010, principal and interest requirements were \$340,000 and \$237,650, respectively. Pledged revenues recognized for the period were \$1,067,832.

2. FUTURE REVENUES REPORTED AS A SALE

Future revenues reported as a sale are proceeds that an agency/entity received in exchange for the rights to future cash flows from specific future revenues and for which the agency/entity's continuing involvement with those revenues is effectively terminated.

Southeastern Louisiana University does not have any future revenues reported as a sale for the year ended June 30, 2010.

II. POLLUTION REMEDIATION OBLIGATIONS

A site assessment has been performed that revealed asbestos on Southeastern Louisiana University's property. The University paid \$8,048 in remediation costs for the fiscal year 2010. No further liability is expected as a result of the asbestos removal.

JJ. DEBT SERVICE RESERVE REQUIREMENTS

The following is a summary of the debt service reserve requirements of the various bond issues outstanding at June 30, 2010.

Bond Issue	Reserve Available	Reserve Requirement	Excess
Student Recreation and Activity Center Revenue Bonds	\$ 627,094	\$ 578,750	\$ 48,344
University Facilities, Inc. (UFI) Revenue Bonds 2004	5,278,130	5,265,837	12,293
University Facilities, Inc. (UFI) Revenue Bonds 2007	482,986	482,969	17

KK. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

ARRA expenses incurred in FY 2010 (on the full accrual basis) consisted of the following programs and amounts.

Program	Amount
State Fiscal Stabilization Fund Program	\$ 10,222,480
Trans-NSF Recovery Act Research Support	2,500
Federal Work Study Program	100,738
Habitat Conservation Program	423
	<u>\$ 10,326,141</u>

SCHEDULES

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STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF BONDS PAYABLE

June 30, 2010

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/09	(Redeemed) Issued	Principal Outstanding 6/30/10	Interest Rates	Interest Outstanding 6/30/10
Student Recreation & Activity Center Revenue Bonds	June 30, 1998	\$7,690,000	\$4,795,000	(\$340,000)	\$4,455,000	3.75- 5.00%	\$1,313,800
UFI Revenue Bonds Series 2004	August 13, 2004	76,910,000	74,790,000	(1,170,000)	73,620,000	3.00- 5.00%	52,273,360
UFI Revenue Bonds Series 2007, Series A & B	March 14, 2007	8,035,000	7,725,000	(2,310,000)	5,415,000	4.000- 4.375%	3,025,029
Total		<u>\$92,635,000</u>	<u>\$87,310,000</u>	<u>(\$3,820,000)</u>	<u>\$83,490,000</u>		<u>\$56,612,189</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE
June 30, 2010

Not Applicable

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF NOTES PAYABLE
June 30, 2010

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/09	(Redeemed) Issued	Principal Outstanding 6/30/10	Interest Rates	Interest Outstanding 6/30/10
Copiers	20-Sep-04	\$641,861	\$34,834	(34,834)	\$0	3.51%	\$0
Total		\$641,861	\$34,834	(34,834)	\$0		\$0

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2010

Fiscal Year <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2011	1,835,000	3,815,095
2012	2,030,000	3,741,781
2013	2,240,000	3,657,537
2014	2,450,000	3,554,263
2015	2,595,000	3,451,613
2016	2,680,000	3,343,849
2017	2,815,000	3,211,963
2018	2,940,000	3,092,737
2019	3,060,000	2,970,405
2020	3,190,000	2,840,004
2021	2,750,000	2,702,312
2022	2,890,000	2,559,030
2023	3,040,000	2,410,565
2024	3,175,000	2,274,529
2025	3,335,000	2,111,313
2026	3,515,000	1,937,737
2027	3,675,000	1,773,058
2028	3,860,000	1,591,707
2029	4,045,000	1,401,915
2030	4,240,000	1,210,190
2031	4,450,000	1,001,598
2032	4,350,000	781,937
2033	4,550,000	574,894
2034	4,730,000	391,626
2035	4,930,000	202,656
2036	60,000	5,250
2037	60,000	2,625
Total	\$ <u>83,490,000</u>	\$ <u>56,612,189</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF NOTES PAYABLE AMORTIZATION
For The Year Ended June 30, 2010

Not Applicable

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2010

Not Applicable

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF REIMBURSEMENT CONTRACTS PAYABLE AMORTIZATION
For The Year Ended June 30, 2010

Not Applicable

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF PER DIEM PAID
For The Year Ended June 30, 2010

Not Applicable

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF EXPENSES BY UNIVERSITY
For The Year Ended June 30, 2010

Name of Campus:	University Amount	Foundation Amount	Total Expenses
Southeastern Louisiana University	<u>\$ 168,598,430</u>	<u>\$ -</u>	<u>\$ 168,598,430</u>

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2010

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name	CFDA or Other Identifying No.	Pass-through Entity's Number
Direct Awards:				
U.S. Department of Housing and Urban Development		Supportive Housing Program	14.235	
U.S. Department of Education		Bilingual Education - Professional Development	84.195	
U.S. Department of Education		Bilingual Education - Professional Development	84.195	
U.S. Department of Education		Stepping Stones of Technology Innovation	84.327	
U.S. Department of Education		Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	
U.S. Department of Health and Human Services		Advanced Education Nursing Traineeships	93.358	
U.S. Library of Congress		No Program Name	42.GA08C0022	
U.S. Small Business Administration		No Program Name	59.SBAHQ-08-I-0127	
Federal Transit Cluster				
U.S. Department of Transportation		Federal Transit_Capital Investment Grants	20.500	
Research & Development Cluster (R&D)				
U.S. Department of Defense, Department of the Navy		Basic and Applied Scientific Research	12.300	
U.S. Department of Defense, Department of the Navy		Basic and Applied Scientific Research	12.300	
U.S. Department of Defense, Department of the Navy		Basic and Applied Scientific Research	12.300	
U.S. Department of the Interior		Marine Turtle Conservation	15.645	
U.S. Department of the Interior		Marine Turtle Conservation	15.645	
U.S. Department of Labor		WIA Pilots, Demonstrations, and Research Projects-Earmarks	17.261	
National Science Foundation		Mathematical and Physical Sciences	47.049	
National Science Foundation		Geosciences	47.050	

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 DUNS Number: 883227324

Basis of Accounting Used to Prepare Schedule: Full Accrual

Project Name	Award ID Number	Award Period	Disbursements/ Expenditures	Receipts/ Issues	Total
Northlake Homeless Management Information System Data Project 2009-2010	LA0120B6H060801	7/1/2009-6/30/2010	\$ 133,870	\$	133,870
		Sub-Total	\$ 133,870	\$	133,870
Project TEACH 2002 - 2007	T195N020027	9/30/2002-9/14/2007	\$ (875)	\$	(875)
Project IMPACT 2004 - 2009	T195N040141	7/15/2004-7/14/2009	\$ 8,486	\$	8,486
		Sub-Total	\$ 7,611	\$	7,611
Stepping Stones - Vision 3D - Digital Discovery for the Deaf	H327A090042	6/1/2009-5/30/2011	\$ 202,216	\$	202,216
		Sub-Total	\$ 202,216	\$	202,216
GEAR UP Program 2007-2008	P334A020142-07	9/15/2007-6/30/2009	\$ 661	\$	661
		Sub-Total	\$ 661	\$	661
MSN Southeastern Advanced Education Traineeship	2-A10HP00231-10-00	7/1/2009-6/30/2010	\$ 26,392	\$	26,392
		Sub-Total	\$ 26,392	\$	26,392
Teaching With Primary Sources	GA08C0022	12/20/2007-5/6/2013	\$ 146,723	\$	146,723
		Sub-Total	\$ 146,723	\$	146,723
The Hispanic Business and Leadership Institute	SBAHQ-08-I-0127	8/1/2008-7/31/2011	\$ 39,629	\$	39,629
		Sub-Total	\$ 39,629	\$	39,629
Bus and Bus Facilities (Intermodal Unit)	LA-04-0009-00	10/1/2005-9/30/2009	\$ 745,144	\$	745,144
		Sub-Total	\$ 745,144	\$	745,144
Algorithm Development for Battle Space on Demand (BonD)	N62306-09-P-3S09	9/11/2009-9/10/2010	\$ 44,614		44,614
Physics Markup Language Using Geometric Algebra	N00173-08-1-G034	8/31/2008-5/31/2010	\$ 2,139		2,139
Content Dictionaries for Geometric Algebra in OMDoc Format	N00173-08-1-G034	8/31/2008-5/31/2010	\$ 1,373	\$	1,373
		Sub-Total	\$ 48,126	\$	48,126
Global Assessment of Arribada Olive Ridley Sea Turtles 2009-2010	96200-9-G005	3/18/2009-6/17/2010	\$ 45,113		45,113
Global Assessment of Arribada Olive Ridley Sea Turtle Populations	96200-0-G037	2/25/2010-2/24/2011	\$ 3,719	\$	3,719
		Sub-Total	\$ 48,832	\$	48,832
Southeastern Louisiana University Initiative for Economic/Workforce Development and Community Planning/Smart Growth	EA-20110-10-60-A-22	4/1/2010-10/31/2011	\$ 10,615	\$	10,615
		Sub-Total	\$ 10,615	\$	10,615
RUI: End to End Modeling of Advanced LIGO In-Out Optics	PHY-0653233	7/1/2007-6/30/2011	\$ 45,097	\$	45,097
		Sub-Total	\$ 45,097	\$	45,097
CEDAR: Investigation of High-Spectral Width HF Radar Ionospheric Backscatter with Coordinated ISR Diagnostic Observations	ATM-0535377	1/1/2006-12/31/2009	\$ 14,574	\$	14,574
		Sub-Total	\$ 14,574	\$	14,574

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2010

130763

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name	CFDA or Other Identifying No.	Pass-through Entity's Number
National Science Foundation		Computer and Information Science and Engineering	47.070	
National Science Foundation		Biological Sciences	47.074	
National Science Foundation		Biological Sciences	47.074	
National Science Foundation		Biological Sciences	47.074	
National Science Foundation		ARRA Trans-NSF Recovery Act Research Support	47.082	
U.S. Environmental Protection Agency		Surveys, Studies, Investigations and Special Purpose Grants	66.606	
U.S. Environmental Protection Agency		Surveys, Studies, Investigations and Special Purpose Grants	66.606	
U.S. Environmental Protection Agency		Surveys, Studies, Investigations and Special Purpose Grants	66.606	
U.S. Environmental Protection Agency		Surveys, Studies, Investigations and Special Purpose Grants	66.606	
U.S. Environmental Protection Agency		Surveys, Studies, Investigations and Special Purpose Grants	66.606	
U.S. Environmental Protection Agency		Surveys, Studies, Investigations and Special Purpose Grants	66.606	
U.S. Environmental Protection Agency		Surveys, Studies, Investigations and Special Purpose Grants	66.606	
U.S. Environmental Protection Agency		Surveys, Studies, Investigations and Special Purpose Grants	66.606	
U.S. Department of Health and Human Services		Heart and Vascular Diseases Research	93.837	
U.S. Department of Health and Human Services		Allergy, Immunology and Transplantation Research	93.855	
U.S. Department of Health and Human Services		Biomedical Research and Research Training	93.859	

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Basis of Accounting Used to Prepare Schedule: Full Accrual

Project Name	Award ID Number	Award Period	Disbursements/ Expenditures	Receipts/ Issues	Total
CPATH-1: Collaborative Research: A Verification-Driven Learning Model that Enriches CS and Related Undergraduate Programs	CCF-0939015	9/1/2009-8/31/2012	\$ 16,022	\$ 16,022	16,022
		Sub-Total	\$ 16,022	\$ 16,022	16,022
RUI: The Evolution of Sperm Ducts and Accessory Sex Glands in Squamate Reptiles: An Empirical Study of Cellular Complexity	DEB-0809831	9/15/2008-8/31/2011	\$ 79,581	\$ 79,581	79,581
RUI: Diversity and Dynamics of Forest Butterflies in Ghana's Indigenous Sacred Groves and Forest Reserves	DEB-0612119	11/1/2005-8/31/2008	\$ (122)	\$ (122)	(122)
RUI: Diversification of New World Silversides (Atherinopsidae: Tribe Menidina)	DEB-0918073	8/15/2009-7/31/2012	\$ 4,511	\$ 4,511	4,511
		Sub-Total	\$ 83,970	\$ 83,970	83,970
IRES: Interdisciplinary Research on Characterization of Mechanical Properties of Materials	OISE-0927033	9/15/2009-8/31/2012	\$ 2,500	\$ 2,500	2,500
		Sub-Total	\$ 2,500	\$ 2,500	2,500
EPA IV - General and Administrative	X-83262201	10/1/2005-9/30/2010	\$ 695	\$ 695	695
EPA IV - Western Lake Pontchartrain Basin Research Program Education Outreach Component	X-83262201	10/1/2005-9/30/2010	\$ 2,092	\$ 2,092	2,092
EPA IV - Development of White Paper, How-To Manual, Outreach Workshops and Website for Mitigation Banking in the Manchac Swamp	X-83262201	10/1/2005-9/30/2010	\$ 13,991	\$ 13,991	13,991
EPA IV-A - Administrative Component of Lake Pontchartrain Basin Research Program	X-83262201	10/1/2005-9/30/2010	\$ 27,970	\$ 27,970	27,970
EPA IV-A - Development of an Index of Biological Integrity for Lake Pontchartrain Basin Wetlands	X-83262201	10/1/2005-9/30/2010	\$ 28,471	\$ 28,471	28,471
EPA IV-A - Mitigating the Spread of Zebra Mussels into Wetlands from Mississippi River Diversions	X-83262201	10/1/2005-9/30/2010	\$ 23,128	\$ 23,128	23,128
EPA IV-A - Establishment of Baseline Concentrations and Elucidation of Environmental Processes Controlling the Bioavailability and Bioaccumulation of Mercury and Other Toxic Metals	X-83262201	10/1/2005-9/30/2010	\$ 8,667	\$ 8,667	8,667
EPA IV-A - Technology Transfer and Outreach for the Lake Pontchartrain Basin Research Program	X-83262201	10/1/2005-9/30/2010	\$ 16,773	\$ 16,773	16,773
EPA IV - Establishment of Baseline Concentrations and Elucidation of Environmental Processes Controlling the Bioavailability and Bioaccumulation of Mercury and Other Toxic Metals	X-83262201	10/1/2005-9/30/2010	\$ 94	\$ 94	94
		Sub-Total	\$ 121,881	\$ 121,881	121,881
Molecular Role of Segment 6 in Heart Na Channel Slow Inactivation	2 R15 HL080009-02	5/1/2005-4/30/2011	\$ 64,031	\$ 64,031	64,031
		Sub-Total	\$ 64,031	\$ 64,031	64,031
Spatiotemporal Comparison of Aberrant & Ectopic VDJ Recombination Events in Vivo	1 R15 AI084023-01A1	4/3/2010-3/31/2013	\$ 1,348	\$ 1,348	1,348
		Sub-Total	\$ 1,348	\$ 1,348	1,348
Combined Substrate Polymerase Inhibitors	2 R15 GM067686-02	1/8/2007-12/31/2010	\$ 2,197	\$ 2,197	2,197
		Sub-Total	\$ 2,197	\$ 2,197	2,197

STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2010

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name	CFDA or Other Identifying No.	Pass-through Entity's Number
U.S. Department of Education		Federal Supplemental Educational Opportunity Grants	84.007	
U.S. Department of Education		Federal Supplemental Educational Opportunity Grants	84.007	
U.S. Department of Education		Federal Supplemental Educational Opportunity Grants	84.007	
U.S. Department of Education		Federal Supplemental Educational Opportunity Grants	84.007	
U.S. Department of Education		Federal Work-Study Program	84.033	
U.S. Department of Education		Federal Work-Study Program	84.033	
U.S. Department of Education		ARRA Federal Work-Study Program	84.033	
U.S. Department of Education		Federal Work-Study Program	84.033	
U.S. Department of Education		Federal Work-Study Program	84.033	
U.S. Department of Education		Federal Perkins Loan Program-Federal Capital Contributions	84.038	
U.S. Department of Education		Federal Perkins Loan Program-Federal Capital Contributions	84.038	
U.S. Department of Education		Federal PELL Grant Program	84.063	
U.S. Department of Education		Federal PELL Grant Program	84.063	
U.S. Department of Education		Federal PELL Grant Program	84.063	
U.S. Department of Education		Federal PELL Grant Program	84.063	
U.S. Department of Education		Federal PELL Grant Program	84.063	
U.S. Department of Education		Federal PELL Grant Program	84.063	
U.S. Department of Education		Federal PELL Grant Program	84.063	
U.S. Department of Education		Federal PELL Grant Program	84.063	

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Basis of Accounting Used to Prepare Schedule: Full Accrual

Project Name	Award ID Number	Award Period	Disbursements/ Expenditures	Receipts/ Issues	Total
Federal Supplemental Educational Opportunity Grants-Direct Payments 05-06	P007A051668	7/1/2005-6/30/2006	\$ (250)	\$	(250)
Federal Supplemental Educational Opportunity Grants-Administrative Costs 05-06	P007A051668	7/1/2005-6/30/2006	\$ (13)	\$	(13)
Federal Supplemental Educational Opportunity Grants-Direct Payments 09-10	P007A091668	7/1/2009-6/30/2010	\$ 375,730	\$	375,730
Federal Supplemental Educational Opportunity Grants-Administrative Costs 09-10	P007A091668	7/1/2009-6/30/2010	\$ 18,786	\$	18,786
		Sub-Total	\$ 394,253	\$	394,253
Federal Work-Study Program-Administrative Costs 2008 - 2009	P033A081668	7/1/2008-6/30/2009	\$ (433)	\$	(433)
Federal Work-Study Program-Compensation Paid to Students 2009 - 2010	P033A091668	7/1/2009-6/30/2010	\$ 412,622	\$	412,622
Federal Work-Study Program-Compensation Paid to Students 2009 - 2010	P033A091668	7/1/2009-6/30/2010	\$ 100,738	\$	100,738
Federal Work-Study Program-Administrative Costs 2009 - 2010	P033A091668	7/1/2009-6/30/2010	\$ 25,669	\$	25,669
Federal Work-Study Program-Job Location and Development 2009 - 2010	P033A091668	7/1/2009-6/30/2010	\$ 49,600	\$	49,600
		Sub-Total	\$ 588,196	\$	588,196
Federal Perkins Loans-Administrative Costs 2008 - 2009	P038A081668	7/1/2008-6/30/2009	\$ 433	\$	433
Federal Perkins Loans-Administrative Costs 2009 - 2010	P038A091668	7/1/2009-6/30/2010	\$ 12,294	\$	12,294
		Sub-Total	\$ 12,727	\$	12,727
Federal PELL Grant Program-Direct Payments 2004 - 2005	P063P041524	7/1/2004-6/30/2005	\$ (197)	\$	(197)
Federal PELL Grant Program-Direct Payments 2005 - 2006	P063P051524	7/1/2005-6/30/2006	\$ (6,642)	\$	(6,642)
Federal PELL Grant Program-Direct Payments 2006 - 2007	P063P051524	7/1/2006-6/30/2007	\$ (325)	\$	(325)
Federal PELL Grant Program-Direct Payments 2007 - 2008	P063P071524	7/1/2007-6/30/2008	\$ (1,989)	\$	(1,989)
Federal PELL Grant Program-Direct Payments 2008 - 2009	P063P081524	7/1/2008-6/30/2009	\$ (6,966)	\$	(6,966)
Federal PELL Grant Program-Direct Payments 2009 - 2010	P063P091524	7/1/2009-6/30/2010	\$ 19,615,707	\$	19,615,707
Federal PELL Grant Program-Administrative Costs 2008 - 2009	P063Q081524	7/1/2008-6/30/2009	\$ 585	\$	585
Federal PELL Grant Program-Administrative Costs 2009 - 2010	P063Q091524	7/1/2009-6/30/2010	\$ 23,875	\$	23,875
		Sub-Total	\$ 19,624,048	\$	19,624,048

STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2010

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name	CFDA or Other Identifying No.	Pass-through Entity's Number
U.S. Department of Education		Academic Competitiveness Grants	84.375	
U.S. Department of Education		National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376	
U.S. Department of Education		Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379	
TRIO Cluster				
U.S. Department of Education		TRIO Student Support Services	84.042	
U.S. Department of Education		TRIO Student Support Services	84.042	
U.S. Department of Education		TRIO Talent Search	84.044	
U.S. Department of Education		TRIO Talent Search	84.044	
U.S. Department of Education		TRIO Talent Search	84.044	
U.S. Department of Education		TRIO Talent Search	84.044	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Upward Bound	84.047	
U.S. Department of Education		TRIO Educational Opportunity Centers	84.066	
U.S. Department of Education		TRIO Educational Opportunity Centers	84.066	

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 EIN Number: 72-6000816
 DUNS Number: 883227324

Basis of Accounting Used to Prepare Schedule: Full Accrual

Project Name	Award ID Number	Award Period	Disbursements/ Expenditures	Receipts/ Issues	Total
Academic Competitiveness Grants 2009 - 2010	P375A091524	7/1/2009-6/30/2010	\$ 751,829	\$	\$ 751,829
		Sub-Total	\$ 751,829	\$	\$ 751,829
National Science and Mathematics Access to Retain (SMART) Grants 2009 - 2010	P376S091524	7/1/2009-6/30/2010	\$ 154,562	\$	\$ 154,562
		Sub-Total	\$ 154,562	\$	\$ 154,562
TEACH Grant 2009 - 2010	P379T101524	7/1/2009-6/30/2010	\$ 52,750	\$	\$ 52,750
		Sub-Total	\$ 52,750	\$	\$ 52,750
Student Support Services 2008 - 2009	P042A060884	9/1/2006-8/31/2010	\$ 53,130	\$	\$ 53,130
Student Support Services 2009 - 2010	P042A060884	9/1/2006-8/31/2010	\$ 297,436	\$	\$ 297,436
		Sub-Total	\$ 350,566	\$	\$ 350,566
Tangipahoa Talent Search 2008 - 2009	P044A070770	9/1/2007-8/31/2011	\$ 60,466	\$	\$ 60,466
Tangipahoa Talent Search 2009 - 2010	P044A070770	9/1/2007-8/31/2011	\$ 302,694	\$	\$ 302,694
Talent serach Washington/St. Helena 2008 - 2009	P044A070678	9/1/2007-8/31/2011	\$ 36,157	\$	\$ 36,157
Talent serach Washington/St. Helena 2009 - 2010	P044A070678	9/1/2007-8/31/2011	\$ 190,954	\$	\$ 190,954
		Sub-Total	\$ 590,271	\$	\$ 590,271
Math Science Upward Bound 2003 - 2007	P047M030233	10/1/2003-9/30/2007	\$ (175)	\$	\$ (175)
Math Science Upward Bound 2008 - 2009	P047M070230	10/1/2007-9/30/2011	\$ 117,833	\$	\$ 117,833
Math Science Upward Bound 2009 - 2010	P047M070230	10/1/2007-9/30/2011	\$ 231,858	\$	\$ 231,858
Upward Bound Livingston, St. Helena, Washington Parishes 2003 - 2008	P047A030223	10/1/2003-9/30/2008	\$ (165)	\$	\$ (165)
Upward Bound Livingston, St. Helena, Washington Parishes 2008 - 2009	P047A080830	10/1/2008-9/30/2012	\$ 79,972	\$	\$ 79,972
Upward Bound Livingston, St. Helena, Washington Parishes 2009 - 2010	P047A080830	10/1/2008-9/30/2012	\$ 243,812	\$	\$ 243,812
Upward Bound Tangipahoa Parish 2003 - 2008	P047A031154	10/1/2003-9/30/2008	\$ (235)	\$	\$ (235)
Upward Bound Tangipahoa Parish 2008 - 2009	P047A081000	10/1/2008-9/30/2012	\$ 130,948	\$	\$ 130,948
Upward Bound Tangipahoa Parish 2009 - 2010	P047A081000	10/1/2008-9/30/2012	\$ 294,735	\$	\$ 294,735
Jefferson Upward bound 2008 - 2009	P047A081001	12/1/2007-11/30/2011	\$ 109,725	\$	\$ 109,725
Jefferson Upward bound 2009 - 2010	P047A081001	12/1/2007-11/30/2011	\$ 153,269	\$	\$ 153,269
Math Science Upward Bound Livingston/St Helena/Washington Parishes	P047M090285	9/1/2009-8/31/2013	\$ 137,850	\$	\$ 137,850
Veterans Upward Bound 2003 - 2008	P047A031018	9/1/2003-8/31/2008	\$ (407)	\$	\$ (407)
Veterans Upward Bound 2008 - 2009	P047V080080	9/1/2008-8/31/2012	\$ 51,194	\$	\$ 51,194
Veterans Upward Bound 2009 - 2010	P047V080080	9/1/2008-8/31/2012	\$ 281,512	\$	\$ 281,512
		Sub-Total	\$ 1,831,726	\$	\$ 1,831,726
Educational Opportunity Center 2008 - 2009	P066A060146	9/1/2006-8/31/2010	69,465		69,465
Educational Opportunity Center 2009 - 2010	P066A060146	9/1/2006-8/31/2010	\$ 340,381	\$	\$ 340,381
		Sub-Total	\$ 409,846	\$	\$ 409,846

STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2010

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name	CFDA or Other Identifying No.	Pass-through Entity's Number
U.S. Department of Education	National Writing Project Corporation	National Writing Project	84.928	
U.S. Department of Health and Human Services	University of Texas Health Science Center at Tyler	Occupational Safety and Health Program	93.262	5U50OH007541-07
U.S. Department of Health and Human Services	University of Massachusetts Lowell	Occupational Safety and Health Program	93.262	R01 OH 008254 -01A2
Corporation for National and Community Service	Northern Kentucky University Research Foundation	Learn and Serve America Higher Education	94.005	06LHHKY001
Corporation for National and Community Service	Northern Kentucky University Research Foundation	Learn and Serve America Higher Education	94.005	06LHHKY001
Corporation for National and Community Service	Louisiana Campus Compact	Learn and Serve America Higher Education	94.005	06LHHKY001
Corporation for National and Community Service	Jumpstart for Young Children, Inc.	Americorps	94.006	170200
Head Start Cluster				
U.S. Department of Health and Human Services	Regina Coeli Child Development Center	Head Start	93.600	
Research & Development Cluster				
U.S. Department of Energy	The Pennsylvania State University	Office of Science Financial Assistance Program	81.049	DE-FG02-07 -ER46414

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 EIN Number: 72-6000816
 DUNS Number: 883227324

Basis of Accounting Used to Prepare Schedule: Full Accrual

<u>Project Name</u>	<u>Award ID Number</u>	<u>Award Period</u>	<u>Disbursements/ Expenditures</u>	<u>Receipts/ Issues</u>	<u>Total</u>
Southeastern Louisiana Writing Project	92-LA05	7/1/1992-6/30/2011	\$ 54,138	\$	54,138
		Sub-Total	\$ 54,138	\$	54,138
Worker Health Protection Among Shrimp Fishermen of the Gulf Coast	SC08-11	6/1/2008-9/29/2010	\$ 11,014	\$	11,014
Knee Disorders and Occupational Biomechanical Risks - Health Data Analysis and Synthesis	S11108610000008	5/1/2009-8/31/2009	\$ 7,726	\$	7,726
		Sub-Total	\$ 18,740	\$	18,740
Project PIE (Puppetry Impact on Education)	4000120-SL-004	1/1/2009-5/31/2010	\$ 5,986	\$	5,986
Service Learning for Math 367	4000120-SL-001	1/1/2009-12/31/2009	\$ 22	\$	22
Service Learning Train-the-Trainer Grant	NK 2007-27	7/1/2009-9/15/2009	\$ 176	\$	176
		Sub-Total	\$ 6,184	\$	6,184
Jumpstart Hammond 2008 - 2009	CFDA-94.006-JS-SITE #17	9/1/2008-8/31/2009	\$ 7,390	\$	7,390
		Sub-Total	\$ 7,390	\$	7,390
Regina Coeli Child Development Center Support of the SLU Head Start Child Development Center		7/1/2009-6/30/2010	\$ 1,145	\$	1,145
		Sub-Total	\$ 1,145	\$	1,145
Nanocolloidal Forces for Stability of Assembly	3540-SLU-DOE-6414	8/15/2007-8/14/2010	\$ 35,892	\$	35,892
		Sub-Total	\$ 35,892	\$	35,892
		Total	\$ 26,645,702	\$	26,645,702

STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 SCHEDULE OF FIXED PRICE CONTRACTS
 For the Year Ended June 30, 2010

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name
<u>Awards From a Pass-Through Entity:</u>		
<u>Research & Development Cluster</u>		
U.S. Environmental Protection Agency	Lake Pontchartrain Basin Foundation	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(B)(3) of the Clean
U.S. Department of Energy	MECOM, Inc.	No Program Name Available

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Basis of Accounting Used to Prepare Schedule: Full Accrual

CFDA or Other Identifying No.	Pass-through Entity's Number	Project Name	Award ID Number	Award Period	Revenues
66.436	Various	E. coli Analyses for Lake Pontchartrain Basin Foundation		01/16/2006- 06/30/2010	\$ 67,816
81.DE-FG02-03ER86172	DE-FG02-03ER86172	Sequestration and Bioconversion of Carbon Dioxide to Methane - Department of Energy STTR Program - Phase II		06/27/2003- 06/30/2010	\$ 616
				Total	\$ <u>68,432</u>

STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 SCHEDULE OF DISCLOSURES FOR FEDERALLY ASSISTED LOANS
 For the Year Ended June 30, 2010

Cluster Name (if applicable) & Federal Grantor	Program Name	CFDA No. or Other Identifying No.	Loans Made or Disbursed During the Year (09-10)	Loans Received During the Year (09-10)	Outstanding Loan Balance at 6/30/10	Principal and Interest Canceled
U.S. Department of Education	Perkins Loan Cancellations - Teacher/Military	84.037	\$	\$	\$	\$ 14,971
U.S. Department of Education	Perkins Loan Cancellations - Law Enforcement	84.037	\$	\$	\$	\$ 1,798
U.S. Department of Education	Perkins Loan Cancellations - Nurse/Medical Technician	84.037	\$	\$	\$	\$ 7,529
U.S. Department of Education	Perkins Loan Cancellations - Child/Family and Early Intervention	84.037	\$	\$	\$	\$ 225
U.S. Department of Education	Perkins Loan Cancellations - Teacher Shortage	84.037	\$	\$	\$	\$ 4,635
U.S. Department of Education	Perkins Loan Cancellations - Teacher-SPED	84.037	\$	\$	\$	\$ 5,038
Student Financial Assistance Cluster (SFA)						
U.S. Department of Education	Federal Family Education Loans (FFEL)	84.032	\$	44,066,165 \$	\$	\$
U.S. Department of Education	Federal Perkins Loan Program - Federal Capital Contributions	84.038	\$	245,875 \$	\$ 2,915,149 \$	\$
U.S. Department of Education	Federal Direct Student Loans	84.268	\$	171,057 \$	\$	\$
U.S. Department of Education	Nursing Student Loans	93.364	\$	\$	\$ 17,500 \$	\$

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Basis of Accounting Used To Prepare Schedule: Full Accrual

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2010

Finding Title: NONE

"Pass-Through Entity Name," if applicable: _____

Reference Number(s): _____
(from attached schedule of findings, may include more than one)

Single Audit Report Year: _____

Initial Year of Finding: _____

Amount of Questioned Costs in Finding (if applicable): \$ _____

Page Number (from Single Audit Report): _____

Program Name(s): _____

Federal Grantor Agency: _____

CFDA Number(s): _____

Status of Questioned Costs (check one):
Resolved: _____ Unresolved: _____ No Further Action Needed: _____

Briefly describe the status of the Questioned Costs. Were they refunded to federal government? Are they still in negotiation?

Status of Finding (check one):
Fully Corrected _____ Not Corrected _____
Partially Corrected _____ No Further Action Needed _____
Change of Corrective Action _____ {See OMB A-133 Section 315(b)(4)}

Description of Status: (include corrective action planned and anticipated completion date, if applicable):

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STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 SCHEDULE OF NON-STATE SUB-RECIPIENTS OF MAJOR FEDERAL PROGRAMS
 For the Year Ended June 30, 2010

Federal Grantor	CFDA or Other Identifying No.	Award or Subaward Number	Project Number	Major Program Name and Cluster Name, when applicable	Amount of Major Program Funds Disbursed to Non-State Subrecipient	Name of Non-State Subrecipient
Fish and Wildlife Cluster						
U.S. Department of the Interior	15.605	CFMS 670148		Sport Fish Restoration	\$ 7,750	The University of Georgia
					Sub-total \$	7,750
Research & Development Cluster (R&D)						
U.S. Department of the Interior	15.645	96200-9-G005		Marine Turtle Conservation	\$ 3,000	The Fauna and Flora Preservation Society
U.S. Department of the Interior	15.645	96200-9-G005		Marine Turtle Conservation	\$ 12,000	FUNDECODES
U.S. Department of the Interior	15.645	96200-9-G005		Marine Turtle Conservation	\$ 8,000	Ashoka Trust for Research in Ecology
					Sub-total \$	23,000
					Total \$	30,750

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 Basis of Accounting Used To
 Prepare Schedule: Full Accrual

STATE OF LOUISIANA
 SOUTHEASTERN LOUISIANA UNIVERSITY
 SCHEDULE OF STATE ENTITY SUB-RECIPIENTS OF FEDERAL PROGRAMS
 For the Year Ended June 30, 2010

Federal Grantor and CFDA or Other Identifying No.	Award or Sub-award Number	Project Number	Federal Program Name and Cluster Name, when applicable	Amount of Federal Program Funds Disbursed to State Agency, Hospital, College, or University	Name of State Agency Hospital, College, or University Sub-recipient
66.606	X-83262201		Research & Development Cluster (R&D) Surveys, Studies, Investigations and Special Purpose Grants	8,761	University of Louisiana at Lafayette
			Sub-total \$	<u>8,761</u>	
			Total \$	<u><u>8,761</u></u>	

Preparer's Name: Clarice R. Blades
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 EIN Number: 72-6000816
 DUNS Numbers: 883227324
 Basis of Accounting
 Used To Prepare
 Schedule: Full Accrual

STATE OF LOUISIANA
SOUTHEASTERN LOUISIANA UNIVERSITY

SCHEDULE OF COOPERATIVE ENDEAVORS
For The Year Ended June 30, 2010

Not Applicable

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APPENDIX C

PRINCIPAL FINANCING DOCUMENTS

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APPENDIX C-1

FORM OF TRUST INDENTURE

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FORM OF
TRUST INDENTURE

by and between

Louisiana Local Government Environmental Facilities and
Community Development Authority

and

Regions Bank
(as Trustee)

Dated as of November 1, 2010

in connection with:

\$

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

\$

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

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TRUST INDENTURE

This TRUST INDENTURE dated as of November 1, 2010 (together with any amendments hereto, this "*Indenture*"), is between the LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY, a political subdivision of the State of Louisiana (the "*Issuer*"), and REGIONS BANK, an Alabama state banking corporation having a corporate trust office in the City of Baton Rouge, Louisiana and duly authorized to accept and execute trusts, as trustee (the "*Trustee*").

WITNESSETH:

WHEREAS, the Issuer is a political subdivision established for public purposes under and pursuant to the provisions of Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 to 4548.16, inclusive) (the "*Act*") and other constitutional and statutory authority;

WHEREAS, the Act empowers the Issuer to issue bonds to provide funds for and to fulfill and achieve its authorized public functions or corporate purposes as set forth in the Act;

WHEREAS, the Board of Supervisors for the University of Louisiana System (the "*Board*") is a body corporate created pursuant to the provisions of Article VIII, §6(A) of the Constitution of the State of Louisiana of 1974 and authorized pursuant to La. R.S. 17:3217;

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Issuer is authorized to issue revenue bonds and loan the funds derived from the sale thereof to the University Facilities, Inc. (the "*Corporation*"), a nonprofit corporation organized and existing under the laws of the State for the benefit of Southeastern Louisiana University (the "*University*"), for the purpose of providing financing to the Corporation for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food services areas, a bookstore and related facilities for students, faculty, staff and the general public, including all furnishings, fixtures and facilities incidental or necessary in connection therewith on the campus of the University (the "*Facilities*") in Tangipahoa Parish, Hammond, Louisiana;

WHEREAS, the Corporation is a nonprofit corporation organized and existing under the laws of the State of Louisiana (the "*State*") for the benefit of the University and is empowered to consummate the transactions contemplated hereunder and to do all acts and exercise all powers and assume all obligations necessary or incident thereto;

WHEREAS, the Corporation has requested that the Issuer issue \$ _____ aggregate principal amount of Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A (the "*Series 2010A Bonds*") and \$ _____ aggregate principal amount of Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B (the "*Series 2010B Bonds*") and, together with the Series 2010A Bonds, the "*Bonds*") the proceeds of the sale of such Bonds to be loaned to the Corporation

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pursuant to the Loan and Assignment Agreement dated as of the date hereof (the "Agreement") for the purpose of (a) demolishing certain existing facilities and renovating, developing and constructing the Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance (as defined herein) of the Bonds, including the premium for any bond insurance policy insuring the Bonds (the "Project");

WHEREAS, the Issuer is authorized under the provisions of the Act and other constitutional and statutory authority to issue the Bonds for such purposes and the Issuer has determined that it is most advantageous to the Issuer and necessary for it to issue its revenue bonds as hereinafter provided for such purposes;

WHEREAS, pursuant to the Agreement, the Corporation will assign its rights under that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010 by and between the Board and the Corporation (the "Original Facilities Lease") as supplemented and amended by that certain First Amendment to Facilities Lease dated as of November 1, 2010 by and between the Board and the Corporation (the "Amendment to Facilities Lease" and, together with the Original Facilities Lease, the "Facilities Lease"), pursuant to which the Corporation, as lessor, leases the Facilities to the Board, as Lessee, including its right to all Rental (as defined in the Facilities Lease) received thereunder, to the Issuer, and agrees to make payments in an amount sufficient to make timely payments of principal of, premium, if any, and interest on the Bonds and to pay such other amounts as are required by the Agreement;

WHEREAS, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (the "Bond Insurer") will issue its municipal bond insurance policy unconditionally and irrevocably guaranteeing the full and complete payment of the principal of and interest on the Bonds as such payments shall become due but shall be unpaid;

WHEREAS, the fully registered Series 2010A Bonds and Series 2010B Bonds and the certificate of authentication by the Trustee to be endorsed thereon with respect to the Series 2010A Bonds and Series 2010B Bonds are to be in substantially the form attached as Exhibit A-1 and Exhibit A-2, respectively, hereto with all necessary and appropriate variations, omissions and insertions as permitted or required under this Indenture;

WHEREAS, the Series 2010A Bonds and the Series 2010B Bonds will bear interest at a fixed rate to the maturity thereof in accordance with the terms of this Indenture;

WHEREAS, all acts, conditions and things required by the laws of the State to happen, exist and be performed precedent to and in the execution and delivery of this Indenture have happened, exist and have been performed as so required in order to make this Indenture a valid and binding agreement in accordance with its terms;

WHEREAS, the execution and delivery of this Indenture have been duly authorized by the Issuer and the Trustee; and

WHEREAS, each of the parties hereto represents that it is fully authorized to enter into and perform and fulfill the obligations imposed upon it under this Indenture and the parties are now prepared to execute and deliver this Indenture.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Issuer and the Trustee hereby covenant and agree as follows:

ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. All capitalized terms not otherwise defined herein shall have the meanings assigned in the preamble hereto or in the Agreement. In addition to words and terms elsewhere defined in this Indenture, the following words and terms as used herein shall have the following meanings, unless some other meaning is plainly intended:

"Accounts" shall mean the accounts and subaccounts created pursuant to Article 4 hereof.

"Act" shall mean Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 to 4548.16, inclusive) and all future acts supplemental thereto and amendatory thereof.

"Additional Debt" means any obligation (whether present or future, contingent or otherwise, as principal or security or otherwise), that is secured by or payable from the Capital Funds and the Student Fees: (i) in respect of borrowed money, including without limitation, bonds, notes and similar obligations; or (ii) under a lease arrangement, installment sale agreement or other similar arrangement.

"Additional Rental" shall mean the amounts specified as such in Section 6(c) of the Facilities Lease.

"Administrative Expenses" means the necessary, reasonable and direct out-of-pocket expenses incurred by the Issuer or the Trustee pursuant to the Indenture and the Agreement, the compensation of the Trustee under the Indenture (including, but not limited to any annual administrative fee charged by the Trustee), the compensation of the Issuer, any amounts due to the Bond Insurer, if any, under the Reimbursement Agreement and the necessary, reasonable and direct out-of-pocket expenses of the Trustee incurred by the Trustee in the performance of its duties under the Indenture.

"Agreement" shall mean the Loan and Assignment Agreement dated as of November 1, 2010 between the Corporation and the Issuer, including any amendments and supplements thereof and thereto as permitted thereunder.

"Annual Debt Service" means, with respect to any series of Bonds, the amount required to pay all principal of and interest on such respective series of Bonds in any Fiscal Year.

"Aramark" means Aramark Educational Services, LLC, a Delaware limited liability company having its principal place of business Philadelphia, Pennsylvania

"Authorized Corporation Representative" means any person at the time designated to act on behalf of the Corporation by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Corporation by an

officer of the Corporation. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“*Authorized Denomination*” shall mean \$5,000 or any integral multiple thereof.

“*Authorized Issuer Representative*” shall mean the person(s) at the time designated to act under the Agreement and this Indenture on behalf of the Issuer by a written certificate furnished to the Corporation and the Trustee containing the specimen signature of such person(s) and signed on behalf of the Issuer by the Chairman, Vice Chairman, Executive Director or Assistant Secretary of the Issuer. Such certificate may designate an alternate or alternates.

“*Auxiliary Enterprises*” means the fees, commissions and other revenues generated by the following University auxiliary enterprises as the same may be modified from time to time: (a) student service fees for operation of the University’s Text book rental, ID Card Services, Student Health Center and Student Union; (b) certain commissions received from Food Service contractors, Retail Bookstore operations and Vending Operations; and (c) the sales of copying services.

“*Auxiliary Revenues*” means the amount of all funds or revenues held by the University derived by Auxiliary Enterprises and any earnings thereof from self generated fees, rates charges or income received by students, faculty or the public in connection with the utilization or operation of Auxiliary Enterprises after payment of any Auxiliary Enterprise expenses. Auxiliary Revenues shall not include student fees specifically assessed by the University to service any outstanding obligations or any capital funds received by outside contractors required to make building improvements for their delivery of services.

“*Base Rental*” shall mean the amounts referred to as such in Section 6(b) of the Facilities Lease (as such amounts may be adjusted from time to time in accordance with the terms thereof) but does not include Additional Rental.

“*Beneficial Owner*” shall mean, so long as a book entry system of registration is in effect pursuant to Section 3.13 hereof, the actual purchaser of the Bonds.

“*Board*” shall mean the Board of Supervisors for the University of Louisiana System or its legal successor as the management board of the University, acting on behalf of the University and on its own behalf.

“*Board Representative*” means the Person or Persons designated by the Board in writing to serve as the Board’s representative(s) in exercising the Board’s rights and performing the Board’s obligations under the Facilities Lease; the Board Representative shall be the President of the Board of Supervisors for the University of Louisiana System, or his or her designee, the Assistant Vice President for Facilities Planning, or his or her designee, or any other representative designated by resolution of the Board, of whom the Corporation has been notified in writing.

“*Bond Insurance Policy*” shall mean the insurance policy issued by Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2010 Bonds when due.

“*Bond Insurer*”, if any, shall mean Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), a New York stock insurance company, or any successor thereto or assignee thereof.

“*Bond Insurer Amounts*” means all amounts payable to the Bond Insurer, if any, under the terms of the Agreement or the Indenture or any Facilities Documents whether in the form of a direct, reimbursement, or indemnity, payment obligation of the Corporation and including any amounts that become due during the Residual Payment Obligation Period.

“*Bond Proceeds Fund*” shall mean the fund of that name created under Section 4.1 of this Indenture.

“*Bond Purchase Agreement*” means the agreement by that name dated November 2010 entered into between the Issuer, the Underwriter and the Corporation providing for the purchase of the Bonds.

“*Bond Register*” shall mean, when used with respect to the Bonds, the registration books maintained by the Trustee pursuant to Section 3.8 of this Indenture.

“*Bondholder*” or “*owner*”, when used with reference to a Bond or Bonds, shall mean the registered owner of any Outstanding Bond or Bonds.

“*Bonds*” means, collectively, the Series 2010 Bonds and any Series 2010A Completion Bonds or Series 2010B Completion Bonds issued pursuant to a supplemental Indenture as authorized hereby.

“*Bookstore*” means the locations described as such on Exhibit A-2 to the Facilities Lease and any improvements thereon or placed thereon during the Term (as defined in the Facilities Lease) of the Facilities Lease.

“*Building Use Fee*” means one-half of the building use fee being assessed by the University on all students for the renovation, construction and development of on-campus facilities.

“*Business Day*” means any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York, or Baton Rouge, Louisiana, are authorized or required not to be open for the transaction of regular banking business, or (d) a day on which the New York Stock Exchange is closed.

“*Campus*” means the campus of the University.

“*Capital Funds*” means payments to the University, or to the Board on behalf of the University, for capital improvements and made in connection with the operation and/or management of the Food Service Areas whether pursuant to the Food Service Contract, the Facilities Lease or other lease, management agreement or operating agreement.

“*Closing Date*” shall mean the date on which the Bonds are delivered and payment therefor is received by the Issuer.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

"Completion Bonds" means bonds, if any, issued in one or more series on a parity with the Series 2010 Bonds pursuant to Article 5 of this Indenture.

"Construction Team" shall mean all construction professionals performing services under the Contract.

"Contract" shall mean those certain contracts between the Corporation and the Design Team and the Corporation and the Construction Team for the design and construction of the Facilities.

"Corporate Trust Office" shall mean initially II City Plaza, 400 Convention Street, 3rd Floor, Baton Rouge, Louisiana 70802, or such other location to be designated by the Trustee.

"Corporation" means University Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payment or provision for the payment of all of the Bonds.

"Costs of Issuance" shall mean all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of the Bonds, including publication costs, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any fiduciary, legal fees and charges, fees and disbursements of consultants and professionals, including financial advisors, costs of liquidity facilities, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of the Bonds, premiums for the Bond Insurance and any other cost, charge or fee paid by the Issuer in connection with the original issuance of the Bonds.

"Costs of Issuance Account" shall mean the account so designated that is established pursuant to this Indenture.

"Costs of the Facilities" shall mean those costs incurred by the Corporation in connection with the Facilities, as set forth in Section 4.14 of this Indenture.

"Debt Service Coverage Ratio" means, for any Fiscal Year, the ratio determined by the Vice-President for Administration and Finance of the University by dividing (a) the combined amount of (i) the Capital Funds for such Fiscal Year, (ii) the Student Fees for such Fiscal Year and (iii) earnings generated by the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement by (b) Annual Debt Service on the Bonds outstanding and on any Additional Debt issued and proposed to be issued for such Fiscal Year.

"Debt Service Fund" shall mean the fund of that name created under Section 4.1 of this Indenture.

"Debt Service Requirements" shall mean for any particular Fiscal Year an amount equal to the sum of (a) all interest payable during such Fiscal Year on all Outstanding Bonds, plus (b)

the Principal Installment of Outstanding Bonds falling due during such Fiscal Year. Such interest and Principal Installments for the Bonds shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof.

"Debt Service Reserve Fund" means the fund of that name created under the Indenture to be funded from Bond proceeds with respect to the Series 2010A Bonds Debt Service Reserve Account and to be funded with a Board contribution with respect to the Series 2010B Bonds Debt Service Reserve Account.

"Debt Service Reserve Fund Requirement" means with respect to the Series 2010 Bonds, and any Completion Bonds, at the time of determination, the least of (a) ten percent (10%) of the stated principal amount thereof (less any original issue discount that exceeds a *de minimis* amount), (b) one hundred twenty five percent (125%) of the average Annual Debt Service thereon from the date of calculation to the final maturity thereof, (c) the Maximum Annual Debt Service thereon, or (d) such lesser sum as shall be required by the Code and the Regulations to ensure the exclusion of the interest thereon from the gross income of the owners thereof for federal income tax purposes; provided, however, that the amount of principal due in any Bond Year shall be determined, in the case of Bonds subject to mandatory sinking fund redemption pursuant to the Indenture and similar provisions in any supplemental indenture, by the principal amount of Bonds to be redeemed by mandatory sinking fund redemption in such Bond Year.

"Defeasance Obligations" shall mean cash (insured at all times by the Federal Deposit Insurance Corporation) or direct obligations (including obligations issued or held in book entry form on the books of) the Department of Treasury of the United States of America, which obligations shall be non-callable and non-prepayable.

"Design Team" shall mean all design professionals performing services under the Contract.

"DTC" or "Securities Depository" shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depositories appointed pursuant to this Indenture.

"Events of Default" means those events of default described in Article 8 hereof.

"Facilities" means, collectively, the Series 2010A Facilities and the Series 2010B Facilities.

"Facilities Documents" shall mean collectively, the Agreement, the Ground Lease, the Facilities Lease, the Mortgage, the Plans and Specifications, the Contract and amendments thereto, other contract documents and agreements, and surety bonds and instruments pertaining to the Facilities.

"Facilities Lease" shall mean that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010 by and between the Board, as lessee, and the Corporation, as lessor, as supplemented and amended by that certain First Amendment to Facilities Lease dated as of November, 1, 2010 by and between the Board and the Corporation, whereby the Corporation has

leased the Facilities to the Board on behalf of the University, and any amendment or supplement thereto entered into from time to time in accordance with its terms.

"*Fiscal Year*" shall mean any period of twelve consecutive months adopted by the Corporation as its Fiscal Year for financial reporting purposes, currently the period beginning on July 1 and ending on June 30 of each year.

"*Food Service Areas*" means the locations described as such on Exhibit A-2 to the Facilities Lease and any improvements thereon or placed thereon during the Term of this Facilities Lease.

"*Food Service Contract*" means that certain Agreement dated July 1, 2010 by and between the Board and Aramark, as amended, modified, extended or replaced; provided the University will make its best efforts to require an annual payment of at least \$990,000 for capital improvements to the Food Service Areas in any such amended, modified, extended or replaced contract.

"*Funds*" shall mean the funds created pursuant to Article 4 hereof.

"*Ground Lease*" shall mean that certain Ground and Buildings Lease Agreement dated as of January 1, 2010 by and between the Board, as lessor on behalf of the University, and the Corporation, as lessee, and any amendment or supplement thereto entered into from time to time in accordance with the terms thereof.

"*Health Center Bond Fee*" means the health center bond fee being assessed by the University on all students for the use and availability of on-campus health center facilities.

"*Indenture*" shall mean this Trust Indenture dated as of November 1, 2010 between the Issuer and the Trustee, as it may be amended or supplemented from time to time by supplemental indentures in accordance with the provisions hereof.

"*Interest Payment Date*" or "*interest payment date*", when used with respect to the Bonds, means each April 1 and October 1, commencing April 1, 2011.

"*Issuer*" shall mean the Louisiana Local Government Environmental Facilities and Community Development Authority, a political subdivision of the State of Louisiana, created by the provisions of the Act, or any agency, board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Issuer by said provisions shall be given by law.

"*Land*" means the real property more particularly described on Exhibit A attached to the Ground Lease upon which certain existing facilities are to be demolished and upon which the Facilities are to be renovated, constructed and located.

"*Letter of Representations*" shall mean the Blanket Letter of Representations from the Issuer to DTC or any agreement between the Issuer, the Trustee and a successor securities depository appointed pursuant to Section 3.13 hereof, as such may be amended from time to time.

"*Maximum Annual Debt Service*", with respect to each series of Bonds issued under the Indenture, means the maximum Annual Debt Service thereon in the then current Fiscal Year or in any future Fiscal Year, whether at maturity or subject to mandatory sinking fund redemption.

"*Maximum Annual Debt Service Requirement*", with respect to each series of Bonds issued under the Indenture, means the maximum Annual Debt Service thereon in the then current Fiscal Year or in any future Fiscal Year, whether at maturity or subject to mandatory sinking fund redemption.

"*Moody's*" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall for any reason no longer perform the functions of a securities rating agency, "*Moody's*" shall be deemed to refer to any other nationally recognized securities rating agency or service designated by the Issuer and approved by the Corporation and the Bond Insurer, if any. Whenever rating categories of Moody's are specified in this Indenture, such categories shall be irrespective of gradations within a category.

"*Mortgage*" shall mean the Act of Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement dated November 1, 2010, by the Corporation in favor of the Trustee, mortgaging the Corporation's leasehold interest pursuant to the Ground Lease.

"*Mortgaged Property*" shall mean all the Property (as defined in the Mortgage) mortgaged, granted, conveyed, assigned and pledged to the Trustee by the Corporation pursuant to the Mortgage in order to secure the full and punctual payment and performance of the Secured Obligations (as defined in the Mortgage).

"*Outstanding*" or "*outstanding*", when used with reference to Bonds, shall mean all Bonds that have been authenticated and issued under this Indenture (including, without limitation, Bonds Outstanding pursuant to Section 12.1(c) hereof) except:

- (a) Bonds canceled by the Trustee pursuant to this Indenture;
- (b) Bonds for which moneys or Defeasance Obligations shall be held in trust for their payment by the Trustee as provided in the defeasance provisions of this Indenture;
- (c) Bonds that have been duly called for redemption and for which the redemption price thereof is held in trust by the Trustee as provided in this Indenture;

(d) Bonds in exchange for which other Bonds shall have been authenticated and delivered by the Trustee as provided in this Indenture; and

(e) for all purposes regarding consents and approvals or directions of Bondholders under the Agreement or this Indenture, Bonds held by or for the Issuer, the Corporation or any person controlling, controlled by or under common control with either of them.

"*Participant*" shall mean any broker dealer, bank and other financial institution from time to time for which DTC holds Bonds as securities depository.

"Payments" shall mean the amounts of repayments under the Agreement with respect to the Bonds to be made by the Corporation as provided in Article 4 of the Agreement.

"Permitted Investments" means the following securities:

To the extent permitted by State law, the Bond Insurer, if any, will allow the following obligations to be used as permitted investments for all purposes, including defeasance investments in refunding escrow accounts:

- (a) Cash deposits (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in the next paragraph).
- (b) Direct obligations of (including obligations issued or held in book entry form on the books of the Department of Treasury) the United States of America. In the event these securities are used for defeasance, they shall be non-callable and non-prepayable.
- (c) Obligations of the following federal agencies so long as such obligations are backed by the full faith and credit of the United States of America (in the event these securities are used for defeasance, they shall be non-callable and non-prepayable):

- (i) U.S. Export-Import Bank (Eximbank);
- (ii) Rural Economic Community Development Administration;
- (iii) Federal Financing Bank;
- (iv) U.S. Maritime Administration;
- (v) U.S. Department of Housing and Urban Development (PHAs);
- (vi) General Services Administration;
- (vii) Small Business Administration;
- (viii) Government National Mortgage Association (GNMA);
- (ix) Federal Housing Administration; and
- (x) Farm Credit System Financial Assistance Corporation.

To the extent permitted by law, Bond Insurer, if any, will allow the following obligations to be used as permitted investments for all purposes other than defeasance investments in refunding escrow accounts:

- (a) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- (i) Senior debt obligations rated in the highest long-term rating category by at least two nationally recognized rating agencies issued by Fannie Mae (FNMA) or Freddie Mac (FHLMC).

- (ii) Senior debt obligations of the Federal Home Loan Bank System.
- (iii) Senior debt obligations of other Government Sponsored Agencies approved by Bond Insurer, if any.

- (b) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which either (i) have a rating on their short-term certificates of deposit on the date of purchase in the highest short-term rating category of at least two nationally recognized rating agencies, (ii) are insured at all times by the Federal Deposit Insurance Corporation, or (iii) are collateralized with direct obligations of the United States of America at one hundred two percent (102%) valued daily. All such certificates must mature no more than three hundred sixty (360) days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank).

- (c) Commercial paper which is rated at the time of purchase in the highest short-term rating category of at least two (2) nationally recognized rating agencies and which matures not more than two hundred seventy (270) days after the date of purchase.

- (d) Investments in (i) money market funds subject to SEC Rule 2a-7 and rated in the highest short-term rating category of at least two nationally recognized rating agencies and (ii) public sector investment pools operated pursuant to SEC Rule 2a-7 in which the Issuer's deposit shall not exceed 5% of the aggregate pool balance at any time and such pool is rated in one of the two highest short-term rating categories of at least two nationally recognized rating agencies.

- (e) Pre-refunded municipal obligations defined as follows: (i) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and, a. which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest long-term rating category of at least two (2) nationally recognized rating agencies; or (ii) (A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or direct obligations of the United States of America, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

- (f) Bonds, debentures, notes, or other evidence of indebtedness issued by the state of Louisiana or any of its political subdivisions; however:

- (i) No political subdivision may purchase its own indebtedness.
 - (ii) The indebtedness shall have a minimum investment grade rating of Baa3 or higher by Moody's, a rating of BBB- or higher by the S&P or a rating of BBB- or higher by Fitch, Inc. and have a final maturity of no more than three years, except that such three year limitation shall not apply to (A) funds held by a trustee, escrow agent, paying agent, or other third party custodian in connection with a bond issue or (B) investment of funds held by either a hospital service district, a governmental 501(c)(3), or a public trust authority.
 - (g) Bonds, debentures, notes, or other indebtedness issued by a state of the United States of America other than Louisiana or any such state's political subdivisions provided that all of the following conditions are met:
 - (i) The indebtedness has a minimum rating of A- or higher by Fitch, Inc. Moody's or a rating of A- or higher by S&P or higher by Moody's or higher by Fitch, Inc.
 - (ii) The indebtedness has a final maturity of no more than three years, except that such three-year limitation shall not apply to funds held by a trustee, escrow agent, paying agent, or other third-party custodian in connection with a bond issue nor to investment of funds held by either a hospital service district, a governmental 501(c)(3) organization, or a public trust authority.
 - (iii) Prior to purchase of any such indebtedness and at all times during which such indebtedness is owned, the purchasing Louisiana political subdivision retains the services of an investment advisor registered with the United States Securities and Exchange Commission.
 - (h) Investment agreements approved in writing by Bond Insurer, if any, (and supported by appropriate opinions of counsel).
 - (i) Other forms of investments (including repurchase agreements) approved in writing by Bond Insurer, if any, (and supported by appropriate opinions of counsel).
- The value of the above investments, other than cash, shall be determined as follows:
- "Value", which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:
- (a) As to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;
 - (b) As to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such price at such time of determination for such investments by any two nationally recognized

government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

- (c) As to certificates of deposit and bankers acceptances, the face amount thereof, plus accrued interest; and
- (d) As to any investment not specified above, the value thereof established by prior agreement among the Issuer, the Trustee and Bond Insurer, if any.

"Plans and Specifications" means the plans and specifications for the construction of the Facilities, as implemented and detailed from time to time, as the same may be revised from time to time prior to the completion of the Facilities in accordance with the Agreement and the Ground Lease.

"Principal Installment" shall mean, for any Fiscal Year, as of any date of calculation, the Principal amount of Outstanding Bonds coming due in that Fiscal Year.

"Principal Payment Date" or "principal payment date", when used with respect to the Bonds, means each October 1, commencing October 1, 2011.

"Project Fund" shall mean the fund of that name created under Section 4.1 of this Indenture.

"Rating Agency", at any point in time, means any nationally recognized securities rating agency or service then rating the Bonds (collectively, the "Rating Agencies").

"Record Date" shall mean with respect to an Interest Payment Date, the close of business on the fifteenth (15th) day of the calendar month, immediately preceding an Interest Payment Date, whether or not a Business Day.

"Rental" shall mean and includes the Base Rental and Additional Rental.

"Residual Payment Obligation Period" means the time during which the Bond Insurer, if any, remains contingently liable for a preference payment under the Bankruptcy Code, as described in the Bond Insurance Policy.

"S&P" or "Standard & Poor's Ratings Group" mean Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., a New York corporation, its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer with the approval of the Corporation and the Bond Insurer, if any.

"Series 2010 Bonds" shall mean the Series 2010A Bonds and the Series 2010B Bonds.

"Series 2010 Bonds Replacement Fund" shall mean the Fund established pursuant to Section 4.1 of this Indenture.

"Series 2010 Bonds Replacement Fund Requirement" shall mean:

(a) if completely funded when the Series 2010 Bonds are issued, an amount required to be deposited into the Replacement Fund in accordance with Section 4.21 hereof and equal to approximately ten percent (10%) of the hard construction costs (not including professional services and fees) payable from Rental or any lesser amount approved by the staff of the Board of Regents of the State of Louisiana, the Board and the Bond Insurer, if any; or

(b) if funded in annual installments, an amount required to be deposited into the Replacement Fund in accordance with Section 4.21 hereof and equal to one and one-half percent (1.5%) of the hard construction costs (not including professional services and fees) payable from Rental or any lesser amount approved by the staff of the Board of Regents of the State of Louisiana, the Board and the Bond Insurer, if any.

"Series 2010A Bonds" means the Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A, authorized to be issued by the Issuer in the aggregate principal amount of \$ _____, including such Series 2010A Bonds issued in exchange for other such Series 2010A Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Series 2010A Bonds pursuant to this Indenture.

"Series 2010A Bonds Rebate Fund" shall mean the Fund of that name created under Section 4.1 of this Indenture.

"Series 2010A Completion Bonds" means bonds, if any, issued in one or more series on parity with the Series 2010A Bonds for completion of the Series 2010A Facilities.

"Series 2010A Facilities" means the Student Union, the Center for Student Excellence and related facilities described in Exhibit A-1 attached to the Facilities Lease, as amended and supplemented from time to time, which are to be renovated and/or constructed with the proceeds of the Series 2010A Bonds and any Completion Bonds.

"Series 2010B Bonds" means the Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B, authorized to be issued by the Issuer in the aggregate principal amount of \$ _____, including such Series 2010B Bonds issued in exchange for other such Series 2010B Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Series 2010B Bonds pursuant to this Indenture.

"Series 2010B Completion Bonds" means bonds, if any, issued in one or more series on parity with the Series 2010B Bonds for completion of the Series 2010B Facilities.

"Series 2010B Facilities" means the Food Service Areas, the Bookstore and related facilities described in Exhibit A-2 attached to the Facilities Lease, as amended and supplemented from time to time, which are to be renovated and/or constructed with the proceeds of the Series 2010B Bonds and any Series 2010B Completion Bonds.

"State" shall mean the State of Louisiana.

"Student Fees" means, collectively, (a) the Building Use Fee, (b) the Health Center Bond Fee, (c) the Student Union Bond Fee and (d) the Student Union Expansion Fee.

"Student Union Bond Fee" means the student union bond fee being assessed by the University on all students for the use and availability of the Student Union.

"Student Union Expansion Fee" means the student union fee being assessed by the University on all students for the planning, development, construction and equipping of the Student Union.

"Tax Regulatory Agreement" shall mean the Tax Regulatory Agreement and Arbitrage Certificate dated the Closing Date, among the Corporation, the Trustee, the Board and the Issuer.

"Trust Estate" shall mean all the property mortgaged, pledged, transferred and assigned to the Trustee by the Issuer pursuant to this Indenture and by the Corporation pursuant to the Mortgage as security for the Bonds.

"Trustee" means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Bonds issued and secured under the terms of this Indenture, initially Regions Bank.

"Underwriter" means Morgan Keegan & Company, Inc.

"University" means Southeastern Louisiana University in Hammond, Louisiana.

"University Representative" means the Person or Persons designated by the University in writing to serve as the University's representative hereunder; the University Representative shall be the Vice President for Administration and Finance of the University, or any other representative designated by the President of the University, of whom the Issuer and the Trustee have been notified in writing.

"Weighted Average Maturity" means the dollar-weighted average length of time until bonds held by the portfolio reach maturity and are repaid.

Section 1.2 Rules of Construction.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) Unless the context shall otherwise indicate, the word "person" shall include the plural as well as the singular number, and "person" shall mean any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

(c) Provisions calling for the redemption of Bonds or the calling of Bonds for redemption do not mean or include the payment of Bonds at their stated maturity or maturities.

(d) All references in this Indenture to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections and other subdivisions of this Indenture. The words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(e) Unless otherwise expressly provided herein, any transfer of moneys from a Series 2010A Bonds account shall only be transferred to another Series 2010A Bonds account and vice versa with respect to transfer from a Series 2010B Bonds account to another Series 2010B Bonds account.

ARTICLE 2

GRANTING CLAUSES AND PLEDGES

Section 2.1 Granting Clauses. In consideration of the acceptance by the Trustee of the trusts and duties set forth in this Indenture on behalf of the owners of all Bonds issued and secured hereunder, of the purchase and acceptance of the Bonds issued and secured by this Indenture by the owners thereof, of the payment of the purchase price of the Bonds to the Trustee for application as provided hereinafter, and in order to secure the payment of any and all Bonds at any time outstanding hereunder, according to the tenor and effect thereof and the premium and interest thereon, the payment of all costs, fees and charges specified herein, and the payment of all other sums if any, from time to time due to the owners of all Bonds secured hereunder, to the Trustee or its successors and assigns, and to the Bond Insurer, if any, or to others, according to the intent and meaning of all such Bonds and this Indenture, up to a maximum principal amount of \$_____ and for the purpose of securing the performance and observance by the Issuer of all the covenants and conditions herein contained, the Issuer does hereby TRANSFER, ASSIGN AND DELIVER TO AND IN FAVOR OF the Trustee, and its successor or successors in trust, for the benefit of the owners of all Bonds secured hereunder, its interest in the following described properties, rights, interests and benefits which, together with the Mortgaged Property, are collectively called the "Trust Estate":

All right, title and interest of the Issuer in, to and under the Agreement (except for rights of the Issuer relating to exculpation, indemnification and payment of fees and expenses thereunder), all payments, proceeds, revenues, income, receipts, issues, benefits and other moneys received or derived by the Issuer under the Agreement including, without limitation, the Payments to be paid by the Corporation to the Trustee pursuant to Section 4.2 of the Agreement.

All right, title and interest of the Issuer in, to and under the Facilities Lease assigned by the Corporation to the Issuer under the Agreement and all proceeds of insurance received or receivable by the Corporation, as a result of any damage to or destruction of the Facilities, or any part thereof, all amounts received or receivable by the Corporation, as compensation for the taking or transfer of the Facilities, or any part thereof, in lieu of a taking or use of the Facilities, under the powers of eminent domain, all amounts received or receivable by the Corporation, from the sale of the Facilities, or any part thereof, all amounts collected under payment and performance bonds, if any, maintained with respect to the Facilities, and any and all additional

revenues, income, receipts and other payments (including, without limitation, grants, donations, gifts and appropriations received from any private or public source) that hereafter are received by the Corporation, for or relating to the Facilities or that hereafter may be assigned by the Corporation pursuant to the Mortgage or by the Issuer hereunder, which receipt shall not affect the tax-exempt status of the Series 2010A Bonds;

All cash, moneys, securities and investments and earnings thereon that may at any time and from time to time, pursuant to the provisions of this Indenture, be paid to the Trustee or be held by the Trustee in the Funds created under this Indenture, except as the interest of said Trustee in such cash, moneys, securities and investments may otherwise appear in this Indenture, provided, however, that nothing in this Indenture shall be construed to affect any property held by the Trustee in any capacity other than as Trustee hereunder; and

All cash, moneys, securities and investments that may at any time and from time to time be held by the Trustee as Mortgagee under the Mortgage; and

To the extent not covered by the clauses above, all proceeds of any and all of the foregoing.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successor or successors and assigns forever, in trust, nevertheless subject to the terms and conditions and trusts herein set forth, for the equal benefit, security and protection of all and singular the present and future owners of all of the Bonds issued under and secured by this Indenture, without preference, priority or distinction as to lien or otherwise, except as may otherwise be provided herein, of any one Bond over any other Bond or of principal over interest or interest over principal, all as herein provided, and for the uses and purposes, and upon the terms, agreements and conditions set forth herein.

The Trust Estate assigned hereunder is also assigned to secure the payment of any and all sums that the Trustee or the Bond Insurer, if any, may expend or become obligated to expend (including but not limited to court costs and attorneys' fees) to preserve and protect any of the Trust Estate or to cure any default of the Corporation under the Agreement or the Facilities Documents or arising out of any such default or incident of delay in payment of sums and the performance of obligations thereunder, or in pursuing or exercising any right, rights, remedy or remedies consequent upon the default of the Corporation thereunder.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or provide for the payment pursuant to the provisions of this Indenture, the principal of the Bonds, premium, if any, and the interest due or to become due thereon, at the times and in the manner set forth in the Bonds and this Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and agreements as provided in and pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, and shall pay or cause to be paid to the , if any, all Bond Insurer Amounts, then upon such performance and payments this Indenture and the rights created hereby shall cease, terminate and be void as provided in Article 1.2 hereof; otherwise this Indenture shall be and remain in full force and effect.

The Issuer hereby covenants and agrees with, and does hereby covenant unto the Trustee, that it has good right and lawful authority to transfer and assign the Trust Estate to the extent and in the manner herein provided; that the Issuer will not create or suffer to exist any lien or encumbrance upon the Trust Estate, or any part thereof, or do or suffer any act or thing whereby the security hereof may be diminished or impaired; and the Issuer further does covenant, and by these presents hereby covenants and agrees to defend or cause to be defended forever the title to each and every part of said Trust Estate against the claims and demands of all persons whomsoever.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of said Trust Estate hereby conveyed, transferred, assigned, confirmed, pledged and encumbered is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective owners, from time to time, of the Bonds (including the Bond Insurer, if any), or any part thereof as follows:

ARTICLE 3
AUTHORIZATION, TERMS AND CONDITIONS OF BONDS

Section 3.1 Bonds Issuable Under this Article Only. No Bonds may be issued under the provisions of this Indenture except in accordance with the provisions of this Article.

Section 3.2 Authorization of Bonds.

(a) There is hereby authorized and issued under this Indenture \$ _____ aggregate principal amount of bonds to be known as "Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A" and \$ _____ aggregate principal amount of bonds to be known as "Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B" to be issued for the purpose of (i) demolishing certain existing facilities and renovating, developing and constructing the Facilities, (ii) funding a deposit to the Debt Service Reserve Fund (iii) paying the Costs of Issuance of the Bonds, including the premium for any bond insurance policy insuring the Bonds. Upon issuance, the proceeds of the Bonds shall be deposited as directed in Section 4.2 herein.

(b) The Bonds are issuable as fully registered Bonds, without coupons, in Authorized Denominations. The Series 2010A Bonds shall be numbered from No. RA-1 upwards and the Series 2010B Bonds shall be numbered from No. RB-1 upwards. The Bonds shall be dated the date of delivery, shall mature (subject to prior redemption as hereinafter set forth) on October 1 of the years and in the principal amounts and shall bear interest from the date thereof, payable on April 1 and October 1 of each year, commencing April 1, 2011, at the rates per annum (using a year of 360 days comprised of twelve 30 day months) as follows:

SERIES 2010A BONDS

Date (October 1)	Principal Amount	Interest Rate
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SERIES 2010B BONDS

Date (October 1)	Principal Amount	Interest Rate
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(c) The principal of, and premium, if any, of the Bonds shall be payable to the registered owners thereof upon surrender of the Bonds at the principal corporate trust office of the Trustee. The interest on the Bonds, when due and payable, shall be paid by check or draft mailed by the Trustee on such due date to each person in whose name a Bond is registered, at the address(es) as they appear on the Bond Register maintained by the Trustee at the close of business on the applicable Record Date irrespective of any transfer or exchange of the Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the Issuer shall default in payment of interest due on such Interest Payment Date, provided that the owners of \$1,000,000 or more in aggregate principal amount of Bonds may request payment by wire transfer if such owners have requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of any such default, such defaulted interest shall be payable on a payment date established by the Trustee to the persons in whose names the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of the Bonds not fewer than fifteen (15) days preceding such special record date. Payment as aforesaid shall be made in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts.

Section 3.3 Form of Bonds. The Bonds issued under this Indenture shall be substantially in the form set forth in Exhibit A-1 and Exhibit A-2 attached hereto and made a part hereof with such appropriate variations, additions, omissions and insertions as are permitted or required by this Indenture. All Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Bonds may be listed or any usage or requirement of law with respect thereto. All Bonds may bear identifying CUSIP numbers, but any failure to include such numbers or any error in any CUSIP number so included shall not in any way affect the validity of the Bonds.

Section 3.4 Redemption of Bonds.

(a) Optional Redemption.

- (i) The Series 2010B Bonds are not subject to optional redemption prior to maturity.
- (ii) The Series 2010A Bonds maturing October 1, 2021 and thereafter are subject to redemption prior to maturity at the option of the Corporation, upon written direction to the Issuer, on or after October 1, 2020 as a whole at any time, or in part on any Interest Payment Date, the maturity of said Series 2010A Bonds to be redeemed to be designated by the Corporation and selected within a maturity by the Trustee in such manner as the Trustee may determine, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

(iii) During the terms of the Ground Lease and the Facilities Lease, consent of the Board is required for optional redemption. To exercise such option, the Corporation shall give written notice to the Issuer, the Trustee and the Bond Insurer, if any, and shall specify therein the date of such prepayment, which prepayment date shall not be fewer than thirty-five (35) days from the date such notice is received by the Trustee. The Issuer and the Trustee shall make all necessary arrangements satisfactory to the Trustee for the redemption of Series 2010A Bonds to be redeemed under this Indenture in accordance with the provisions hereof.

(b) Mandatory Redemption.

- (i) The Series 2010B Bonds are not subject to mandatory redemption prior to maturity.

(ii) The Series 2001A Bonds shall be redeemed as a whole on the Interest Payment Date on or after October 1, 2020, on or after which the Board exercises its option to purchase the Corporation's interest in the Facilities pursuant to Section 23 of the Facilities Lease, at a price equal to the then Outstanding principal amount of the Series 2010A Bonds plus accrued and unpaid interest to the date of redemption.

(c) Extraordinary Redemption.

(i) The Bonds are subject to redemption in part at the option of the Corporation, upon written direction to the Issuer, on any Interest Payment Date from amounts transferred by the Trustee from the Project Fund to the respective account of the Debt Service Fund upon completion of construction of the Facilities in accordance with Section 4.17 hereof. The Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine, at a price equal to the principal of the Bonds so redeemed plus accrued and unpaid interest to the date of redemption.

(ii) Bonds shall be redeemed as a whole or in part (in an integral multiple of \$5,000) on the first Interest Payment Date at least thirty (30) days after the Trustee receives notice from the Corporation that any insurance proceeds, condemnation award or

payment in lieu of condemnation with respect to the Facilities will not be applied to the restoration, repair or reconstruction of the Facilities, and subject to the prior written consent of the Bond Insurer, if any, at a price equal to the principal amount of the Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not used for restoration, repair or reconstruction. If in part, the Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine. If the amount of any insurance proceeds, condemnation award or payment in lieu of condemnation to be applied in redemption of the Bonds is not an integral multiple of \$5,000, the principal amount of Bonds to be redeemed pursuant to this subparagraph (ii) shall be decreased to the next lower multiple of \$5,000.

(d) Mandatory Sinking Fund Redemption. Those Bonds maturing on the dates set forth below, shall be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

(i) Series 2010A Bonds. Those Series 2010A Bonds maturing on the dates set forth below, shall be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

Series 2010A Bonds
due October 1, _____

Principal
Amount

Redemption Date

Series 2010A Bonds
due October 1, _____

Principal
Amount

Redemption Date

(ii) Series 2010B Bonds. Those Series 2010B Bonds maturing on the dates set forth below, shall be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

Series 2010B Bonds
due October 1, _____

Principal
Amount

Redemption Date

Series 2010B Bonds
due October 1, _____

Principal
Amount

Redemption Date

portions thereof to be redeemed, the Bonds or portions of Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds or portions of Bonds shall cease to be entitled to any benefit or security under this Indenture, and the owners of such Bonds or portions of Bonds shall not have rights in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the next paragraph, to receive Bonds for any unredeemed portions of Bonds.

(i) In case part, but not all, of an outstanding Bond shall be selected for redemption, the registered owner thereof or his legal representative shall present and surrender such Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the Trustee shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a new Bond.

(j) Bonds and portions of Bonds which have been duly called for redemption under the provisions of this Article, or with respect to which irrevocable instructions to call for redemption have been given to the Trustee in form satisfactory to it, and for the payment of the redemption price for which moneys, or Defeasance Obligations, shall be held by the Trustee in a segregated account in trust for the owners of the Bonds or portions thereof to be redeemed, shall not thereafter be deemed to be outstanding under the provisions of this Indenture and shall cease to be entitled to any security or benefit under this Indenture other than the right to receive payment from such moneys.

Section 3.5 Execution; Limitation of Liability.

(a) The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signatures of the Chairman or Vice Chairman and the Secretary, an Assistant Secretary or the Executive Director of the Issuer, and shall have impressed or imprinted thereon the official seal of the Issuer or a facsimile thereof. The Bonds, together with interest thereon, shall not constitute a debt of the State or any political subdivision thereof. The Bonds, together with interest thereon, shall be limited and special obligations of the Issuer and shall be secured by and payable solely out of revenues derived from the Payments made pursuant to the Agreement and the Trust Estate pledged hereunder. The Issuer shall not be obligated to pay the principal of the Bonds or the interest thereon or other costs incidental thereto except from payments made pursuant to the Agreement. In case any officer of the Issuer whose signature or whose facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

(b) THE BONDS AND THE INTEREST THEREON ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OF THE ISSUER OR THE CORPORATION AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE STATE, THE BOARD, THE UNIVERSITY, THE ISSUER OR ANY POLITICAL SUBDIVISION OF THE

(e) Any Completion Bonds issued under the provisions of Article 5 of this Indenture may be made subject to redemption, either in whole or in part and at such times and prices, as may be provided in the resolution or resolutions of the Issuer authorizing the issuance of such Completion Bonds.

(f) Unless otherwise specified above, if fewer than all of the Bonds of any Series shall be called for redemption, the Bonds to be redeemed shall be in inverse order of their maturity, and selected by the Trustee within a maturity in such manner as the Trustee may determine, provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of an Authorized Denomination. If a portion of any Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

(g) At least thirty (30) days before the redemption date of any Bonds redeemed other than by mandatory sinking fund redemption, the Trustee shall cause a notice of any such redemption, signed by an authorized officer of the Trustee to be mailed, postage prepaid, to all Bondholders of record owning Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds then outstanding shall be called for redemption, the numbers of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond will be issued.

(h) On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided and money for payment of the redemption price being held in the Debt Service Fund in trust for the owners of the Bonds or

STATE. THE BOARD HAS AGREED, PURSUANT TO THE FACILITIES LEASE, TO MAKE PAYMENTS OF RENTAL TO THE CORPORATION ON BEHALF OF THE UNIVERSITY, UNDER THE TERMS AND CONDITIONS SET FORTH IN THE FACILITIES LEASE. THE PAYMENTS TO BE RECEIVED BY THE ISSUER FROM THE CORPORATION UNDER THE AGREEMENT ARE LIMITED TO THE AMOUNT OF RENTAL RECEIVED BY THE CORPORATION FROM THE BOARD. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF LOUISIANA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAXES OR TO MAKE ANY APPROPRIATION OF THEIR PAYMENT. THE ISSUER HAS NO POWER TO TAX.

Section 3.6 Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until a certificate of authentication substantially in the form set forth in Exhibit A-1 and Exhibit A-2 attached hereto and made a part hereof shall have been duly executed by a duly authorized representative of the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized representative of the Trustee, but it shall not be necessary that the same representative sign the certificate of authentication on all of the Bonds issued hereunder.

Section 3.7 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any outstanding Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Issuer may execute and, upon its request, the Trustee may authenticate a new Bond of the same principal amount and of like tenor as the mutilated, lost or stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Issuer and the Trustee evidence of such loss, theft or destruction in form satisfactory to the Issuer and the Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a substitute Bond the Issuer may authorize the payment of the same. The Issuer and the Trustee may charge the Corporation or the owner of such Bond with their reasonable fees and expenses in this connection. Any Bond issued under the provisions of this Section 3.7 in lieu of any Bond alleged to be destroyed, lost or stolen shall constitute an original additional contractual obligation on the part of the Issuer, whether or not the Bond so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture together with all other Bonds in substitution for which such Bonds were issued.

Section 3.8 Registration of Bonds.

(a) The Trustee shall be the bond registrar for the Bonds. So long as any of the Bonds shall remain outstanding, there shall be maintained and kept for the Issuer, at the principal corporate trust office of the Trustee, the Bond Register for the registration and transfer of the Bonds and, upon presentation thereof for such purpose at said office, the Trustee shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bond.

(b) Each Bond shall be transferable only upon the Bond Register at the principal corporate trust office of the Trustee at the written request of the registered owner thereof or his legal representative duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his legal representative duly authorized in writing. Upon the transfer of any such Bond, the Trustee shall issue in the name of the transferee, in Authorized Denominations, one or more Bonds of the same aggregate principal amount as the surrendered Bonds.

Section 3.9 Persons Treated as Owners.

(a) The Issuer and the Trustee may, for the purpose of receiving payment of, or on account of, the principal of and interest on any Bond and for all other purposes, deem and treat the person in whose name such Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether or not such Bond is overdue, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

(b) Payment made to the person deemed to be the owner of any Bond for the purpose of such payment in accordance with the provisions of this Section 3.9 shall be valid and effectual, to the extent of the sum or sums so paid, to satisfy and discharge the liability upon such Bond in respect of which such payment was made.

Section 3.10 Exchange and Transfer of Bonds.

(a) As long as any of the Bonds remain outstanding, there shall be permitted the exchange of Bonds at the principal corporate trust office of the Trustee. Any Bond or Bonds upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in Authorized Denominations.

(b) For every such exchange or transfer of Bonds, the Issuer or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(c) The Trustee shall not be required to register the transfer or exchange of (i) any Bonds during the fifteen (15) day period next preceding the selection of Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Bonds selected for redemption, or (ii) any Bonds selected, called or being called for redemption in whole or in part, except in the case of any Bond to be redeemed in part, the portion thereof not so to be redeemed.

Section 3.11 Cancellation and Destruction of Surrendered Bonds. Upon the surrender to the Trustee of any temporary or mutilated Bonds, or Bonds transferred or exchanged for other Bonds, or Bonds paid at maturity by the Issuer, the same shall forthwith be canceled and destroyed by the Trustee, and the Trustee, upon the request of the Issuer, shall deliver its certificate of such destruction to the Issuer.

Section 3.12 Delivery of the Bonds.

(a) Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to the purchasers thereof as shall be directed by the Issuer as hereinafter in this Section provided.

(b) Prior to or simultaneously with the delivery by the Trustee of the Bonds there shall be filed with the Trustee:

(i) A copy, duly certified by the Secretary or an Assistant Secretary of the Issuer, of the resolution or resolutions adopted by the Issuer authorizing the execution and delivery of this Indenture and the Agreement, and all other instruments contemplated thereby and the authorization, issuance, sale and delivery of the Bonds;

(ii) copy, duly certified by an Authorized Corporation Representative, of the resolution or resolutions of the Corporation authorizing the execution and delivery of the Agreement, the Facilities Documents, the Mortgage and all other instruments contemplated thereby and approving this Indenture and the authorization, issuance, sale and delivery of the Bonds;

(iii) Original executed counterparts of this Indenture, the Agreement, the Bond Insurance Policy, the Ground Lease, the Mortgage, the Facilities Lease, the Bond Purchase Agreement and the Tax Regulatory Agreement (collectively, the "*Bond Documents*");

(iv) Copies of the Plans and Specifications (as defined in the Ground Lease) and all land surveys and other documents relating to the design, construction and renovation of the Facilities;

(v) Signed copies of all opinions of counsel required in connection with the issuance of the Bonds and the transactions contemplated thereby, in form and substance satisfactory to the Underwriter and the Bond Insurer, if any;

(vi) A request and authorization to the Trustee on behalf of the Issuer and signed by its Chairman, Vice Chairman, Secretary, Treasurer, Assistant Secretary or Executive Director to authenticate and deliver the Bonds to the purchasers thereof and specifying the amounts to be deposited in the Bond Proceeds Fund and Cost of Issuance Account, the Project Fund, the Series 2010 Bonds Replacement Fund, the Debt Service Fund and the Debt Service Reserve Fund; and

(vii) A signed copy of the legal opinion of Jones, Walker, Waechter, Poitevent, Camère & Denègre, L.L.P., Bond Counsel, addressed to the Trustee and to the Bond Insurer, if any, (A) opining that the Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (B) authorizing each of the Trustee and the Bond Insurer, if any, to rely upon Bond Counsel's approving opinion as if it were addressed to such person.

(c) The Issuer hereby authorizes and directs the Trustee to execute and deliver the Tax Regulatory Agreement and the Mortgage.

Section 3.13 Book Entry Registration of Bonds.

(a) The Bonds shall be initially issued in the name of Cede & Co., as nominee for DTC, as registered owner of the Bonds, and held in the custody of DTC (or the Trustee as the agent of DTC under the F.A.S.T. delivery system). The Issuer and the Trustee acknowledge that the Issuer has executed and delivered a Blanket Letter of Representations with DTC and that the terms and provisions of said Letter of Representations shall govern in the event of any inconsistency between the provisions of this Indenture and said Letter of Representations. A single bond certificate for each maturity of Bonds will be issued and delivered to DTC. The Beneficial Owners will not receive physical delivery of Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Bond acquired. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interest will be made by book entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond certificate.

(b) For every transfer and exchange of the Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner's allocable share of any tax, fee or other governmental charge that may be imposed in relation thereto.

(c) The Issuer, the Corporation and the Trustee will recognize DTC or its nominee as the Bondholder for all purposes, including notices and voting.

(d) None of the Issuer, the Trustee, the Corporation nor the Board is responsible for the performance by DTC of any of its obligations, including, without limitation, the payment of moneys received by DTC, the forwarding of notices received by DTC or the giving of any consent or proxy in lieu of consent.

(e) Whenever during the term of the Bonds the beneficial ownership thereof is determined by a book entry at DTC, the requirements of this Indenture of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate person to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

(f) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(g) The Issuer, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Issuer determines that (a) DTC is unable to discharge its responsibilities with respect to the Bonds, or (b) a continuation of the requirement that all of the outstanding Bonds be registered on the registration books kept by the Trustee in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of the Bonds.

(h) Upon the termination of the services of DTC with respect to the Bonds pursuant to the above two paragraphs, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Issuer is willing and able to undertake such functions upon reasonable and customary terms, the Issuer is obligated to deliver Bonds to the owner, at the expense of the said owner as described in this Indenture, and the Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names holders transferring or exchanging Bonds shall designate in accordance with the provisions of this Indenture.

(i) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Blanket Letter of Representations of the Issuer dated November 17, 1998 and delivered to DTC.

(j) If at any time DTC ceases to hold the Bonds, all references herein to DTC shall be of no further force or effect.

Section 3.14 Provisions relating to Bond Insurer. Notwithstanding anything to the contrary set forth in this Indenture, the following provisions required by or related to the Bond Insurance Policy shall be applicable:

(a) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund, if any. Notwithstanding anything to the contrary set forth in this Indenture, amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Bonds.

(b) The Bond Insurer shall be deemed to be the sole holder of the Bonds it insures for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to this Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. All remedies granted to the Bondholders shall include mandamus.

(c) The security for the Bonds shall include a pledge of any agreement with any underlying obligor that is a source of payment for the Bonds and a default under any such agreement shall constitute an Event of Default under this Indenture.

(d) The maturity of Bonds insured by the Bond Insurer shall not be accelerated without the consent of the Bond Insurer and in the event the maturity of the Bonds is accelerated, the Bond Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Bond Insurance Policy with respect to such Bonds shall be fully discharged.

(e) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Bond Insurer. No grace period shall be permitted for payment defaults.

(f) The Bond Insurer shall be included as a third party beneficiary to this Indenture.

(g) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of the Bond Insurer. The exercise of any provision of this Indenture which permits the purchase of Bonds in lieu of redemption shall require the prior written approval of the Bond Insurer if any Bond so purchased is not cancelled upon purchase.

(h) Any amendment, supplement, modification to, or waiver of, this Indenture, the Loan Agreement, the Facilities Lease, the Mortgage or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Bondholders or adversely affects the rights and interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.

(i) Unless the Bond Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Project Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Bonds.

(j) The rights granted to the Bond Insurer under this Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Bondholders or any other person is required in addition to the consent of the Bond Insurer.

(k) Only (i) cash, (ii) non-callable direct obligations of the United States of America ("Treasuries"), (iii) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (iv) subject to the prior written consent of the Bond Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (v) subject to the prior written consent of the Bond Insurer, securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the Bonds unless the Bond Insurer otherwise approves.

(l) To accomplish defeasance, the Issuer shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other

accountant as shall be acceptable to the Bond Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Bond Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under this Indenture and (iv) a certificate of discharge of the Trustee with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, Trustee and Bond Insurer. The Bond Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow. Bonds shall be deemed "Outstanding" under this Indenture unless and until they are in fact paid and retired or the above criteria are met.

(m) Amounts paid by the Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of this Indenture and the Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with this Indenture. This Indenture shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

(n) Each of the Issuer and Trustee covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.

(o) Claims Upon the Bond Insurance Policy and Payments by and to the Bond Insurer.

(i) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under this Indenture, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the "Bond Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Bond Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Bond Insurer and the Bond Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

(ii) The Trustee shall designate any portion of payment of principal on Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Bond Insurer, registered in the name of Assured Guaranty

Municipal Corp. (formerly known as Financial Security Assurance Inc.), in a principal amount equal to the amount of principal so paid (without regard to authorized denominations), provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Bond Insurer.

(iii) The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(iv) Upon payment of a claim under the Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Issuer agrees to pay, or cause the Corporation and/or the Board to pay, to the Bond Insurer (A) a sum equal to the total of all amounts paid by the Bond Insurer under the Bond Insurance Policy (the "Bond Insurer Advances"), and (B) interest on such Bond Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, the "Bond Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Issuer hereby covenants and agrees, or shall cause the Corporation and/or the Board to covenant and agree, that the Bond Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Bonds.

(v) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Bond Insurer.

(p) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in

accordance with the terms of the Bond Insurance Policy. Each obligation of the Issuer, the Corporation or the Board to the Bond Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(g) The Issuer shall pay or reimburse, or cause the Corporation and/or the Board to pay or reimburse, the Bond Insurer any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under this Indenture or any other Related Document or otherwise afforded by law or equity; (iii) any amendment, waiver or other action with respect to, or related to, this Indenture or any other Related Document whether or not executed or completed; or (iv) any litigation or other dispute in connection with this Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Indenture or any other Related Document.

(r) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

(s) The Bond Insurer shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with this Indenture, whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.

(t) The Bond Insurer shall be provided with the following information by the Issuer, the Corporation, the Board or the Trustee, as the case may be:

(i) Annual audited financial statements within 150 days after the end of the Corporation's fiscal year (together with a certification of the Corporation that it is not aware of any default or Event of Default under this Indenture), and the Corporation's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Bond Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of Bonds;

(iii) Notice of any default known to the Trustee, the Board or the Issuer within five Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any proceeding by or against the Issuer or Corporation commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(ix) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Related Documents.

(u) In addition, to the extent that the Issuer, the Board or the Corporation has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Bonds, all information furnished pursuant to such agreements shall also be provided to the Bond Insurer, simultaneously with the furnishing of such information.

(v) The Bond Insurer shall have the right to receive such additional information as it may reasonably request.

(w) The Issuer, the Board and the Corporation will permit the Bond Insurer to discuss the affairs, finances and accounts of the Issuer, the Board and the Corporation or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Issuer, the Board and the Corporation and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the Issuer and the Corporation on any business day upon reasonable prior notice.

(x) The Trustee shall notify the Bond Insurer of any failure of the Issuer or the Corporation to provide notices, certificates and other information under the transaction documents.

(y) Notwithstanding satisfaction of the other conditions to the issuance of Completion Bonds set forth in this Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Debt Service Reserve Fund is fully funded at the Debt Service Reserve Requirement (including the proposed issue) upon the issuance of such Completion Bonds, in either case unless otherwise permitted by the Bond Insurer.

(z) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Indenture would adversely affect the security for the Bonds or the rights of the Bondholders, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Bond Insurance Policy.

(aa) No contract shall be entered into or any action taken by which the rights of the Bond Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

(bb) If the Bonds are issued for refunding purposes, there shall be delivered an opinion of Bond Counsel addressed to the Bond Insurer (or a reliance letter relating thereto), or a certificate of discharge of the trustee for the Refunded Bonds, to the effect that, upon the making of the required deposit to the escrow, the legal defeasance of the Refunded Bonds shall have occurred. If the Refunded Bonds are insured by Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), at least three business days prior to the proposed date for delivery of the Policy with respect to the Refunding Bonds, the Bond Insurer shall also receive (i) the verification letter, of which the Bond Insurer shall be an addressee, by an independent firm of certified public accountants which is either nationally recognized or otherwise acceptable to the Bond Insurer, of the adequacy of the escrow established to provide for the payment of the Refunded Bonds in accordance with the terms and provisions of the Escrow Deposit Agreement, and (ii) the form of an opinion of Bond Counsel addressed to the Bond Insurer (or a reliance letter relating thereto) to the effect that the Escrow Deposit Agreement is a valid and binding obligation of the parties thereto, enforceable in accordance with its terms (such Escrow Deposit Agreement shall provide that no amendments are permitted without the prior written consent of the Bond Insurer). An executed copy of each of such opinion and reliance letter, if applicable, or Trustee's discharge certificate, as the case may be, shall be forwarded to the Bond Insurer prior to delivery of the Bonds.

(cc) Any interest rate exchange agreement ("Swap Agreement") entered into by the Corporation or the Board and secured on parity with the Bonds shall meet the following conditions, so long as any Insured Bonds are outstanding: (i) the Swap Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (iii) debt reasonably expected to be issued within the next twelve (12) months, and (i) the Swap Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively offsets the exposure from any such element or component. Unless otherwise consented to in writing by the Bond Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Bonds and on any debt on parity with the Bonds. The Corporation or the Board shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the Bond Insurer prior to the payment of any such termination amount that such payment will not cause the Corporation or the Board to be in default under the Related Documents, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Swap Agreement must have a rating of at least "A-" and "A3" by S&P and Moody's. If the counterparty or guarantor's rating falls below "A-" or "A3" by either S&P or Moody's, the counterparty or guarantor shall execute a credit support annex to the Swap Agreement, which credit support annex shall be acceptable to the Bond Insurer. If the counterparty or the guarantor's long term unsecured rating falls below "Baa1" or "BBB+" by either Moody's or S&P, a replacement counterparty or guarantor, acceptable to the Bond Insurer, shall be required.

ARTICLE 4
FUNDS AND ACCOUNTS: FLOW OF FUNDS;
INVESTMENTS; DEPOSITS; ARBITRAGE;
PAYMENTS ON BOND INSURANCE POLICY

Section 4.1 Creation and Use of Funds and Accounts.

(a) Upon delivery of and payment for the Bonds, the following special trust Funds and Accounts (except as qualified in this Section 4.1) shall be established and maintained with the Trustee so long as any Bonds issued under this Indenture are outstanding:

- (i) Bond Proceeds Fund and a Costs of Issuance Sub-Account therein;
 - (A) Series 2010A Bonds Proceeds Account
 - (B) Series 2010B Bonds Proceeds Account
- (ii) Debt Service Fund, and the following accounts therein:
 - (1) Series 2010A Bonds Costs of Issuance Sub-Account
 - (2) Series 2010B Bonds Costs of Issuance Sub-Account
- (iii) Debt Service Reserve Fund;
 - (A) Series 2010A Bonds Debt Service Reserve Account
 - (B) Series 2010B Bonds Debt Service Reserve Account
- (iv) Project Fund;
 - (A) Series 2010A Bonds Project Account
 - (B) Series 2010B Bonds Project Account
- (v) Series 2010 Bonds Replacement Fund; and
- (vi) Series 2010A Bonds Rebate Fund.

(b) The Series 2010A Bonds Rebate Fund shall be held by the Trustee but shall not be a trust account within the Trust Estate pledged under this Indenture.

Section 4.2 Bond Proceeds Fund.

(a) The Bond Proceeds Fund shall be used to receive the proceeds of the Bonds. On the Closing Date, the Trustee shall disburse amounts held in the Bond Proceeds Fund as follows:

- (i) to retain such sum in the Series 2010A Bonds Costs of Issuance Sub-Account and the Series 2010B Bonds Costs of Issuance Sub-Account of the Costs of Issuance Sub-Account as may be specified in the request and authorizations delivered pursuant to Section 3.12(b)(vi) hereof;
- (ii) to the Series 2010A Bonds Debt Service Reserve Account and the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund an amount equal to the Debt Service Reserve Fund Requirement; and
- (iii) to the Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund the balance of the proceeds of the Bonds.

(b) Amounts deposited on the Closing Date into the Costs of Issuance Sub-Account of the Bond Proceeds Fund shall be disbursed, pursuant to the written instructions of the Issuer, to pay Costs of Issuance. Any amounts remaining in the Costs of Issuance Sub-Account one hundred eighty (180) days after delivery of the Bonds shall be deposited into the Project Fund.

Section 4.3 Flow of Funds.

- (a) All Payments under the Agreement are subject to the pledge of this Indenture, and, are payable solely from the Trust Estate.
- (b) The principal and interest on the Bonds are payable solely from the Trust Estate and are not general obligations of the University, the Board, the State, the Issuer or any political subdivision thereof and the faith and credit of the State, the Issuer, the University or the Board is not pledged to the payment of the principal of or interest on the Bonds.
- (c) The Issuer covenants and agrees to cause the Corporation to make Payments, which payments shall be made directly to the Trustee and applied by the Trustee in the following priority:

(i) At such time as may be required by the Tax Regulatory Agreement but not less often than annually, to the Series 2010A Bonds Rebate Fund the amount required to be deposited thereunder;

(ii) At such time as may be required by Section 4.4 herein, to the Debt Service Fund to make the payments set forth herein;

(iii) On the dates required in this Indenture, to the Trustee for deposit into the Debt Service Reserve Fund, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by this Indenture. Following any drawing on the Debt Service Reserve Fund in accordance with Section

8.5 hereof, to the Trustee for deposit into the Debt Service Reserve Fund: (A) in twenty-four (24) equal monthly installments beginning in the month following any withdrawal, or (B) in four (4) consecutive equal monthly installments beginning in the month following any calculation of the value of the Debt Service Reserve Fund at an amount less than the Debt Service Reserve Fund Requirement, an amount necessary to cause the amount on deposit in the Debt Service Reserve Fund to equal the Debt Service Reserve Fund Requirement; and

(iv) On the dates required in this Indenture, into the Series 2010 Bonds Replacement Fund, an amount sufficient to meet the requirements of Section 4.21 of this Indenture; and

(v) On the dates required in this Indenture, to the Trustee for deposit into the Series 2010 Bonds Replacement Fund, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund, to restore any loss from such fund, excluding losses resulting from payments made from such fund pursuant to Section 4.21(c) hereof, and any other payment required to be made to such fund by this Indenture.

Section 4.4 Debt Service Fund.

(i) Semiannually, on or before the third Business Day preceding each Interest Payment Date to the Series 2010A Bonds Debt Service Account and the Series 2010B Bonds Debt Service Account of the Debt Service Fund the Issuer shall transfer or cause to be transferred to the Trustee an amount equal to the interest due and payable on the respective Bonds on such Interest Payment Date;

(ii) Annually, on or before the third Business Day preceding each Principal Payment Date to the Series 2010A Bonds Debt Service Account and the Series 2010B Bond Debt Service Account of the Debt Service Fund the Issuer shall transfer or cause to be transferred to the Trustee an amount equal to the principal due and payable on the Bonds on such Principal Payment Date;

(iii) At the written request of the Corporation, all or any part of the moneys in the Debt Service Fund shall be invested in accordance with the provisions of the laws of the State of Louisiana in Permitted Investments, in which event all income derived from such investments shall be credited to the Debt Service Fund.

(iv) In the event of the refunding of the Bonds pursuant to Section 5.2 hereof, the Trustee will, if the Corporation so directs, withdraw from the appropriate account of the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service Requirements on the Bonds being refunded and deposit such amounts with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded; provided that such withdrawal will not be made unless immediately thereafter the Bonds being refunded will be deemed to have been paid pursuant to this Indenture and provided, further, that at the time of such withdrawal, there will exist no deficiency in any Fund or Account held under this Indenture and all Bond Insurer Amounts shall have been indefeasibly paid in full. In the event of such refunding, the Issuer, through the Corporation and the Board, may also direct the Trustee to withdraw from the appropriate account

of the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service Requirements on the Bonds being refunded and deposit such amounts in any Fund or Account under the Indenture and all Bond Insurer Amounts shall have been indefeasibly paid in full.

Section 4.5 Project Fund. The Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund shall be maintained by the Trustee in trust and shall be used to receive the immediate transfer from the balance of the proceeds of the Bonds as provided in Section 4.2(a)(iii) hereof and from a capital contribution by the Board. Moneys in the Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund shall be applied to the payment of the Costs of the Facilities pursuant to the procedure established in Section 4.14 hereof and, pending such application, shall be subject to a lien and charge in favor of the Bondholders and the Bond Insurer, if any, for the further security of such Bondholders and the Bond Insurer, if any, until paid out or transferred as herein provided. Funds in the Series 2010A Bonds Project Account of the Project Fund shall not be transferred to the Series 2010B Bonds Project Account of the Project Fund, and vice versa, unless such transfer is approved by Bond Counsel.

Section 4.6 Debt Service Reserve Fund.

(a) On the date of issuance of the Bonds, the Trustee shall deposit from the proceeds of the Bonds into the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund an amount equal to \$_____ and into the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund an amount equal to \$_____. Moneys in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund shall be used solely for transfer to the Series 2010A Bonds Debt Service Account of the Debt Service Reserve Fund to prevent any default in the payment of the principal of and interest on the Bonds. Moneys in the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund may be used for transfer to the Series 2010A Bonds Debt Service Account of the Debt Service Reserve Fund in the event that the transfer of monies from the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund to the Series 2010A Bonds Debt Service Account of the Debt Service Reserve Fund should prove insufficient to prevent any default in the payment of the principal of and interest on the Series 2010A Bonds. Moneys in the Series 2010B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund shall be used for transfer to the Series 2010B Bonds Debt Service Account of the Debt Service Reserve Fund in amounts required to prevent any default in the payment of the principal of and interest on the Series 2010B Bonds. The Weighted Average Maturity of investments in the accounts of the Debt Service Reserve Fund shall not at any time exceed five (5) years.

(b) Whenever the amount in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund, together with the amount in the Series 2010A Bonds Debt Service Account of the Debt Service Reserve Fund is sufficient to pay in full all Series 2010A Bonds Outstanding in accordance with their terms (including principal and interest thereon), the funds on deposit in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund shall be transferred to the Series 2010A Bonds Debt Service Account of the Debt Service Reserve Fund and shall be available to pay all of the Series 2010A Bonds Outstanding. Prior to

said transfer, all investments held in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund shall be liquidated to the extent necessary in order to provide for the timely payment of principal and interest on the Series 2010A Bonds. Funds in the Series 2010A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund may be transferred only to the Series 2010A Bonds Debt Service Account of the Debt Service Reserve Fund, unless such transfer is approved by Bond Counsel and by the prior written consent of the Bond Insurer, if any.

(c) In lieu of the required deposits or transfers to the appropriate account of the Debt Service Reserve Fund or to provide for the removal of all or a portion of the amounts on deposit in the appropriate account of the Debt Service Reserve Fund, the Issuer may, with the prior written consent of the Bond Insurer, if any, cause to be deposited into the appropriate account of the Debt Service Reserve Fund a surety bond, letter of credit or an insurance policy satisfactory in form and substance to the Bond Insurer, if any, for the benefit of the owners of the Bonds in an amount equal to (i) the difference between the Debt Service Reserve Fund Requirement and the sums then on deposit in the appropriate account of the Debt Service Reserve Fund, if any, or (ii) the Debt Service Reserve Fund Requirement. The surety bond, insurance policy or letter of credit shall be payable (upon the giving of notice as required thereunder) on any due date on which monies will be required to be withdrawn from the appropriate account of the Debt Service Reserve Fund and applied to the payment of principal of or interest on any Bonds when such withdrawal cannot be met by amounts on deposit in the appropriate account of the Debt Service Reserve Fund or provided from any other Fund under this Indenture. The insurer providing such surety bond or insurance policy shall be an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in the highest rating category by the Rating Agency. The letter of credit issuer shall be a bank or trust company that is rated not lower than the second highest rating category by the Rating Agency, and the letter of credit itself shall be rated in the highest rating category of either such rating agency. If a disbursement is made pursuant to a surety bond, an insurance policy or a letter of credit provided pursuant to this subsection, the Issuer shall be obligated, in accordance with Section 4.3(c)(iii) hereof, either (i) to reinstate the maximum limits of such surety bond, insurance policy or letter of credit or (ii) to deposit into the appropriate account of the Debt Service Reserve Fund, funds in the amount of the disbursement made under such surety bond, insurance policy or letter of credit, or a combination of such alternatives, as shall provide that the amount in the Debt Service Reserve Fund equals the Debt Service Reserve Fund Requirement. In connection with its obligation to provide for any reinstatement of amounts on deposit in the appropriate account of the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement, the Issuer may agree to provide the insurer or the issuer of such letter of credit a pledge of the amounts to be deposited in the appropriate account of the Debt Service Reserve Fund to provide for such reinstatement provided, however, such obligation shall be subject and subordinate to the pledge created by this Indenture as security for the Bonds and subject to the prior written consent of the, if any. Reimbursement of amounts paid by an insurer under a surety bond, insurance policy or letter of credit, including interest thereon, shall be made on a monthly basis commencing in the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/24th of the aggregate of such draw and the interest due thereon and shall be credited first to the principal due and then to interest due. In the event that the rating attributable to any insurer providing any surety bond or insurance policy or any bank or trust company providing any letter

of credit held as above provided in the Debt Service Reserve Fund shall fall below that required as above provided, the Issuer shall use its best efforts to replace, as soon as possible, such surety bond, insurance policy or letter of credit with a surety bond, insurance policy or letter of credit which shall be satisfactory to the Bond Insurer, if any, and meet the above provided requirements.

(d) In the event that Completion Bonds are issued pursuant to Section 5.1 hereof, the Issuer shall at the time of issuance of such Completion Bonds deposit either cash, or a surety bond, insurance policy or letter of credit meeting the requirements of this Section, in the appropriate account of the Debt Service Reserve Fund in an amount sufficient to satisfy the necessary increase in the Debt Service Reserve Fund Requirement.

(e) In the event that the Debt Service Reserve Fund contains both cash and a surety bond, insurance policy or letter of credit and a disbursement from the Debt Service Reserve Fund is required hereunder, the Trustee shall draw such disbursement first from cash on hand in the Debt Service Reserve Fund until the cash is completely drawn down before making any draw on the surety bond, insurance policy or letter of credit.

(f) In the event that the Trustee makes a disbursement from any surety bond, insurance policy or letter of credit in the Debt Service Reserve Fund, the Issuer, at the direction of the Corporation, shall direct that any available funds first to reimburse the issuer of such surety bond, insurance policy or letter of credit prior to using such funds to replenish the Debt Service Reserve Fund with any cash necessary to meet the Debt Service Reserve Fund Requirement.

(g) In the event of the refunding of any Bonds, the Trustee shall, if the Issuer so directs, withdraw from the appropriate account of the Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to the Bonds being refunded and deposit such amounts to be held for the payment of the principal or redemption premium, if applicable, and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless (i) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to Article 1.2 and (ii) the amount remaining in the appropriate account of the Debt Service Reserve Fund, after giving effect to the issuance of the Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the Debt Service Reserve Fund Requirement.

(h) Notwithstanding anything to the contrary herein, at the option of the Board, moneys in the Series 2010 Bonds Replacement Fund may be used to pay debt service on the Series 2010 Bonds in the event there are insufficient monies in the Debt Service Fund on the date such principal and/or interest is due, before moneys in the Debt Service Reserve Fund are expended for such purpose. Use of moneys in the Series 2010 Bonds Replacement Fund to pay debt service on the Series 2010 Bonds shall not be considered an Event of Default.

Section 4.7 Reserved.

Section 4.8 Series 2010A Bonds Rebate Fund. Moneys deposited and held in the Series 2010A Bonds Rebate Fund shall be used to make all rebate payments owed to the United

States under the Code, and shall not be subject to the pledge of the Indenture. The Board shall comply and cause the Corporation to comply with the requirements of Section 148 of the Code and the regulations thereunder, and the Corporation, at its expense, shall make the calculation(s) required by the Code and the Tax Regulatory Agreement and Arbitrage Certificate and shall direct the Trustee to make deposits to and make disbursements from the Series 2010A Bonds Rebate Fund that the Corporation determines are in accordance therewith. The Tax Regulatory Agreement and any provisions of this Indenture governing deposits to the Series 2010A Bonds Rebate Fund may be superseded or amended by the Corporation (except the requirement of annual calculations and deposits to the Series 2010A Bonds Rebate Fund, if required) if accompanied by an opinion of Bond Counsel addressed to the Issuer, the Bond Insurer, if any, the Corporation and the Trustee to the effect that the use of the new Tax Regulatory Agreement will not cause the interest on the Series 2010A Bonds to become includable in gross income of the recipient thereof for federal tax purposes.

Section 4.9 Reserved.

Section 4.10 Investments.

(a) Moneys contained in the funds and accounts held by the Trustee shall be continuously invested and reinvested by the Trustee at the direction of the Corporation through and as advised by the Board, in Permitted Investments, that shall mature (or be readily convertible to cash), to the extent practicable, not later than the respective dates, as estimated by the Trustee, when the moneys in said Funds and Accounts shall be required for the purposes intended, and:

(i) No such investment shall be required to be made unless the cash at the time available therefor is at least equal to \$1,000;

(ii) The Trustee shall be authorized, to the extent necessary to enable the Trustee to discharge or perform its obligations hereunder, at any one or more times to sell any part or all of the investments whenever it may, for any reason or purpose whatsoever, deem any such sale to be desirable;

(iii) Any income derived from and any profit or loss on any such investment of moneys on deposit in any such fund or account shall be credited or debited, as the case may be, to the respective fund or account in which earned;

(iv) No Permitted Investments in any fund or account may mature beyond the latest maturity date of any Bonds outstanding at the time such Permitted Investments are deposited. For the purposes of this section, the maturity date of repurchase agreements for obligations is the maturity date of such repurchase agreements and not the maturity date of the underlying obligation except as otherwise permitted in writing by the Bond Insurer, if any; and

(v) No float forward or forward purchase agreement or other arrangement, agreement or financial product may be utilized in connection with the Debt Service Fund unless the Bond Insurer, if any, so permits and the terms thereof (including, without limitation, the parties thereto) are satisfactory to the Bond Insurer, if any, and, if satisfactory to the Bond Insurer, if any, such agreements will constitute Permitted Investments.

(b) An Authorized Corporation Representative shall give to the Trustee directions respecting the investment or liquidation of any money required to be invested hereunder, subject, however, to the provisions of this Article and Article 5 of the Agreement, and the Trustee shall then invest such money under this Section as so directed. The Trustee shall in no event have any liability for any loss resulting from the investment of moneys in accordance with the directions of the Authorized Corporation Representative. The Trustee shall furnish the Issuer annually with a written copy and the Corporation with a written copy for the Board, and, if requested, the Bond Insurer, if any, on at least a monthly basis, of the types, amounts, yield and maturities of all such investments.

(c) All investments, and the value of each fund and account hereunder, shall be valued by the Trustee pursuant to the definition of Permitted Investments herein as frequently as deemed necessary by the Bond Insurer, if any, but not less often than monthly. Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value shall be restored no later than the succeeding valuation date.

Section 4.11 Depository of Moneys and Security for Deposits. All of the funds and accounts established hereunder shall be special trust accounts held by the Trustee in trust for the benefit of the owners of the Bonds and shall not be subject to lien or attachment by any creditors of the Trustee, the Issuer, the Corporation, or the Board. Uninvested sums in these funds and accounts shall be continually secured as are deposits of uninvested sinking funds of political subdivisions of the State or in the manner prescribed by federal law for securing any federal trust funds as may be prescribed from time to time by the Comptroller of the Currency.

Section 4.12 Arbitrage. Notwithstanding any of the other provisions hereof, the Corporation shall not direct the investment of moneys in the various funds and accounts created hereunder in a manner which would result in the loss of exclusion from gross income of interest on the Series 2010A Bonds for federal income tax purposes or in such manner which would result in the Series 2010A Bonds becoming "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 4.13 Payments From Project Fund.

(a) Payment of the Costs of the Facilities shall be made from the proceeds of the Bonds deposited into the appropriate account of the Project Fund; provided, however that interest earnings on the amounts deposited into that account of the Project Fund shall be transferred monthly to the corresponding account of the Debt Service Fund and used to make the next payment of interest on the corresponding series of Bonds. All payments from the Project Fund shall be subject to the provisions and restrictions set forth in this Article, and the Issuer covenants that it will not cause or permit to be paid from the Project Fund any sums except in accordance with such provisions and restrictions.

(b) Moneys in the Series 2010A Bonds Project Account and the Series 2010B Bonds Project Account of the Project Fund shall be used to pay the respective Costs of the Facilities; provided that if an Event of Default under the Agreement or Indenture has occurred and is continuing, the Trustee shall, at the direction of the Bond Insurer, if any, transfer moneys in the Project Fund to the appropriate account of the Debt Service Fund for the purpose of paying the principal of and interest on the Bonds.

Section 4.14 Costs of the Facilities. For the purpose of this Indenture, the Costs of the Facilities shall embrace such costs as are eligible costs within the purview of the Act and the Code and, without intending thereby to limit or restrict any proper definition of such costs, shall include the following:

(a) obligations incurred by the Corporation for the benefit of the Board with respect to the lease of the Land and the design, acquisition, construction and installation of the Facilities, for labor, materials and services provided by contractors, builders and others in connection with the construction and equipping of the Facilities, machinery and equipment, necessary water and sewer lines and connections, utilities and landscaping, the restoration or relocation of any property damaged or destroyed in connection with such construction, the removal, demolition or relocation of any structures, and the clearing of lands and the reasonably allocable expenses of the Corporation with respect to the Facilities;

(b) the cost of acquiring by purchase, if deemed expedient, or leasing such Land, rights, rights of way, servitudes, easements, franchises and other interests as may be deemed necessary or convenient by the Authorized Corporation Representative for the construction and equipping of the Facilities, the cost of options and partial payments thereon, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved and the amount of any damages incident to or consequent upon the construction of the Facilities;

(c) interest on the Bonds prior to the establishment of the completion date of the Facilities pursuant to Section 3.7 of the Agreement, and the reasonable fees and expenses, including counsel fees, of the Trustee for its services prior to and during construction, and premiums on insurance, if any, in connection with the Facilities and all Bond Insurer Amounts;

(d) the cost of borings and other preliminary investigations, if any, to determine foundation or other conditions, expenses necessary or incident to determining the feasibility or practicability of constructing the Facilities and fees and expenses of engineers, architects, management consultants for making studies, surveys and estimates of cost and of revenues and other estimates, costs of environmental surveys, reports and remediation, and fees and expenses of engineers and architects for preparing plans and specifications and supervising construction as well as for the performance of all other duties of engineers and architects set forth herein in relation to the acquisition and construction of the Facilities and the issuance of the Bonds therefor;

(e) other items of expense not elsewhere in this Section specified incident to the lease of the Land and the design, construction and equipping of the Facilities and the financing thereof, including professional fees, moving expenses, the acquisition of lands, property, rights, rights of way, easements, franchises and interest in or relating to lands, including title insurance, cost of demand surveys, other surveys and other expenses in connection with such acquisition, legal fees and expenses, and expenses of administration and overhead, all properly chargeable, in the opinion of the Authorized Corporation Representative, to the acquisition, construction and equipping of the Facilities; and

(f) any obligation or expense heretofore or hereafter incurred or paid by the Corporation for or in connection with any of the foregoing purposes, including general legal fees and expenses incurred in connection with the Project.

Section 4.15 Requisitions from the Project Fund

(a) Payments from the Project Fund shall be made in accordance with the provisions of this Section. In connection with a payment from the Project Fund, there shall be filed with the Trustee a requisition, substantially in the form of Exhibit B-1 and Exhibit B-2 attached hereto and made a part hereof, signed by an Authorized Corporation Representative, stating:

(i) the item number of each such payment;

(ii) the name of the person, firm or corporation to whom each such payment is due, or, if such payment has been made by the Corporation, that the Trustee is to reimburse the Corporation directly for such payment;

(iii) the respective amounts to be paid;

(iv) the purpose by general classification for which each obligation to be paid was incurred;

(v) that obligations in the stated amounts have been incurred by the Corporation and are either (A) presently due and payable or (B) have been paid by the Corporation and that each item thereof is a proper charge against the Project Fund and has not been the subject of any prior requisition;

(vi) that such requisition contains no item representing payment on account of any retainage to which the Corporation is entitled at the date of such requisition; and

(vii) a certification that all work, materials, supplies and equipment that are the subject of such requisition have been performed or delivered and are in accordance with the description of the Facilities referred to above.

(b) Upon receipt of each requisition and accompanying certificate and information, the Trustee shall pay the obligations set forth in such requisition out of the money in the Project Fund, and each such obligation shall be paid by check signed by one or more officers or employees of the Trustee designated for such purpose by the Trustee or by wire transfer or credit to an account of the Corporation held by the Trustee or in such other manner as may be agreed on by the Corporation and the Trustee. In making such payments the Trustee may rely upon such requisitions. If for any reason the Corporation should decide prior to the payment of any item in a requisition not to pay such item, it shall give written notice of such decision to the Trustee and thereupon the Trustee shall not make such payment.

(c) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured or electronic methods, provided however, that (i) the Corporation, subsequent to such transmission of written instructions, shall provide the originally executed instructions or

directions to the Trustee in a timely manner, (ii) such originally executed instructions or directions shall be signed by a person as may be designated and authorized to sign for the Corporation or in the name of the Corporation, by an authorized representative of the Corporation, and (iii) the Corporation shall provide to the Trustee an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict with or are inconsistent with a subsequent written instruction.

Section 4.16 Reliance upon Requisitions: All requisitions and opinions received by the Trustee as conditions of payment from the Project Fund may be relied upon by the Trustee and shall be retained by the Trustee, subject at all reasonable times to examination by the Issuer, the Board, the Bond Insurer, if any, and the Corporation.

Section 4.17 Completion of the Facilities and Disposition of Project Fund Balance

(a) When the construction and renovation of the Facilities shall have been completed, which fact shall be evidenced to the Trustee by a certificate of an Authorized Corporation Representative delivered to the Trustee pursuant to Section 3.7 of the Agreement and to the Bond Insurer, if any, the balance in the Project Fund shall be transferred by the Trustee to the corresponding account of the Debt Service Fund (subject to the provisions of Section 4.4 hereof) and applied to redeem the Bonds in accordance with the provisions of Section 3.4 hereof.

(b) With respect to the Series 2010B Facilities, any funds remaining in the Series 2010B Bonds Project Account of the Project Fund upon completion of construction and/or renovation (as evidenced pursuant to Section 3.7 of the Agreement), shall be, at the option of the Board, used to: (i) redeem the Series 2010B Bonds in accordance with the provisions of Section 3.4 hereof, or (ii) deposited in the Series 2010 Bonds Replacement Fund.

Section 4.18 Amounts Remaining in Funds; Releases: It is agreed by the parties hereto that any amounts remaining in the Funds and Accounts existing pursuant to this Indenture upon the expiration or sooner cancellation or termination of the Agreement, as provided therein, after payment in full of all Bonds then outstanding under this Indenture (or provisions for the payment thereof having been made in accordance with Article 12 of this Indenture), and the fees, charges and expenses of the Issuer, the Bond Insurer, if any, and the Trustee and all other amounts required to be paid under the Agreement and under this Indenture, other than amounts payable as arbitrage rebate under Section 148(f) of the Code, shall belong to and be paid to the Board.

Section 4.19 Reserved

Section 4.20 Application of Insurance Proceeds; Condemnation Award

(a) If all or any portion of the Facilities is damaged or destroyed by a Casualty (as defined in the Facilities Lease), or is taken by Expropriation (as defined in the Facilities Lease) proceedings, the Corporation shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof;

provided, however that the Issuer shall in no way be liable for any costs of the repair, restoration or replacement of the Facilities in excess of the proceeds of any insurance or of any Expropriation award received because of such Casualty or Expropriation. The proceeds of any insurance, or of any Expropriation award or payment in lieu of Expropriation, received on account of any damage, destruction or taking of all or any portion of the Facilities shall be applied as follows: the net proceeds, including the proceeds of self-insurance through the Office of Risk Management, Division of Administration, State of Louisiana ("ORM") shall be delivered to the Trustee and held by the Trustee in a special account to be established upon receipt of any such funds and held by the Trustee in trust, and shall be made available for, and to the extent necessary be applied to, such restoration, repair and replacement; provided, however, if the net proceeds are proceeds of self-insurance through ORM, such application shall be consistent with the Policy and Procedures Memorandum 10 ("PPM-10") of ORM. Any amounts so held by the Trustee shall be disbursed to pay the costs of restoration, replacement and repair of the Facilities with respect to which they are held, in each case promptly after receipt of a written request of the Corporation stating that the amount to be disbursed pursuant to such request will be used to pay costs of replacing or repairing or restoring the Facilities and that no amount previously has been disbursed by the Trustee for payment of the costs to be so paid. In making such payments, the Trustee may conclusively rely upon such written requests and shall have no liability or responsibility to investigate any matter stated therein, or for any inaccuracy or misstatement therein. In no event shall the Trustee be responsible for the adequacy of the plans and specifications or construction contract relating to the replacement, restoration, or repair of the Facilities, or for the improper use of moneys properly disbursed pursuant to request made under this Section. Any proceeds remaining on deposit with Trustee following completion of the repairs, restoration or replacement of the Facilities shall be paid by Trustee to the Corporation.

(b) In the event the Corporation decides not to repair, restore or replace the Facilities for any reason, all insurance proceeds received or payable as a result of such Casualty, or all proceeds received or payable as a result of Expropriation proceedings (including payments received or payable in lieu of Expropriation) shall be paid to the Trustee and applied to the redemption of the Bonds in accordance with Section 3.4 of this Indenture.

(c) Notwithstanding anything to the contrary and in the event the Facilities Lease is no longer in effect, if an Event of Default shall have occurred and be continuing, the application of all insurance proceeds received or payable as a result of a casualty or all proceeds received or payable as a result of Expropriation proceedings (including payments received or payable in lieu of Expropriation) shall be subject to the written approval of the Bond Insurer, if any.

Section 4.21 Application of Money in Series 2010 Bonds Replacement Fund

(a) The Trustee shall, in accordance with Section 4.3 hereof, deposit an amount equal to the Series 2010 Bonds Replacement Fund Requirement into the Series 2010 Bonds Replacement Fund, beginning on the first full Fiscal Year of operation following the Fiscal Year in which the certificate of completion is received pursuant to Section 4.17 herein and annually on each July 15 thereafter. The Series 2010 Bonds Replacement Fund Requirement may be reduced with the approval of the staff of the Board of Regents of the State of Louisiana, the Board and with the written consent of the Bond Insurer, if any.

(b) As an alternative to annual payments into the Series 2010 Bonds Replacement Fund, the Corporation may direct the Trustee to make a one time deposit in an amount equal to the Series 2010 Bonds Replacement Fund Requirement into the Series 2010 Bonds Replacement Fund upon the date that the certificate of completion is received pursuant to Section 4.17 herein. In the event that the Corporation directs the Trustee to make a one time deposit of the Series 2010 Bonds Replacement Fund Requirement into the Series 2010 Bonds Replacement Fund, the Trustee shall not be required to make the annual deposits referenced in subsection (a) above.

(c) All moneys in the Series 2010 Bonds Replacement Fund shall be part of the Trust Estate subject to the lien of this Indenture and may be drawn on and used by the Board or the Corporation to (i) replace any worn out, obsolete, inadequate, unsuitable or undesirable property, furniture, equipment, fixtures and other property owned by the Board or the Corporation and located on the Facilities; and (ii) maintain the Facilities and to make all alterations, repairs, restorations and replacements to the Facilities as and when needed to preserve the Facilities in good working order, condition and repair, each as required by the Facilities Lease. Withdrawals from the Series 2010 Bonds Replacement Fund for the purposes set forth above shall be made by the Trustee upon its receipt of a requisition from the Board or the Corporation substantially in the form attached hereto as Exhibit C and shall not require replenishment in accordance with Section 4.3(c)(v) herein. Moneys in the Series 2010 Bonds Replacement Fund may, with the consent of the Board and shall, at the direction of the Board or the Bond Insurer, if any, also be used to pay debt service on the Series 2010 Bonds in the event there are insufficient moneys in the Debt Service Fund therefor on the date such principal and/or interest is due. If moneys in the Series 2010 Bonds Replacement Fund are used to pay debt service, said deficiency shall be replenished in accordance with Section 4.3(c)(v) herein.

(d) Any funds remaining in the Series 2010 Bonds Replacement Fund at the time the Series 2010 Bonds are paid in full or provision for their payment is made in accordance with Article 12 hereof and the fees, charges and expenses of the Issuer, the Bond Insurer, if any, and the Trustee are paid in full shall be paid to the Board on behalf of the University.

Section 4.22 Application of Moneys in the Series 2010A Bonds Rebate Fund. Moneys in the 2010A Bonds Rebate Fund shall be used to make any rebate payments required to be made to the United States under the Code. The Series 2010A Bonds Rebate Fund shall be held for the sole benefit of the United States of America and is not pledged under this Indenture. Moneys required to be paid to the United States shall be deposited in the Series 2010A Bonds Rebate Fund by the Board as Base Rental under the Facilities Lease as required thereby and by this Indenture.

ARTICLE 5 COMPLETION BONDS

Section 5.1 Completion Bonds. Subject to the requirements of Section 5.4, Completion Bonds may be issued in one or more series by the Issuer on a parity with the Bonds at the request of the Corporation as advised by the Board, pursuant to a supplement to this Indenture to pay all or part of the additional Costs of the Facilities so long as no Event of Default or event which with notice or the lapse of time or both would constitute an Event of Default

under this Indenture has occurred and is then continuing. Such series of Completion Bonds shall be appropriately designated, shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered, shall have such paying agents and shall have such maturities and redemption provisions, all as may be provided in the supplement to this Indenture or the separate indenture authorizing the issuance of such series of Completion Bonds.

Section 5.2 Refunding Bonds. Refunding Bonds may be issued under and secured by a supplement to this Indenture for the purpose of providing funds for the refunding of the Bonds and Completion Bonds. Refunding Bonds shall not be subject to the requirements of the Facilities Lease regarding Additional Debt provided that the total Maximum Annual Debt Service Requirement for all then Outstanding Bonds immediately after issuance of any such Refunding Bonds is not greater than 110% of the total Maximum Annual Debt Service Requirement for all then Outstanding Bonds immediately preceding the issuance of such Refunding Bonds.

Section 5.3 Completion Bonds and Refunding Bonds. The Bond Insurer, if any, shall receive copies of any disclosure documents circulated with respect to such Completion Bonds and Refunding Bonds.

ARTICLE 6 COSTS OF ISSUANCE

Section 6.1 Payment of Costs of Issuance from Bond Proceeds Fund. There shall be paid into the Costs of Issuance Sub-Account in the Bond Proceeds Fund the amounts required to be so paid from Bond proceeds pursuant to Section 3.12 of this Indenture; and such amounts shall be applied to the payment of all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of the Bonds including, but not limited to, publication costs, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, the Issuer or any other fiduciary, legal fees and charges, fees and disbursements of consultants and professionals, including financial advisors, costs of liquidity facilities, costs of credit ratings, and any other costs, fees and charges in connection with the original sale and issuance of the Bonds, including for their preparation, execution, transportation and safekeeping, and the premium payable for the Bond Insurance Policy. Any additional costs of issuance shall be paid solely by the Corporation. The Trustee shall make payments from the Costs of Issuance Sub-Account upon receipt of statements from the parties entitled to be paid therefrom accompanied by a written request of the Issuer directing the Trustee to pay such statements.

ARTICLE 7 ENFORCEMENT OF AGREEMENT AND FACILITIES LEASE

Section 7.1 Assignment of Agreement and Facilities Lease. The Issuer has assigned all of its right, title and interest in, to and under the Agreement (except for rights of the Issuer relating to exculpation, indemnification and payment of expenses thereunder), including the interest of the Issuer in and to the Facilities Lease assigned by the Corporation to the Issuer thereunder, to the Trustee as security for the Bonds and hereby agrees that the Agreement and the Facilities Lease may be enforced by the Trustee and/or the owners of the Bonds issued

hereunder in accordance with the terms hereof and thereof. Notwithstanding such assignment, the Issuer agrees to cause the Corporation to comply with the terms contained in the Agreement and the Facilities Lease and the rights of the Bondholders and the Trustee shall be governed by the provisions of this Indenture, the Agreement and the Facilities Lease.

Section 7.2 Trustee or Bondholders to Enforce Agreement, Facilities Lease and Act of Mortgage. The Trustee, with the consent of the Bond Insurer, if any, may, and upon request of the Bond Insurer, if any, or the owners of a majority in aggregate principal amount of the Bonds then outstanding, with the consent of the Bond Insurer, if any, shall, subject to the provisions of Section 8.11 and Article 9 hereof, strictly and promptly enforce the provisions of the Agreement, the Facilities Lease and the Mortgage so long as any of the Bonds remain outstanding under this Indenture. All rights of action (including the right to file proof of claims) to enforce the Agreement, the Ground Lease, the Facilities Lease and Mortgage under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of the Bonds and without their production in any trial or other proceeding relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee for the Bondholders without the necessity of joining as plaintiffs or defendants any of the Bondholders.

ARTICLE 8 EVENTS OF DEFAULT, REMEDIES

Section 8.1 No Extension of Time for Payment of Principal or Interest. The Trustee shall not be authorized to extend the time for any payment of principal or interest without the prior written consent of or authorization by the owner of the Bonds so affected and of the Bond Insurer, if any.

Section 8.2 Events of Default.

(a) Each of the following events is hereby declared to be an "Event of Default":

(i) The payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable;

(ii) The payment of the principal on any of the Bonds shall not be made when the same shall become due and payable, whether at maturity or by proceedings for redemption or by acceleration or otherwise;

(iii) An "Event of Default" under Article 9 of the Agreement (other than an event described under (i) or (ii) of this Section 8.2(a)) shall have occurred and shall not have been cured within the applicable cure period, if any;

(iv) A default shall occur under Section 21 of the Facilities Lease; or

(v) Default by the Issuer in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture on the part of the Issuer to be performed, if such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall

have been given to the Issuer, the Board, the Bond Insurer, if any, and the Corporation by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Bond Insurer, if any, or the owners of not less than a majority in principal amount of the Bonds then outstanding with the consent of the Bond Insurer, if any. Such default shall not become an Event of Default if said default be of the nature that (i) it cannot be corrected within the thirty (30) day period after receipt of notice, but the Issuer (or the Corporation pursuant to the provisions of Section 8.14 of this Indenture) promptly shall institute and diligently pursue corrective action until such default is cured, and (ii)(A) the Trustee shall determine that such default does not affect the validity or enforceability of the Bonds, this Indenture or the Agreement, an event of nonperformance shall not have occurred under the Agreement (other than as a result of the cross default provisions), and such default does not impair the security or the obligations provided for under the Bonds, this Indenture or the Agreement, and (B) the Bond Insurer, if any, shall have consented in writing to the waiver of such Event of Default.

(b) Use of moneys in the Series 2010 Bonds Replacement Fund to pay debt service on the Series 2010B Bonds shall not be considered an Event of Default.

(c) The word "default" as used herein shall mean failure of performance when due, exclusive of any period of grace, if any, allowed to correct any such failure. In addition, in determining whether a default in the payment of the principal of or interest on the Bonds has occurred or whether a payment of Bonds has been made hereunder, no effect shall be given to the payments made under the Bond Insurance Policy.

(d) Anything in this Indenture to the contrary notwithstanding, for all purposes of this Article 8 (other than Section 8.13 hereof), the Bond Insurer, if any, shall be deemed to be the sole owner of the Bonds it has insured for so long as it is not in default in any payment required to be made by it under the Bond Insurance Policy, and the Bond Insurer, if any, shall be entitled to: (i) notify the Trustee of the occurrence of an Event of Default hereunder or waive any Event of Default hereunder; (ii) request that the Trustee intervene in judicial proceedings that affect the Bonds or the security therefor; (iii) control and direct the enforcement of all rights and remedies granted hereunder to the Series 2010 Bondholders or to the Trustee for the benefit of the Series 2010 Bondholders upon the occurrence and continuation of an Event of Default; (iv) be recognized as the registered owner of each Bond which it insures for the purposes of exercising all rights and privileges available to Series 2010 Bondholders; and (v) have the right to institute any suit, action, or proceeding at law or in equity under the same terms as a Series-2010 Bondholder in accordance with the provisions of the Indenture or each Bond which it insures.

(e) Notwithstanding anything to the contrary, any acceleration of principal payments will be subject to the Bond Insurer's prior written consent.

Section 8.3 Remedies. Upon the occurrence of an Event of Default, the Issuer, the Trustee and, subject to Sections 8.10 and 8.11, and further subject to the Bond Insurer's right to control and direct all rights and remedies, the Bondholders shall have all the rights and remedies as may be allowed by law, this Indenture, or pursuant to the provisions of the Agreement and/or the Facilities Lease by virtue of their assignment hereunder, including but not limited to, acceleration of the maturity of all Bonds, or suit at law or in equity to enforce or enjoin the action

or inaction of parties under the provisions of this Indenture, the Agreement or the Facilities Lease.

Section 8.4 Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of an Event of Default described in Section 8.2 of this Indenture, the Trustee, with the consent of the Bond Insurer, if any, may, and upon the written direction of the Bond Insurer, if any, shall, by notice in writing to the Issuer, the Board and the Corporation, declare the Bonds then outstanding immediately due and payable, and such Bonds shall become and be immediately due and payable, anything in such Bonds or in the Agreement or this Indenture to the contrary notwithstanding, and, subject to Article 9 the Trustee may exercise any remedies granted to it herein. In such event, there shall be due and payable on the Bonds an amount equal to the principal amount of all the Bonds then outstanding plus all interest accrued thereon and which will accrue thereon to the date of payment. If the Bond Insurer, if any, shall be in default of its payment obligations under the Bond Insurance Policy, the owners of not less than a majority of the aggregate principal amount of Bonds outstanding, may direct the Trustee to declare the Bonds then outstanding immediately due and payable.

(b) At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Indenture, the Mortgage, the Agreement or the Facilities Lease, the Trustee, with the consent of the Bond Insurer, if any, may annul such declaration and its consequences with respect to the Bonds if: (i) moneys shall have been deposited in the Debt Service Fund sufficient to pay all matured installments of principal (other than principal due solely because of acceleration) and interest; (ii) moneys shall be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Issuer and the Trustee; (iii) all other amounts then payable by the Issuer or the Corporation under this Indenture or the Agreement shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every Event of Default known to the Issuer or the Trustee (other than a default in the payment of the principal of the Bonds due only because of such declaration) shall have been remedied to the satisfaction of the Issuer, the Trustee and the Bond Insurer, if any; and upon the written direction of the Bond Insurer, if any, shall annul such declaration and its consequences with respect to the Bonds. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

(c) No waiver of any Event of Default shall be effective without the written consent of the Bond Insurer, if any.

Section 8.5 Insufficiency in the Debt Service Fund; Application of Moneys.

(a) Anything in this Indenture to the contrary notwithstanding, if at any time the moneys in the Debt Service Fund shall not be sufficient to pay the interest on or the principal of the Bonds as the same shall become due and payable (either by their terms or by acceleration of maturities), such moneys, together with any other moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall, subject to the provisions of Sections 9.2 and 9.4 hereof and

after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be applied as follows:

(i) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST, to the payment to the persons entitled thereto of all installments of interest then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay any particular installment, then to the payment thereof, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; then

SECOND, to the payment to the persons entitled thereto of the unpaid principal of the Bonds that shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture) in the order of their due dates, with interest on the principal amount of such Bonds due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds and their interest thereon, then to the payment thereof ratably, according to the amount of the interest due on such date, and next to the payment of the principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and then

THIRD, to the payment of the interest on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of this Indenture;

FOURTH, to the payment of all Bond Insurer Amounts certified by the Bond Insurer, if any, as due and owing.

(ii) If the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference and thereafter, to the payment of all Bond Insurer Amounts certified by the Bond Insurer, if any, as due and owing; and

(iii) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled, then, subject to the provisions of Section 8.5(a)(ii) above, in the event that the principal of all the Bonds shall later become or be declared due and payable, then all such moneys shall be applied in accordance with the provisions of Section 8.5(a)(i) above.

(b) Whenever money is to be applied by the Trustee pursuant to the provisions of this Section, such money shall be applied by the Trustee at such times and from time to time

as the Trustee in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for application in the future; the deposit of such money or otherwise setting aside such money in trust for the proper purpose shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Issuer, to any Bondholder or to any other person for any delay in applying any such money, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to the owner of any Bond until such Bond shall be surrendered to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 8.6 Discontinuance of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case the Issuer, the Trustee, the Bond Insurer, if any, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee and the Bond Insurer, if any, shall continue as though no proceeding had been taken.

Section 8.7 Appointment of Receiver. Upon the occurrence of an Event of Default, and upon filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the Bond Insurer, if any, and of the Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or keeper pending such proceedings, with such powers as the court making such appointment shall confer. Any expenses incurred in connection with such appointment shall be paid by the Corporation but only from the Trust Estate.

Section 8.8 Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee, the Bond Insurer, if any, or the Bondholders is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity on or after the date of adoption of this Indenture.

Section 8.9 Remedies Vested in Trustee. All rights of action under this Indenture, the Agreement or under any of the Bonds may be enforced by the Trustee or the Bond Insurer, if any, without possession of the Bonds and without their production in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee may be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds.

Section 8.10 Majority of Bondholders Control Proceedings. If an Event of Default shall have occurred and be continuing, notwithstanding anything in this Indenture to the contrary, but subject to all rights granted to the Bond Insurer, if any, in this Article 8 and Section

3.14 hereof, the owners of at least a majority of the aggregate outstanding principal amount of Bonds then outstanding shall have the right, at any time by an instrument or instruments in writing executed and delivered to the Trustee, upon providing security and indemnity satisfactory to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of this Indenture, provided the direction is in accordance with law and the provisions of this Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of Bondholders not joining in such direction, and provided further, that nothing in this Section shall impair the right of the Trustee in its discretion to take any other action under this Indenture which it may deem proper and which is not inconsistent with the direction by Bondholders.

Section 8.11 Individual Bondholder Action Restricted.

(a) No owner of any Bond shall have any right to institute any suit, action or proceeding for the enforcement of this Indenture or for the execution of any trust hereunder or for any remedy under this Indenture unless:

(i) An Event of Default has occurred (other than under Sections 8.2(a)(i) or 8.2(a)(ii)) as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing;

(ii) The owners of at least a majority of the aggregate outstanding principal amount of Bonds outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in this Indenture or to institute an action, suit or proceeding in its own name; and these Bondholders shall have offered the Trustee such indemnity as may be satisfactory to the Trustee, and the Trustee shall have failed or refused to exercise the powers granted in this Indenture or to institute an action, suit or proceeding in its own name for a period of sixty (60) days after receipt of the request and offer of indemnity; and

(iii) The Bond Insurer, if any, shall have consented to any such suit, action or proceeding, execution of trust or remedy.

(b) No one or more owners of Bonds shall have any right in any manner whatsoever to disturb or prejudice the security of this Indenture or to enforce any right hereunder except in the manner herein provided and then only for the equal benefit of the owners of all outstanding Bonds.

Section 8.12 Waiver and Non-Waiver of Event of Default.

(a) No delay or omission of the Trustee, the Bond Insurer, if any, or of any owner of Bonds to exercise any right or power accruing upon any Event of Default shall impair the right or power or shall be construed to be a waiver of an Event of Default or an acquiescence therein. Every power and remedy given by this Article to the Trustee, the Bond Insurer, if any, and to the owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) Subject to Section 3.14 hereof and the rights granted to the Bond Insurer, if any, under this Article 8, the Trustee may waive any Event of Default that in its opinion shall

have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Indenture or before the completion of the enforcement of any other remedy under this Indenture.

(c) Subject to Section 3.14 hereof and the rights granted to the Bond Insurer, if any, under this Article 8, the Trustee, upon written request of the owners of at least a majority of the aggregate principal amount of the Bonds then outstanding shall waive any Event of Default and its consequences; provided, however, that a default in the payment of the principal of and interest on any Bond, when due and payable or upon call for redemption, may not be waived after the date the same becomes due and payable without the written consent of the owners of all the Bonds at the time outstanding.

(d) In case of a waiver of any Event of Default, the Issuer, the Trustee, the Bond Insurer, if any, and the Bondholders shall be restored to their former positions and rights under this Indenture but no waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. Neither the Trustee nor the Bond Insurer, if any, shall be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with this Section.

Section 8.13 Notice of Defaults.

(a) Within thirty (30) days after the receipt of notice of an Event of Default or the occurrence of an Event of Default of which the Trustee is deemed to have notice, the Trustee shall (unless the Event of Default has already been cured) give written notice of the Event of Default to the owners of all Bonds then outstanding in the manner provided in Section 13.8 of this Indenture, provided that, except in the case of a default in the payment of principal, redemption price, or interest on any of the Bonds or in the event that the Bond Insurer, if any, directs that notice be given, the Trustee may withhold the notice to the Bondholders if, in its sole judgment, it determines that the withholding of notice is not detrimental to the best interest of the Bondholders.

(b) The Trustee shall immediately notify, in writing, the Issuer, the Bond Insurer, if any, the Board, and the Corporation of any Event of Default known to the Trustee.

Section 8.14 Opportunity of Corporation to Cure Certain Defaults. The Issuer and the Trustee hereby grant the Corporation full authority on the account of the Board and/or the Issuer to perform any covenant or obligation and to otherwise fulfill any condition the failure or non performance of which is or is alleged to be a default under Section 8.2(a)(v) of this Indenture, and the Trustee agrees that performance by the Corporation shall be deemed to be performance by the Board and/or the Issuer.

ARTICLE 9
CONCERNING THE TRUSTEE

Section 9.1 Acceptance of Trusts. The Trustee hereby represents and warrants to the Issuer (for the benefit of the Board, the Bond Insurer, if any, the Corporation, and the Bondholders as well as the Issuer) that it is a national banking association duly organized and validly existing under the laws of the United States of America and that it is duly authorized

under such laws to accept and execute trusts in the State of the character herein set out. The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Indenture, including the following express terms and conditions, to all of which the parties hereto and the respective Owners of the Bonds agree:

(a) Except during the continuance of an Event of Default within the purview of Section 8.2, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and the Trustee shall not be responsible for (i) the legality or enforceability of this Indenture (except with respect to performance of its obligations hereunder), the Agreement (except with respect to performance of its obligations hereunder), the Facilities Lease (except with respect to performance of its obligations hereunder), the Tax Regulatory Agreement (except with respect to performance of its obligations hereunder), and any supplement thereto, the Bonds (except as to the authentication of the Bonds), or any instruments or documents related thereto (collectively, the "Transaction Documents") or (ii) the legality, perfection, sufficiency or priority of the Trust Estate or any lien purported to be granted thereon under any of the aforesaid documents or otherwise. No implied covenants or obligations shall be read into this Indenture against the Trustee.

(b) No provision of this Indenture shall be construed to relieve the Trustee from liability for its negligence, negligent failure to act, willful misconduct or breach of trust, except that:

(i) in the absence of bad faith on the part of the Trustee, the Trustee may rely upon the authenticity of, and the truth of the statements and the correctness of the opinions expressed in, and shall be protected fully from liability in relying or acting upon, any resolution, opinion of counsel, certificate, request, notice, consent, waiver, order, signature guaranty, notarial seal, stamp, acknowledgment, verification, appraisal, report or other paper or document believed by the Trustee to be genuine and to have been signed, affixed or presented by the proper party or parties; but in the case of any such certificates or opinions that by any provision hereby are specifically required to be furnished to the Trustee, as the case may be, the Trustee shall be under a duty to examine the same to determine whether or not they conform to requirements of this Indenture; and

(ii) in the absence of bad faith on the part of the Trustee, whenever the Trustee, or any of its agents, representatives, experts or counsel, shall consider it necessary or desirable that any matter be proved or established, such matter shall be deemed to be conclusively proved and established by a certificate executed by an Authorized Issuer Representative; provided, however, that the Trustee, or such agent, representative, expert or counsel may require, but is not obligated to require, such further and additional evidence and make such further investigation as it or they may consider reasonable; and

(iii) the Trustee may consult with counsel and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and in accordance with such advice or opinion of counsel; and

(iv) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith and in accordance with any direction or request of the Bond Insurer, if any, or the Bondholders given in accordance with the provisions of this Indenture; and

(v) the Trustee shall not be liable for any error of judgment made in good faith by an officer or employee of the Trustee unless the Trustee is negligent in ascertaining the pertinent facts; and

(vi) the Trustee shall not be deemed to have knowledge of any Event of Default, except for the failure of the Corporation to make or cause to be made scheduled payments to the Trustee provided for in the Agreement, unless and until the Bond Insurer, if any, shall have given written notice to the Trustee of said default or until an officer of the Trustee who customarily handles corporate trusts and is assigned to supervise this Indenture shall have actual knowledge thereof or the Trustee shall have received written advice thereof from any Bondholder; and

(vii) anything in any of the Transaction Documents to the contrary notwithstanding, whether or not an Event of Default shall have occurred, the Trustee shall not be under any obligation to take any action under this Indenture that may involve it in any expense or liability, the payment of which within a reasonable time is not, in its opinion, assured to it by the security afforded to it by the terms of this Indenture, unless it is requested in writing to do so the Bond Insurer, if any, or the Bondholders or one or more owners of the Bonds outstanding hereunder, in accordance with the provisions of this Indenture, and furnished, from time to time as it may require, with security and indemnity satisfactory to it; and

(viii) the Trustee need not take any action or follow any direction from any one or more Bondholders if the Trustee shall be advised by counsel that the action or proceedings so directed may not lawfully be taken or would be prejudicial to Bondholders not parties to such direction, or the Trustee in good faith believes following such direction would involve the Trustee in personal liability; and

(ix) in no event shall the Trustee be liable to any person for special, indirect, punitive, exemplary or consequential damages, lost profits or loss of business arising under or in connection with this Indenture, even if previously informed of the possibility of such damages and regardless of the form of action; and

(x) anything to the contrary in the Transaction Documents notwithstanding, the permissive right of the Trustee to do anything enumerated or set forth in any of the Transaction Documents shall not be construed as a duty, and the Trustee shall not be held responsible or liable for other than its negligence or willful misconduct.

(c) In case an Event of Default within the purview of Section 8.2 hereof has occurred and is continuing and the Trustee has or is deemed to have knowledge of the Event of Default pursuant to (b)(vi) above, subject to the provisions of this Article 9, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the degree of care and skill in their exercise as a prudent corporate trustee would exercise under the circumstances.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee, including without limitation Sections 9.3 and 9.4 hereof, shall be subject to the provisions of this Section 9.1. The Trustee also accepts, and agrees to do and perform, the duties and obligations imposed upon it by and under the Agreement, and the Facilities Lease, but only upon the terms and conditions set forth in the Agreement, the Facilities Lease, and this Indenture.

(e) Notwithstanding any other provision of this Indenture, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Indenture, the Trustee shall consider the effect on the Bondholders as if there were no Bond Insurance Policy.

Section 9.2 Trustee Entitled to Indemnity. The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Indenture, the Mortgage or under the Agreement, or to enter any appearance in or in any way defend against any suit, in which it may be made a defendant (except in the case of the Trustee's own negligence), or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder or under the Agreement, the Mortgage or the Facilities Lease, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the Issuer shall reimburse the Trustee from funds available therefor under the Agreement for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Issuer shall fail to make reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference over any of the Bonds.

Section 9.3 Trustee Not Responsible for Insurance. Taxes. Execution of Indenture. Acts of the Issuer or Application of Moneys Applied in Accordance with this Indenture.

(a) The Trustee shall not be under any obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Board or to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. The Trustee shall have no responsibility in respect of the validity, sufficiency, due execution or acknowledgment of this Indenture or the validity or sufficiency of the security provided hereunder or in respect of the validity of the Bonds or the due execution or issuance thereof, except as to the authentication thereof.

(b) The Trustee shall not be liable or responsible because of the failure of the Issuer or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Issuer or because of the loss of any moneys arising through the insolvency or the act or default or omission of any other depository in which such moneys shall have been deposited under the provisions of this Indenture. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and

paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Indenture.

(c) The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

Section 9.4 Compensation. The Trustee shall be entitled to reasonable compensation for its ordinary services hereunder consistent with the results of the process by which the Trustee was selected and any extraordinary services rendered hereunder and to reimbursement for all expenses incurred in good faith hereunder, including the compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Trustee may employ in connection with the exercise and performance of its powers and duties hereunder. Subject to the provisions of any contract relating to the compensation of the Trustee, the Issuer shall cause the Corporation or Board to pay to the Trustee as Administrative Expenses its reasonable fees and charges in accordance with the Agreement and the Facilities Lease upon the written request of the Trustee and provided the Issuer shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Issuer in connection therewith as such costs and expenses accrue. If the Corporation or Board shall fail to make any payment required by this Section, the Trustee may, but shall be under no obligation to, make such payment from any moneys in its possession under the provisions of this Indenture, and the Trustee shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder.

Section 9.5 Trustee to Preserve Records. All records and files pertaining to the Corporation in the custody of the Trustee shall be open at all reasonable times to the inspection of the Issuer, the Board, the Bond Insurer, if any, the Corporation and their agents and representatives.

Section 9.6 Trustee May be Bondholder. The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds issued under and secured by this Indenture, and may join in the capacity of a Bondholder in any action which any Bondholder may be entitled to take with like effect as if such institution were not the Trustee under this Indenture.

Section 9.7 Trustee Not Responsible for Recitals. The recitals, statements and representations contained herein and in the Bonds shall be taken and construed as made by and on the part of the Issuer and not by the Trustee, and the Trustee shall not be under any responsibility for the correctness of the same.

Section 9.8 Trustee Not Responsible for Reinscription. The Corporation, as set forth in the Agreement, is required to reinscribe, the Mortgage at such times as shall be necessary to preserve the lien thereof. In the event that any continuation statements shall be required to keep current any financing statement or other filings with respect to security interests or other security devices securing the Bonds, the Corporation shall be obligated to file any such continuation statements and shall provide written notice to the Issuer, the Bond Insurer, if any, and the Trustee of such filing, if any. The Trustee shall not be responsible for filing any financing statements or continuation statements.

Section 9.9 Trustee May Rely on Certificates. Subject to the provisions of Section 9.1(b), the Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of the Agreement or this Indenture, or upon the written opinion of any attorney, engineer, accountant or other expert believed by it to be qualified in relation to the subject matter, and the Trustee shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

Section 9.10 Qualification of the Trustee. There shall at all times be a Trustee performing the obligations described hereunder. Any successor Trustee hereunder shall be a trust company or commercial bank (having trust powers and in good standing) organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having unimpaired capital and surplus of at least \$100,000,000, and subject to supervision or examination by federal or state authority. If such trust company or bank publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the unimpaired capital and surplus of such association or corporation shall be deemed to be its unimpaired capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect specified in Section 9.11 hereof.

Section 9.11 Resignation and Removal of Trustee:

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance or approval by the successor Trustee under Section 9.12 hereof and until notice of resignation or removal and appointment, as the case may be, shall have been provided to the Bond Insurer, if any. Notwithstanding anything herein to the contrary, the appointment of any successor Trustee must be approved in writing by the Bond Insurer, if any. The Trustee may be removed at any time at the request of the Bond Insurer, if any. Bond Insurer, if any, shall receive prior written notice of any name change of the Trustee.

(b) The Trustee may resign at any time by giving written notice thereof to the Issuer, the Bond Insurer, if any, the Board, the Corporation and the Bondholders. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within thirty (30) days after the giving of such notice of resignation, the retiring Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed for cause at any time by an instrument or instruments in writing to the Trustee, with copies to the Issuer, the Board, the Bond Insurer, if any, and the Corporation, signed by the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding or by their attorneys, legal representatives or agents and

delivered to the Trustee, the Issuer, the Bond Insurer, if any, the Board and the Corporation (such instruments to be effective only when received by the Trustee). The Issuer, at the direction of the Corporation, may also remove the Trustee, provided there is no event of default, at any time in the manner set forth in this Section 9.11(c). The Trustee may be removed at any time at the request of the Bond Insurer, if any.

(d) If at any time,

(i) the Trustee shall cease to be eligible under Section 9.10 hereof and shall fail to resign after written request therefor by the Corporation for the Board or by any Bondholder, or

(ii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Issuer, in its discretion and without obligation, may or the Corporation, on behalf of the Board, may remove the Trustee, or (B) any Bondholder, may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor but only, in each case, with the prior written approval of the Bond Insurer, if any.

(e) If the Trustee shall be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause other than resignation (it being understood that no vacancy may occur as a result of resignation since the Trustee may not resign unless a successor has been appointed) or if the Trustee tenders its resignation, the Issuer with the approval of the Corporation, and the Board (whose consent shall not be unreasonably withheld) and the Bond Insurer, if any, shall promptly appoint a successor provided the Issuer shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Issuer in connection therewith as such costs and expenses accrue. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by an instrument or concurrent instruments in writing executed by the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding and delivered to the Corporation for the Board and the retiring Trustee, and with the written consent of the Bond Insurer, if any, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Issuer. If no successor Trustee shall have been so appointed by the Issuer or the Bondholders and accepted appointment in the manner hereinafter provided, any Bondholder who has been a bona fide owner of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Issuer shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first class mail, postage prepaid, to all Bondholders upon the written request of the Trustee and provided the Issuer shall be furnished with sufficient funds to pay all costs and expenses

(including attorney's fees) reasonably incurred by the Issuer in connection therewith as such costs and expenses accrue. Each notice shall include the name and address of the principal corporate trust office of the successor Trustee.

Section 9.12 Successor Trustee.

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Issuer, the Bond Insurer, if any, and the Corporation for the Board, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessors; but such predecessor shall, nevertheless, on the written request of its successor or of the Issuer and upon payment of the expenses, charges and other disbursements of such predecessor which are payable pursuant to the provisions of Section 9.4 hereof, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all property and moneys held by it hereunder to its successor, subject, nevertheless, to its preference, if any, provided for in Sections 9.2 and 9.4 hereof. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee any such instrument in writing shall and will be executed, acknowledged and delivered by the Issuer upon the written request of the Trustee and provided the Issuer shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Issuer in connection therewith as such costs and expenses accrue.

(b) Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Indenture and otherwise qualified to act as Trustee hereunder with or into which the bank or trust company acting as Trustee may be merged, converted or consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Trustee shall be a party or any corporation or association to which all or substantially all of the corporate trust assets or corporate trust business of such bank or trust company may be sold, shall be deemed the successor of the Trustee.

Section 9.13 Co Trustee.

(a) It is the purpose hereof that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banks or trust companies to transact business as trustee in such jurisdiction. It is recognized that in case of litigation hereunder and in particular in case of the enforcement of this Indenture upon the occurrence of an Event of Default, it may be necessary that the Trustee appoint an additional individual or institution as a separate Trustee or Co Trustee. The following provisions of this Section are adapted to these ends.

(b) Upon the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers and trusts herein granted to the Trustee or to hold title to the Trust Estate or to take any other action which may be

necessary or desirable in connection therewith, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in a separate Trustee or Co Trustee appointed by the Trustee but only to the extent necessary to enable the separate Trustee or Co Trustee to exercise such rights, powers and trusts, and every agreement and obligation necessary to the exercise thereof by such separate Trustee or Co Trustee shall run to and be enforceable by either of them.

(c) Should any deed, conveyance or instrument in writing from the Issuer be required by the separate Trustee or Co Trustee so appointed by the Trustee in order to more fully and certainly vest in and confirm to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments shall, on request, be executed, acknowledged and delivered by the Issuer upon the written request of the Trustee and provided the Issuer shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Issuer in connection therewith as such costs and expenses accrue. In case any separate Trustee or Co Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate Trustee or Co Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate Trustee or Co Trustee.

(d) Any separate Trustee or Co Trustee appointed hereunder shall be subject to the prior written approval of the Bond Insurer, if any.

Section 9.14 Disclosure Documents. The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or other disclosure material prepared or distributed with respect to the Bonds, except as provided in Section 13.13 herein.

ARTICLE 10
SUPPLEMENTAL INDENTURES

Section 10.1 Supplemental Indentures Not Requiring Consent of Bondholders.

(a) The Issuer and the Trustee may, with notice to the Bond Insurer, if any, as provided by Section 10.7 below, but without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof and in the opinion of the Trustee shall not materially and adversely affect the interest of the Bondholders for any one or more of the following purposes:

- (i) To cure any ambiguity or formal defect or omission in this Indenture;
- (ii) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Bondholders or the Trustee or either of them;

(iii) To subject to the lien and pledge of this Indenture additional revenues, properties or collateral;

(iv) To provide for the issuance of Completion Bonds in conformity with the provisions of Article 5 of this Indenture and to fix all details with respect thereto or to provide further conditions, limitations or restrictions on the issuance of Completion Bonds;

(v) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof or thereof under any federal statute hereafter in effect or under any state Blue Sky Law, and, in connection therewith, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted or required by any said federal statute or Blue Sky Law; provided, that any such indenture supplemental hereto referred to in this Section 10.1(a)(v) shall not, in the judgment of the Trustee, which may rely on an opinion of counsel, be to the prejudice of the owners of the Bonds, or

(vi) To provide any other modifications which, in the sole judgment of the Trustee, are not prejudicial to the interests of the Bondholders.

(b) Notwithstanding the foregoing, the prior written consent of the Bond Insurer, if any, shall be required with respect to any supplemental indenture under this Section 10.1 which, in the sole judgment of the Bond Insurer, if any, would affect the rights or interests of the Bond Insurer, if any, hereunder.

Section 10.2 Supplemental Indentures Requiring Consent of Bondholders

(a) Anything contained in this Indenture to the contrary notwithstanding, except for indentures supplemental hereto authorized by Section 10.1 of this Indenture and subject to the terms and provisions contained in this Section 10.2, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right from time to time, with the consent of the Bond Insurer, if any, to consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any indenture supplemental hereto; provided, however, that nothing contained in this Section 10.2 shall permit, or be construed as permitting, without the consent of the Bond Insurer, if any, and the owners of all the Bonds then outstanding: (i) an extension of the stated maturity or scheduled sinking fund redemption or reduction in the principal amount of, or reduction in the rate or extension of the time of payment of interest on, any Bonds; or (ii) the creation of any lien on the Trust Estate or any part thereof pledged under this Indenture prior to or on a parity with the lien of this Indenture; or (iii) a reduction in the aforesaid aggregate outstanding principal amount of Bonds the owners of which are required to consent to any such indenture supplemental hereto. No such amendment shall modify the rights, duties or immunities of the Trustee without the written consent of the Trustee.

(b) If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section 10.2, the Trustee shall, upon being

satisfactorily indemnified by the Corporation with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given to the Bondholders in the manner provided in Section 13.8 of this Indenture. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within ninety (90) days or such longer period as shall be prescribed by the Issuer following the giving of such notice, the owners of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section 10.2 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

(c) So long as no event of nonperformance under the Agreement has occurred and is continuing, no such supplement shall become effective unless the Corporation, on behalf of the Board, shall have given its prior written approval.

Section 10.3 Filing. Copies of any supplemental indenture shall be filed with the Trustee and delivered to the Issuer, the Corporation, and the Board.

Section 10.4 Reliance on Counsel. The Trustee shall be provided with, and shall be fully protected in relying upon, an opinion of counsel satisfactory to the Trustee, who may be counsel for the Issuer, as conclusive evidence that any such proposed supplemental indenture complies with the provisions of this Article prior to joining in the execution of such supplemental indenture.

Section 10.5 Supplement Binding. Upon the execution of any supplemental indenture pursuant to the provisions of this Article, this Indenture shall be deemed to be supplemented, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Trustee, the Bond Insurer, if any, the Issuer, the Corporation, the Board and the owners of Bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modification and amendment.

Section 10.6 Supplemental Agreement. The Issuer and the Corporation, with the approval of the Board and of the Trustee in certain events, may consent to supplemental loan agreements for the purposes and in the manner provided in Article 8 of the Agreement and the Trustee agrees that it shall take the actions required of it as provided thereunder.

Section 10.7 Notice to Rating Agencies and Bond Insurer. No supplemental indenture shall be executed and delivered pursuant to Sections 10.1 or 10.2 hereof without prior written notice having been given by the Trustee, to the Bond Insurer, if any, and the Rating Agency of the Trustee's intention to execute such supplemental indenture not fewer than fifteen (15) days in advance of the execution of said supplemental indenture. The Issuer shall also furnish to the Bond Insurer, if any, a full transcript of all proceedings relative to the supplemental indenture.

ARTICLE 11
COVENANTS OF THE ISSUER

Section 11.1 Payment of Principal and Interest. The Issuer covenants that it will promptly pay, or cause to be paid, the principal of and the interest on every Bond at the places, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof but solely from the revenues of the Trust Estate and not from any other fund or source. The Issuer further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Indenture, the Agreement or in any Bond executed, authenticated and delivered hereunder or in any proceedings of the Issuer pertaining thereto.

Section 11.2 Additional Security. The Issuer covenants, whenever and so often as reasonably required to do so by the Trustee or the Bond Insurer, if any, promptly to execute and deliver or cause to be delivered all such other and further instruments, documents or assurances, and to promptly do or cause to be done all such other further things, as may be necessary or reasonably required in order to further and more fully vest in the Trustee, the Bond Insurer, if any, and the owners of the Bonds all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Indenture.

Section 11.3 Cure Title Defects. The Issuer covenants to promptly, upon the request of the Trustee or the Bond Insurer, if any, from time to time, take or cause to be taken such action as may be necessary or proper to remedy or cure any material defect in or cloud upon the title to the Trust Estate or any part thereof, whether now existing or hereafter developing, and to prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and to indemnify and save the Trustee, the Bond Insurer, if any, and every owner of Bonds, solely from the Trust Estate, harmless from all loss, cost, damage and expense, including attorneys' fees, which they or either of them may ever incur by reason of any such defect, cloud, suit, action or proceedings.

Section 11.4 Defend Against Actions. The Issuer covenants to defend or cause to be defended every suit, action or proceeding at any time brought against the Trustee, the Bond Insurer, if any, or any owner of Bonds upon any claim arising out of the receipt, application or disbursement of any of the revenues of the Trust Estate or involving the Issuer's, the Trustee's, the Bond Insurer's or such Bondholders' rights under this Indenture or the Agreement and to indemnify and save harmless, solely from the Trust Estate, the Trustee, the Bond Insurer, if any, and Bondholders against any and all liability claimed or asserted by any person whomsoever, arising out of such receipt, application or disbursement of any such revenues; provided, however, that the Trustee, the Bond Insurer, if any, or any owner of Bonds at its or his election may appear in and defend against any such suit, action or proceeding; and notwithstanding any contrary provision hereof, this covenant shall continue and remain in full force and effect until all indebtedness, liabilities, obligations and other sums secured hereby have been fully paid and satisfied, and this Indenture has been released of record and the lien hereof discharged.

Section 11.5 Non Impairment of Security. The Issuer covenants that so long as any of the Bonds issued pursuant to this Indenture are outstanding and unpaid, the Issuer will not voluntarily consent to any amendment to the Agreement or otherwise take any action which will

reduce the amount of moneys made available thereunder to the Trustee, or which will in any manner impair or adversely affect the rights of the Issuer, the Trustee or the Bond Insurer, if any, or the security provided by this Indenture to the owners from time to time of the Bonds.

Section 11.6 Issuer's Obligation Limited.

(a) Nothing in the Agreement or this Indenture is intended to require or obligate nor shall anything therein be interpreted to require or obligate the Issuer for any purpose or at any time whatsoever, to provide, apply or expend any funds coming into the hands of the Issuer other than from the Trust Estate.

(b) Any other term or provision in this Indenture or in the Agreement, the Mortgage, the Tax Regulatory Agreement, the Bond Purchase Agreement, the Bonds or elsewhere to the contrary notwithstanding:

(c) Any and all obligations (including without limitation, fees, claims, demands, payments, damages, liabilities, penalties, assessments and the like) of or imposed upon the Issuer or its members, officers, agents, employees, representatives, advisors or assigns, whether under this Indenture or any of the Agreement, the Mortgage, the Tax Regulatory Agreement, the Bond Purchase Agreement, the Bonds or elsewhere and whether arising out of or based upon a claim or claims of tort, contract, misrepresentation, or any other or additional legal theory or theories whatsoever (collectively, the "Obligations"), shall in all events be absolutely limited obligations and liabilities, payable solely out of the following, if any, available at the time the Obligation in question is asserted:

(i) Bond Proceeds and investments therefrom; and

(ii) Payments derived from the Bonds, this Indenture (including the Trust Estate to the extent provided in this Indenture), the Mortgage and the Agreement (except the fees and expenses of the Issuer and the Issuer's right to indemnification under the Agreement as set forth therein); (the above provisions (i) and (ii) being collectively referred to as the "Exclusive Sources of the Obligations").

(d) The Obligations shall not be deemed to constitute a debt or liability of the State of Louisiana or of any political subdivision thereof within the meaning of any State of Louisiana constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit of the State of Louisiana or of any political subdivision thereof, including the Issuer, but shall be payable solely from and out of the Exclusive Sources of the Obligations and shall otherwise impose no liability whatsoever, primary or otherwise, upon the State of Louisiana or any political subdivision thereof, including the Issuer, or any charge upon their general credit or taxing power.

(e) In no event shall any member, officer, agent, employee, representative or advisor of the Issuer, or any successor or assign of any such person or entity, be liable, personally or otherwise, for any Obligation.

(f) In no event shall this Indenture be construed as:

ARTICLE 12
DEFESANCE

Section 12.1 Payment.

(a) When all of the Bonds shall have been paid and discharged, and there shall have been paid all fees and charges of the Trustee and all Bond Insurer Amounts due or to become due through the Residual Payment Obligation Period, then this Indenture shall cease, terminate and become null and void, and thereupon the Trustee shall release this Indenture including the cancellation and discharge of the lien hereof, and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien hereof and, if necessary, to enter on the records such satisfaction and discharge and to re convey to the Issuer any property or interest therein or other rights hereby conveyed and such other instruments to evidence such release and discharge as may be reasonably required by the Issuer, and the Trustee shall assign and deliver to the Issuer any property at the time subject to the lien of this Indenture that may then be in its possession, except amounts in any Fund otherwise required to be paid by this Indenture and except such cash and investments as are held by the Trustee for the payment of interest on and retirement of the Bonds.

(b) Notwithstanding the foregoing, the obligation of the Corporation to pay the fees and expenses of the Trustee in accordance with the terms of this Indenture shall survive the defeasance of the Bonds, the discharge of this Indenture and the termination of the Agreement.

(c) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by the Bond Insurer, if any, pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of the Bond Insurer, if any, and the Bond Insurer, if any, shall be subrogated to the rights of such registered owners, including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Bonds.

Section 12.2 Provision for Payment. Any Bonds shall be deemed to have been paid and discharged within the meaning of Section 12.1, if the Trustee, or an escrow trustee, shall hold, in trust for and irrevocably committed thereto, moneys or Defeasance Obligations of such maturities and interest payment dates and bearing such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (likewise to be held in trust and committed, except as hereinafter provided), be sufficient for the payment of such Bonds, at their maturity or redemption date, of the principal thereof, together with the redemption premium, if any, and interest accrued to the date of maturity or redemption, as the case may be, or if default in such payment shall have occurred on such date then to the date of the tender of such payment; provided, that if any Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or provisions satisfactory to the Trustee shall have been duly made for the giving of such notice. Any moneys held in accordance with the provisions of this Section shall be invested only in

(i) depriving the Issuer of any right or privilege; or

(ii) requiring the Issuer or any member, officer, agent, employee, representative or advisor of the Issuer to take or omit to take, or to permit or suffer the taking of, any action by itself or anyone else, which deprivation or requirement would violate or result in the Issuer's being in violation of the Act or any other applicable state or federal law.

Section 11.7 Immunity of Officers, Employees and Members of Issuer. No recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Indenture against any past, present or future officer, director, member, employee or agent of the Issuer, and all such liability of any such officers, directors, members, employees, or agents except for criminal or intentional acts as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of such Bonds. No covenant or agreement contained in the Bonds or in this Indenture shall be deemed to be the covenant or agreement of any incorporator, director, or officer of the Issuer past, present or future in his or her individual capacity, and neither members of the Issuer nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Indenture against any past, present or future officer, director, member, employee or agent of the Issuer, and all such liability of any such officers, directors, members, employees, or agents as such is hereby expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of such Bonds.

Section 11.8 Role of Issuer. The Issuer shall not be required to take any action not expressly provided for herein. The Issuer shall have no obligation to review, control or oversee the activities of Trustee in collecting any amounts payable pursuant to the Agreement, the Indenture or the Mortgage, or in making any payments on the Bonds. Furthermore, the Issuer shall not be obligated to take any action or execute any documents which might in its reasonable judgment involve it in any expense or liability unless it shall have been furnished with assurance of payment or reimbursement for any expense and with reasonable indemnity for liability of the Issuer, its incorporators, directors, officers and counsel.

Section 11.9 No Superior Pledge. The Issuer shall grant no security interest or lien of any type in the Payments other than the pledge set forth in Article 2 and shall issue no debt or obligation that is to be paid from the Payments other than payment of principal of and interest on the Bonds and the other payments required hereunder.

Section 11.10 Insolvency. Any reorganization or liquidation plan with respect to the Issuer must be approved by the Bond Insurer, if any. In the event of any such reorganization or liquidation, the Bond Insurer, if any, provided it is not then in default in any payment required by it under the terms of the Bond Insurance Policy, shall have the right to vote on behalf of all Series 2010 Bondholders.

Defeasance Obligations the maturities or redemption dates and interest payment dates of which, at the option of the owner, shall coincide as nearly as practicable with, but not later than, the time or times at which said moneys will be required for the aforesaid purposes. Any income or interest earned by the Defeasance Obligations held under this Section shall, as determined by the Trustee or the escrow trustee, to the extent not required for the purposes of this Section, be paid to the Corporation for the Board as overpayment of Payments. No forward supply contract may be entered into in connection with a defeasance without the prior written consent of the Bond Insurer, if any.

Section 12.3 Certifications.

(a) As a condition to any defeasance hereunder, the Issuer and the Corporation covenant and agree with the Trustee and the Bond Insurer, if any, to furnish the following:

(i) Certificates or opinions made by officers of the Issuer and the Corporation required by this Indenture stating that provisions of this Article relating to the satisfaction and discharge of this Indenture have been fulfilled; and

(ii) An opinion of Bond Counsel in form and substance satisfactory to the Bond Insurer, if any, to the effect that the payment of the Bonds has been provided for in the manner set forth in the Indenture and the Agreement, that all obligations of the Issuer and the Corporation with respect to the Bonds have been discharged and satisfied, and that refunding and defeasance will not adversely impact the exclusion from gross income for federal income tax purposes of interest on the Series 2010A Bonds;

(iii) In the case of an advance refunding, a mathematical verification prepared by a nationally recognized firm of independent certified public accountants (or other verification agent) satisfactory to the Bond Insurer, if any, that the Defeasance Obligations are sufficient to pay the principal of and interest on the Bonds that are defeased;

(iv) (A) Opinion of counsel that (1) the escrow deposit will not constitute a voidable preference or transfer under the Federal Bankruptcy Code or any other similar state or federal statute in the event the Issuer or the Corporation becomes a debtor within the meaning of the Federal Bankruptcy Code or comes within the protection of such similar state or federal statute ("Insolvency Event"); and (2) in such Insolvency Event, the escrow deposit will not be treated as part of the estate of the Issuer or the Corporation; and (B) Opinion of counsel as to the validity and enforceability of the escrow agreement referred to below.

(b) Insofar as any Defeasance Obligations are held by the Trustee as provided in this Article 12, there shall be submitted to the Bond Insurer, if any, for its approval, and entered into, an escrow agreement governing the Defeasance Obligations and providing that:

(i) The Issuer and the Corporation will not exercise any optional redemption of Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (A) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (B) as a condition of any such redemption

there shall be provided to Bond Insurer, if any, a verification report by a nationally-recognized certified public accountant firm acceptable to Bond Insurer, if any, as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following such redemption; and

(ii) The Issuer and the Corporation shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of Bond Insurer, if any.

(c) Any substitution of securities shall require a verification report of a nationally-recognized certified public accountant firm acceptable to the Bond Insurer, if any, and the prior written consent of the Bond Insurer, if any.

ARTICLE 13 MISCELLANEOUS

Section 13.1 Covenants of Issuer Binds its Successors. In the event of the dissolution of the Issuer, all of the covenants, stipulations, obligations and agreements contained in this Indenture by or on behalf of or for the benefit of the Issuer shall bind or inure to the benefit of the successor or successors of the Issuer from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the word "Issuer" as used in this Indenture shall include such successor or successors.

Section 13.2 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Issuer, the Corporation, the Bond Insurer, if any, the Board and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

Section 13.3 Parties Interest Herein. Nothing in this Indenture expressed or implied, is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Trustee, the Corporation, the Bond Insurer, if any, and the Bondholders, any right, remedy or claim or by reason of this Indenture or any covenant, agreement, condition or stipulation therein.

Section 13.4 No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereunder or under this Indenture against any trustee, director, officer, employee or agent of the Issuer or the Trustee.

Section 13.5 Severability. If any clause, provision or Section of this Indenture be held illegal or invalid by any court, the invalidity of such clause, provision or Section shall not affect any of the remaining clauses, provisions or Sections hereof and this Indenture shall be construed and enforced as if such illegal or invalid clause, provision or Section had not been contained herein. In case any agreement or obligation contained in this Indenture be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Issuer, the Corporation, or the Board, as the case may be, only to the extent permitted by law.

Section 13.6 Consents and Approvals. Whenever the written consent or approval of the Issuer, the Trustee, the Corporation or the Board shall be required under the provisions of this Indenture, such consent or approval shall not be unreasonably withheld or delayed.

Section 13.7 Notices.

(a) All notices demands and requests to be given or made hereunder to or by the Issuer, the Trustee or the Corporation, or their designated successors, shall be in writing and shall be properly made if hand delivered, sent by electronic mail or sent by United States mail, postage prepaid, and addressed as follows:

If to the Board: Board of Supervisors for the University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Assistant Vice President for Facilities Planning and Capital Improvements

If to the Bond Insurer: Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Attention: Managing Director – Surveillance, Re: Policy No. _____
Telephone: (212) 826-0100
Telecopier: (212) 339-3556
University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director

With copies at the same time to:
Seale & Ross
200 North Cate Street
Hammond, Louisiana 70404
Attention: T. Jay Seale

If to the Issuer: Louisiana Local Government Environmental Facilities and Community Development Authority
8712 Jefferson Hwy, Suite A
Baton Rouge, Louisiana 70809 2233
Attention: Executive Director

If to Rating Agency: Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department

If to the University: Southeastern Louisiana University
Western Avenue
Friendship Circle (SLU Box 10709)
Hammond, Louisiana 70402
Attention: Vice President for Administration and Finance

(b) Notice hereunder shall be deemed effective on the date of its receipt by the addressee. The above addresses may be changed at any time upon written notice of such change sent by electronic mail or United States mail, postage prepaid, to the other parties by the party effecting the change.

(c) Any notice required to be given by any party hereunder shall also be given to the Bond Insurer, if any, at the address specified above. Bond Insurer, if any, shall also receive notice from Trustee of any withdrawal from the Debt Service Reserve Fund, any valuation of the Debt Service Reserve Fund which demonstrates that the value of the investments in such fund is less than the Debt Service Reserve Fund Requirement and any failure by the Issuer or the Corporation to make any payment when due.

(d) In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel of the Bond Insurer and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 13.8 Notices to Bondholders. Any notices or other communications required or permitted to be given to the Bondholders pursuant to this Indenture shall be mailed by first class mail in a sealed envelope, postage prepaid, addressed to each such Bondholder as his address last appears on the Bond Register. In case, by reason of the suspension of or irregularities in regular mail service, it shall be impractical to mail notice to the Bondholders of any event when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be sufficient giving of such notice. Any notice herein required may be omitted if the owners of all the Bonds entitled to such notice give to the Trustee a written waiver of such notice.

Section 13.9 Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State.

Section 13.10 Captions. The table of contents, captions and headings of the several articles and sections of this Indenture are for convenience only and shall not control, affect the meaning of or be taken as an interpretation of any provisions of this Indenture.

Section 13.11 Indenture to Constitute a Contract. This Indenture, upon execution by the Issuer and the Trustee shall constitute a third party beneficiary contract between the Issuer and the Trustee for the benefit of the Bond Insurer, if any, and of the owners of all Bonds issued hereunder. The Bond Insurer, if any, may enforce any right, remedy or claim conferred, given or granted to it hereunder.

Section 13.12 Performance on Legal Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption or purchase of any Bonds or the date fixed for the giving of notice or the taking of any action under this Indenture shall not be a Business Day, then payment of such interest, principal, purchase price and redemption premium, if any, the giving of such notice or the taking of such action need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or purchase, and no interest on such payment shall accrue for the period after such date.

Section 13.13 Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 13.14 Continuing Disclosure Certificates. The Board has undertaken to comply with continuing disclosure requirements, and the Issuer shall have no liability to the holders of the Bonds or any other person with respect to such disclosure matters. Notwithstanding any other provision of this Indenture, failure of the Board to comply with the terms of its respective Continuing Disclosure Certificate shall not be considered an Event of Default hereunder; however, the Trustee may (and, at the request of the Underwriter (as defined in the Continuing Disclosure Certificate) or the holders of at least a majority in aggregate principal amount of Outstanding Bonds or the Bond Insurer, if any, shall), upon being provided indemnity satisfactory to the Trustee, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Board to comply with its obligations under this Section 13.13. The Trustee shall have no responsibility for the failure of the Board to report any material event and shall have no responsibility as to any determination by the Board of whether any event would constitute material information for holders of the Bonds.

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IN WITNESS WHEREOF, the Authority has caused this Indenture to be executed by its Chairman and has caused the seal of the Authority to be affixed hereto and attested by its Secretary and the Trustee has caused this Indenture to be executed in its behalf by a Trust Officer and its seal to be impressed hereon, all as of the day and year above written.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

By: _____
Julian E. Dufreche, Chairman

ATTEST:

By: _____
Steve A. Dicharry, Executive Director

SEAL

REGIONS BANK, as Trustee

By: _____
John C. Shiroda, Vice President

EXHIBIT A-1

FORM OF SERIES 2010A BOND

Unless this Series 2010A Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010A Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010A Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

No. RA- 1

\$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
_____ %	October 1, _____	November 1, 2010	November __, 2010	_____

Registered Owner: Cede & Co.
ETN 13-2555119

Principal Amount: _____

The Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer"), a political subdivision organized and existing under and by virtue of the constitution and the laws of the State of Louisiana (the "State"), for value received, hereby promises to pay (but only out of the Trust Estate, as defined in the hereinafter described Indenture, and therefrom only to the extent provided for in the Indenture) to the Registered Owner (named above) or registered assigns, on the Maturity Date (stated above), the Principal Amount (stated above) subject to the rights of prior redemption as provided hereinafter, and interest on said Principal Amount from the Dated Date specified above or from the most recent Interest Payment Date (as hereinafter defined) on which interest has been paid or duly provided for, until payment of said Principal Amount has been made or duly provided for, at the Interest Rate specified above and on the dates set forth herein. The principal of and interest on this Series 2010A Bond are payable in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts. The principal of this Series 2010A Bond shall be payable to the registered owner hereof or his assigns upon surrender hereof at the Corporate Trust Office of Regions Bank, as trustee (the "Trustee"). Interest on this Series 2010A Bond, when due and payable, shall be paid by check or draft mailed by the Trustee on the interest payment date to the person in whose name this Series 2010A Bond is registered, at the address as it appears on the Bond Register maintained by the Trustee at the close of business on March 15 or September 15, as the case may be next preceding such interest payment date, or if such day shall not be a Business Day, the next preceding Business Day (the "Record Date") irrespective of any transfer or exchange of this Series 2010A Bond subsequent to such Record Date and prior to such interest payment date, unless the Issuer shall default in payment of interest due on such interest payment date, provided that an owner of \$1,000,000 or more in aggregate principal amount of Series 2010A Bonds may request payment by wire transfer if such owner has requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of a default, such defaulted interest shall be payable on a payment date established by the Trustee to the person in whose name this Series 2010A Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owner of this Series 2010A Bond not fewer than fifteen (15) days preceding such special record date.

This Series 2010A Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by a duly authorized representative of the Trustee.

This Series 2010A Bond is one of the duly authorized issue of the Issuer's Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A (the "Series 2010A Bonds"), issued under and secured by the Indenture (hereinafter defined) pursuant to which the Issuer is issuing \$_____ aggregate principal amount of said revenue bonds on behalf of University Facilities, Inc., a Louisiana nonprofit corporation (the "Corporation") for the purpose of: (a) demolishing certain existing facilities and renovating, developing and constructing the Series 2010A Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance of the

Series 2010A Bonds, including the premium for any bond insurance policy insuring the Series 2010A Bonds.

Simultaneously with the issuance of the Series 2010A Bonds, the Issuer will issue of revenue bonds designated "Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B" (the "Series 2010B Bonds") and together with the Series 2010A Bonds, the "Series 2010 Bonds", authorized to be issued on behalf of the Corporation for the purpose of: (a) demolishing certain existing facilities and renovating, developing and constructing the Series 2010B Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance of the Series 2010B Bonds, including the premium for any bond insurance policy insuring the Series 2010B Bonds.

The proceeds of the Series 2010A Bonds have been loaned to the Corporation pursuant to a Loan and Assignment Agreement dated as of November 1, 2010, between the Issuer and the Corporation (together with all amendments and supplements thereto the "Agreement") for the foregoing purposes. The Board of Supervisors for the University of Louisiana System (the "Board"), acting on behalf of Southeastern Louisiana University (the "University"), has leased the land upon which the Facilities are and will be located on the campus of the University (the "Land") and the Facilities to the Corporation pursuant to the Ground and Building Lease Agreement, and will lease the Facilities from the Corporation pursuant to the Facilities Lease.

The Series 2010A Bonds are issued pursuant to the laws of the State, particularly Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 4548.16, inclusive) (the "Act"), and pursuant to a Trust Indenture dated November 1, 2010, between the Issuer and the Trustee (together with all amendments and supplements thereto called the "Indenture"), a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, and to which Indenture reference is hereby made for a more complete description of the assigned revenues constituting the Trust Estate, the nature and extent of the security, the terms and conditions under which the Series 2010A Bonds are issued and secured, the terms and conditions under which Completion Bonds may be issued and secured, the rights, duties and immunities of the Trustee and the rights of the registered owners of the Series 2010A Bonds. The registered owner of this Series 2010A Bond shall have no rights to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture, and by acceptance of this Series 2010A Bond, the owner hereof assents to all of the provisions of the Indenture. All terms not defined herein shall have the meanings assigned thereto in the Indenture.

The Series 2010A Bonds are on a parity with the Series 2010B Bonds under the Indenture.

THE INSURANCE POLICY

Simultaneously with the delivery of the Series 2010A Bonds, in order to provide the registered Owners of the Series 2010A Bonds additional security, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (the "Insurer") will issue and deliver on the date of delivery of the Series 2010A Bonds its unconditional and irrevocable municipal bond insurance policy pursuant to which the Insurer will agree to pay the principal of and interest on the Series 2010A Bonds when due if such principal and interest are not paid from funds available under the Indenture, all as more particularly set forth in the Statement of Insurance attached hereto.

The Series 2010A Bonds are issuable as fully registered bonds without coupons, in Authorized Denominations, and shall be numbered from No. RA-1 upwards. The Series 2010A Bonds are limited and special revenue obligations of the Issuer and are payable solely from (i) payments received by the Issuer from the Corporation pursuant to the Agreement (except however, the Issuer's rights to exculpation, indemnification and payment of expenses by the Corporation under the Agreement) and (ii) all funds held by the Trustee under the Indenture and available for such payment, said payments and funds being herein referred to as the "Trust Estate". The Agreement, a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, provides that the Corporation is unconditionally obligated to make payments, but solely from the Payments (as defined in the Agreement) in an aggregate amount sufficient, for the payment in full of the principal and interest of all Series 2010A Bonds issued and outstanding under the Indenture, to the date of payment thereof, and certain costs, expenses and charges of the Issuer and the Trustee. The Agreement imposes upon the Corporation certain obligations respecting the use and operation of its Facilities and the maintenance and repair of said Facilities.

THE SERIES 2010A BONDS AND THE INTEREST THEREON ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. THE SERIES 2010A BONDS DO NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OF THE ISSUER OR THE CORPORATION AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE STATE, THE BOARD, THE UNIVERSITY, THE ISSUER OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BOARD HAS AGREED, PURSUANT TO THE FACILITIES LEASE, TO MAKE PAYMENTS OF RENTAL TO THE CORPORATION ON BEHALF OF THE UNIVERSITY, UNDER THE TERMS AND CONDITIONS SET FORTH FROM THE CORPORATION UNDER THE AGREEMENT ARE LIMITED TO THE AMOUNT OF RENTAL RECEIVED BY THE CORPORATION FROM THE BOARD. THE ISSUANCE OF THE SERIES 2010A BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF LOUISIANA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAXES OR TO MAKE ANY APPROPRIATION OF THEIR PAYMENT. THE ISSUER HAS NO POWER TO TAX.

As long as any of the Series 2010A Bonds remain outstanding, there shall be permitted the exchange of Series 2010A Bonds at the principal corporate trust office of the Trustee. Any Series 2010A Bond or Series 2010A Bonds upon surrender thereof at the principal corporate

trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in Authorized Denominations.

For every such exchange or transfer of Series 2010A Bonds, the Issuer or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Trustee shall not be required to register the transfer or exchange of (a) any Series 2010A Bonds during the fifteen (15) day period next preceding the selection of Series 2010A Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Series 2010A Bonds selected for redemption, or (b) any Series 2010A Bonds selected, called or being called for redemption in whole or in part, except in the case of any Series 2010A Bond to be redeemed in part, the portion thereof not so to be redeemed.

REDEMPTION PROVISIONS

Optional Redemption

The Series 2010A Bonds maturing October 1, 2021 and thereafter are subject to redemption prior to maturity at the option of the Corporation, upon written direction to the Issuer, on or after October 1, 2020 as a whole at any time, or in part on any Interest Payment Date, the maturity of said Series 2010A Bonds to be redeemed to be designated by the Corporation and selected within a maturity by the Trustee in such manner as the Trustee may determine, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

Mandatory Redemption

The Series 2010A Bonds shall be redeemed as a whole on the Interest Payment Date on or after October 1, 2020, on or after which the Board exercises its option to purchase the Corporation's interest in the Facilities pursuant to Section 23 of the Facilities Lease, at a price equal to the then Outstanding principal amount of the Series 2010A Bonds plus accrued and unpaid interest to the date of redemption.

Extraordinary Redemption

The Series 2010 Bonds are subject to redemption in part at the option of the Corporation, upon written direction to the Issuer, on any Interest Payment Date from amounts transferred by the Trustee from the Project Fund to the appropriate account of the Debt Service Fund upon completion of construction of the Facilities in accordance with the Indenture. The Series 2010 Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine, at a price equal to the principal of the Series 2010 Bonds so redeemed plus accrued and unpaid interest to the date of redemption.

Bonds shall be redeemed as a whole or in part (in an integral multiple of \$5,000) on the first Interest Payment Date at least thirty (30) days after the Trustee receives notice from the Corporation that any insurance proceeds, condemnation award or payment in lieu of condemnation with respect to the Facilities will not be applied to the restoration, repair or reconstruction of the Facilities, and subject to the prior written consent of the Bond Insurer, at a price equal to the principal amount of the Series 2010 Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not used for restoration, repair or reconstruction. If in part, the Series 2010 Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine. If the amount of any insurance proceeds, condemnation award or payment in lieu of condemnation to be applied in redemption of the Series 2010 Bonds is not an integral multiple of \$5,000, the principal amount of Series 2010 Bonds to be redeemed pursuant to this paragraph shall be decreased to the next lower multiple of \$5,000.

Mandatory Sinking Fund Redemption

Those Series 2010A Bonds maturing on the dates set forth below, shall be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

Series 2010A Bonds due October 1, _____	<u>Redemption Date</u>	<u>Principal Amount</u>
Series 2010A Bonds due October 1, _____	<u>Redemption Date</u>	<u>Principal Amount</u>

If on any occasion less than all of the Series 2010A Bonds then outstanding shall be redeemed pursuant to the optional or mandatory redemption provisions described in the Indenture, then the principal amount of the Series 2010A Bonds so redeemed shall be considered to have satisfied a portion of the mandatory sinking fund redemptions required by the above tables. The principal amounts required by the tables above shall be adjusted downward in the

11/11/2020 10:00 AM

amount of principal redeemed in chronological order beginning on the mandatory sinking fund redemption date immediately succeeding the date of such optional redemption.

Unless otherwise specified above, if less than all of the Series 2010A Bonds shall be called for redemption, the maturity of the Series 2010A Bonds to be redeemed shall be designated by the Corporation, on behalf of the Board, and selected by the Trustee within a maturity in such manner as the Trustee may determine, provided, however, that the portion of any Series 2010A Bond to be redeemed shall be in the principal amount of an Authorized Denomination. If a portion of any Series 2010A Bond shall be called for redemption, a new Series 2010A Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

At least thirty (30) days before the redemption date of any Series 2010A Bonds redeemed other than by mandatory sinking fund redemption, the Trustee shall cause a notice of any such redemption, signed by an authorized officer of the Trustee to be mailed, postage prepaid, to all Bondholders of record owning Series 2010A Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Series 2010A Bonds then outstanding shall be called for redemption, the numbers of such Series 2010A Bonds to be redeemed and, in the case of Series 2010A Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Series 2010A Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Series 2010A Bond, a new Series 2010A Bond in principal amount equal to the unredeemed portion of such Series 2010A Bond will be issued.

Modifications or alterations of the Indenture or any agreement supplemental thereto or of the Agreement or any agreement supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture and the Agreement. So long as no event of nonperformance under the Agreement has occurred and is continuing, no such supplement shall become effective unless the Corporation, on behalf of the Board, shall have given its prior written approval.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2010A Bond, do exist, have happened and have been performed in regular and due form as required by law.

The insurance policy does not cover any accelerated payments, increased rate of interest or premium, if any, due to optional redemption or extraordinary redemption of the Series 2010A Bonds even if such optional or extraordinary redemption occurs with the consent of the Insurer.

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IN WITNESS WHEREOF, the Louisiana Local Government Environmental Facilities and Community Development Authority has caused this Series 2010A Bond to be executed with the manual or facsimile signature of its Chairman, and its corporate seal or a facsimile thereof to be hereto affixed or printed, and attested by the manual or facsimile signature of its Executive Director on November __, 2010.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

By: Julian E. Duffreche, Chairman

ATTEST:

SEAL

By: Steve A. Dicharry, Executive Director

CERTIFICATE OF AUTHENTICATION

This Series 2010A Bond is one of the Series 2010A Bonds described in the within mentioned Indenture.

Date of Authentication: REGIONS BANK, as Trustee
November __, 2010

By: John C. Shiroda, Vice President

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to Regions Bank, Baton Rouge, Louisiana, or its successor, as paying agent for the Bonds (the "Trustee"). Said Policy is on file and available for inspection at the corporate trust office of the Trustee and a copy thereof may be obtained from AGM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

(N1883280.6)

Ex A-1-9

SLU Trust Indenture

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address, including Zip Code, and Federal Taxpayer Identification or Social Security Number of Assignee)

the within Series 2010A Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within Series 2010A Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed by: _____

NOTICE: Signature must be guaranteed by a Participant in the Securities Transfer Agent Medallion Program.

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Series 2010A Bond in every particular, without alteration, enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED

(N1883280.6)

Ex A-1-10

SLU Trust Indenture

LEGAL OPINION CERTIFICATE

I, the undersigned Chairman of the Louisiana Local Government Environmental Facilities and Community Development Authority, do hereby certify that attached hereto are true copies of the complete legal opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Baton Rouge, Louisiana, Bond Counsel, the originals of which were manually executed, dated and issued as of the date of payment for and delivery of the original bonds of the issue described therein and were delivered to the original purchaser thereof. I further certify that executed copies of the above-referenced legal opinions are on file in my office and that executed copies thereof have been furnished to the Trustee for these Series 2010A Bonds.

By: _____
Julian E. Dufreche, Chairman

EXHIBIT A-2
FORM OF SERIES 2010B BOND

Unless this Series 2010B Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010B Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010B Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

No. RA- 1

\$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
_____ %	October 1, _____	November 1, 2010	November __, 2010	_____

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: _____

The Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer"), a political subdivision organized and existing under and by virtue of the constitution and the laws of the State of Louisiana (the "State"), for value received, hereby promises to pay (but only out of the Trust Estate, as defined in the hereinafter described Indenture, and therefrom only to the extent provided for in the Indenture) to the Registered Owner (named above) or registered assigns, on the Maturity Date (stated above), the Principal Amount (stated above) subject to the rights of prior redemption as provided hereinafter, and interest on said Principal Amount from the Dated Date specified above or from the most recent Interest Payment Date (as hereinafter defined) on which interest has been paid or duly provided for, until payment of said Principal Amount has been made or duly provided for, at the Interest Rate specified above and on the dates set forth herein. The principal of and interest on this Series 2010B Bond are payable in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts. The principal of this Series 2010B Bond shall be payable to the registered owner hereof or his assigns upon surrender hereof at the Corporate Trust Office of Regions Bank, as trustee (the "Trustee"). Interest on this Series 2010B Bond, when due and payable, shall be paid by check or draft mailed by the Trustee on the interest payment date to the person in whose name this Series 2010B Bond is registered, at the address as it appears on the Bond Register maintained by the Trustee at the close of business on March 15 or September 15, as the case may be next preceding such interest payment date, or if such day shall not be a Business Day, the next preceding Business Day (the "Record Date") irrespective of any transfer or exchange of this Series 2010B Bond subsequent to such Record Date and prior to such interest payment date, unless the Issuer shall default in payment of interest due on such interest payment date, provided that an owner of \$1,000,000 or more in aggregate principal amount of Series 2010B Bonds may request payment by wire transfer if such owner has requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of a default, such defaulted interest shall be payable on a payment date established by the Trustee to the person in whose name this Series 2010B Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owner of this Series 2010B Bond not fewer than fifteen (15) days preceding such special record date.

This Series 2010B Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by a duly authorized representative of the Trustee.

This Series 2010B Bond is one of the duly authorized issue of the Issuer's Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B (the "Series 2010B Bonds"), issued under and secured by the Indenture (hereinafter defined) pursuant to which the Issuer is issuing \$_____ aggregate principal amount of said revenue bonds on behalf of University Facilities, Inc., a Louisiana nonprofit corporation (the "Corporation") for the purpose of: (a) demolishing certain existing facilities and renovating, developing and constructing the Series 2010B Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance of the Series 2010B Bonds, including the premium for any bond insurance policy insuring the Series 2010B Bonds.

(N1883280.6)

Ex A-1-2

SELU Trust Indenture

Simultaneously with the issuance of the Series 2010B Bonds, the Issuer will issue \$_____ of revenue bonds designated "Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B" (the "Series 2010A Bonds") and together with the Series 2010B Bonds, the "Series 2010 Bonds"), authorized to be issued on behalf of the Corporation for the purpose of: (a) demolishing certain existing facilities and renovating, developing and constructing the Series 2010A Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance of the Series 2010A Bonds, including the premium for any bond insurance policy insuring the Series 2010A Bonds.

The proceeds of the Series 2010B Bonds have been loaned to the Corporation pursuant to a Loan and Assignment Agreement dated as of November 1, 2010, between the Issuer and the Corporation (together with all amendments and supplements thereto the "Agreement") for the foregoing purposes. The Board of Supervisors for the University of Louisiana System (the "Board"), acting on behalf of Southeastern Louisiana University (the "University"), has leased the land upon which the Facilities are and will be located on the campus of the University (the "Land") and the Facilities to the Corporation pursuant to the Ground and Building Lease Agreement, and will lease the Facilities from the Corporation pursuant to the Facilities Lease Agreement.

The Series 2010B Bonds are issued pursuant to the laws of the State, particularly Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (L.A. R.S. 33:4548.1 through 4548.16, inclusive) (the "Act"), and pursuant to a Trust Indenture dated November 1, 2010, between the Issuer and the Trustee (together with all amendments and supplements thereto called the "Indenture"), a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, and to which Indenture reference is hereby made for a more complete description of the assigned revenues constituting the Trust Estate, the nature and extent of the security, the terms and conditions under which the Series 2010B Bonds are issued and secured, the duties and immunities of the Trustee and the rights of the registered owners of the Series 2010B Bonds. The registered owner of this Series 2010B Bond shall have no rights to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture, and by acceptance of this Series 2010B Bond, the owner hereof assents to all of the provisions of the Indenture. All terms not defined herein shall have the meanings assigned thereto in the Indenture.

The Series 2010A Bonds are on a parity with the Series 2010A Bonds under the Indenture.

THE INSURANCE POLICY

Simultaneously with the delivery of the Series 2010B Bonds, in order to provide the registered Owners of the Series 2010B Bonds additional security, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (the "Insurer") will issue and deliver on the date of delivery of the Series 2010B Bonds its unconditional and irrevocable

(N1883280.6)

Ex A-1-3

SELU Trust Indenture

municipal bond insurance policy pursuant to which the Insurer will agree to pay the principal of and interest on the Series 2010B Bonds when due if such principal and interest are not paid from funds available under the Indenture, all as more particularly set forth in the Statement of Insurance attached hereto.

The Series 2010B Bonds are issuable as fully registered bonds without coupons, in Authorized Denominations, and shall be numbered from No. RB-1 upwards. The Series 2010B Bonds are limited and special revenue obligations of the Issuer and are payable solely from (i) payments received by the Issuer from the Corporation pursuant to the Agreement (except however, the Issuer's rights to exculpation, indemnification and payment of expenses by the Corporation under the Agreement) and (ii) all funds held by the Trustee under the Indenture and available for such payment, said payments and funds being herein referred to as the "Trust Estate". The Agreement, a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, provides that the Corporation is unconditionally obligated to make payments, but solely from the Payments (as defined in the Agreement) in an aggregate amount sufficient, for the payment in full of the principal and interest of all Series 2010B Bonds issued and outstanding under the Indenture, to the date of payment thereof, and certain costs, expenses and charges of the Issuer and the Trustee. The Agreement imposes upon the Corporation certain obligations respecting the use and operation of its Facilities and the maintenance and repair of said Facilities.

THE SERIES 2010B BONDS AND THE INTEREST THEREON ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. THE SERIES 2010B BONDS DO NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OF THE ISSUER OR THE CORPORATION AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE STATE, THE BOARD, THE UNIVERSITY, THE ISSUER OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BOARD HAS AGREED, PURSUANT TO THE FACILITIES LEASE, TO MAKE PAYMENTS OF RENTAL TO THE CORPORATION ON BEHALF OF THE UNIVERSITY, UNDER THE TERMS AND CONDITIONS SET FORTH IN THE FACILITIES LEASE. THE PAYMENTS TO BE RECEIVED BY THE ISSUER FROM THE CORPORATION UNDER THE AGREEMENT ARE LIMITED TO THE AMOUNT OF RENTAL RECEIVED BY THE CORPORATION FROM THE BOARD. THE ISSUANCE OF THE SERIES 2010B BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF LOUISIANA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAXES OR TO MAKE ANY APPROPRIATION OF THEIR PAYMENT. THE ISSUER HAS NO POWER TO TAX.

As long as any of the Series 2010B Bonds remain outstanding, there shall be permitted the exchange of Series 2010B Bonds at the principal corporate trust office of the Trustee. Any Series 2010B Bond or Series 2010B Bonds upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in Authorized Denominations.

For every such exchange or transfer of Series 2010B Bonds, the Issuer or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer. The Trustee shall not be required to register the transfer or making such exchange or transfer. The Trustee shall not be required to register the transfer or exchange of (a) any Series 2010B Bonds during the fifteen (15) day period next preceding the selection of Series 2010B Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Series 2010B Bonds selected for redemption, or (b) any Series 2010B Bonds selected, called or being called for redemption in whole or in part, except in the case of any Series 2010B Bond to be redeemed in part, the portion thereof not so to be redeemed.

REDEMPTION PROVISIONS

Optional Redemption

The Series 2010B Bonds are not subject to optional redemption prior to maturity.

Mandatory Redemption

The Series 2010B Bonds are not subject to mandatory redemption prior to maturity.

Extraordinary Redemption

The Series 2010 Bonds are subject to redemption in part at the option of the Corporation, upon written direction to the Issuer, on any Interest Payment Date from amounts transferred by the Trustee from the Project Fund to the appropriate account of the Debt Service Fund upon completion of construction of the Facilities in accordance with the Indenture. The Series 2010 Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine, at a price equal to the principal of the Series 2010 Bonds so redeemed plus accrued and unpaid interest to the date of redemption.

Bonds shall be redeemed as a whole or in part (in an integral multiple of \$5,000) on the first Interest Payment Date at least thirty (30) days after the Trustee receives notice from the Corporation that any insurance proceeds, condemnation award or payment in lieu of condemnation with respect to the Facilities will not be applied to the restoration, repair or reconstruction of the Facilities, and subject to the prior written consent of the Bond Insurer, at a price equal to the principal amount of the Series 2010 Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not used for restoration, repair or reconstruction. If in part, the Series 2010 Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine. If the amount of any insurance proceeds, condemnation award or payment in lieu of condemnation to be applied in redemption of the Series 2010 Bonds is not an integral multiple of \$5,000, the principal amount of Series 2010 Bonds to be redeemed pursuant to this paragraph shall be decreased to the next lower multiple of \$5,000.

Mandatory Sinking Fund Redemption

Those Series 2010B Bonds maturing on the dates set forth below, shall be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

Series 2010B Bonds due October 1, _____	Principal Amount
<u>Redemption Date</u>	
Series 2010B Bonds due October 1, _____	Principal Amount
<u>Redemption Date</u>	

Unless otherwise specified above, if less than all of the Series 2010B Bonds shall be called for redemption, the maturity of the Series 2010B Bonds to be redeemed shall be designated by the Corporation, on behalf of the Board, and selected by the Trustee within a maturity in such manner as the Trustee may determine; provided, however, that the portion of any Series 2010B Bond to be redeemed shall be in the principal amount of an Authorized Denomination. If a portion of any Series 2010B Bond shall be called for redemption, a new Series 2010B Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

At least thirty (30) days before the redemption date of any Series 2010B Bonds redeemed other than by mandatory sinking fund redemption, the Trustee shall cause a notice of any such redemption, signed by an authorized officer of the Trustee to be mailed, postage prepaid, to all Bondholders of record owning Series 2010B Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Series 2010B Bonds then outstanding shall be called for redemption, the numbers of such Series 2010B Bonds to be redeemed and, in the case of Series 2010B Bonds to be redeemed in part

only, the portion of the principal amount thereof to be redeemed. In case any Series 2010B Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Series 2010B Bond, a new Series 2010B Bond in principal amount equal to the unredeemed portion of such Series 2010B Bond will be issued.

Modifications or alterations of the Indenture or any agreement supplemental thereto or of the Agreement or any agreement supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture and the Agreement. So long as no event of nonperformance under the Agreement has occurred and is continuing, no such supplement shall become effective unless the Corporation, on behalf of the Board, shall have given its prior written approval.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2010B Bond, do exist, have happened and have been performed in regular and due form as required by law.

The insurance policy does not cover any accelerated payments, increased rate of interest or premium, if any, due to extraordinary redemption of the Series 2010B Bonds even if such optional or extraordinary redemption occurs with the consent of the Insurer.

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STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to Regions Bank, Baton Rouge, Louisiana, or its successor, as paying agent for the Bonds (the "Trustee"). Said Policy is on file and available for inspection at the corporate trust office of the Trustee and a copy thereof may be obtained from AGM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

IN WITNESS WHEREOF, the Louisiana Local Government Environmental Facilities and Community Development Authority has caused this Series 2010B Bond to be executed with the manual or facsimile signature of its Chairman, and its corporate seal or a facsimile thereof to be hereto affixed or printed, and attested by the manual or facsimile signature of its Executive Director on November __, 2010.

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY

By: Julian E. Dufreche, Chairman

ATTEST:

SEAL

By: Steve A. Dicharry, Executive Director

CERTIFICATE OF AUTHENTICATION

This Series 2010B Bond is one of the Series 2010B Bonds described in the within mentioned Indenture.

Date of Authentication: November __, 2010
REGIONS BANK, as Trustee

By: John C. Shiroda, Vice President

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or type/write Name and Address, including Zip Code, and Federal Taxpayer Identification or Social Security Number of Assignee)

the within Series 2010B Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within Series 2010B Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed by: _____

NOTICE: Signature must be guaranteed by a Participant in the Securities Transfer Agent Medallion Program.

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Series 2010B Bond in every particular, without alteration, enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED

LEGAL OPINION CERTIFICATE

I, the undersigned Chairman of the Louisiana Local Government Environmental Facilities and Community Development Authority, do hereby certify that attached hereto are true copies of the complete legal opinion of Jones, Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P., Baton Rouge, Louisiana, Bond Counsel, the originals of which were manually executed, dated and issued as of the date of payment for and delivery of the original bonds of the issue described therein and were delivered to the original purchaser thereof. I further certify that executed copies of the above-referenced legal opinions are on file in my office and that executed copies thereof have been furnished to the Trustee for these Series 2010B Bonds.

By: _____
Julian E. Dufreche, Chairman

EXHIBIT B-1

FORM OF REQUISITION FROM
SERIES 2010A BONDS PROJECT ACCOUNT OF THE PROJECT FUND

\$ _____
Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department

Date: _____ Requisition Number: _____

The undersigned Authorized Corporation Representative, acting for and on behalf of University Facilities, Inc., pursuant to a Trust Indenture dated as of November 1, 2010 (the "Indenture") by and between the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") and Regions Bank, as trustee, relating to the above captioned issue of Bonds (the "Bonds") hereby requests payment be made from amounts on deposit in the Series 2010A Bonds Project Account of the Project Fund held by the Trustee pursuant to Section 4.15 of the Indenture to the person, firm or corporation in the amount and for the purpose set forth below. Capitalized terms used herein shall have the meanings ascribed thereto in the Indenture.

Name and address of payee:

Amount of Payment: \$ _____

Purpose of Payment and costs heretofore paid and remainder of budgeted costs:

The undersigned Authorized Corporation Representative further certifies with respect to this Requisition as follows:

- (a) The amount paid to be paid, as set forth herein, has been incurred by the Corporation and is either (i) presently due and payable or (ii) has been paid by the Corporation and is a proper charge against the Series 2010A Bonds Project Account of the Project Fund created pursuant to the Indenture and has not been the subject of any prior requisition;
- (b) This requisition contains no item representing payment on account of any retainage to which the Corporation is entitled as of this date; and
- (c) All work, materials, supplies and equipment which are the subject of this requisition have been performed or delivered and are in accordance with the description of the Facilities.

By: _____
Name: _____
Title: _____

Paid: _____, 20__

Authorized Officer of Trustee:

EXHIBIT B-2

FORM OF REQUISITION FROM
SERIES 2010B BONDS PROJECT ACCOUNT OF THE PROJECT FUND

\$ _____
Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department

Date: _____ Requisition Number: _____

The undersigned Authorized Corporation Representative, acting for and on behalf of
University Facilities, Inc., pursuant to a Trust Indenture dated as of November 1, 2010 (the
"Indenture") by and between the Louisiana Local Government Environmental Facilities and
Community Development Authority (the "Issuer") and Regions Bank, as trustee, relating to the
above captioned issue of Bonds (the "Bonds") hereby requests payment be made from amounts
on deposit in the Series 2010B Bonds Project Account of the Project Fund held by the Trustee
pursuant to Section 4.15 of the Indenture to the person, firm or corporation in the amount and for
the purpose set forth below. Capitalized terms used herein shall have the meanings ascribed
thereto in the Indenture.

Name and address of payee:

Amount of Payment: \$ _____

Purpose of Payment and costs heretofore paid and remainder of budgeted costs:

The undersigned Authorized Corporation Representative further certifies with respect to
this Requisition as follows:

- (a) The amount paid to be paid, as set forth herein, has been incurred by the Corporation and is either (i) presently due and payable or (ii) has been paid by the Corporation and is a proper charge against the Series 2010B Bonds Project Account of the Project Fund created pursuant to the Indenture and has not been the subject of any prior requisition;
- (b) This requisition contains no item representing payment on account of any retainage to which the Corporation is entitled as of this date, and
- (c) All work, materials, supplies and equipment which are the subject of this requisition have been performed or delivered and are in accordance with the description of the Facilities.

By: _____
Name: _____
Title: _____

Paid: _____, 20____
Authorized Officer of Trustee:

EXHIBIT C
FORM OF SERIES 2010 BONDS REPLACEMENT FUND REQUISITION

\$ _____
Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

\$ _____
Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department

Date: _____ Requisition Number: _____

The undersigned representative, acting for and on behalf of Southeastern Louisiana University (the "University") pursuant to a Trust Indenture dated as of November 1, 2010 (the "Indenture") by and between the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") and Regions Bank, as trustee (the "Trustee"), relating to the above captioned issue of Bonds (the "Bonds") hereby requests payment be made from amounts on deposit in the Series 2010 Bonds Replacement Fund held by the Trustee pursuant to Section 4.21 of the Indenture to be used by the University in the amount and for the purpose set forth below. Capitalized terms used herein shall have the meanings ascribed thereto in the Indenture.

Amount of Payment: \$ _____
Purpose of Payment pursuant to Section 4.21 of the Indenture: _____

By: _____
Name: _____
Title: _____

Paid: _____ 20____
Authorized Officer of Trustee: _____

APPENDIX C-2

FORM OF LOAN AND ASSIGNMENT AGREEMENT

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FORM OF

LOAN AND ASSIGNMENT AGREEMENT

by and between

Louisiana Local Government Environmental Facilities and
Community Development Authority

and

University Facilities, Inc.

Dated as of November 1, 2010

in connection with:

\$ Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

\$ Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

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LOAN AND ASSIGNMENT AGREEMENT

This LOAN AND ASSIGNMENT AGREEMENT dated as of November 1, 2010 (together with any amendments hereto, this "*Agreement*"), is between the LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY, a political subdivision of the State of Louisiana (the "*Issuer*"), and UNIVERSITY FACILITIES, INC., a nonprofit corporation organized and existing under the laws of the State of Louisiana (the "*Corporation*").

WITNESSETH:

WHEREAS, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "*Issuer*"), a political subdivision established for public purposes under and pursuant to the provisions of Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 4548.16, inclusive) (the "*Act*"), and other constitutional and statutory authority is authorized by the provisions of the Act to issue revenue bonds payable out of the income, revenues, and receipts received by the Issuer from its properties and facilities or from properties or facilities pledged to it or from contracts or agreements relating to such facilities, and to secure its revenue bonds and reimbursement obligations by a pledge of the foregoing revenues or from other moneys which, by law or contract, may be made available to the Issuer;

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Issuer is authorized to issue revenue bonds and loan the funds derived from the sale thereof to the University Facilities, Inc. (the "*Corporation*") for the purpose of providing financing to the Corporation for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food services areas, a bookstore and related facilities for students, faculty, staff and the general public, including all furnishings, fixtures and facilities incidental or necessary in connection therewith (the "*Facilities*") on the campus of Southeastern Louisiana University (the "*University*") in Tangipahoa Parish, Hammond, Louisiana;

WHEREAS, the Corporation has requested that the Issuer issue \$ _____ aggregate principal amount of Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A (the "*Series 2010A Bonds*") and \$ _____ aggregate principal amount of Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B (the "*Series 2010B Bonds*") and, together with the Series 2010A Bonds, the "*Bonds*") the proceeds of the sale of such Bonds to be loaned to the Corporation pursuant to this Agreement for the purpose of (a) demolishing certain existing facilities and renovating, developing and constructing the Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance (as defined herein) of the Bonds, including the premium for any bond insurance policy insuring the Bonds (the "*Project*");

WHEREAS, the Corporation and the Issuer are empowered to consummate the transactions contemplated hereunder and to do all acts and exercise all powers and assume all obligations necessary or incident thereto;

WHEREAS, the Board of Supervisors for the University of Louisiana System (the "*Board*") is a body corporate created pursuant to the provisions of Article VIII, §6(A) of the Constitution of the State of Louisiana of 1974 and authorized pursuant to La. R.S. 17:3217;

WHEREAS, pursuant to the Ground and Building Lease Agreement dated as of January 1, 2010 by and between the Board and the Corporation (the "*Ground Lease*"), the Board has leased the Land (as defined in the Ground Lease) upon which the Facilities shall be constructed to the Corporation;

WHEREAS, in consideration of the issuance of the Bonds by the Issuer, the Corporation will (a) assign its rights under that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010 by and between the Board and the Corporation (the "*Original Facilities Lease*"), as supplemented and amended by that First Amendment to Agreement to Lease with Option to Purchase dated as of November 1, 2010 by and between the Board and the Corporation (the "*Amendment to Facilities Lease*") and, together with the Original Facilities Lease, the "*Facilities Lease*") pursuant to which the Corporation, as lessor, has leased the Facilities to the Board, as lessee, including the Corporation's right to all Base Rental (as defined in the Facilities Lease) received thereunder, to the Issuer, and (b) agree to make payments in an amount sufficient to make timely payments of principal of and interest on the Bonds and to pay such other amounts as are required by the Agreement;

WHEREAS, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), a New York stock insurance company (the "*Bond Insurer*"), will issue its bond insurance policy or policies insuring the payment of the principal of and interest on the Bonds as provided therein;

WHEREAS, the Issuer has adopted a resolution authorizing the sale and the issuance of the Bonds, the execution and delivery of instruments pertaining to the issuance thereof and other actions to be taken by the Issuer in connection with the authorization, issuance, sale and delivery of the Bonds and the application of the proceeds thereof;

WHEREAS, all acts, conditions and things required by the laws of the State of Louisiana (the "*State*") to happen, exist and be performed precedent to and in the execution and delivery of this Agreement have happened, exist and have been performed as so required in order to make this Agreement a valid and binding agreement in accordance with its terms;

WHEREAS, each of the parties hereto represents that it is fully authorized to enter into and perform and fulfill the obligations imposed upon it under this Agreement and the parties are now prepared to execute and deliver this Agreement;

WHEREAS, in consideration of the respective representations and agreements contained herein, the parties hereto, recognizing that under the Act this Agreement shall not in any way obligate the State or any public corporation thereof, including, without limitation, the Issuer, to raise any money by taxation or use other public moneys for any purpose in relation to the Bonds

and that neither the State nor the Issuer, shall pay or promise to pay any debt or meet any financial obligation to any person at any time in relation to the Bonds except from moneys received or to be received under the provisions of this Agreement and the Indenture or derived from the exercise of the rights of the Issuer thereunder, agree as follows:

NOW, THEREFORE, THIS LOAN AGREEMENT WITNESSETH:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. All capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the preamble hereto or in the Indenture. In addition to words and terms elsewhere defined in this Agreement, the following words and terms as used in this Agreement shall have the following meanings, unless some other meaning is plainly intended:

“*Agreement*” shall mean this Loan and Assignment Agreement dated as of November 1, 2010 between the Issuer and the Corporation, including any amendments and supplements hereof and hereto as permitted hereunder.

“*Board Documents*” shall mean the Ground Lease and the Facilities Lease.

“*Bond Counsel*” shall mean Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P. or such other nationally recognized bond counsel as may be selected by the Issuer and acceptable to the Corporation.

“*Bond Documents*” shall mean the documents set forth in Section 3.12(b)(iii) of the Indenture.

“*Continuing Disclosure Certificate*” shall mean the *Continuing Disclosure Certificate* dated as of the Closing Date by the Board as the same may be amended or supplemented from time to time in accordance with its terms.

“*Corporation*” means University Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payment or provision for the payment of all of the Bonds.

“*Environmental Lien*” shall mean a lien in favor of any Governmental Authority for (a) any liability under Environmental Requirements, or (b) damages arising from, or costs incurred by such Governmental Authority in response to, a Release or threatened Release of Hazardous Substances into the environment.

“*Environmental Requirements*” shall mean all State, federal, local, municipal, parish, and regional environmental laws, statutes, rules, regulations, ordinances, codes, permits, approvals, plans, authorizations, concessions, investigation results and guidance documents; all legislative, judicial, and administrative environmental judgments, decrees, orders, rulings, and regulations; and all agreements and other restrictions and requirements relating to environmental matters, whether in effect on, prior to or after the Closing Date, of any Governmental Authority,

including, without limitation, federal, state, and local authorities, relating to the regulation or protection of human health and safety, natural resources, conservation, the environment, or the storage, treatment, disposal, processing, release, discharge, emission, use, remediation, transportation, handling, or other management of industrial, gaseous, liquid or solid waste, hazardous waste, hazardous or toxic substances or chemicals, pollutants, petroleum, petroleum wastes, petroleum-based materials, asbestos, radioactive materials, polychlorinated biphenyls, pesticides, biohazards or other materials that are potentially harmful to humans or the environment or the release of which could trigger any reporting or remediation obligations and including without limitation the following environmental laws: The Clean Air Act (42 U.S.C.A. §7401); the Federal Water Pollution Control Act (33 U.S.C. §1251); the Resource Conservation and Recovery Act of 1976, (42 U.S.C. §6901); CERCLA, as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub.L. 99-499, 100 Stat. 1613); the Toxic Substances Control Act (15 U.S.C. §2601); the Clean Water Act (33 U.S.C. §1251); the Safe Drinking Water Act (42 U.S.C. §3007); the Occupational Safety and Health Act (29 U.S.C. §651); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §136); the Louisiana Environmental Quality Act (La. R.S. 30:2001); and the Louisiana Air Quality Regulations (La. C. 33:III.2595) including any amendments or extensions thereof and any rules, regulations, standards or guidelines issued pursuant to or promulgated under any of the foregoing.

“*Event of Default*” shall have the meaning described in Section 9.1.

“*Governmental Authority*” shall mean any federal, State, parish, regional, or local government, political subdivision, any governmental agency, department, authority, instrumentality, bureau, commission, board, official, or officer, any court, judge, examiner, or hearing officer, any legislative, judicial, executive, administrative, or regulatory body or committee or official thereof or private accrediting body.

“*Governmental Corporation*” shall mean any nation or government, any federal, state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“*Hazardous Substance*” shall mean any substance or material that is described as a toxic or hazardous substance, waste or material or a pollutant or contaminant or infectious waste, or words of similar import, in any case of the Environmental Requirements, and includes; without limitation, asbestos, petroleum, or petroleum products (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), polychlorinated biphenyls, pesticides, urea formaldehyde, radon gas, radioactive matter, and medical waste and any other substance or waste that is potentially harmful to human health, natural resources, or the environment or the presence of which in the environment could trigger a remediation obligation or other liability under Environmental Requirements or any constituent of the foregoing.

“*Indenture*” shall mean the Trust Indenture dated as of November 1, 2010, between the Issuer and the Trustee, as it may be amended or supplemented from time to time by supplemental indentures in accordance with the provisions hereof.

“*Loan*” shall mean the aggregate amount of the moneys loaned to the Corporation pursuant to this Agreement.

“*Operation and Maintenance Expenses*” shall mean the expenses determined in accordance with generally accepted accounting principles of operating and maintaining the Project.

“*Permitted Encumbrances*” shall mean:

(a) any lien arising by reason of any good faith deposit with the Corporation in connection with any lease of real estate, bid or contract (other than any contract for the payment of money) provided such lien is limited to the amount so deposited;

(b) any lien arising by reason of any deposit with or giving of security to any Governmental Corporation agency required by law as a condition to the transaction of any business or the participation by the Corporation in any funds established to cover insurance risk or in connection with worker’s compensation, unemployment insurance, pension plans or other social security;

(c) any right reserved to any municipality or other public authority by the Corporation and any lien on any property of the Corporation for taxes, assessments or other municipal charges so long as such charges are not due and payable or not delinquent (or, if due or delinquent, the amount or validity of such charges is being contested in good faith with due diligence and execution of any such lien is stayed);

(d) mechanics’ and materialmen’s liens in connection with any property of the Corporation so long as any amounts secured by such lien are not due and payable or not delinquent (or, if due or delinquent, the amount or validity of such charges is being contested in good faith with due diligence and execution of any such lien is stayed);

(e) the Indenture, this Agreement, the Ground Lease, the Mortgage or the Facilities Lease;

(f) any lien on property received by the Corporation through a gift, grant or bequest constituting a restriction imposed by the donor, grantor or testator on such gift, grant or bequest (or the income therefrom), provided that any such lien may not be extended, renewed or modified in any way or applied to any additional property of the Corporation unless it would otherwise qualify as a Permitted Encumbrance;

(g) any security interest in personal property securing all or a portion of the purchase price thereof (provided that this Permitted Encumbrance shall not be construed to permit the incurrence of indebtedness secured by such a security interest, it being understood that any such indebtedness may be incurred only to the extent expressly permitted by the other applicable provisions of the Indenture or the Agreement);

(h) such easements, rights-of-way, servitudes, restrictions and other defects, liens and encumbrances as are determined not to materially impair the use of the Corporation’s

facilities for their intended purposes or the value of such facilities, such determination to be made in a certificate of an authorized officer of the Corporation supported by an opinion of independent counsel or a report or opinion of an independent management consultant (unless the Bond Insurer shall waive the requirement of such supporting opinion or report);

(i) liens incurred or assumed primarily for the acquisition or use of personal property and equipment (including equipment which is not treated as personal property under applicable state law) under the terms of installment purchase contracts, loans secured by purchase money mortgages or security interests in the financed property, lease purchase agreements or capital leases of the financed property.

In addition, encumbrances in existence as of the date of issuance of the Bonds as set forth in Exhibit B hereof are hereby qualified as Permitted Encumbrances. Any such existing encumbrance may not be extended, renewed or modified in any way or applied to any additional Properties of the Corporation unless it would otherwise qualify as a Permitted Encumbrance.

“*Properties*” shall mean any and all rights, title and interests in and to any and all of the Corporation’s property related to the Facilities, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired, including, without limitation, its rights and interest in the Land and the Facilities. The term “*Properties*”, without intending to limit the generality of the foregoing, as of any particular time, shall include all buildings, structures, fixtures, furnishings, equipment and other property, movable and immovable, and all franchises, land, rights-of-way, privileges, servitudes, easements, licenses, rights and any other interests in immovable property owned, leased, subleased or otherwise acquired by the Corporation and used or useful in connection with or incident to the Facilities, or used or useful by the Corporation in connection with or incident to its authorized purposes.

“*Release*” shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing or dispersing into the indoor or outdoor environment or into or out of the Properties, including, but not limited to, the movement of Hazardous Substances through or in the air, soil, surface water, groundwater or the Properties and the abandonment or discarding of barrels, containers, tanks, pipes and other open or closed receptacles containing any Hazardous Substances.

“*Requirement of Law*” shall mean any federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, and any provision or condition of any Permit or other binding determination of any Governmental Corporation.

Section 1.2 Rules of Construction.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) Unless the context shall otherwise indicate, the word “person” shall include the plural as well as the singular number, and “person” shall mean any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

(c) Provisions calling for the redemption of Bonds or the calling of Bonds for redemption do not mean or include the payment of Bonds at their stated maturity or maturities.

(d) All references in this Agreement to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Agreement. The words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties by the Issuer. The Issuer represents and warrants as follows:

(a) The Issuer is a political subdivision of the State.

(b) Under the provisions of the Act, the Issuer has all requisite power and is duly authorized to enter into, execute and deliver the Bond Documents, to undertake the transactions contemplated by the Bond Documents and to carry out its obligations thereunder and the Issuer has duly authorized the execution and delivery of the Bond Documents and the Bonds.

(c) The Issuer agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence.

(d) The Issuer agrees that it will comply with all requirements of the Code and the Tax Regulatory Agreement required on its part to be performed in order for interest on the Series 2010A Bonds to be and to remain excluded from the gross income of the owners thereof for federal income tax purposes and not to take any actions that would adversely affect such exclusion under the provisions of the Code.

Section 2.2 Representations and Warranties of the Corporation. The Corporation makes the following representations and warranties:

(a) The Corporation is a nonprofit corporation duly organized and existing in good standing under the laws of the State for the benefit of the University, is duly qualified to do business and is duly authorized and licensed to operate all of the Properties, has power to execute and deliver the Board Documents, this Agreement, the Mortgage and the Tax Regulatory Agreement and by proper action has been duly authorized to execute and deliver the Board Documents, this Agreement, the Mortgage the Bond Purchase Agreement and the Tax Regulatory Agreement.

(b) Each of the statements made with respect to the Corporation in the recitals of this Agreement is true, correct and complete.

(c) The Corporation is not in breach of or in default under any of the provisions of: (i) the Articles of Incorporation of the Corporation, as amended, or By-laws, as amended; (ii) any judgment, decree, order, statute, rule or regulation applicable to it or to its

Properties; or (iii) any material provision of any indenture, mortgage, loan agreement, financing agreement or other contract or instrument to which it is a party or by which it or any of its Properties are bound.

(d) The Corporation is not required in connection with the transactions contemplated by the Board Documents, the Indenture, the Mortgage and this Agreement to obtain any consent not already obtained.

(e) The Corporation has or timely will obtain as required all authority, permits, licenses, consents and authorizations as are necessary to own, lease and operate its Properties and to carry on its business and to carry out and consummate all the transactions contemplated by the Board Documents, the Mortgage, this Agreement and the Indenture.

(f) This Agreement, the Board Documents, the Tax Regulatory Agreement and the Mortgage, are legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their terms, and the authorization, execution and delivery hereof and thereof and compliance with the provisions hereof and thereof do not conflict with or constitute on the part of the Corporation a violation of, breach of, or default under: (i) any provision of any indenture, mortgage, deed of trust, loan agreement or other contract or instrument to which the Corporation is a party or by which it or any of its Properties are bound; (ii) any order, injunction or decree of any court or governmental authority; or (iii) the provisions of its charter, as amended, by-laws, as amended or any other organizational document.

(g) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against the Corporation, wherein an unfavorable decision, ruling or finding could reasonably be expected to materially and adversely affect (i) the validity or enforceability of the Board Documents, this Agreement, the Mortgage, the Tax Regulatory Agreement, the Bond Purchase Agreement or any other agreement or instrument to which the Corporation is a party used in consummation of the transactions contemplated hereunder; (ii) the status of the Corporation as a Louisiana nonprofit corporation or the exemption of interest on the Series 2010A Bonds from federal income tax, (iii) any of the Corporation's properties, assets, operations or conditions, financial or otherwise, or its ability to perform its obligations under this Agreement or under the Board Documents or the Facilities Documents, or (iv) the validity, enforceability or perfection of the pledge and lien on and security interest in the Land or the Facilities pursuant to the Mortgage.

(h) The Corporation has obligated itself to construct and equip the Facilities or cause the construction and equipping of the Facilities pursuant to the Board Documents and the Bond Documents, and the Corporation has the full power, right and authority to do so and has obtained, or timely will obtain, all permits, licenses and approvals of governmental agencies necessary to undertake and complete such construction, improvements and equipping generally in accordance with the Plans and Specifications as set forth in the Contract.

Section 2.3 Environmental Representations and Warranties. Indemnification.

(a) Based solely upon the Environmental Reports, the results of which have been provided to the Bond Insurer, the Corporation has determined and the Corporation

represents and warrants that no Hazardous Substances have been disposed of on the Land and represents that there has been no Release of any Hazardous Substances on, from, under or to the Land other than air emissions or wastewater discharges in compliance with applicable law and involving only de minimis amounts of Hazardous Substances that could not lead to liability under Environmental Requirements.

(b) The operations or other activities of the Corporation will not result in any disposal on-site and will not result in any other Release of any Hazardous Substances on or from the Land or the Facilities other than air emissions or wastewater discharges in compliance with applicable law and involving only de minimis amounts of Hazardous Substances that could not lead to liability under Environmental Requirements.

(c) The Corporation has not received any notice or claim or information to the effect that it is or may be liable to any Person as a result of the Release or threatened Release of Hazardous Substances or as a result of any violation of applicable Environmental Requirement.

(d) No Environmental Lien has attached to the Land.

(i) The operations or other activities of the Corporation shall not result in disposal on-site and will not result in any other Release of any Hazardous Substances on or from the Land or the Facilities other than air emissions or wastewater discharges in compliance with all current and future applicable Environmental Requirements and involving only de minimis amounts of Hazardous Substances that could not lead to liability under Environmental Requirements and the Corporation shall not engage in any activities that will result in the violation of any current or future Environmental Requirements. The Corporation shall obtain from time to time, maintain in full force and effect, and comply with all permits required under any current or future Environmental Requirements so that the operations of the Corporation will be in accordance with such Environmental Requirements.

(ii) The Corporation will make available for inspection from time to time all documents and information in its possession or control regarding activities and conditions relating to the Land or the Facilities and other assets subject to Environmental Requirements or which may result in noncompliance with, or liability under, any Requirement of Law.

(e) The Corporation shall not and shall not permit any other Person to treat, dispose of, or otherwise Release any Hazardous Substances (other than air emissions or wastewater discharges in compliance with applicable Environmental Requirements and involving only de minimis quantities of Hazardous Substances, in, upon, under, over, or from the Facilities or the Land. The Corporation shall not and shall not permit any Person to store, locate, generate, produce, transport or incorporate any Hazardous Substances) in, upon, under, over or from the Land or the Facilities or engage in any other regulated activity other than in accordance with all applicable Environmental Requirements and involving only such types and quantities of Hazardous Substances as are necessary and appropriate for construction and operation of the Facilities, shall not install or permit to be installed or operated any underground or above ground storage tank therein or thereunder other than in accordance with all applicable Environmental Requirements, and shall comply with and require all other Persons to comply with all

Environmental Requirements which are applicable to the Facilities. The Corporation shall defend and indemnify the Trustee, the Issuer and the Bond Insurer and shall hold the Trustee, the Issuer and the Bond Insurer and each of their respective directors, officers, employees, agents and consultants harmless from, and shall reimburse the Trustee, the Issuer and the Bond Insurer for, any and all claims, demands, judgments, penalties, liabilities, whether based on strict liability or otherwise, fines, costs, damages and expenses, including court costs and attorneys' fees directly or indirectly incurred by the Trustee, the Issuer or the Bond Insurer or any of their respective directors, officers, employees, agents and consultants and the payee and holder of any Bond (prior to trial, at trial and on appeal) in any action against or involving the Trustee, the Issuer or the Bond Insurer, resulting from any breach of the foregoing representations, warranties or covenants, or from the discovery of any Hazardous Substances, in, upon, under or over, or emanating from, the Land or the Facilities, whether or not the Corporation is responsible therefor, it being the intent of the Corporation that the Trustee, the Issuer and the Bond Insurer and each of their respective directors, officers, employees, agents and consultants shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean-up of, or other with respect to, Hazardous Substances by virtue of their interests, if any, in the Land and the Facilities created by the Indenture, and the Agreement or otherwise, or hereafter created, or as the result of the Trustee, the Issuer or the Bond Insurer exercising any instrument, including but not limited to becoming the owner thereof by foreclosure or conveyance in lieu of foreclosure or caused by any breach of the foregoing representations, warranties or covenants of the Corporation. The foregoing representations, warranties and covenants shall be deemed continuing covenants, representations and warranties for the benefit of the Trustee, the Issuer and the Bond Insurer and any successors and assigns thereof, including but not limited to any transferee of the title of the Trustee and any subsequent owner of the Land or the Facilities, and shall survive the satisfaction and release of the Indenture, and the Agreement, or under any other instrument, and/or any acquisition of title to the Facilities or any part thereof by the Trustee, the Issuer or the Bond Insurer by deed in lieu of foreclosure or otherwise. Any amount covered by the foregoing indemnification shall bear interest from the date incurred at a rate of 1.0% above the highest rate of interest borne by any Bond during the 365 days prior to the date on which such indemnification obligation was incurred, or, if less, the maximum rate permitted by law, and shall be payable on demand.

ARTICLE 3

TERM, NATURE AND BENEFITS OF AGREEMENT, CONSTRUCTION OF FACILITIES

Section 3.1 Term. The term of this Agreement shall commence on the Closing Date for the Bonds, and shall terminate (unless discharged upon prepayment of all sums due hereunder by the Corporation prior thereto as hereinafter provided) on the date on which the Bonds and all other sums secured hereunder shall have been paid or provision for their payment shall have been made in accordance herewith. Notwithstanding the foregoing, the indemnification provisions of this Agreement shall survive the termination thereof and the defeasance of the Bonds under the Indenture.

Section 3.2 Nature and Benefits.

(a) This Agreement has been executed and delivered in part to induce concurrently herewith the purchase by others of the Bonds, and, accordingly, all covenants and agreements on the part of the Corporation and the Issuer, as set forth therein and herein, are hereby declared to be for the benefit of the Trustee for the owners from time to time of the Bonds. The Corporation consents and agrees to the assignment by the Issuer to the Trustee under the Indenture of all of the Issuer's right, title and interest (except for certain rights relating to exculpation, indemnification and payment of fees and expenses) in, to and under this Agreement, including the interest of the Issuer in and to the Facilities Lease assigned by the Corporation to the Issuer hereunder, and agrees that the provisions hereof may be enforced by the Trustee under the provisions of the Indenture. The Corporation agrees to do all things within its power in order to comply with, and to enable the Issuer to comply with, all requirements and to fulfill, and to enable the Issuer to fulfill, all covenants of the Indenture and the Bonds.

(b) This Agreement is an obligation of the Corporation, payable solely from the Rental, its interest in the Properties and this Agreement shall remain in full force and effect until the Bonds and all Administrative Expenses have been fully paid or otherwise provided for or discharged.

Section 3.3 Construction, Improvement and Equipping of the Facilities. The Corporation shall lease the Land and construct and equip, or cause to be constructed and equipped, the Facilities with all reasonable dispatch and in accordance with the Facilities Documents, and shall take all action necessary to enforce the provisions of the Board Documents and the Facilities Documents.

Section 3.4 Revision of Facilities Documents.

(a) The Corporation may revise the Ground Lease, the Facilities Lease, the Plans and Specifications, the Design Contract and the Construction Contract and the description of the Facilities in Exhibit A hereto from time to time (including, without limitation, the deletion or revision of any of the facilities included in the Facilities and/or the substitution thereof of other facilities) in accordance with the Ground Lease without the consent of the Issuer, the Trustee or the holders of the Bonds but subject to the prior written consent of the Bond Insurer, provided, however, that no such revision shall impair the exclusion from gross income of interest on the Series 2010A Bonds for federal income tax purposes. In the case of any change that would render materially inaccurate the description of the Facilities in Exhibit A hereto, there shall be delivered to the Trustee, the Bond Insurer and the Issuer a revised Exhibit A containing a description of the Facilities that reflects the change in the Facilities Documents, the accuracy of which shall have been certified by an Authorized Corporation Representative.

(b) Prior to effecting any change in or revision of the Facilities Documents, the Corporation shall deliver to the Issuer, the Trustee and the Bond Insurer evidence of all governmental or regulatory approvals required therefor.

Section 3.5 Disbursements from Project Fund. The money in the Project Fund shall be applied by the Trustee, and in connection therewith requisitions shall be presented by the Corporation signed by an Authorized Corporation Representative, for payment of the Costs of the Facilities in accordance with Article 4 of the Indenture and Article 3 of this Agreement, and

pending such application such money shall be invested and reinvested in accordance with Article 4 of the Indenture. The forms of requisition for requisitions from the Project Fund are attached to the Indenture as Exhibit B-1 and Exhibit B-2. Funds in the Series 2010A Bonds Project Account of the Project Fund shall not be transferred to the Series 2010B Bonds Project Account of the Project Fund, and vice versa, unless such transfer is approved by Bond Counsel.

Section 3.6 Completion of Payment of Costs of the Facilities.

(a) At such time as the Corporation has notice that the funds on deposit in the Project Fund, together with the investment earnings thereon, are insufficient to pay the completion Costs of the Facilities, the Corporation shall deliver to the Trustee, the Bond Insurer and the Issuer written estimates by an architect and an Authorized Corporation Representative of the additional funds required to pay the completion Costs of the Facilities, and such additional information and data as may be reasonably requested by the Issuer, the Trustee or the Bond Insurer. The Corporation shall complete the construction and equipping of the Facilities and pay that portion of the completion Costs of the Facilities as may be in excess of the money available therefor in the Project Fund. The obligation of the Corporation to pay in full the completion Costs of the Facilities shall be a limited obligation of the Corporation payable solely from the Trust Estate.

(b) Upon the request of the Corporation and with the prior written consent of the Bond Insurer, the Issuer will use its best efforts to issue and sell, upon terms and at prices acceptable to the Issuer and the Corporation, if required, one or more series of Additional Bonds for the purpose of financing the completion Costs of the Facilities; provided however, that the failure of the Issuer to issue such bonds shall not relieve the Corporation of its obligation to provide the additional money required to pay the completion Costs of the Facilities. If after exhaustion of the money in the Project Fund the Corporation should pay any portion of the Costs of the Facilities, it shall not be entitled to any reimbursement therefor from the Issuer or from the Trustee, and shall not be entitled to any abatement, diminution or postponement of payments required to be made by it under this Agreement.

Section 3.7 Establishment of Completion Date. The date upon which the construction and equipping of each of the respective Facilities are substantially complete shall be evidenced to the Issuer, the Trustee and the Bond Insurer by a certificate signed by an Authorized Corporation Representative. The certificate shall set forth the respective Costs of each of the respective Facilities and state that, except for amounts not then due and payable, or the liability for the payment of which is being contested or disputed in good faith by the Corporation and adequate reserves for which are on hand, (a) the construction and equipping of the Facilities have been completed substantially in accordance with the Plans and Specifications as incorporated into the Contract and the respective Costs of the Facilities have been paid, and (b) all other facilities necessary in connection with the Facilities have been acquired, constructed and installed substantially in accordance with the Plans and Specifications and the Contract and all costs and expenses incurred in connection therewith have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or which may subsequently come into being.

Section 3.8 No Warranty of Condition or Suitability. The Corporation acknowledges its full familiarity with the Facilities and that the Issuer has no responsibility for the Plans and Specifications and other Facilities Documents. The Issuer makes no representation or warranty, either express or implied, and offers no assurance that the proceeds of the Bonds will be sufficient to pay in full the Costs of the Facilities in accordance with the Facilities Documents.

ARTICLE 4

DISBURSEMENT OF BOND PROCEEDS; PAYMENTS; CREDITS; OBLIGATIONS UNCONDITIONAL; PREPAYMENT

Section 4.1 Disbursement of Bond Proceeds. In order to provide funds for paying the Costs of the Facilities, the Issuer, as soon as practicable after the execution of this Agreement will proceed to issue, sell and deliver the Bonds to the purchasers thereof and will deposit the proceeds thereof as provided by Section 4.1 of the Indenture with the Trustee for disbursement in accordance with the provisions of the Indenture.

Section 4.2 Amounts Payable.

(a) Upon the terms and conditions of this Agreement, the Issuer shall lend to the Corporation the proceeds of the sale of the Bonds. The proceeds of the Loan shall be deposited with the Trustee and applied in accordance with the Indenture.

(b) The Corporation, for and in consideration of the issuance of the Bonds under the Indenture by the Issuer and the application of the proceeds thereof by the Issuer as provided in the Indenture for the benefit of the Corporation, hereby promises to repay the Loan, but solely from the source of payments specified in Section 6.6, by making the following payments (collectively called the "Payments") to or for the account of the Issuer in an amount sufficient for the payment in full of all Bonds from time to time issued under the Indenture and then outstanding, including (i) the total interest becoming due and payable on the Bonds to the date of payment thereof, (ii) the total principal amount of the Bonds and (iii) all amounts required to be deposited into the Series 2010 Bonds Replacement Fund. The Payments with respect to the Bonds shall be payable directly to the Trustee for the account of the Issuer in installments as follows:

(i) At such time as may be required by the Tax Regulatory Agreement but not less often than annually, to the Series 2010A Bonds Rebate Fund the amount required to be deposited thereunder;

(ii) Semiannually, on or before the third Business Day preceding each Interest Payment Date to the Series 2010A Bonds Debt Service Account and the Series 2010B Bonds Debt Service Account of the Debt Service Fund an amount equal to the interest due and payable on the respective Bonds on such Interest Payment Date;

(iii) Annually, on or before the third Business Day preceding each Principal Payment Date to the Series 2010A Bonds Debt Service Account and the Series 2010B Bonds Debt Service Account of the Debt Service Fund an amount equal to the principal due and payable on the Bonds on such Principal Payment Date.

(iv) On the dates required in the Indenture, to the Trustee for deposit into the Debt Service Reserve Fund, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by the Indenture; and

(v) On the dates required by Section 4.3(c)(v) and Section 4.21 of the Indenture, into the Series 2010 Bonds Replacement Fund, an amount sufficient to meet the requirements of the Indenture.

(c) Each installment of the Payments payable by the Corporation hereunder shall be in an amount which, without regard to the payments required under Section 4.2(b)(iv) above, but including moneys in the Debt Service Fund then available, shall be designed to provide for the timely payment in full of the principal of and interest on the Bonds.

(d) Notwithstanding anything to the contrary contained herein, the Corporation promises that it will pay the Payments from the sources of payments specified in Section 6.6, at such times and in such amounts as to assure that no default in the payment of the principal of or interest on the Bonds shall at any time occur.

(e) Whenever the Corporation shall fail to pay the full amount of any installment of Payments payable under Sections 4.2(b)(ii) or 4.2(b)(iii) above by the day of the month in which such installment is due, the Trustee shall give immediate telephonic notice thereof, promptly confirmed in writing, to an Authorized Corporation Representative.

(f) The Corporation shall also cause the Board to promptly pay when due under the Facilities Lease all amounts of Additional Rental owed by the Board thereunder including, but not limited to, all Default or Delay Rentals and Administrative Expenses (each as defined in the Facilities Lease) owed to the Issuer, the Bond Insurer, if any, and/or the Trustee thereunder.

Section 4.3 Credits Against Payments. A credit against and reduction of the Payments shall be derived only from the following sources:

(a) Accrued interest, if any, derived from the sale of the Bonds;

(b) Surplus moneys (including investment earnings) contained in the Funds and Accounts held by the Trustee under the Indenture, including the Debt Service Fund and the Debt Service Reserve Fund.

Section 4.4 Obligation to Make Payments.

(a) Subject to Section 6.6 hereof, the obligation of the Corporation to repay the Loan shall be absolute and unconditional and shall not be subject to, nor shall the Corporation be entitled to assert, any defense (other than payment) or any rights of abatement, reduction, deferral, recoupment, setoff, offset or counterclaim by the Corporation or any other person, nor shall the same be abated, abrogated, waived, diminished, postponed, delayed or otherwise modified under or by reason of any circumstance, contingency, act of God,

event or occurrence that may arise or take place, irrespective of what statutory rights the Corporation may have to the contrary, including but without limiting the generality of the foregoing:

- (i) Any damage to or destruction of part or all of the Facilities;
- (ii) The taking or damaging of part or all of the Facilities or any temporary or partial use thereof by any public authority or agency in the exercise of the power of eminent domain, sequestration or otherwise;
- (iii) Any assignment, novation, merger, consolidation, transfer of assets, leasing or other similar transaction of, by or affecting the Corporation;
- (iv) Any change in the tax or other laws of the United States, the State or any governmental authority;
- (v) The termination of the Ground Lease or the Facilities Lease, any failure of title or any lawful or unlawful prohibition of the Corporation's use of the Facilities or any portion thereof or the interference with such use by any person or any commercial frustration of purpose or loss or revocation of any permits, licenses or other authorizations required for the operation of the Facilities; and
- (vi) Any failure of the Issuer, the Trustee or any other party to perform and observe any agreement or covenant, expressed or implied, or any duty, liability or obligation arising out of or in connection with this Agreement, the Indenture, the Board Documents or the Facilities Documents the invalidity, unenforceability or disaffirmance of any of this Agreement, the Indenture, the Bonds, the Board Documents or the Facilities Documents or for any other cause similar or dissimilar to the foregoing.

(b) Furthermore, the Corporation covenants and agrees that it will remain obligated under this Agreement in accordance with its terms, and that it will not take or participate or acquiesce in any action to terminate, rescind or avoid this Agreement.

Section 4.5 Prepayment of Payments.

(a) The Corporation is obligated to prepay the Payments, in whole or in part, on any date on which the Bonds are subject to redemption pursuant to the Indenture, including, without limitation, Section 3.4 of the Indenture.

(b) As long as the Facilities Lease is outstanding, the Corporation's option to redeem the Bonds under Section 3.4 of the Indenture can be exercised only with the written consent of the Board. The prepayment price payable by the Corporation, in the event that the Bonds are redeemed pursuant to Section 3.4 of the Indenture, shall be an amount of money which, when added to the moneys and investments held by the Trustee pursuant to the provisions of the Indenture and available for such redemption, is sufficient to pay and discharge the Bonds to be redeemed (including the total principal amount of such Bonds and interest to accrue thereon to the date fixed for redemption of such Bonds to be redeemed) on the date fixed for redemption.

Section 4.6 Reserved.

Section 4.7 Assignment of Facilities Lease. In consideration for and in order to further secure the Corporation's obligation to repay the Loan up to the maximum amount of \$ _____, the Corporation hereby transfers, assigns and pledges unto the Issuer, all right, title and interest of the Corporation in, to and under the Facilities Lease and all proceeds of insurance received or receivable by the Corporation as a result of any damage to or destruction of the Facilities, or any part thereof, and all amounts received or receivable by the Corporation as compensation for the taking or the transfer of the Facilities, or any part thereof, in lieu of a taking or use of the Facilities, under the powers of eminent domain, all amounts received or receivable by the Corporation from the sale of the Facilities, or any part thereof, all amounts collected under payment and performance bonds, if any, maintained with respect to the Facilities, and any and all additional revenues, income, receipts and other payments (including, without limitation, grants, donations, gifts and appropriations received from any private or public source) that hereafter are received by the Corporation for or relating to the Facilities or that hereafter may be assigned by the Corporation pursuant to this Agreement.

ARTICLE 5

NON-ARBITRAGE

Section 5.1 Covenants as to Arbitrage.

(a) The Corporation hereby agrees to prepare and provide instructions to the Trustee as to the investment and reinvestment of moneys held as part of any fund or account relating to the Bonds. Any such moneys so held as part of any fund or account shall be invested or reinvested by the Trustee in Permitted Investments as specified in Section 4.10 of the Indenture. The Corporation hereby covenants that it will comply with the terms of the Tax Regulatory Agreement and that it will make such use of the proceeds of the Bonds and all other funds held by the Trustee under the Indenture, regulate the investment of such proceeds and other and take such other and further action as may be required so that the Series 2010A Bonds will not constitute arbitrage bonds under Section 148 of the Code and the regulations promulgated thereunder.

(b) If the Corporation determines that it is necessary to restrict or limit the yield on the investment of any money paid to or held by the Trustee hereunder or under the Indenture in order to avoid classification of the Series 2010A Bonds as arbitrage bonds within the meaning of the Code, the Corporation may issue to the Trustee an instrument to such effect (along with appropriate written instructions), in which event the Trustee will take such action as is necessary to restrict or limit the yield on such moneys in accordance with such instrument and instructions.

ARTICLE 6

CERTAIN COVENANTS OF THE CORPORATION

Section 6.1 General Covenants of Corporation. The Corporation further expressly represents, covenants and agrees:

(a) To materially comply with the terms, covenants and provisions expressed or implied, of all contracts pertaining to, affecting or involving the Facilities or the business of the Corporation;

(b) Whenever and so often as requested so to do by the Trustee, the Bond Insurer, if any, or the Issuer, promptly to execute and deliver or cause to be executed and delivered all such other and further instruments and documents, and to promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Issuer, the Bond Insurer, if any, the Trustee and the owners of the Bonds all rights, interests, powers, benefits, privileges and advantages conferred upon them by this Agreement and the Indenture;

(c) Promptly, upon the request of the Issuer, the Bond Insurer, if any, or the Trustee from time to time, to take such action as may be necessary or proper to remedy or cure any material defect in or cloud upon its interest in the Facilities or any part thereof, whether now existing or hereafter developing, to prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and to indemnify and save the Issuer, the Bond Insurer, if any, and the Trustee harmless from all loss, cost, damage and expense, including attorney's fees, which they or any of them may ever incur by reason of any such defect, cloud, suit, action or proceeding;

(d) To defend against every suit, action or proceeding at any time brought against the Issuer, the Bond Insurer, if any, or the Trustee based on any claim arising out of the receipt, application or disbursement of any of the Trust Estate or involving the Issuer's, the Bond Insurer's or the Trustee's rights or obligations under this Agreement or under the Indenture (except in the case of the Issuer's, the Bond Insurer's or the Trustee's gross negligence or willful misconduct), to indemnify and hold harmless the Trustee and each officer, employee, agent, or other representative of the Trustee against claims arising out of the Trustee's responsibilities under this Agreement, the Indenture or any other document entered into by the Trustee in connection with the Bonds (except in the case of the Trustee's gross negligence or willful misconduct), to indemnify and hold harmless the Issuer, the Bond Insurer, if any, and any officer, employee, agent, servant or trustee of the Issuer and the Bond Insurer, if any, against claims during the term of this Agreement that may be occasioned by any cause (other than the gross negligence or willful misconduct of the Issuer, the Bond Insurer, if any, their officers, employees, agents, servants and trustees) pertaining to the construction, use, possession, operation, service, design or management or leasing or subleasing of the Facilities and any liabilities or losses resulting from violations by the Corporation of conditions, agreements and requirements of law affecting the Facilities or the ownership, occupancy or use thereof or arising from any defect in or from the operation of the Facilities, and to protect and insulate the Issuer and the members of its Board of Directors individually from any and all financial responsibility or liability whatsoever with respect to the Facilities;

(e) At all times to maintain the Corporation's rights to carry on the business of the Corporation and to duly procure all licenses and other authorizations required for the carrying on of its business and to provide all renewals and replacements and improvements to, and extensions of, the Facilities and to diligently maintain, preserve and renew all the rights, powers, privileges, approvals, licenses and franchises required for the carrying on of its business;

(f) To fulfill its obligations and to perform punctually its duties and obligations under this Agreement and the Indenture and to otherwise carry on its business in accordance with the terms hereof to assure the continued proper operation, management, repair and maintenance of the Facilities;

(g) To cause compliance with all material provisions of applicable federal, State and local laws;

(h) To pay, discharge, indemnify and save the Issuer, the Bond Insurer, if any, and the Trustee, except in the case of their gross negligence or willful misconduct, and their respective officers, agents, employees, servants and trustees harmless of, from and against any and all costs, claims, damages, expenses, liabilities, liens, obligations, penalties and taxes of every character and nature, by or on behalf of any person, firm, corporation, entity or governmental authority regardless of by whom advanced, asserted, held, imposed or made, which may be imposed upon, incurred by or asserted against the Issuer, the Bond Insurer, if any, and the Trustee and their respective officers, agents, employees, servants and trustees arising out of, resulting from or in any way connected with this Agreement, the Bonds or the Indenture excepting willful misconduct and gross negligence on the part of the Issuer, the Bond Insurer, if any, or the Trustee or their respective officers, agents, employees, servants and trustees. The Corporation also covenants and agrees, at its expense, to pay and to indemnify and to save the foregoing harmless of, from and against, all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand;

(i) To indemnify the Issuer, the Bond Insurer, if any, and the Trustee as provided in this Section 6.1, regardless of whether payment of the Bonds has been made and this Agreement has been terminated; and

(j) To use its best efforts to obtain a determination from the Internal Revenue Service that it is an exempt organization under Section 501(c)(3) of the Code organized and operated exclusively for religious, charitable, scientific and educational purposes, and not to perform any act or enter into any agreement that shall adversely affect its ability to obtain, and thereafter to maintain, such status as set forth in this Section.

Section 6.2 Covenants Regarding Operation and Maintenance by the Corporation of its Properties. The Corporation acknowledges and agrees that it shall pay during the term hereof all Payments and other sums required hereunder and shall cause the Board to pay, as Additional Rental under the Facilities Lease, all Operation and Maintenance Expenses. The Corporation also expressly covenants and agrees:

(a) That it shall or shall cause the Board and/or the University to (i) maintain or cause to be maintained the Facilities, and keep the Facilities in good repair and in good operating condition and make from time to time all necessary repairs thereto and renewals and replacements thereof; (ii) make or cause to be made from time to time any additions, modifications or improvements to the Facilities that the University may deem desirable for its business purposes that do not materially impair the effective use of the Facilities; (iii) cause the Facilities at all times to be free from all liens other than Permitted Encumbrances, provided that the Corporation may in good faith contest, or cause the Board or the University to contest any

liens filed or established against the Facilities, and in such event, may permit the items so contested to remain undischarged and unsatisfied during the period of such contest only if the Corporation or the Board obtains an injunction prohibiting, or otherwise prevents the enforcement of such liens, assessments or other charges and any appeal therefrom, and the Corporation, to the extent it has assets, furnishes the Trustee with a bond, cash deposit or title insurance endorsement equal to at least the amount so contested and with an opinion of independent counsel reasonably acceptable to the Trustee stating that by nonpayment of any such items the Rental would not be materially endangered and the Facilities or any material part thereof will not be subject to loss or forfeiture to such an extent that Payments are materially adversely affected, in which event the Corporation will promptly pay or cause the Board or the University to pay promptly and cause to be satisfied and discharged all such unpaid items. In the event the Corporation fails to satisfy these requirements, the Issuer, the Trustee or the Bond Insurer, if any, may, but shall be under no obligation to, pay any such item and any amounts so advanced therefor by the Issuer, the Trustee or the Bond Insurer, if any, shall become an additional obligation of the Corporation to the one making the advancement, which amount the Corporation agrees to pay together with interest thereon at the rate of the Trustee's prime lending rate, but solely from the Trust Estate;

(b) That the Issuer, the Trustee and the Bond Insurer, if any, and their agents shall have the right to inspect the Facilities at any reasonable time in a manner which will not interfere unreasonably with the Corporation's use thereof;

(c) That no undertakings, including the construction, improvement and installation of the Facilities, shall be commenced until the Corporation shall have first procured, so far as the same may be required from time to time, all necessary approvals and authorizations from municipal departments and governmental subdivisions having jurisdiction, and all construction undertakings shall be made and effected promptly and in a good and workmanlike manner and in full compliance with the Ground Lease and the Facilities Lease, all applicable permits, authorizations and laws and in accordance with all such requirements as insurers of the Properties, and all components thereof, may reasonably establish;

(d) That it shall or shall cause the Board to pay (as Additional Rental under the Facilities Lease) as the same respectively become due, all taxes and assessments, whether general or special, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Facilities;

(e) That it shall comply and cause the Board to comply promptly with all material provisions of present and future laws, ordinances, orders, rules, regulations and requirements of every duly constituted governmental authority or agency and all material orders, rules and regulations of any regulatory, licensing, insurance underwriting or rating organization or other body exercising similar functions. The Corporation shall likewise perform and comply with all duties and obligations of any kind imposed by law, covenant, condition, agreement or easement and the requirements of all policies of insurance at any time in force with respect to the Facilities;

(f) That it shall not use or allow the Facilities to be used or occupied for any unlawful purpose or in violation of any private covenant, restriction, condition, easement or

agreement covering or affecting the use of the Facilities. The Corporation likewise shall not suffer any act to be done or any condition to exist in the Facilities or any article to be brought therein or thereon which may be dangerous, unless safeguarded as required by law, or which, under law, constitutes a nuisance, public or private, or which may make void or voidable any insurance then in force with respect thereto;

(g) That it shall provide or cause to be provided all equipment, furnishings, supplies, facilities, services and personnel required for the proper construction, improvement and equipping of the Facilities in an economical and efficient manner, consistent with standards of operation and administration generally acceptable for facilities of comparable size and scope of operations; and

(h) That it shall take all action, if any, that may be required to obtain such consents, exceptions, exemptions or approvals of governmental authorities as may be necessary to permit it to comply fully with all covenants, stipulations, obligations and agreements of the Corporation contained in this Agreement.

Section 6.3 Covenant as to Encumbrances. The Corporation covenants that, so long as any of the Bonds remain outstanding, it shall not hereafter alienate and shall not hereafter create or suffer to be created any assignment, pledge, mortgage, hypothecation or lien on the Facilities, the Land, the Facilities Lease, any Rental or any of its other Properties under any circumstances, except for Permitted Encumbrances or as otherwise permitted under Section 6.2 hereof.

Section 6.4 Covenants, Representations and Warranties Relating to Federal Income Taxation.

(a) The Corporation covenants that it shall make such use of the proceeds of the Series 2010A Bonds, regulate investment of proceeds thereof and take such other and further actions as may be required by the Code and applicable temporary, proposed and final Regulations and procedures, necessary to assure that interest on the Series 2010A Bonds is excludable from gross income for Federal income tax purposes. Without limiting the generality of the foregoing covenant, the Corporation hereby covenants, represents and warrants, as follows:

(i) The Corporation will not take, fail to take or permit the commission of any action within its control insofar as it is necessary to take or omit the taking of such action in order that interest on the Series 2010A Bonds will continue to be excludable from gross income for Federal income tax purposes;

(ii) The Corporation will use its best efforts to become, and thereafter to remain at all times, an organization described in Section 501(c)(3) of the Code or corresponding provisions of prior law and to not be or be determined to be a private foundation as defined in Section 509 of said Code; the Corporation shall not perform any act or enter into any agreement which shall adversely affect its ability to obtain such federal income tax status; the Corporation shall not perform any act, enter into any agreement or use or permit any property of the Corporation to be used in any manner (including any unrelated trade or business) which could adversely affect the exclusion from gross income of interest on the Series 2010A Bonds

for federal income tax purposes pursuant to Section 103 of the Code, the Corporation shall not carry on or permit to be carried on in any property of the Corporation or permit any property of the Corporation to be used in or for any trade or business to the extent that such use of such property would adversely affect the exclusion from gross income of interest on the Series 2010A Bonds for Federal income tax purposes, and the Corporation is duly organized and existing as a nonprofit corporation under the laws of the State and it will maintain, extend and renew its corporate existence under the laws of the State and will not do, suffer or permit any act or thing to be done whereby its right to transact its functions might or could be terminated or its activities restricted;

(iii) The Corporation will timely file a statement with the United States of America setting forth the information required pursuant to Section 149(e) of the Code;

(iv) The average term of the Series 2010A Bonds, calculated in proportion to the "issue price" (as defined in Section 1273 of the Code) of the bonds of each stated maturity of such Series 2010A Bonds, will not exceed 120% of the average reasonably expected economic life of the Facilities financed with the proceeds of the Series 2010A Bonds or the investment earnings thereon, weighted in proportion to the respective cost of each item comprising the Facilities financed with the proceeds of such Series 2010A Bonds. For purposes of the preceding sentence, the reasonably expected economic life of property shall be determined as of the later of (A) the date on which the Series 2010A Bonds are issued or (B) the date on which such property is placed in service (or expected to be placed in service);

(v) The Corporation will not cause the Series 2010A Bonds to be treated as "federally guaranteed" obligations within the meaning of Section 149(b) of the Code (as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to "federally guaranteed" obligations described in Section 149(b) of the Code);

(vi) Based upon all facts and estimates now known or reasonably expected to be in existence on the date the Series 2010A Bonds are delivered, the Corporation reasonably expects that the proceeds of the Series 2010A Bonds will not be used in a manner that would cause the Series 2010A Bonds or any portion thereof to be an "arbitrage bond" within the meaning of Section 148 of the Code;

(vii) As provided in Article 5 hereof, the Corporation will monitor the yield on the investment of the proceeds of the Series 2010A Bonds and moneys pledged to the repayment of the Series 2010A Bonds, other than amounts not subject to yield restriction and will restrict the yield on such investments to the extent required by the Code or the Regulations;

(viii) The Corporation (or any "related person", within the meaning of the Code) shall not, pursuant to an arrangement, formal or informal, purchase the Bonds in an amount related to the principal amounts advanced to the Corporation pursuant to this Agreement;

(ix) The Corporation agrees to comply with all the terms and provisions of the Tax Regulatory Agreement executed in connection with the issuance and sale

of the Bonds, and to perform the covenants and duties imposed on it contained therein. The Corporation shall cause copies of any calculations or filings which are required to be made pursuant to the Tax Regulatory Agreement to be delivered to the Issuer within five (5) days of any such calculation or filing; and

(x) The Corporation agrees to provide, or to engage qualified attorneys or consultants to provide instructions to the Issuer and the Trustee regarding any actions necessary to insure that such moneys will not be used in a manner which will cause the Series 2010A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Corporation shall be responsible for engaging qualified attorneys or consultants to calculate rebate payments as required by Section 148 of the Code.

(b) All officers, employees and agents of the Corporation are authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the Corporation as of the date the Bonds are delivered. In complying with the foregoing covenants, the Corporation may rely from time to time upon an opinion issued by nationally-recognized bond counsel to the effect that any action by the Corporation or reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Series 2010A Bonds to be includable in gross income for Federal income tax purposes under existing law.

Section 6.5 Information. The Corporation agrees, whenever reasonably requested by the Issuer, the Bond Insurer, if any, or the Trustee, to provide access to inspect, examine and make copies of any and all books, accounts and records of the Corporation and to provide and certify or cause to be provided and certified such information concerning the Properties, the Facilities, the Corporation, its finances, and other topics as the Issuer, the Bond Insurer, if any, or Trustee, as the case may be, considers necessary to enable counsel to the Issuer or the Trustee, as the case may be, to issue its opinions and otherwise advise the Issuer, the Bond Insurer, if any, or the Trustee, as the case may be, as to the transaction or the legal capacity of the parties to enter into the same, or to enable it to make any reports required by law, governmental regulation or the Indenture. When any such information is provided by the Corporation pursuant to this Section 6.5 the Corporation shall provide such information to the Issuer, the Bond Insurer, if any, and the Trustee.

Section 6.6 Source of Payments. The Corporation agrees to pay or cause to be paid the payments required by this Agreement, but solely from the Rental, its interest in the Properties and all revenues, proceeds, gifts and other amounts arising from the Properties (including, without limitation, all amounts received or receivable by the Corporation under the Facilities Lease) or assigned by the Corporation pursuant to this Agreement, in the manner and at the times provided by this Agreement.

Section 6.7 Insurance. The Corporation shall or it shall cause the Board to maintain insurance covering such risks and in such amounts as is required by Section 9 of the Facilities Lease, the provisions of which are incorporated herein by reference.

Section 6.8 Annual Reports.

(a) Annually, within one hundred eighty (180) days from the end of each Fiscal Year, the Corporation will have made a complete audit of its records and accounts by an independent certified public accountant. A signed counterpart of its audited financial statements shall be furnished to the Issuer, the Bond Insurer, if any, and the Trustee, and a copy thereof shall be furnished by the Corporation to any Bondholder who requests the same in writing.

(b) Any independent accountant that audits and reports on the Corporation's financial statements or provides any certificate, report or opinion under the Indenture, the Facilities Lease or the Agreement shall be (i) a nationally recognized firm of independent certified public accountants (or their successors) or (ii) otherwise acceptable to the Bond Insurer, if any.

Section 6.9 Merger or Consolidation.

(a) The Corporation shall not merge into, or consolidate with, one or more corporations, or allow one or more of such corporations to merge into it, or sell or convey all or substantially all of its assets to any person or entity or acquire all or substantially all of the assets of any person or entity (any such merger, consolidation, sale, conveyance or acquisition being referred to as a "Merger"), unless the Bond Insurer, if any, consents in writing to the Merger, such consent not to be unreasonably withheld, and:

(i) Any successor corporation to the Corporation (including, without limitation, any purchaser of all or substantially all the Properties of the Corporation (the "Successor Corporation") is a corporation organized and existing under the laws of the United States of America or a state thereof and shall execute and deliver to the Trustee an appropriate instrument, satisfactory to the Bond Insurer, if any, the Issuer and the Trustee, containing the agreement of such successor corporation to assume in solido, the due and punctual payment of the principal of and interest on all obligations of the Corporation (including, without limitation, the Bonds) according to their tenor and the due and punctual performance and observance of all the covenants and conditions of the Indenture and the Agreement and the Board Documents and the Board Documents to be kept and performed by the Corporation, accompanied by an opinion of counsel as to the validity and enforceability of such assumption (which counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Bond Insurer, if any, the Issuer and the Trustee);

(ii) Immediately after such Merger, there would not be a default in the performance or observance of any covenant or condition of the Board Documents and the Bond Documents; and

(iii) There shall be delivered to the Bond Insurer, if any, the Issuer and the Trustee an opinion of Bond Counsel (which counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Bond Insurer, if any, and the Trustee) to the effect that under existing laws the consummation of such Merger, whether or not contemplated on the original date of delivery of the Bonds, would not adversely affect the validity of the Bonds or the exclusion otherwise available from gross income of interest on the Series 2010A Bonds for federal or state income tax purposes.

(b) In case of any such Merger and upon any such assumption by the Successor Corporation, the Successor Corporation shall succeed to and be substituted for its predecessor, with the same effect as if it had been named in the Indenture and the Agreement as the Corporation.

Section 6.10 Revenue Transfer to Trustee. The Corporation hereby covenants:

(a) Upon the occurrence of an Event of Default under the Indenture or this Agreement, all Rental and other funds pledged as security for the obligations of the Issuer and/or the Corporation under the Indenture or the Agreement then on hand shall be transferred immediately to the Trustee, and held for application pursuant to the Indenture or the Agreement solely to the payment obligations of the Issuer and/or the Corporation under the Indenture or the Agreement and the payment of reasonable and necessary costs of operation of the Corporation's facilities or as otherwise directed by the Bond Insurer, if any.

(b) To execute all necessary documents in order to effect a filing and reinstitution of all necessary financing statements in such a manner as will preserve the effect of the financing statements from the date of original filing thereof. The Corporation shall notify the Issuer of the filing of such continuation statements or other filings with respect to its obligations under this Agreement.

Section 6.11 Additional Corporation Representations and Covenants. Each component of the Facilities is, or when acquired, will be located within the limits of the State of Louisiana. The Project is an "Authorized Project" under La. R.S. 33:4548.3B and the Corporation will operate the Project as an "Authorized Project" under La. R.S. 33:4548.3B for so long as the Bonds remains outstanding.

(c) All material information given by the Corporation to the Issuer, the Trustee and the Bond Insurer, if any, concerning the Project, the Corporation and the Board was and is on the date of execution of this Agreement true and correct.

(d) The Corporation will permit the Bond Insurer, if any, to discuss the affairs, finances and accounts of the Corporation or any information Bond Insurer, if any, may reasonably request regarding the security for the Bonds with appropriate representatives and officers of the Corporation. The Corporation will permit the Bond Insurer, if any, to have access to the Facilities and to make copies of all books and records relating to the Bonds and the Properties;

(e) The Corporation hereby agrees that the Bond Insurer, if any, shall have the right to direct an accounting regarding the Properties at the Corporation's expense, such accounting to be conducted by a certified public accounting firm selected by the Bond Insurer, if any, and completed within thirty (30) days after written notice of the direction from the Bond Insurer, if any, and the Corporation's failure to comply with such direction promptly after receipt of written notice from the Bond Insurer, if any, shall be deemed a default hereunder; provided, however, that if such accounting cannot be completed within such 30-day period through no fault of the Corporation, then such period will be extended so long as the accounting is begun within

such period and diligently pursued, but only if such extension would not materially adversely affect the interests of the Bond Insurer, if any, or any registered owner of the Bonds;

(f) The Corporation shall pay or reimburse the Bond Insurer, if any, for any and all charges, fees, costs, and expenses that the Bond Insurer, if any, may reasonably pay or incur in connection with the following: (i) the administration, enforcement, defense, or preservation of any rights or security hereunder or under any other Bond Document; (ii) the pursuit of any remedies hereunder, under any other Bond Document, or otherwise afforded by law or equity; (iii) any amendment, waiver, or other action with respect to or related to this Agreement or any other Bond Document whether or not executed or completed; (iv) the violation by the Corporation of any law, rule, or regulation or any judgment, order or decree applicable to it; (v) any advances or payments made by the Bond Insurer, if any, to cure defaults of the Corporation under the Bond Documents, Facilities Documents or Mortgage; or (vi) any litigation or other dispute in connection with this Agreement, any other Bond Document, or the transactions contemplated hereby or thereby. The covenants of Section 3.14(b) of the Indenture are incorporated by this reference herein and made a part hereof as if fully set forth herein as further covenants of the Corporation under this Agreement. The Bond Insurer, if any, reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver, or consent proposed in respect of this Agreement or any other Bond Document. The obligations of the Corporation to the Bond Insurer, if any, shall survive discharge and termination of this Agreement;

(g) The Corporation shall not amend, modify, or supplement, nor agree to any amendment or modification of, or supplement to, any of the Bond Documents, the Facilities Lease, the Ground Lease, the Mortgage or its Articles of Incorporation or any other organizational document, without the prior written consent of the Bond Insurer, if any;

(h) The Corporation represents, warrants and covenants that it (i) was organized solely for the purpose of promoting, assisting and benefiting the mission of the University, a higher educational institution under the management and control of the Board, by engaging in any lawful activity in which a nonprofit corporation meeting the requirements of Section 501(c)(3) of the Code, may engage, in accordance with its articles of incorporation; (ii) has not and will not engage in any business unrelated to subsection (i), above; and (iii) will maintain books, financial records and bank accounts in a manner so that it will not be difficult or costly to segregate, ascertain and otherwise identify the assets and liabilities of the Corporation;

(i) As soon as possible and in any event within five (5) Business Days after the Corporation knows of, or reasonably should have known of, the occurrence of any default or any Event of Default, the Corporation shall deliver to the Trustee and Bond Insurer, if any, a written statement setting forth details of each such default or Event of Default and the action which the Corporation proposes to take with respect thereto;

(j) The Corporation covenants and agrees to perform each of its agreements and obligations set forth in the Indenture;

(k) The Corporation covenants and agrees that, until all of its obligations under this Agreement and the other Bond Documents have been fully paid and discharged, the

Corporation shall not, directly or indirectly, incur, assume, or guarantee any Additional Debt, except Additional Debt incurred with the written consent of the Bond Insurer, if any, or as allowed by the Facilities Documents and Bond Documents.

Section 6.12 Continuing Disclosure. The Board has agreed to provide a Continuing Disclosure Certificate and to timely comply with the requirements set forth therein and the Board will deliver copies to the Issuer of any information that the terms of the Continuing Disclosure Certificate require to be provided or filed within five (5) days of the provision or filing of such information as required by the Continuing Disclosure Certificate.

Section 6.13 Indemnity.

(a) The Corporation shall and agrees to indemnify and save the Issuer, the Trustee, the Bond Insurer, if any, and their respective directors, officers, members, and employees harmless against and from any and all liabilities, losses, damages, costs, penalties, fines, expenses, causes of action, suits, claims, demands and judgments of any nature arising from, in connection with or as a result of: (i) the leasing or operation of the Facilities; (ii) any breach or default on the part of the Corporation in the performance of any of its obligations under any of the Bond Documents; (iii) any act or negligence of the Corporation or of any of its agents, contractors, servants, employees, or licensees; (iv) any act or negligence of any assignee or lessee of the Corporation or of any agents, contractors, servants, employees, or licensees of any assignee or borrower of the Corporation; (v) the issuance or sale of the Bonds; (vi) any injury to or death of any person or damage to property in or upon the Facilities or resulting from or connected with the use, non-use, condition or occupancy of the Facilities or any part of it; (vii) the violation of any agreement or condition of this Agreement except by the Issuer; (viii) the violation of any contract, agreement or restriction by the Corporation relating to the Facilities; (ix) the violation of any law, ordinance or regulation by the Corporation or its agents, contractors, employees, licensees or assignees arising out of the ownership, occupancy or use of the Facilities or any part of it; (x) the construction, acquisition, equipping and installation of the Facilities or the failure to construct, acquire, equip or install the Facilities; (xi) any act of the Corporation or any of its agents, contractors or licensees; (xii) any statement or information concerning the Corporation, its officers and members or the Facilities contained in any official statement or prospectus furnished to purchasers of any Bonds that is untrue or incorrect in any material respect and any omission from any final official statement or prospectus of any statement or information which should be contained in it for the purpose for which it is to be used or which is necessary to make the statements in it concerning the Corporation, its officers and members or the Facilities not misleading in any material respect if the final official statement or prospectus is approved in writing by the Corporation; (xiii) failure to properly register or otherwise qualify the sale of the Bonds or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Bonds could be sold; (xiv) the carrying out by the Corporation of any of the transactions contemplated by the Agreement; and (xv) any federal or state tax audit relating to the Facilities, the Corporation, or the application of the proceeds of the Bonds, provided, however, this indemnity shall not apply to any claims or damages arising solely from the willful misconduct, bad faith, or fraud of the Issuer or the gross negligence, willful misconduct, or intentional misconduct of the other parties seeking indemnification. The Corporation shall indemnify and save the Issuer, the Trustee, and the Bond Insurer, if any, harmless from and against all costs and expenses incurred in or in connection

with any such claim arising as described in the preceding sentence, or in connection with any action or proceeding brought thereon, including reasonable attorneys' fees and expenses as provided in Section 10.04 hereof, and upon notice from the Issuer, the Trustee, or the Bond Insurer, if any, the Corporation shall defend them or any of them in any such action or proceeding.

(b) The Corporation agrees that it will indemnify and hold the Trustee harmless from any and all liability, cost, or expense incurred without negligence or bad faith on the part of the Trustee in the course of its duties, including any act, omission, delay, or refusal of the Trustee in reliance upon any signature, certificate, order, demand, instruction, request, notice, or other instrument or document of the Corporation believed by the Trustee to be valid, genuine, and sufficient.

(c) Notwithstanding the fact that it is the intention of the parties that the Issuer, the Trustee, the Bond Insurer, if any, and their directors, officers, members, and employees shall not incur pecuniary liability by reason of the terms of the Bond Documents or the undertakings required thereunder or by reason of (i) the issuance of the Bonds, (ii) the execution of the Bond Documents, (iii) the performance of any act required by the Bond Documents, (iv) the performance of any act requested by the Corporation, or (v) any other costs, fees, or expenses incurred by the Issuer, the Trustee, or the Bond Insurer, if any, with respect to the Facilities or the financing thereof, including all claims, liabilities, or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the Issuer, the Trustee, or the Bond Insurer, if any, should incur any such pecuniary liability, then in such event the Corporation shall indemnify and hold harmless the Issuer, the Trustee, and the Bond Insurer, if any, against all claims by or on behalf of any Person arising out of the same and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, including reasonable attorneys' fees and expenses, and upon notice from the Issuer, the Trustee, or the Bond Insurer, if any, the Corporation shall defend the Issuer, the Trustee, and the Bond Insurer, if any, in any such action or proceeding.

(d) The indemnity contained in this Section 6.13 shall not apply to any (i) acts of willful misconduct, bad faith, or fraud of the Issuer or any acts of gross negligence, willful misconduct, or intentional misconduct of the other parties seeking indemnification; (ii) any breach by the party seeking indemnification of its obligations under the Bond Documents; or (iii) with respect to the Issuer and the Bond Insurer, if any, respectively, any liability or claim arising out of or relating to any information furnished by the Issuer or the Bond Insurer, if any, respectively, for inclusion in the offering statement relating to the Bonds or any failure by the Issuer or the Bond Insurer, if any, respectively, to disclose information required to make the information furnished for inclusion therein by the Issuer or the Bond Insurer, if any, respectively, not misleading.

(e) Nothing contained in this Section 6.13 shall require the Corporation to indemnify the Issuer, the Trustee, the Bond Insurer, if any, or their officers, directors, members, or employees for any claim or liability that the Corporation was not given any opportunity to contest or for any settlement of any such action effected without the Corporation's consent (assuming such opportunity to contest or consent was available to the party seeking

indemnification and was not waived in writing by the Corporation). The indemnity of the Issuer, the Trustee, the Bond Insurer, if any, and their officers, directors, members, and employees contained in this Section 6.13 shall (i) survive the payment of the Bonds and the termination of this Agreement and (ii) be in addition to, and not in limitation of, any other rights to indemnification or reimbursement under this Agreement or any other Bond Document or Facilities Documents.

(f) In addition, the Corporation agrees that if it initiates any action, suit or other proceeding with respect to any claim, demand or request for relief, whether judicial or administrative, in which the Issuer or the Bond Insurer, if any, is named or joined as a party, the Corporation will pay to and reimburse to the Issuer and the Bond Insurer, if any, the full amount of all reasonable fees and expenses incurred by the Issuer or the Bond Insurer, if any, with respect to the Issuer's or the Bond Insurer's defense of or participation in such action, suit or other proceeding.

Section 6.14 Recordation; Financing Statement. The Corporation agrees that it will take all steps necessary to record the Mortgage and any financing statements required by the Louisiana Uniform Commercial Code and to maintain any such liens by reinscribing the Mortgage as required by law and filing any continuation statements required to continue the effect of the original filings and to preserve the effective date of the original financing statements. The Corporation shall furnish the Trustee and the Bond Insurer, if any, a copy of any recorded financing statements and continuation statements promptly upon any such filing thereof. The Trustee shall not be responsible for filing the financing statements or any continuation statement in relation thereto or for filing the Mortgage or any reinscription in relation thereto.

ARTICLE 7 ASSIGNMENT

Section 7.1 Assignment of this Agreement

(a) With the prior written consent of the Bond Insurer, if any, the rights of the Corporation under this Agreement may be assigned, sold or leased as a whole or in part but no such transfer shall constitute a release of the Corporation from its obligations hereunder.

(b) Each transferee of the Corporation's interest in this Agreement shall assume the obligations of the Corporation hereunder to the extent of the interest assigned, sold or leased, and the Corporation shall, not more than sixty (60) nor fewer than thirty (30) days prior to the effective date of any such assignment or lease, furnish or cause to be furnished to the Issuer, the Bond Insurer, if any, and the Trustee a true and complete copy of each such assignment or lease.

Section 7.2 Restrictions on Transfer of Issuer's Rights. The Issuer agrees that it will not during the term of this Agreement sell, assign, transfer or convey its interests in this Agreement except as provided in Section 7.3.

Section 7.3 Assignment by the Issuer. It is understood, agreed and acknowledged that the Issuer will assign to the Trustee pursuant to the Indenture certain of its rights, title and

interests in and to this Agreement (reserving its rights, however, pursuant to sections of this Agreement providing that notices, reports and other statements be given to the Issuer and also reserving its rights to reimbursement and payment of costs and expenses under Section 9.5 hereof, its rights to indemnification under Section 6.1(d) hereof and its individual and corporate rights to exemption from liability under Section 10.12 hereof), including the interest of the Issuer in and to the Facilities Lease assigned by the Corporation to the Issuer hereunder, and the Corporation hereby assents to such assignment and pledge.

ARTICLE 8
SUPPLEMENTS AND AMENDMENTS

Section 8.1 Amendment to Agreement Without Consent. The Issuer and the Corporation, with the consent of the Trustee with respect to Sections 8.1(d) and 8.1(e) hereof, and with notice to the Bond Insurer, if any, and the prior written consent of the Bond Insurer, if any, if such amendment would affect the rights or interests of the Bond Insurer, if any, hereunder, but without the consent of the owners of any of the Bonds outstanding under the Indenture, may enter into supplements to this Agreement that shall not be inconsistent with the terms and provisions hereof for any of the purposes heretofore specifically authorized in this Agreement or the Indenture, and in addition thereto for the following purposes:

- (a) To cure any ambiguity or formal defect, inconsistency or omission in this Agreement or to clarify matters or questions arising hereunder;
- (b) To add covenants and agreements for the purpose of further securing the obligations of the Corporation hereunder;
- (c) To confirm as further assurance any mortgage or pledge of additional property, revenues, securities or funds;
- (d) To conform the provisions of this Agreement in connection with the provisions of any supplements or amendments to the Indenture entered into pursuant to the provisions of Section 10.1 thereof;
- (e) To provide any other modifications which, in the sole judgment of the Trustee, are not prejudicial to the interests of the Bondholders; or
- (f) to conform the covenants and provisions of the Corporation contained herein to any different financial statement presentation required by the Financial Accounting Standard Board that is different than the presentation required as of the date of issuance of the Bonds, so long as the effect of such conformed covenants and provisions is substantially identical to the effect of the covenants and provisions as in effect on the date of issuance of the Bonds.

Section 8.2 Amendment to Agreement Upon Approval of a Majority of Bondholders.

- (a) The provisions of this Agreement may be amended in any particular with the written consent of the Bond Insurer, if any, and the owners of not less than a majority of the aggregate principal amount of Bonds then Outstanding; provided, however, that no such

amendment may be adopted that decreases the percentage of owners of Bonds required to approve an amendment, or that permits a change in the date of payment of the principal of or interest on any Bonds or of any redemption price thereof or the rate of interest thereon without the consent of the owners of all of the aggregate principal amount of the Bonds then Outstanding.

- (b) If at any time the Issuer and the Corporation shall request the Trustee to consent to a proposed amendment for any of the purposes of this Section 8.2, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such proposed amendment to be given in the manner required by the Indenture to redeem Bonds. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the Issuer following such notice, the owners of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the execution of any such proposed amendment shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee, the Corporation or the Issuer from executing or approving the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such proposed amendment as in this Section permitted and provided, this Agreement shall be and be deemed to be modified and amended in accordance therewith.

Section 8.3 Amendments to Facilities Lease or the Ground Lease Not Requiring Owner Consent.

- (a) Subject to the terms and provisions of Section 8.5 and 8.7 of this Agreement, with the written consent of the Bond Insurer, if any, which consent shall not be unreasonable withheld or delayed, the Facilities Lease or the Ground Lease may be amended or modified in any manner not inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in the Facilities Lease or the Ground Lease which does not have an adverse effect upon the interest of the Owners; (ii) to grant to or confer upon the Issuer or the Trustee, for the benefit of the Owners, any additional rights, remedies, powers or authorities that lawfully may be granted to or conferred upon the Issuer or the Trustee; (iii) to more clearly identify the Facilities Lease or to subtract from the Facilities any property; (iv) to amend or modify the Facilities Lease or the Ground Lease in any manner specifically required or permitted by the terms thereof, including as may be necessary to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes; (v) to make any amendment or modification required as a condition to obtaining any rating by the Rating Agency with respect to the Bonds; (vi) to make any amendment or modification required as a condition to the issuance of the Bond Insurance Policy; and (vii) to amend or modify the Facilities Lease or the Ground Lease in any other manner that, in the judgment of the Trustee, is not materially adverse to the interests of the owners of the Bonds, the Bond Insurer, if any, or the Trustee and which does not involve a change described in Section 8.5 hereof.

(b) Notwithstanding the foregoing, the prior written consent of the Bond Insurer, if any, shall be required with respect to any amendment under this Section 8.3 which, in the sole judgment of the Bond Insurer, if any, would affect the rights or interests of the Bond Insurer, if any.

Section 8.4 Amendments to the Facilities Lease or the Ground Lease Requiring Owner Consent. Exclusive of amendments and modifications covered by Section 8.3 hereof, the Facilities Lease or the Ground Lease may be amended or modified only as provided in Section 8.4 and 8.5 of this Agreement. Subject to the terms and provisions contained in Section 8.5 of this Agreement, the Bond Insurer, if any, the Issuer and the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Agreement to the contrary notwithstanding, to consent to and approve the amendment or modification of the Facilities Lease or the Ground Lease. If at any time there is a proposed amendment or modification to the Facilities Lease or the Ground Lease, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such modification or amendment to be mailed to the Bond Insurer, if any, and to each of the owners of the Bonds at the address indicated on the registration books of the Trustee. Such notice shall briefly set forth the nature of the proposed amendment or modification and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bond owners. If, within sixty (60) days, or such longer period as shall be prescribed by the Issuer, following the mailing of such notice, the owners of the requisite percentage in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such amendment or modification shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or to enjoin or restrain the parties thereto from executing the same or from taking any action pursuant to the provisions hereof.

Section 8.5 Consent Required Under Certain Circumstances for Amendment of Facilities Lease or Ground Lease. Nothing contained in Sections 8.3 and 8.4 of this Agreement shall permit, or be construed as permitting, without the approval and consent of the Bond Insurer, if any, and all of the owners of the Bonds, (a) a reduction in the amount of, or the extension of the time for, any payment of Base Rental due under the Facilities Lease or any Bond Insurer Amounts; or (b) the termination of the Facilities Lease or the Ground Lease prior to the expiration of their stated term other than in accordance with the provisions thereof.

Section 8.6 Opinion Required for Amendment of Facilities Lease or Ground Lease. Anything to the contrary herein notwithstanding, no amendment or modification of the Facilities Lease or the Ground Lease shall become effective unless and until the Trustee has been provided with an opinion of Bond Counsel to the effect that such amendment or modification will not have an adverse effect upon the validity of the Bonds and to the effect that such amendment or modification will maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 8.7 Consent of the Board. Anything herein to the contrary notwithstanding, an amendment to the Facilities Lease or the Ground Lease under this Article 8 shall not become effective unless and until the Board shall have consented to the execution and delivery of such

amendment to the Facilities Lease or the Ground Lease, unless an Event of Default has occurred and is continuing, and no amendment to the Facilities Lease or the Ground Lease shall without the prior written consent of the Board affect the date or amounts of payments required on the Bonds or required under the Facilities Lease.

Section 8.8 Filing. Copies of any such supplement or amendment to the Agreement, the Ground Lease or the Facilities Lease shall be filed with the Trustee and delivered to the Issuer and the Corporation before such supplement or amendment may become effective.

Section 8.9 Reliance on Counsel. The Issuer and the Trustee shall be entitled to receive, and shall be fully protected in relying upon the opinion of counsel satisfactory to the Trustee, who may be counsel for the Issuer, as conclusive evidence that any such proposed supplement or amendment to the Agreement, the Ground Lease or the Facilities Lease complies with the provisions of this Agreement and the Indenture and that it is proper for the Issuer and the Trustee under the provisions of this Article to execute or approve such supplement or amendment.

Section 8.10 Notice to Rating Agencies and Bond Insurer. No supplemental agreement or amendment to the Agreement, the Ground Lease or the Facilities Lease shall be executed and delivered pursuant hereto without prior written notice having been given by the Corporation to the Bond Insurer, if any, and Rating Agencies (Attention: Bond Insurance Administration) of the Corporation's intention to execute such supplemental agreement or amendment thereof not less than fifteen (15) days in advance of the execution of said supplemental agreement or amendment. The Corporation shall provide the Bond Insurer, if any, a full transcript of all proceedings relative to said supplemental agreement or amendment.

ARTICLE 9

EVENTS OF DEFAULT AND REMEDIES

Section 9.1 Events of Default Defined. The terms "Event of Default" and "Default" shall mean any one or more of the following events:

- (a) The Corporation shall default in the timely payment of any Payment pursuant to Article 4 of this Agreement.
- (b) An Event of Default shall exist under the Bond Documents, the Facilities Lease, the Ground Lease or the Tax Regulatory Agreement.
- (c) The termination of the Facilities Lease.
- (d) The Corporation shall fail duly to perform, observe or comply with any other covenant, condition or agreement on its part under this Agreement (other than a failure to make any payment required under this Agreement), and such failure continues for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Corporation by the Trustee; provided, however, that if such performance, observation or compliance requires work to be done, action to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such thirty (30) day period, no Event of Default shall be deemed to

have occurred or to exist if, and so long as (i) the Corporation shall commence such performance, observation or compliance within such period and shall diligently and continuously prosecute the same to completion and (ii) the Bond Insurer, if any, shall consent in writing to any cure period in excess of thirty (30) days.

(e) The entry of a decree or order by a court having jurisdiction in the premises adjudging the Corporation a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Corporation under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, custodian, assignee, or sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days. Any reorganization or liquidation plan must be acceptable to the Bond Insurer, if any. In the event of reorganization or liquidation, the Bond Insurer, if any, shall have the right to vote on behalf of all Bondholders, absent a default by the Bond Insurer, if any, in any payment required by it under the terms of the Bond Insurer Policy.

(f) The institution by the Corporation of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the United States Bankruptcy Code or any other similar applicable federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, custodian, assignee, trustee or sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due.

Section 9.2 Remedies. Whenever any Event of Default under Section 9.1 hereof shall have happened and be continuing, any one or more of the following remedial steps may be taken:

(a) The Issuer or the Trustee, with the consent of the Bond Insurer, if any, may declare all installments of Payments under Section 4.2 hereof to be immediately due and payable, whereupon the same shall become immediately due and payable, without requirement for and irrespective of any acceleration of the Bonds;

(b) The Issuer or the Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Corporation under this Agreement;

(c) The Issuer or the Trustee (or the owners of the Bonds in the circumstances permitted by the Indenture) may exercise any option and pursue any remedy provided by the Indenture.

Section 9.3 No Remedy Exclusive. Selective Enforcement. No remedy conferred upon or reserved to the Issuer or the Trustee by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement and as now or hereafter

existing at law or in equity. No delay or omission to exercise any right or power accruing upon any event of nonperformance shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. In the event the Issuer or the Trustee shall elect to selectively and successively enforce its rights under this Agreement, such action shall not be deemed a waiver or discharge of any other lien, encumbrance or security interest securing payment of the indebtedness secured hereby or thereby until such time that it shall have been paid in full all sums secured hereunder and thereunder. The foreclosure of any lien provided pursuant to this Agreement without the simultaneous foreclosure of all such liens shall not merge the liens granted which are not foreclosed with any interest which the Issuer or the Trustee might obtain as a result of such selective and successive foreclosure.

Section 9.4 Indenture Overriding. All of the provisions of this Article are subject to and subordinate to the rights and remedies of the Bond Insurer, if any, the Bondholders and the Trustee pursuant to the Indenture. Notwithstanding anything to the contrary in this Agreement, the Bond Insurer, if any, shall direct all remedies upon the occurrence of an Event of Default. The Issuer shall have no power to waive any event of default hereunder, except with respect to indemnification and its administrative payments, without the consent of the Bond Insurer, if any, to such waiver.

Section 9.5 Agreement to Pay Attorneys' Fees and Expenses. In any Event of Default, if the Issuer, the Bond Insurer, if any, and/or the Trustee employs attorneys or incurs other expenses for the collection of amounts payable hereunder or the enforcement of the performance or observance of any covenants or agreements on the part of the Corporation herein contained, whether or not such suit is commenced, the Corporation agrees that it will on demand therefor pay to the Issuer, the Bond Insurer, if any, and/or the Trustee the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Issuer, the Bond Insurer, if any, and/or the Trustee.

Section 9.6 Issuer and Corporation to Give Notice of Default. The Issuer and the Corporation severally covenant that they will, at the expense of the Corporation, promptly give to the Trustee and the Bond Insurer, if any, written notice of any Event of Default under this Agreement of which they shall have actual knowledge or written notice, but the Issuer shall not be liable (except as provided in Section 6.1(d) hereof) for failing to give such notice.

Section 9.7 Correlative Waivers. If an Event of Default under Section 8.2 of the Indenture shall be cured or waived and any remedial action by the Trustee rescinded, any correlative Default under this Agreement shall be deemed to have been cured or waived.

ARTICLE 10 MISCELLANEOUS

Section 10.1 References to the Bonds Ineffective After Bonds Paid. Upon payment of the Bonds, in accordance with the provisions of the Indenture, except in the case of payment by the Bond Insurer, if any, as provided in Section 12.1 of the Indenture, all references in this

Agreement to the Bondholders shall be ineffective and the Issuer and any holder of the Bonds shall not thereafter have any rights hereunder, excepting those that shall have survived or theretofore vested.

Section 10.2 Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Funds and Accounts existing pursuant to the Indenture upon the expiration or sooner cancellation or termination of this Agreement, as provided herein, after payment in full of all Bonds then outstanding under the Indenture (or provisions for payment thereof having been made in accordance with the provisions of the Indenture), and the fees, charges and expenses of the Issuer, the Bond Insurer, if any, and the Trustee and all other amounts required to be paid hereunder and under the Indenture (other than amounts payable as arbitrage rebate pursuant to the Code), shall belong to and be paid to the Corporation.

Section 10.3 Notices.

(a) All notices, demands and requests to be given or made hereunder to or by the Issuer, the Bond Insurer, if any, the Trustee or the Corporation, or their designated successors, shall be in writing and shall be properly made if hand delivered or sent by United States mail, postage prepaid, and addressed as follows:

If to the Bond Insurer:

University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director

With copies at the
same time to:

Seale & Ross
200 North Cate Street
Hammond, Louisiana 70404
Attention: T. Jay Seale

If to the Issuer:

Louisiana Local Government Environmental Facilities and Community
Development Authority
8712 Jefferson Hwy, Suite A
Baton Rouge, Louisiana 70809 2233
Attention: Executive Director
Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department

(b) Notice hereunder shall be deemed effective on the date of its receipt by the addressee. The Corporation, the Issuer, the Bond Insurer, if any, and the Trustee may, by notice given hereunder, designate any further or different addresses, counsel or counsel addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 10.4 Binding Effect. This Agreement shall inure to the benefit and shall be binding upon the Issuer, the Corporation and their respective successors and assigns, subject to the limitation that any obligation of the Issuer created by or arising out of this Agreement shall not be a general debt of the Issuer, but shall be payable solely out of the proceeds derived from this Agreement and the sale of the Bonds under the Indenture.

Section 10.5 Performance on Legal Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption or purchase of any Bonds or the date fixed for the giving of notice or the taking of any action under this Indenture shall not be a Business Day, then payment of such interest, principal and purchase price, the giving of such notice or the taking of such action need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or purchase, and no interest on such payment shall accrue for the period after such date.

Section 10.6 Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument; provided, however, that upon the assignment and pledge to the Trustee provided for in Section 3.2 hereof, the Issuer shall deliver to the Trustee an executed counterpart of this Agreement which executed counterpart shall be deemed to be collateral of which the Trustee has taken possession and no other counterpart shall be deemed to be collateral for any other purpose.

Section 10.7 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 10.8 Severability. If any clause, provision or Section of this Agreement be held illegal or invalid by any court, the invalidity of such clause, provision or Section shall not affect any of the remaining clauses, provisions or Sections hereof and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision or Section had not been contained herein. In case any agreement or obligation contained in this Agreement be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Issuer or the Corporation, as the case may be, only to the extent permitted by law.

Section 10.9 Captions. The table of contents, captions or headings of the several articles and sections of this Agreement are for convenience only and shall not control, affect the meaning of or be taken as an interpretation of any provisions of this Agreement.

Section 10.10 Consents and Approvals. Whenever the consent or approval of the Issuer, the Corporation or the Trustee shall be required under the provisions of this Agreement, such consent or approval shall not be unreasonably withheld or delayed.

Section 10.11 Third Party Beneficiaries. It is specifically agreed between the parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to make the public or any member thereof, other than the Trustee and the Bond Insurer, if any, and except as expressly provided herein or as contemplated in the Indenture, a

third party beneficiary hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement. The duties, obligations and responsibilities, if any, of the parties to this Agreement with respect to third parties shall remain as imposed by law. The Bond Insurer, if any, is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any right, remedy or claim conferred, given or granted hereunder.

Section 10.12 Exculpatory Provision:

(a) In the exercise of the powers of the Issuer, the Trustee and their respective trustees, directors, current, former and future members, officers, employees and agents (each, an "Indemnified Party") under this Agreement, each Indemnified Party shall not be accountable or liable to the Corporation (i) for any actions taken or omitted by such Indemnified Party in good faith and believed by it or them to be authorized or within their discretion or rights or powers conferred upon them (other than the negligence or willful misconduct of such Indemnified Party), or (ii) for any claims based on this Agreement against any such Indemnified Party, all such liability, if any, being expressly waived by the Corporation by the execution of this Agreement. The Corporation shall indemnify and hold harmless each Indemnified Party against any claim or liability based on the foregoing asserted by any other person.

(b) In case any action shall be brought against an Indemnified Party in respect of which indemnity may be sought against the Corporation, such Indemnified Party shall promptly notify the Corporation in writing and the Corporation shall assume the defense thereof, including the employment of counsel of the Corporation's choice and the payment of all expenses. Such Indemnified Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnified Party unless the employment of such counsel has been authorized by the Corporation. The Corporation shall not be liable for any settlement of any such action without its consent but if any such action is settled with the consent of the Corporation or if there be final judgment for the plaintiff of any such action, the Corporation agrees to indemnify and hold harmless such Indemnified Party from and against any loss or liability by reason of such settlement or judgment.

(c) No recourse shall be had for the payment of the principal of or interest on any of the Bonds or for any claim based thereon or upon any obligations, covenant or agreement contained in this Agreement against any past, present or future officer, director, member, employee or agent of the Issuer, or of any successor public corporation, as such, either directly or through the Issuer or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees, or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Agreement and the issuance of such Bonds.

Section 10.13 Accounts and Audits. The Issuer shall cause the Trustee to keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Bonds. The Issuer shall have

access to the Corporation's books and records with respect to the Facilities upon written request after reasonable notice.

Section 10.14 Date of Loan Agreement. The dating of this Agreement as of May 1, 2010 is intended as and for the convenient identification of this Agreement and is not intended to indicate that this Agreement was executed and delivered on said date, this Agreement being executed on the dates of the respective acknowledgments hereto attached.

Section 10.15 Reliance. It is expressly understood and agreed by the parties to this Agreement that:

(a) the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee, any Bondholder or the Corporation as to the existence of a fact or state of affairs required under this Agreement to be noticed by the Issuer;

(b) the Issuer shall not be under any obligation to perform any recordkeeping or to provide any legal service, it being understood that such services shall be performed or caused to be performed by the Trustee or the Corporation; and

(c) none of the provisions of this Agreement or the Mortgage shall require the Issuer to expend or risk its own funds (apart from the proceeds of Bonds issued under the Indenture) or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights under this Agreement or the Mortgage unless it first shall have been adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred by taking any such action.

Section 10.16 Issuer Not Liable. Notwithstanding any other provision of this Agreement, the Indenture, the Mortgage, the Continuing Disclosure Certificate, the Bond Purchase Agreement or the Tax Regulatory Agreement, (a) the Issuer shall not be required to take action under this Agreement, the Indenture, the Mortgage, the Continuing Disclosure Certificate, the Bond Purchase Agreement or the Tax Regulatory Agreement unless the Issuer (i) is requested in writing by an appropriate person to take such action; and (ii) is assured of payment of or reimbursement for any expense incurred in taking such action, and (b) except with respect to any action for specific performance or any action in the nature of a prohibitory or mandatory injunction, neither the Issuer nor any official, officer, member, director, agent, employee or servant of the Issuer shall be liable to the Corporation, the Trustee or any other person for any action taken by the Issuer or by its officials, officers, members, directors, agents, employees, or servants, or for any failure to take action under this Agreement, the Indenture, the Mortgage, the Continuing Disclosure Certificate, the Bond Purchase Agreement, or the Tax Regulatory Agreement. In acting or in refraining from acting under this Agreement, the Indenture, the Mortgage, the Continuing Disclosure Certificate, the Bond Purchase Agreement or the Tax Regulatory Agreement, the Issuer may conclusively rely on the advice of its counsel.

Section 10.17 No Violations of Law. Any other term or provision in this Agreement to the contrary notwithstanding:

(a) In no event shall this Agreement be construed as:

(i) depriving the Issuer of any right or privilege; or

(ii) requiring the Issuer or any member, agent, employee, representative or advisor of the Issuer to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else;

which deprivation or requirement would violate, or result in the Issuer's being in violation of the Act or any other applicable state or federal law; and

(b) At no time and in no event will the Corporation permit, suffer or allow any of the proceeds of the Agreement or the Bonds to be transferred to any Person in violation of, or to be used in any manner that is prohibited by, the Act or any other state or federal law.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Authority has caused this Indenture to be executed by its Chairman and has caused the seal of the Authority to be affixed hereto and attested by its Secretary and the Trustee has caused this Indenture to be executed in its behalf by a Trust Officer and its seal to be impressed hereon, all as of the day and year above written.

LOUISIANA LOCAL GOVERNMENT,
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

By: _____
Julian E. Dufreche, Chairman

ATTEST:

SEAL

By: _____
Steve A. Dicharry, Executive Director

UNIVERSITY FACILITIES, INC.

By: _____
Phil K. Livingston, Chairperson

EXHIBIT A

DESCRIPTION OF FACILITIES

DESCRIPTION OF THE SERIES 2010A FACILITIES

This facility will contain some of the most important academic and non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. It will be the central core for the campus. The two major components in the 2010A Series will include the Student Union and the Center for Student Excellence. The square footage for this series of space will total approximately 121,430 square feet.

The Student Union will include a large event space and ballroom. It will also consist of a series of student support spaces such as conference and meeting rooms, student organization space, a theater, as well as other activity and lounge spaces. Several administrative offices will also be located in the Union including offices in Student Affairs and Auxiliary Services. Finally, it will be home to the Center for Student Excellence which provides programming and resources to students to enhance and in support of academic achievement, personal development and professional growth.

DESCRIPTION OF THE SERIES 2010B FACILITIES

This facility will contain some of the most important non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. The two major components in the 2010B Series will include Food Service and the Retail Bookstore totaling approximately 57,245 square feet.

The Food Service area will include a new residential and commuter dining facility as well as a food court and other smaller grab and go locations. The facility will include adequate support space such as seating, kitchens and production space. The Retail Bookstore will house retail textbooks, university paraphernalia, convenience items, reading areas and possibly a food and/or beverage concept. In addition to these two major components, approximately 3,600 square feet of space will be committed to other retail components providing additional services to our campus community.

EXHIBIT B

PERMITTED ENCUMBRANCES

Food Service:

ARARMARK Educational Services, LLC
ARAMARK Tower
1101 Market Street
Philadelphia, PA 19107
Term Agreement: July 1, 2008 – June 30, 2023

Retail Bookstore:

Texas Book Company
8501 Technology Circle Drive
Greenville, Texas 75402
Term of Agreement: February 10, 2009 – February 9, 2020

Copy Center:

Xerox Corporation
3850 North Causeway
Suite 1860
Metairie, LA 70002

Term of Agreement: December 15, 1998 until such date the University issues a thirty (30) calendar days notice of the final end date.

NOTE: The contract is currently pending completion of request for proposals process.

REPLACEMENT OR NEW CONTRACTS:

Contracts entered into in place of the above listed contracts are considered Permitted Encumbrances.

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APPENDIX C-3

GROUND AND BUILDINGS LEASE AGREEMENT

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GROUND AND BUILDINGS LEASE AGREEMENT

by and between
Board of Supervisors for the University of Louisiana System,
on behalf of Southeastern Louisiana University
(as Lessor)
and
University Facilities, Inc.
(as Lessee)

Dated as of January 1, 2010
in connection with
the anticipated issuance of:

Louisiana Local Government Environmental Facilities and
Community Development Authority
Revenue Bonds (Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010A
Louisiana Local Government Environmental Facilities and
Community Development Authority
Revenue Bonds (Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010B

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GROUND AND BUILDINGS LEASE AGREEMENT

This GROUND AND BUILDINGS LEASE AGREEMENT (together with any amendment hereto or supplement hereto, the "Ground Lease") dated as of January 1, 2010 is entered into by and between the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM (the "Board"), a public constitutional corporation organized and existing under the laws of the State of Louisiana, acting herein on behalf of Southeastern Louisiana University (the "University"), which Board is represented herein by its duly authorized officer, and UNIVERSITY FACILITIES, INC., a Louisiana, nonprofit corporation represented herein its duly authorized officer, (the "Corporation").

WITNESSETH

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State of Louisiana and the University is a university under its management pursuant to Louisiana Revised Statutes 17:3217;

WHEREAS, the Corporation is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201, et seq.), whose purpose is to support and benefit the educational, scientific, research and public service missions of the University;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3366, the Board is authorized to lease to a private entity, such as the Corporation, any portion of the campus of the University (the "Campus") provided the Corporation is thereby obligated to construct improvements for furthering the educational, scientific, research or public service functions of the Board;

WHEREAS, in order to further these functions of the Board, by development and construction of a Student Union, Center for Student Excellence, food services areas, a bookstore and related facilities for students, faculty, staff and the general public on the Campus (the "Facilities" as further defined herein), the Board deems it advisable that a portion of the Campus be leased to the Corporation for the purpose of demolishing certain existing facilities and renovating, developing and constructing such Facilities and leasing such Facilities back to the Board; and

WHEREAS, the Board and the Corporation have agreed to enter into this Ground Lease whereby the Board will lease certain tracts of land and the improvements thereon owned by the Board and located on the Campus to the Corporation; and

WHEREAS, the Board and the Corporation have agreed that the Corporation shall demolish certain existing facilities and renovate, develop and construct the Facilities on the land leased hereunder which Facilities will be owned by the Board as constructed and leased to the Corporation pursuant to this Ground Lease; and

WHEREAS, the Corporation shall lease the Facilities back to the Board pursuant to a lease of even date herewith (the "Facilities Lease") for use by the general public and by

students, faculty and staff of the University and such other persons as set forth in the Facilities Lease;

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

ARTICLE I LEASE OF PROPERTY - TERMS OF GROUND LEASE

Section 1.1 Lease of Land. The Board does hereby let, demise, and rent unto the Corporation, and the Corporation does hereby rent and lease from the Board, the real property (the "Land") more particularly described on Exhibit A attached hereto, together with all existing and future improvements, alterations, additions and attached fixtures located or to be located on the Land (the "Facilities") and the right of uninterrupted access to and from all streets and roads now or hereafter adjoining the Land for vehicular and pedestrian ingress and egress. Notwithstanding Article VIII of the Loan Agreement, the Board shall have the right to release from this Ground Lease, after demolition has been completed, any portion of the Land upon which existing facilities were demolished, if no portion of the Facilities is thereafter constructed thereon. The Corporation, by execution of this Ground Lease, accepts the leasehold estate herein demised subject only to the matters described on Exhibit B attached hereto.

Section 1.2 Habendum. To have and to hold the Land and the Facilities, together with all and singular the rights, privileges, and appurtenances thereto attaching or in anywise belonging, exclusively unto the Corporation, its successors and assigns, for the term set forth in Section 1.3 below, subject to the covenants, agreements, terms, provisions, and limitations herein set forth.

Section 1.3 Term. Unless sooner terminated as herein provided, this Ground Lease shall continue and remain in full force and effect for a term commencing on the effective date hereof and ending on the Expiration Date which shall be the earlier of (i) January 1, 2050, or (ii) the date on which any of the following events occur: (a) repayment of the Series 2010 Bonds in full, including principal, premium, if any, interest and all Administrative Expenses with respect to the Series 2010 Bonds or the defeasance of the Series 2010 Bonds, all as set forth in the Indenture; or (b) the exercise by the Board of the Option to Purchase and the purchase of the Corporation's interest in the Facilities pursuant to the Option.

ARTICLE II DEFINITIONS

Section 2.1 Definitions. In addition to such other defined terms as may be set forth in this Ground Lease, the following terms shall have the following meanings:

"Additional Series 2010A Bonds" means bonds, if any, issued in one or more series on parity with the Series 2010A Bonds for completion of the Series 2010A Facilities.

"Additional Series 2010B Bonds" means bonds, if any, issued in one or more series on parity with the Series 2010B Bonds for the completion of the Series 2010B Facilities.

"Affiliate" means, with respect to a designated Person under this Ground Lease, any other Person that, directly or indirectly, controls is controlled by, or is under common control with such designated Person. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person.

"Agreement" means the Loan Agreement to be entered into between the Corporation and the Issuer in connection with the issuance of the Series 2010 Bonds, including any amendments and supplements thereof and thereto as permitted thereunder.

"Applicable Laws" means all present and future statutes, regulations, ordinances, resolutions and orders of any Governmental Authority which are applicable to the parties performing their obligations under this Ground Lease.

"Aramark" means Aramark Educational Services, LLC, a Delaware limited liability company having its principal place of business Philadelphia, Pennsylvania

"Award" means any payment or other compensation received or receivable as a consequence of a Taking from or on behalf of any Governmental Authority or any other Person vested with the power of eminent domain.

"Board" means Board of Supervisors for the University of Louisiana System or its legal successor as the management board of the University, acting on behalf of the University.

"Board Representative" means the Person or Persons designated by the Board in writing to serve as the Board's representative(s) in exercising the Board's rights and performing the Board's obligations under this Ground Lease; the Board Representative shall be the Chairman, Vice Chairman, Secretary of the Board, the System President, a designee of any of the foregoing or any other representative designated by resolution of the Board, of whom the Corporation has been notified in writing.

"Board's Interest" means the Board's ownership interest in and to the Land and the Facilities.

"Bond Documents" shall have the meaning set forth in Section 3.12 of the Indenture.

"Bond Insurer", if any, means Assured Guaranty Corporation.

"Bookstore" means the locations described as such on Exhibit D-2 to this Ground Lease and any improvements thereon or placed thereon during the Term of this Ground Lease.

"Building Use Fee" means one-half of the building use fee being assessed by the University on all students for the renovation, construction and development of on-campus facilities.

"Business Day" means any day other than (i) a Saturday, (ii) a Sunday, (iii) any other day on which banking institutions in New York, New York, or Baton Rouge, Louisiana, are

authorized or required not to be open for the transaction of regular banking business, or (iv) a day on which the New York Stock Exchange is closed.

"Campus" means the campus of the University.

"Capital Funds" means payments to the University, or to the Board on behalf of the University, for capital improvements and made in connection with the operation and/or management of the Food Service Areas whether pursuant to the Food Service Contract, the Facilities Lease or other lease, management agreement or operating agreement.

"Casualty" has the meaning set forth in Section 12.4 of this Ground Lease.

"Commencement of Construction" means the date on which demolition, excavation or foundation work is begun for the Facilities

"Commencement Date" means the effective date of this Ground Lease.

"Construction Team" shall mean all construction professionals performing services under the Contract.

"Contract" shall mean that contract or those certain contracts between the Corporation and the Design Team and the Corporation and the Construction Team for the design and construction of the Facilities.

"Corporation" means University Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payment or provision for the payment of all of the Series 2010 Bonds.

"Date of Opening" means the date the demolition is complete and the Facilities are opened for occupancy or use.

"Design Team" shall mean all design professionals performing services under the Contract.

"Event of Default" means any matter identified as an event of default under Section 11.1 hereof.

"Expiration Date" means the expiration date of this Ground Lease as set forth in Section 1.3 hereof.

"Expropriation" has the meaning set forth in Section 12.5 of this Ground Lease.

"Facilities" means, collectively, the Series 2010A Facilities and the Series 2010B Facilities.

"Facilities Lease" means that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010 by and between the Board, as Lessee, and the Corporation, as Lessor, whereby the Facilities are leased by the Corporation to the Board, on behalf of the University.

"Food Service Areas" means the locations described as such on Exhibit D-2 to this Ground Lease and any improvements thereon or placed thereon during the Term of this Ground Lease.

"Food Service Contract" means that certain Agreement dated July 1, 2008 by and between the Board and Aramark, as amended, modified, extended or replaced; provided the University will make its best efforts to require an annual payment of at least \$990,000 for capital improvements to the Food Service Areas in any such amended, modified, extended or replaced contract.

"Force Majeure" means any (a) act of God, landslide, lightning, earthquake, hurricane, tornado, blizzard and other adverse and inclement weather, fire, explosion, flood, act of a public enemy, act of terrorism, war, blockade, insurrection, riot, or civil disturbance; (b) labor dispute, strike, work slowdown, or work stoppage; (c) order or judgment of any Governmental Authority, if not the result of willful or negligent action of the Corporation; (d) adoption of or change in any Applicable Laws after the date of execution of this Ground Lease having a material adverse effect on the rights or duties under this Ground Lease; (e) any actions by the Board which may cause delay, or (f) any other similar cause or similar event beyond the reasonable control of the Corporation.

"FP&C" means the Office of Facility Planning and Control of the Division of Administration, State of Louisiana.

"Governmental Authority" means any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, parish, district, municipality, city or otherwise) whether now or hereafter in existence.

"Health Center Bond Fee" means the health center bond fee being assessed by the University on all students for the use and availability of on-campus health center facilities.

"Independent Architect" means the architect, engineer, or consultant selected and retained by the Board to inspect the Facilities on behalf of the Board.

"Issuer" means the Louisiana Local Government Environmental Facilities and Community Development Authority, a political subdivision of the State of Louisiana created by the provisions of the Act (as defined in the Indenture), or any agency, board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Issuer by said provisions shall be given by law.

"Land" means the real property more particularly described on Exhibit A attached hereto upon which certain existing facilities are to be demolished and upon which the Facilities are to be renovated, constructed and located.

"Mortgage" shall have the meaning set forth in the Agreement.

"Permitted Sublessees" means persons other than University students, faculty and staff who are participants in any activities related to the mission of the University or who are using the Facilities pursuant to a concession or other arrangement with the University.

"Permitted Use" means the operation of the Facilities as a Student Union, a Center for Student Excellence, food services and a bookstore for University students, faculty, staff, the general public and Permitted Sublessees and for purposes related to or associated with the foregoing.

"Person" means an individual, a trust, an estate, a Governmental Authority, partnership, joint venture, corporation, company, firm or any other entity whatsoever.

"Plans and Specifications" means the plans and specifications for the construction of the Facilities, as implemented and detailed from time to time, as the same may be revised from time to time prior to the completion of the Facilities in accordance with the Agreement and this Ground Lease.

"Rent" means the annual rent paid by the Corporation as set forth in Section 3.1 hereof.

"Series 2010A Facilities" means the Student Union, the Center for Student Excellence and related facilities described in Exhibit D-1 attached hereto, as amended and supplemented in accordance with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2010A Bonds and any Additional Series 2010A Bonds.

"Series 2010B Facilities" means the Food Service Areas, the Bookstore and related facilities described in Exhibit D-2 attached hereto, as amended and supplemented in accordance with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2010B Bonds and any Additional Series 2010B Bonds.

"Student Fees" means, collectively, (a) the Building Use Fee, (b) the Health Center Bond Fee, (c) the Student Union Bond Fee and (d) the Student Union Expansion Fee.

"Student Union Bond Fee" means the student union bond fee being assessed by the University on all students for the use and availability of the Student Union.

"Student Union Expansion Fee" means the student union fee being assessed by the University on all students for the planning, development, construction and equipping of the Student Union.

"Taking" means the actual or constructive condemnation, or the actual or constructive acquisition by condemnation, eminent domain or similar proceeding by or at the direction of any Governmental Authority or other Person with the power of eminent domain.

"Term" means the term of this lease as set forth in Section 1.3 hereof.

"Trustee" shall have the meaning set forth in the Facilities Lease.

"University" means Southeastern Louisiana University in Hammond, Louisiana.

ARTICLE III RENT

Section 3.1 Rent. Commencing on the Commencement Date and continuing throughout the Term the Corporation shall pay to the Board, at the address set forth in Section 18.2 hereof or such other place as the Board may designate from time to time in writing, as annual rent for the Land ("Rent"), the sum of \$1.00 per year. Rent shall be due and payable annually in advance, with the first such payment of Rent being due on the Commencement Date and a like installment due on each anniversary thereafter during the Term.

Section 3.2 Additional Obligations. As further consideration for the entering into of this Ground Lease by the Board, the Corporation agrees to perform its construction obligations as set forth in Article V herein, and to execute and perform its obligations under the Facilities Lease and all other documents contemplated by and ancillary to this Ground Lease and the Facilities Lease. In addition, the Corporation agrees to pay the costs of demolishing, developing and/or constructing the Facilities pursuant to the terms of this Ground Lease and the Facilities Lease, title to which shall vest in the Board.

ARTICLE IV USE OF LAND

Section 4.1 Purpose of Lease. The Corporation enters into this Ground Lease for the purpose of demolishing certain existing facilities and renovating, developing and constructing the Facilities in accordance with the Plans and Specifications and leasing the Facilities to the Board in accordance with the Facilities Lease. Except as otherwise provided herein, the Facilities are to be used for no other purpose.

Section 4.2 Benefit of the Board and the University. The Board shall own the Facilities subject to the Corporation's rights under this Ground Lease and, for so long as the Facilities Lease remains in full force and effect, the Board shall lease back the Facilities from the Corporation for the support, maintenance and benefit of the Board and the University. The Facilities shall be owned and leased solely for a public purpose related to the performance of the duties and functions of the Board and the University. Under no circumstances shall the Facilities be used for any purpose other than the Permitted Use.

Section 4.3 Data and Voice Communication Systems. The Board, at its expense, agrees to provide to the Facilities appropriate cabling to tie its computer system into the Facilities. The Board shall provide the Facilities access to its computer system at no charge to the Corporation. The internal installation of such computer wiring within the Facilities in accordance with the Plans and Specifications shall be at the expense of the Corporation.

Section 4.4 Compliance with Statutory Requirements. Section 3361, et. seq. of Title 17 of the Louisiana Revised Statutes prescribes rules and regulations for leases of any portion of the campus by a college or university. By execution of this Ground Lease, the Board represents that it has complied with applicable statutory requirements of such Title 17 including, without limitation:

(a) the waiver by written consent of the formulation and adoption of rules, regulations and requirements, if any, relative to the erection, construction and maintenance of the Facilities referenced in Section 3362(A) of Title 17 of the Louisiana Revised Statutes, other than those set forth in this Ground Lease or specifically referenced in this Ground Lease;

(b) the waiver by written consent of the Board's right to require removal of the Facilities referenced in Section 3362(B) of Title 17 of the Louisiana Revised Statutes, except as set forth in this Ground Lease; and

(c) the waiver by written consent of the Board's right to cause the immediate termination of this Ground Lease and the removal of the houses and structures erected on the leased grounds based upon the failure of the Corporation to conform to any rules or regulations adopted by the Board pursuant to La. R.S. 17:3364, which the Board deems necessary or desirable relative to the conduct and social activities of people in structures erected on the leased grounds, except as may be specified in this Ground Lease.

ARTICLE V CONSTRUCTION OF THE FACILITIES

Section 5.1 The Corporation's Construction Obligations. The Corporation will demolish certain existing facilities and renovate, develop and construct the Facilities on the Land at its own cost and expense. The Corporation shall lease the Facilities to the Board pursuant to the Facilities Lease. The Board shall not have any financial obligation or other obligation of any kind under this Ground Lease except to review and approve the Corporation's activities and as specifically set forth herein.

(a) The Corporation shall furnish or cause to be furnished all supervision, tools, implements, machinery, labor, materials and accessories such as are necessary and proper for the demolition of certain existing facilities and the construction of the Facilities, shall pay all applicable permit and license fees, and shall demolish certain existing facilities and construct, build, and complete the Facilities in a good, substantial and workmanlike manner all in accordance with this Ground Lease, and generally in compliance with the Plans and Specifications and all documents executed pursuant hereto and thereto. The Corporation and the Board agree to cooperate fully so that fee and permit exemptions available with respect to the Facilities under applicable law are obtained by the party or parties entitled thereto.

(b) Subject to the provisions of this Section 5.1, all decisions regarding construction matters shall be made by the Corporation in consultation with the Construction team and the Design Team, and with approval of FP&C. The Corporation shall select the designers and any Construction Contractor, the members of which shall comply with licensing requirements of Louisiana law. All construction, alterations, or additions to the Facilities undertaken by the Corporation shall be in conformance with all applicable laws, codes, rules and regulations, and amendments thereto, including 1988 Standard Building Code with 1989 and 1990 revisions, ANSIA 1117.1 1986 edition, and NFPA 101 Life Safety Code and all local and state building codes. The Corporation shall have the right to contest any such codes for reasonable grounds by ordinary and proper procedures. The parties hereto acknowledge that the Board Representative and any other party whose consent is necessary to the Board's authority

have previously reviewed and approved the Plans and Specifications and the Contract for the Facilities.

(c) Changes in work and materials are subject to review and approval of the Board Representative and FP&C; however minor changes in work or materials, not affecting the general character of the Facilities or increasing the cost of construction may be made in the Plans and Specifications at any time by the Corporation without the approval of the Board Representative and FP&C, but a copy of the altered Plans and Specifications shall promptly be furnished to the Board Representative and FP&C. The Corporation shall notify the Board Representative of any changes in work or materials that require the Board Representative's approval and the Board Representative shall either approve or disapprove any such changes within ten (10) business days after receipt of such notice from the Corporation. Notification shall include sufficient information for the Board Representative to make a determination and to approve or disapprove any changes in work or materials.

(d) After completion of the Facilities, at least sixty (60) days prior to undertaking any structural alteration, renovation, or remodeling of the Facilities during the Term, the Corporation shall submit plans for such renovation or remodeling to the Board Representative and FP&C for approval which approval must be obtained prior to the Corporation making or causing to be made any such structural alteration, renovation, or remodeling of the Facilities. The Board Representative shall either approve or disapprove any such alteration within thirty (30) days after receipt of such plans from the Corporation and approval by FP&C. All alterations, renovations or additions to the Facilities undertaken by the Corporation shall be in conformance with all applicable laws, codes, rules and regulations, and amendments thereto, including 1988 Standard Building Code with 1989 and 1990 revisions, ANSIA 1117.1 1986 edition, and NEPA 101 Life Safety Code and all local and state building codes. The Corporation shall have the right to contest any such codes for reasonable grounds by ordinary and proper procedures.

(e) Subject to Force Majeure, the Corporation covenants that the Corporation shall substantially complete construction of the Facilities, subject to punch list items. Notwithstanding anything to the contrary contained herein, a breach by the Corporation of the covenant set forth in this Section 5.1(E) shall not be an Event of Default hereunder. The Board shall be entitled to institute an action seeking specific performance of this covenant by the Corporation.

(f) Prior to the commencement of construction of the Facilities, the Corporation, the Construction Team and the Design Team shall meet with the Board Representative to coordinate construction activity under the Contract. Upon commencement of construction of the Facilities, the Corporation shall deliver to the Board Representative and FP&C, (1) a copy of the signed Contract for the construction of the Facilities, and (2) a copy of the labor and materials payment and performance bonds in an amount equal to the contract price set forth in the Contract for the Facilities issued by a company qualified, permitted or admitted to do business of the State of Louisiana and approved by the Board. The Corporation shall take the action specified by La. R.S. 9:4802(C) to be taken by an owner to protect the premises from any liens related to the design or construction of the Facilities.

(g) Prior to the Commencement of Construction of any phase of the Facilities, any architect whose services have been retained shall provide a standard errors and omissions policy, with such additional provisions as may be approved by counsel to the Corporation.

(h) Any performance bond, labor and material payment bond, or completion bond provided by a contractor hired by the Corporation shall be for 100% of the amount of the contract with such contractor, and shall contain a dual obligee rider in favor of the Board; subject, however, to the reasonable underwriting guidelines of the surety issuing the bond and rules of the Governmental Authorities regulating the surety.

(i) The Corporation shall, upon written request of the Board, make, in such detail as may reasonably be required, and forward to the Board Representative, reports in writing as to the actual progress of the construction of the Facilities. During such period, the construction work shall be subject to inspection by the Independent Architect and by authorized personnel of the Board and FP&C in order to verify reports of construction, determine compliance with safety, fire, and building codes, determine compliance with approved construction plans, or such other inspections as may be necessary in the reasonable opinion of the Board Representative and FP&C.

(j) The Corporation shall inspect the Land and arrange for boundary surveys, topographical surveys, soil borings and other site investigations at its expense to the extent these things have not been done by the Board. The Board does not guarantee that the Land is suitable for construction of the Facilities. Subject to the matters shown on Exhibit B attached to this Ground Lease, the Corporation accepts the Land in its present condition. However, the Board represents that to the best of its knowledge and belief there are no hazardous materials or other materials on or under the Land that would materially impact the construction of the Facilities.

(k) Except as provided in Section 4.3 hereof, part of the cost of construction of the Facilities shall include all costs necessary for the contractor or applicable utility company to bring lines for all such utilities to the Facilities so that such utilities will be available when required for construction and operation of the Facilities.

ARTICLE VI ENCUMBRANCES

Section 6.1 Mortgage of Leasehold or the Facilities. Except for the Mortgage, the Corporation shall not mortgage, lien or grant a security interest in the Corporation's leasehold interest in the Land or the Facilities or any other right of the Corporation hereunder without the prior written consent of the Board.

ARTICLE VII MAINTENANCE AND REPAIR

Section 7.1 Maintenance, Repairs and Renovations.

(a) For as long as the Facilities Lease is in effect, the University, at the direction of the Board, shall be responsible for maintaining and repairing the Facilities in accordance with Section 7 of the Facilities Lease.

(b) In the event that the Facilities Lease has been terminated, the Corporation will: (1) maintain or cause to be maintained the Facilities, and will keep the Facilities in good repair and in good operating condition and make from time to time all necessary repairs thereto and renewals and replacements thereof; and (2) make from time to time any additions, modifications or improvements to the Facilities the Corporation may deem desirable for its business purposes that do not materially impair the effective use of the Facilities, provided that all such additions, modifications and improvements will become a part of the Facilities.

ARTICLE VIII CERTAIN LIENS PROHIBITED

Section 8.1 No. Mechanics' Liens. Except as permitted in Section 8.2 hereof, the Corporation shall not suffer or permit any mechanics' liens or other liens to be enforced against the Board's ownership interest in the Land or the Facilities nor against the Corporation's leasehold interest in the Land or the Facilities by reason of a failure to pay for any work, labor, services, or materials supplied or claimed to have been supplied to the Corporation or to anyone holding the Land or Facilities or any part thereof through or under the Corporation.

Section 8.2 Release of Recorded Liens. If any such mechanics' liens or materialmen's liens shall be recorded against the Land or Facilities, the Corporation shall cause the same to be released of record or, in the alternative, if the Corporation in good faith desires to contest the same, the Corporation shall be privileged to do so, but in such case the Corporation hereby agrees to indemnify and save the Board harmless from all liability for damages occasioned thereby and shall in the event of a judgment of foreclosure on said mechanics' liens, cause the same to be discharged and released prior to the execution of such judgment. In the event the Board reasonably should consider the Board's interest in the Land or the Facilities endangered by any such liens and should so notify the Corporation and the Corporation should fail to provide adequate security for the payment of such liens, in the form of a surety bond, cash deposit or cash equivalent, or indemnity agreement reasonably satisfactory to the Board within thirty (30) days after such notice, then the Board, at the Board's sole discretion, may discharge such liens and recover from the Corporation immediately as additional Rent under this Ground Lease the amounts paid, with interest thereon from the date paid by the Board until repaid by the Corporation at the rate of ten percent (10%) per annum.

Section 8.3 Memorandum of Recitals. The memorandum of lease to be filed pursuant to Section 18.4 of this Ground Lease shall state that any third party entering into a contract with the Corporation for improvements to be located on the Land, or any other party claiming under said third party, shall be on notice that neither the Board nor the Board's property shall have any liability for satisfaction of any claims of any nature in any way arising out of a contract with the Corporation.

ARTICLE IX OPERATION AND MANAGEMENT OF FACILITIES

Section 9.1 Management of Facilities. For as long as the Facilities Lease is in effect, the University, at the direction of the Board, shall operate and manage the Facilities or cause the Facilities to be operated and managed in accordance with the Section 7 of the Facilities Lease. In the event the Food Service Contract is terminated, the Corporation or the Board shall immediately begin providing operations and management services for the Food Service Areas until such time as a new contract to provide operations and management services for the Food Service Areas can be executed. The University covenants and agrees to use their best efforts to enter into a new contract to provide operations and management services for the Food Service Areas that contains an annual Capital Funds payment of at least \$990,000.

In the event the Facilities Lease is terminated, the Corporation will be responsible for the operations and management of the Facilities and the Board will no longer have the right to operate or manage the Facilities.

Section 9.2 Books and Records. The Corporation shall keep, or cause to be kept, accurate, full and complete books, including bank statements, and accounts showing exclusively its assets and liabilities, operations, transactions and the financial condition of the Corporation.

Section 9.3 Audits. The Board may, at its option and at its own expense, and during customary business hours, conduct audits of the books, bank accounts, records and accounts of the Corporation. Audits may be made on either a continuous or a periodic basis or both, and may be conducted by employees of the Board, by the Louisiana Legislative Auditor or by independent auditors retained by the Board desiring to conduct such audit, but any and all such audits shall be conducted without materially or unreasonably or unnecessarily interrupting or interfering with the normal conduct of business affairs by the Corporation.

ARTICLE X INDEMNIFICATION

Section 10.1 Indemnification by the Corporation. Excluding those as a result of the acts or omissions of the Board, its employees, agents or contractors, the Corporation shall and will indemnify and save harmless the Board, its agents, officers, and employees, from and against any and all liability, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions, and causes of action of any and every kind and nature arising or growing out of or in any way connected with the Corporation's demolition, renovation, development or construction of the Facilities. This obligation to indemnify shall include reasonable fees of legal counsel and third-party investigation costs and all other reasonable costs, expenses, and liabilities from the first notice that any claim or demand has been made; however, the Corporation and the Board shall use the same counsel if such counsel is approved by the Board, which approval shall not be unreasonably withheld or delayed. If the Board does not approve such counsel then the Board may retain independent counsel at the Board's sole cost and expense. It is expressly understood and agreed that the Corporation is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions and that the Board shall in no way be responsible therefor.

Section 10.2 Contributory Acts. Whenever in this Ground Lease any party is obligated to pay an amount or perform an act because of its negligence or misconduct (or that of its agents, employees, contractors, guests, or invitees), such obligations shall be mitigated to the extent of any comparative fault or misconduct of the other party (or that of its agents, employees, contractors, guests, or invitees) as determined by a court of law, and in any disputes damages shall be apportioned based on the relative amounts of such negligence or willful misconduct as determined by a court of law.

ARTICLE XI TERMINATION, DEFAULT AND REMEDIES

Section 11.1. Events Of Default. Any one of the following events shall be deemed to be an "Event of Default" by the Corporation under this Ground Lease.

(A) The Corporation shall fail to pay any sum required to be paid to the Board under the terms and provisions of this Ground Lease and such failure shall not be cured within thirty (30) days after the Corporation's receipt of written notice from the Board of such failure.

(B) The taking by execution of the Corporation's leasehold estate (other than a foreclosure of the Mortgage) for the benefit of any Person.

(C) The Corporation shall fail to perform any other covenant or agreement, other than the payment of money, to be performed by the Corporation under the terms and provisions of this Ground Lease, other than the covenant set forth in Section 5.1(c) hereof, and such failure shall not be cured within ninety (90) days after receipt of written notice from the Board of such failure; provided that if during such ninety (90) day period, the Corporation takes action to cure such failure but is unable, by reason of the nature of the work involved, to cure such failure within such period and continues such work thereafter diligently and without unnecessary delays, such failure shall not constitute an Event of Default hereunder until the expiration of a period of time after such ninety (90) day period as may be reasonably necessary to cure such failure.

(D) A court of competent jurisdiction shall enter an order for relief in any involuntary case commenced against the Corporation, 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 over the Facilities appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for the Corporation or any substantial part of the properties of the Corporation or ordering the winding up or liquidation of the affairs of the Corporation, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days.

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

(F) The Corporation, after Commencement of Construction but prior to substantially completing construction of the Facilities, abandons (with no intent to continue) demolition, renovation or construction for a period of forty-five (45) consecutive days.

Section 11.2 The Board's Rights Upon Default. Upon the occurrence and during the continuance of an Event of Default, the Board may at its option seek any and all damages occasioned by the Event of Default or may seek any other remedies available at law or in equity, including specific performance.

Section 11.3 Termination of Right of Occupancy. Notwithstanding any provision of law or of this Ground Lease to the contrary, except as set forth in Section 1.3 hereof, the Board shall not have the right to terminate this lease prior to the Expiration Date hereof. However, in the event there is an Event of Default by the Corporation hereunder, the Board shall have the right to terminate the Corporation's right to occupancy of the Land and the Facilities, except that the Facilities, at the option of the Board, shall remain thereon. The Board shall have the right upon ninety (90) days' written notice and opportunity to cure provided to the Bond Insurer, if any, and the Trustee, to take possession of the Land and the Facilities and to re-let the Land and the Facilities or take possession in its own right for the remaining Term of the Ground Lease upon such terms and conditions as the Board is able to obtain. Upon such re-letting, the Corporation hereby agrees to release its leasehold interest and all of its rights under this Ground Lease and the Facilities Lease to the new lessee of the Land (or to the Board, if the Board wishes applicable) agreeing to assume all of the Corporation's obligations under the Ground Lease, the Facilities Lease and under any debt incurred by the Corporation in connection with the construction of the Facilities.

Section 11.4 Rights of The Board Cumulative. All rights and remedies of the Board provided for and permitted in this Ground Lease shall be construed and held to be cumulative, and no single right or remedy shall be exclusive of any other which is consistent with the former. The Board shall have the right to pursue any or all of the rights or remedies set forth herein, as well as any other consistent remedy or relief which may be available at law or in equity, but which is not set forth herein.

ARTICLE XII TITLE TO THE FACILITIES

Section 12.1 Title to Facilities. Title to the existing Facilities and any new Facilities as they are constructed or placed in service upon completion thereof shall be vested in the Board. The Board's right to obtain title to the Facilities unencumbered by the leasehold interest of the Corporation granted hereunder shall be as set forth in the Facilities Lease. All furniture, fixtures, equipment and furnishings permanently affixed to the Facilities shall be the property of the Board upon termination of this Ground Lease whether such termination be by expiration of the Term or an earlier termination under any provision of this Ground Lease.

Section 12.2 The Board's Option to Require Demolition. Upon the Expiration Date of the Term or earlier termination hereof, in the event the Facilities are no longer suitable for the Board's purposes, the Board in its sole discretion may require the Corporation to demolish the

Facilities and remove the Facilities from the Land, and restore the Land to substantially the same condition as it existed on the date of this Ground Lease, to be accomplished within one hundred eighty (180) days of such Expiration Date or earlier termination hereof. However, such demolition and removal of the Facilities shall be at the Board's sole cost and expense. In the event of such election upon the expiration of the Term, the Board shall notify the Corporation no later than six (6) months prior to the expiration of the Term. If this Ground Lease is terminated earlier, the Board shall notify the Corporation within thirty (30) days after the termination.

Section 12.3 Termination of Facilities Lease. Upon the termination of the Facilities Lease as a result of the Board's exercise of its option to purchase the Facilities granted under the Facilities Lease, all right and interest of the Corporation in and to this Ground Lease, the Facilities Lease and the Facilities shall be transferred to the Board, and the Corporation hereby agrees to execute any documents necessary to effectuate such transfer, or the Board may require the demolition of the Facilities as set forth in Section 12.2 above.

Section 12.4 Insurance Proceeds. Notwithstanding the fact that title to the Facilities is vested in the Board, if the Facilities Lease is no longer in force and effect, and all or any portion of the Facilities is damaged or destroyed by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion or otherwise (collectively "Casualty"), the proceeds of any insurance received on account of any such Casualty shall be disbursed in accordance with the provisions of the Bond Documents.

Section 12.5 Condemnation, Casualty and Other Damage. The risk of loss or decrease in the enjoyment and beneficial use of the Facilities due to any Casualty or in consequence of any foreclosures, attachments, levies or executions, or the taking of all or any portion of the Facilities by condemnation, expropriation, or eminent domain proceedings (collectively "Expropriation") is expressly assumed by the Board. The Corporation and the Trustee shall in no event be answerable, accountable or liable therefor, nor shall any of the foregoing events entitle the Board to any abatements, set-offs or counter claims with respect to its Base Rental, Additional Rental or any other obligation hereunder.

ARTICLE XIII CONDEMNATION

Section 13.1 Condemnation. If the Facilities Lease has been terminated, upon the permanent taking of all the Land and the Facilities, this Ground Lease shall terminate and expire as of the date of such taking, and both the Corporation and the Board shall thereupon be released from any liability thereafter accruing hereunder except for Rent and all other amounts secured by this Ground Lease owed to the Board apporportioned as of the date of the taking or the last date of occupancy, whichever is later. The Corporation shall receive notice of any proceedings relating to a taking and shall have the right to participate therein.

Section 13.2 Partial Condemnation if Facilities Lease is No Longer in Effect. Upon a temporary taking or a taking of less than all of the Land and the Facilities and if the Facilities Lease is no longer in effect, the Corporation, at its election, may terminate this Ground Lease by giving the Board notice of its election to terminate at least sixty (60) days prior to the date of such termination. Upon any such termination, the Rent accrued and unpaid hereunder shall be

apportioned to the date of termination. In the event there is a partial condemnation of the Land and the Corporation decides not to terminate this Ground Lease, the Board and the Corporation shall either amend this Ground Lease or enter into a new lease so as to cover an adjacent portion of property, if necessary to restore or replace any portion of the Land and/or Facilities.

Section 13.3 Partial or Total Condemnation if Facilities Lease is in Effect. If this Ground Lease is terminated under Section 13.1 or in the event of a taking of less than all of the Land and the Facilities while the Facilities Lease is in force and effect, and the Board decides to restore or replace the Facilities in accordance with the Facilities Lease, the Board and the Corporation agree to enter into a new lease (in form and substance substantially the same as this Ground Lease) of a portion of property necessary to place thereon the Facilities and to enter into a new Facilities Lease (in form and substance substantially the same as the Facilities Lease) covering such replacement Facilities.

Section 13.4 Payment of Awards - If Facilities Lease is in Effect. Upon the taking of all or any portion of the Land or the Facilities while the Facilities Lease remains in full force and effect (a) the proceeds of the Award allocable to the value of the Facilities shall be disbursed in accordance with the provisions of the Facilities Lease and the Bond Documents, and (b) the Board shall be entitled (free of any claim by the Corporation) to the Award for the value of the Board's interest (such value to be determined as if this Ground Lease were in effect and continuing to encumber the Board's interest); and (c) the Corporation shall be entitled to the Award for the value of the Corporation's interest in the Land under this Ground Lease that is the subject of the taking.

Section 13.5 Payment of Awards - If Facilities Lease is not in Effect. Upon the taking of all or any portion of the Land or the Facilities at any time after the Facilities Lease is no longer in force and effect, (a) the proceeds of the Award allocable to the value of the Facilities shall be disbursed in accordance with the provisions of the Bond Documents, or if the Bond Documents are no longer in effect shall be disbursed to the Corporation, (b) the Board shall be entitled (free of any claim of the Corporation) to the Award for the value of the Board's interest in the Land (such value to be determined as if this Ground Lease were in effect and continuing to encumber the Board's interest) and (c) the Corporation shall be entitled to the Award for the value of the Corporation's interest in the Land under this Ground Lease that is the subject of the taking.

Section 13.6 Bond Documents Control. Notwithstanding anything in this Ground Lease to the contrary, in the event of a Casualty or a taking of all or any portion of the Facilities, the provisions in the Bond Documents shall control the division, application and disbursement of any insurance proceeds or Award paid as a result thereof for so long as the Bond Documents remain in effect.

ARTICLE XIV ASSIGNMENT, SUBLETTING, AND TRANSFERS OF THE CORPORATION'S INTEREST

Section 14.1 Assignment of Leasehold Interest. Except as expressly provided for in Article VI and in this Article XIV of this Ground Lease, the Corporation shall not have the right

**ARTICLE XVI
TAXES AND LICENSES**

Section 16.1 Payment of Taxes. The Board shall pay, and, upon request by the Corporation, shall provide evidence of payment to the appropriate collecting authorities of, all federal, state and local taxes and fees, which are now or may hereafter be, levied upon the Corporation's interest in the Land or in the Facilities or upon any of the Corporation's property used in connection therewith or upon the Board or the Board's interest. The Board may pay any of the above items in installments if payment may be so made without penalty other than the payment of interest. The obligations of the Board to pay taxes and fees under this Section 16.1 shall apply only to the extent that the Board or the Corporation are not exempt from paying such taxes and fees and to the extent that such taxes and fees are not otherwise abated. The Board and the Corporation agree to cooperate fully with each other to the end that tax exemptions available with respect to the Land and the Facilities under applicable law are obtained by the party or parties entitled thereto.

Section 16.2 Contested Tax Payments. The Board shall not be required to pay, discharge or remove any such taxes or assessments so long as the Board is contesting the amount or validity thereof by appropriate proceeding which shall operate to prevent or stay the collection of the amount so contested. The Corporation shall cooperate with the Board in completing such contest and the Corporation shall have no right to pay the amount contested during the contest. The Corporation, at the Board's expense, shall join in any such proceeding if any law shall so require.

**ARTICLE XVII
FORCE MAJEURE**

Section 17.1 Discontinuance During Force Majeure. Whenever a period of time is herein prescribed for action to be taken by the Corporation, the Corporation shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to Force Majeure. The Board shall not be obligated to recognize any delay caused by Force Majeure unless the Corporation shall within ten (10) days after the Corporation is aware of the existence of an event of Force Majeure, notify the Board thereof.

**ARTICLE XVIII
MISCELLANEOUS**

Section 18.1 Nondiscrimination, Employment and Wages. Any discrimination by the Corporation or its agents or employees on account of race, color, sex, age, religion, national origin or handicap, in employment practices or in the performance of the terms, conditions, covenants and obligations of this Ground Lease, is prohibited.

Section 18.2 Notices. Notices or communications to the Board or the Corporation required or appropriate under this Ground Lease shall be in writing, sent by (a) personal delivery, or (b) expedited delivery service with proof of delivery, or (c) registered or certified United States mail, postage prepaid, or (d) prepaid telecopy if confirmed by expedited delivery service or by mail in the manner previously described, addressed as follows:

to sell or assign the leasehold estate created by this Ground Lease, or the other rights of the Corporation hereunder to any Person without the prior written consent of the Board.

Section 14.2 Subletting. Without the advance written consent of the Board, the Corporation is not authorized to sublet the leasehold estate to any entity other than the Board or permitted Sublessees; provided, however, that if the Facilities Lease terminates, the Corporation shall have the right to sublease the Facilities to University students, faculty and staff and Permitted Sublessees.

Section 14.3 Transfers of the Corporation's Interest. Except as otherwise expressly provided herein, any Person succeeding to the Corporation's interest as a consequence of any permitted conveyance, transfer or assignment shall succeed to all of the obligations of the Corporation hereunder and shall be subject to the terms and provisions of this Ground Lease.

**ARTICLE XV
COMPLIANCE CERTIFICATES**

Section 15.1 The Corporation's Compliance. The Corporation agrees, at any time and from time to time upon not less than thirty (30) days prior written notice by the Board, to execute, acknowledge and deliver to the Board or to such other party as the Board shall request, a statement in writing certifying (a) that this Ground Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), (b) to the best of its knowledge, whether or not there are then existing any offsets or defenses against the enforcement of any of the terms, covenants or conditions hereof upon the part of the Corporation to be performed (and if so specifying the same), (c) the dates to which the Rent and other charges have been paid, and (d) the dates of commencement and expiration of the Term, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective purchaser of the Board's interest or by any other Person.

Section 15.2 The Board's Compliance. The Board agrees, at any time and from time to time, upon not less than thirty (30) days prior written notice by the Corporation, to execute, acknowledge and deliver to the Corporation a statement in writing addressed to the Corporation or to such other party as the Corporation shall request, certifying (a) that this Ground Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications); (b) the dates to which the Rent and other charges have been paid; (c) to the best of its knowledge after due inquiry, whether an Event of Default has occurred and is continuing hereunder (and stating the nature of any such Event of Default); (d) during the construction period, the status of construction of the Facilities and the estimated date of completion thereof; and (e) the dates of commencement and expiration of the Term, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective (and permitted) assignee, sublessee or mortgagee of this Ground Lease or by any assignee or prospective assignee of any such permitted mortgage or by any undertenant or prospective undertenant of the whole or any part of the Facilities, or by any other Person.

If to the State:

(Post Office Address for U. S. Postal Service Delivery)
Angele Davis, Commissioner
Division of Administration
P. O. Box 94095
Baton Rouge, LA 70804-9095
Telephone: (225) 342-7000
Teletype: (225) 342-1057

(Street Address for Courier or Express Mail Delivery)
Angele Davis, Commissioner
Division of Administration
1201 North 3rd Street, Suite 7-230
Baton Rouge, LA 70802

If to the Board:

Board of Supervisors for the University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Assistant Vice President for Facilities and Capital Improvements

with copies to:

Southeastern Louisiana University
Western Avenue
Friendship Circle (SLU Box 10709)
Hammond, Louisiana 70402
Attention: Vice President for Administration and Finance

If to the Corporation:

University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director

with a copy to:

[RESERVED]

If to Bond Insurer:

[RESERVED]

If to the Trustee:

The Bank of New York Mellon Trust Company, N.A.
One American Place, Suite 1510
301 Main Street
Baton Rouge, LA 70825
Attention: Kathy L. Pine, Vice President

or to such other address or to the attention of such other person as hereafter shall be designated in writing by such party. Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of delivery service or mail, as of the date of deposit in the mail in the manner provided herein, or in the case of teletype, upon receipt.

Section 18.3 Relationship of Parties. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties hereto. It is understood and agreed that no provision contained herein nor any acts of the parties hereto creates a relationship other than the relationship of Lessor and Lessee hereunder.

Section 18.4 Memorandum of Lease. Neither the Board nor the Corporation shall file this Ground Lease for record in Tangipahoa Parish, Louisiana nor in any public place without the written consent of the other. In lieu thereof the Board and the Corporation agree to execute in recordable form a memorandum of this Ground Lease in the form of Exhibit C attached hereto. Such memorandum shall be filed for record in Tangipahoa Parish, Louisiana.

Section 18.5 Attorney's Fees. If either party is required to commence legal proceedings relating to this Ground Lease, the prevailing party shall be entitled to receive reimbursement for its reasonable attorney's fees and costs of suit.

Section 18.6 Louisiana Law to Apply. This Ground Lease shall be construed under and in accordance with the laws of the State of Louisiana, and all obligations of the parties created hereunder are performable in Tangipahoa Parish, Louisiana.

Section 18.7 Warranty of Peaceful Possession. The Board covenants that the Corporation, on paying the Rent and performing and observing all of the covenants and agreements herein contained and provided to be performed by the Corporation, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Land and the Facilities during the Term, subject to the Facilities Lease, and may exercise all of its rights hereunder; and the Board agrees to warrant and forever defend the Corporation's right to such occupancy, use, and enjoyment and the title to the Land against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof subject only to the provisions of this Ground Lease, the Facilities Lease, and the matters listed on Exhibit B attached hereto.

Section 18.8 Curative Matters. Except for the express representations and warranties of the Board set forth in this Ground Lease, any additional matters necessary or desirable to make the Land useable for the Corporation's purpose shall be undertaken, in the Corporation's

sole discretion, at no expense to the Board. The Corporation shall notify the Board in writing of all additional matters (not contemplated by the Plans and Specifications) undertaken by the Corporation to make the Land usable for the Corporation's purpose.

Section 18.9 Nonwaiver. No waiver by the Board or the Corporation of a breach of any of the covenants, conditions, or restrictions of this Ground Lease shall constitute a waiver of any subsequent or preceding breach of the same or any other of the covenants, conditions or restrictions of this Ground Lease. The failure of the Board or the Corporation to insist in any one or more cases upon the strict performance of any of the covenants of the Ground Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant or option. A receipt by the Board or acceptance of payment by the Board of Rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach. No waiver, change, modification or discharge by the Board or the Corporation of any provision of this Ground Lease shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged.

Section 18.10 Terminology. Unless the context of this Ground Lease clearly requires otherwise, (a) pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character, (b) the singular shall include the plural wherever and as often as may be appropriate, (c) the word "includes" or "including" shall mean "including without limitation", (d) the word "or" shall have the inclusive meaning represented by the phrase "and/or"; (e) the words "hereof," "herein," "hereunder," and similar terms in this Ground Lease shall refer to this Ground Lease as a whole and not to any particular section or article in which such words appear. The section, article and other headings in this Ground Lease and the Table of Contents to this Ground Lease are for reference purposes and shall not control or affect the construction of this Ground Lease or the interpretation hereof in any respect. Article, section, subsection and exhibit references are to this Ground Lease unless otherwise specified. All exhibits attached to this Ground Lease constitute a part of this Ground Lease and are incorporated herein. All references to a specific time of day in this Ground Lease shall be based upon prevailing Central Time.

Section 18.11 Counterparts. This agreement may be executed in multiple counterparts, each of which shall be declared an original.

Section 18.12 Severability. If any clause or provision of this Ground Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Ground Lease, then and in that event, it is the intention of the parties hereto that the remainder of Ground Lease shall not be affected thereby.

Section 18.13 Authorization. By execution of this Ground Lease, the Corporation and the Board each represent to the other that they are entities validly existing, duly constituted and in good standing under the laws of the jurisdiction in which they were formed and in which they presently conduct business; that all acts necessary to permit them to enter into and be bound by this Ground Lease have been taken and performed; and that the persons signing this Ground Lease on their behalf have due authorization to do so.

Section 18.14 Ancillary Agreements. In the event it becomes necessary or desirable for the Board to approve in writing any ancillary agreements or documents concerning the Land or concerning the construction, operation or maintenance of the Facilities or to alter or amend any such ancillary agreements between the Board and the Corporation or to give any approval or consent of the Board required under the terms of this Ground Lease, all agreements, documents or approvals shall be forwarded to the Board Representative.

Section 18.15 Amendment. No amendment, modification, or alteration of the terms of this Ground Lease shall be binding unless the same be in writing dated on or subsequent to the date hereof and duly executed by the parties hereto and consented to the extent required by the Agreement.

Section 18.16 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 University into another educational institution or the Board into another educational management board.

Section 18.17 Entire Agreement. This Ground Lease, together with the exhibits attached hereto, contains the entire agreement between the parties hereto with respect to the Land and contains all of the terms and conditions agreed upon with respect to the lease of the Land, and no other agreements, oral or otherwise, regarding the subject matter of this Ground Lease shall be deemed to exist or to bind the parties hereto; it being the intent of the parties that neither shall be bound by any term, condition, or representations not herein written.

IN WITNESS WHEREOF, the undersigned representative has signed this Ground Lease on behalf of the Board of Supervisors for the University of Louisiana System on the 13th day of JANUARY, 2010.

WITNESSES:

Leatha Marshall
Leatha Marshall
Christie McGehee
Christie McGehee

BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM

By: Dr. John Crain
Dr. John Crain
President of the University
and authorized representative of the Board

IN WITNESS WHEREOF, the undersigned representative has signed this Ground Lease on behalf of University Facilities, Inc. on the 13th day of January, 2010.

WITNESSES:

Steph...
...

UNIVERSITY FACILITIES, INC.

By: Phil K. Livingston
Phil K. Livingston
Chairperson

STATE OF LOUISIANA
PARISH OF TANGIPAHOLA

BE IT KNOWN, that on this 13th day of January, 2010 before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

Dr. John Crain

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the President of Southeastern Louisiana University and the authorized representative of the Board of Supervisors for the University of Louisiana System (the "Board"), that the aforesaid instrument was signed by him, on this date, on behalf of the Board and that the above named person acknowledges said instrument to be the free act and deed of the Board.

WITNESSES:

Leatha Marshall
Printed Name: Leatha Marshall

By: Dr. John Crain

Christie McGehee
Printed Name: Christie McGehee

Joseph...
NOTARY PUBLIC
Printed Name: Gene Bryant
Notary Identification Number: 210997

STATE OF LOUISIANA

PARISH OF TANGIPAHOA

BE IT KNOWN, that on this 13th day of JANUARY, 2010 before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

Phil K. Livingston

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the Chairman of University Facilities, Inc. (the "Corporation"), and that the aforesaid instrument was signed by him, on this date, on behalf of the Corporation and that the above named person acknowledges the approval of said instrument to be the free act and deed of the Corporation.

WITNESSES


Printed Name: STEPHEN SMITH

By: 


Printed Name: SAM DABALA JR.


NOTARY PUBLIC
Printed Name: Gene Greigant
Notary Identification Number: 010942

EXHIBIT A

LAND DESCRIPTION

War Memorial Student Union Bond Lease Parcel

A certain tract or parcel of ground, designated as "WAR MEMORIAL STUDENT UNION BOND LEASE PARCEL", being a portion of Southeastern Louisiana University, located in Section 23, Township 6, South, Range 7 East, Greensburg Land District, Tangipahoa Parish, Louisiana, limits of said Lease Parcel being more particularly described as follows:

Beginning at a point located at N. 3276.84, E. 11096.39, of the Southeastern Louisiana University Coordinate System; thence N 75°30'00" E a distance of 440.00 feet to a point and turn; thence S 14°30'00" E a distance of 165.00 feet to a point and turn; thence N 75°30'00" E a distance of 160.00 feet to a point and turn; thence S 14°30'00" E a distance of 205.00 feet to a point and turn; thence S 75°30'00" W a distance of 150.00 feet to a point and turn; thence S 14°30'00" E a distance of 140.00 feet to a point and turn; thence S 75°30'00" W a distance of 155.00 feet to a point and turn; thence N 14°30'00" W a distance of 265.00 feet to a point and turn; thence S 75°30'00" W a distance of 85.00 feet to a point and turn; thence N 38°27'45" W a distance of 49.24 feet to a point and turn; thence S 75°30'00" W a distance of 190.00 feet to a point and turn; thence N 14°30'00" W a distance of 200.00 feet to a POINT OF BEGINNING, containing 3.94 acres or 171,425 square feet.

(N1820036.13)

Acknowledgment

Ground Lease

(N1820036.13)

A-1

Ground Lease

Notary

Sign

PERMITTED ENCUMBRANCES

MEMORANDUM OF GROUND LEASE

STATE OF LOUISIANA

PARISH OF TANGIPAHOA

KNOW ALL MEN BY THESE PRESENTS:

Food Service:
ARAMARK Educational Services, LLC
ARAMARK Tower
1101 Market Street
Philadelphia, PA 19107
Term of Agreement: July 1, 2008 – June 30, 2023

Retail Bookstore:
Follett College Stores Corporation
1818 Swift Drive
Oak Brook, IL 60523-9851
Term of Agreement: July 1, 1989 – January 31, 2010

Copy Center:
Xerox Corporation
3850 North Causeway
Suite 1860
Metairie, LA 70002

Term of Agreement: December 15, 1998 until such date the University issues a thirty (30) calendar days notice of the final end date or June 30, 2009, whichever comes earlier.

NOTE: The contract is currently pending completion of request for proposals process.

REPLACEMENT OF NEW CONTRACTS:

Contracts entered into in place of the above listed contracts are considered Permitted Encumbrances.

MEMORANDUM OF LEASE

This Memorandum of Lease (this "Memorandum") is entered into by and between the Board of Supervisors for the University of Louisiana System ("Lessor") and University Facilities, Inc. ("Lessee").

RECITALS

A. Lessor and Lessee have entered into a Ground Lease Agreement dated as of January 1, 2010 and executed _____, 2010 (the "Lease"), whereby Lessor did lease to Lessee, and Lessee did lease from Lessor, the immovable property more particularly described on Exhibit A attached hereto and incorporated herein (the "Land") and the facilities which are and will be located on the Land as more particularly described in the Lease.

B. Lessor and Lessee desire to enter into this Memorandum, which is to be recorded in order that third parties may have notice of the parties' rights under the Lease.

LEASE TERMS

Specific reference is hereby made to the following terms and provisions of the Lease:

1. The term of the Lease commenced on January 1, 2010 and shall continue until midnight on January 1, 2050, unless sooner terminated or extended as provided in the Lease.
2. Lessor has the right under the Lease to purchase the improvements constructed by Lessee on the Land at any time during the term of the Lease in accordance with the provisions thereof.
3. Additional information concerning the provisions of the Lease can be obtained from the parties at the following addresses:

EXHIBIT D-1
TO THE GROUND LEASE

DESCRIPTION OF THE SERIES 2010A FACILITIES

This facility will contain some of the most important academic and non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. It will be the central core for the campus. The two major components in the 2010A Series will include the Student Union and the Center for Student Excellence. The square footage for this series of space will total approximately 94,320 square feet.

The Student Union will include a large event space and ballroom. It will also consist of a series of student support spaces such as conference and meeting rooms, student organization space, a theater, as well as other activity and lounge spaces. Several administrative offices will also be located in the Union including offices in Student Affairs and Auxiliary Services. Finally, it will be home to the Center for Student Excellence which provides programming and resources to students to enhance and in support of academic achievement, personal development and professional growth.

Lessor: Board of Supervisors for the University of Louisiana System
1201 North 3rd Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Assistant Vice President for Facilities Planning and Capital Improvements

Lessee: University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director

This Memorandum is executed for the purpose of recordation in the public records of Tangipahoa Parish, Louisiana in order to give notice of all the terms and provisions of the Lease and is not intended and shall not be construed to define, limit, or modify the Lease. All of the terms, conditions, provisions and covenants of the Lease are incorporated into this Memorandum by reference as though fully set forth herein, and both the Lease and this Memorandum shall be deemed to constitute a single instrument or document.

THIS, DONE AND PASSED on the ___ day of _____, 2010, in _____ Louisiana, in the presence of the undersigned, both competent witnesses, who herewith sign their names with Phil K. Livingston, Chairperson, University Facilities, Inc. and me, Notary.

WITNESSES: UNIVERSITY FACILITIES, INC.

By: _____
Name: Phil K. Livingston
Title: Chairperson

Printed Name: _____

NOTARY PUBLIC

Printed Name: _____
Notary Identification Number: _____

**EXHIBIT D-2
TO THE GROUND LEASE**

DESCRIPTION OF THE SERIES 2010B FACILITIES

This facility will contain some of the most important non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. The two major components in the 2010B Series will include Food Service and the Retail Bookstore totaling approximately 86,600 square feet.

The Food Service area will include a new residential and commuter dining facility as well as a food court and other smaller grab and go locations. The facility will include adequate support space such as seating, kitchens and production space. The Retail Bookstore will house retail textbooks, university paraphernalia, convenience items, reading areas and possibly a food and/or beverage concept. In addition to these two major components, approximately 3,600 square feet of space will be committed to other retail components providing additional services to our campus community.

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APPENDIX C-4

FORM OF FIRST AMENDMENT TO AGREEMENT TO LEASE WITH OPTION TO PURCHASE

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FIRST AMENDMENT TO AGREEMENT TO LEASE WITH OPTION TO PURCHASE

by and between

UNIVERSITY FACILITIES, INC.
(as Lessor)

and

Board of Supervisors for the
University of Louisiana System,
on behalf of Southeastern Louisiana University
(as Lessee)

Dated as of November 1, 2010

in connection with

\$25,470,000
Louisiana Local Government Environmental Facilities and
Community Development Authority
Tax-Exempt Revenue Bonds
(Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010A

\$5,785,000
Louisiana Local Government Environmental Facilities and
Community Development Authority
Taxable Revenue Bonds
(Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010B

FIRST AMENDMENT TO AGREEMENT TO LEASE WITH OPTION TO PURCHASE

This FIRST AMENDMENT TO AGREEMENT TO LEASE WITH OPTION TO PURCHASE (this "Amendment to Facilities Lease"), dated and effective as of November 1, 2010, is entered into by and between UNIVERSITY FACILITIES, INC., a Louisiana nonprofit corporation represented herein by its duly authorized officer (the "Corporation"), and the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM (the "Board"), a public constitutional corporation organized and existing under the laws of the State of Louisiana, acting herein on behalf of Southeastern Louisiana University (the "University"), which Board is represented herein its duly authorized officer.

WITNESSETH:

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State of Louisiana and the University is a university under its management pursuant to Louisiana R. S. 17:3217;

WHEREAS, the Corporation is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201, et seq.), whose purpose is to support and benefit the educational, scientific, research and public service missions of the University;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3366, the Board is authorized to lease to a private entity, such as the Corporation, any portion of the campus of the University provided the Corporation is thereby obligated to construct improvements for furthering the educational, scientific, research or public service functions of the University;

WHEREAS, in order to further these functions of the Board, by demolition of certain existing facilities and renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related facilities for students, faculty, staff, and the general public on the campus (the "Campus") of the University (the "Facilities," as further defined herein), the Board has leased a portion of the Campus to the Corporation for the purpose of demolishing certain existing facilities and renovating, developing and constructing such Facilities and leasing such Facilities back to the Board;

WHEREAS, the Board and the Corporation have entered into a Ground and Buildings Lease Agreement dated as of January 1, 2010 (the "Ground Lease") whereby the Board has leased certain tracts of land owned by the Board and located on the Campus to the Corporation;

WHEREAS, the Corporation and the Board have agreed that the Corporation shall demolish certain existing facilities and renovate, develop and construct the Facilities on the land leased under the Ground Lease which Facilities will be owned by the Board as constructed and leased to the Corporation pursuant to the Ground Lease;

WHEREAS, the Corporation has leased such Facilities back to the Board pursuant to the terms and conditions of that certain Agreement to Lease with Option to Purchase dated as of

January 1, 2010 by and between the Corporation and the Board (the "Original Facilities Lease"); and

WHEREAS, the Board and the Corporation wish to supplement the Original Facilities Lease in order to clarify certain definitions contained in the Original Facilities Lease.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

IN WITNESS WHEREOF, the undersigned representative has signed this Facilities Lease on behalf of the Board of Supervisors for the University of Louisiana System on the date set forth below his signature.

ARTICLE 1 DEFINITIONS

Section 1.1 Relation to Original Facilities Lease. Ratification. This Amendment to Facilities Lease is supplemental to, and constitutes an integral part of the Original Facilities Lease. Except as supplemented or amended by this Amendment to Facilities Lease, the provisions of the Original Facilities Lease are in all respects ratified and confirmed and shall remain in full force and effect.

Section 1.2 Definitions. Unless the context shall otherwise require, all terms which are defined in the Indenture or Section 1 of the Original Facilities Lease shall have the same meanings, respectively, in this Amendment to Facilities Lease as such terms are given in said Indenture or Original Facilities Lease.

ARTICLE 2 AMENDMENTS

Section 2.1 Amendment to Section 1 of the Original Facilities Lease. Section 1 of the Existing Agreement is hereby amended by amending and restating the following definitions in its entirety as follows:

"**Debt Service Coverage Ratio**" means, for any Fiscal Year, the ratio determined by the Vice-President for Administration and Finance of the University by dividing (a) the combined amount of (i) the Capital Funds for such Fiscal Year, (ii) the Student Fees for such Fiscal Year and (iii) earnings generated by the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement by (b) Annual Debt Service on the Bonds outstanding and on any Additional Debt issued and proposed to be issued for such Fiscal Year.

"**Interest Payment Date**" or "**interest payment date**," when used with respect to the Series 2010 Bonds means each April 1 and October 1 commencing April 1, 2011.

"**Trustee**" means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Series 2010 Bonds issued and secured under the terms of this Indenture, initially Regions Bank.

Section 2.2 Amendment to Section 6(c)(vi) of the Original Facilities Lease. Section 6(c)(vi) of the Original Facilities Lease is hereby amended in its entirety to read as follows:

"(vi) all Administrative Expenses owed to the Issuer or the Trustee and any amounts due and owing to the Bond Insurer."

Section 2.3 Addition of Section 3(i) to the Original Facilities Lease. The following Section 3(i) shall be added to the Original Facilities Lease and shall read in its entirety as follows:

"(i) The Board covenants and agrees to perform each of its agreements and obligations set forth in the Indenture."

Section 2.4 Amendment to Section 9 of the Original Facilities Lease. Section 9 of the Original Facilities Lease is hereby amended by deleting paragraph (a)(iv) in its entirety.

Section 2.5 Amendment to Section 50 of the Original Facilities Lease. Section 50 of the Original Facilities Lease is hereby amended by substituting the notice information below for the Trustee:

"Trustee:

Regions Bank
11 City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department"

Section 2.6 Amendment to Exhibit A-1 and Exhibit A-3 to the Facilities Lease. Exhibit A-1 and Exhibit A-2 to the Original Facilities Lease are hereby replaced in their entirety with Exhibit A-1 and Exhibit A-2 attached hereto.

ARTICLE 3 MISCELLANEOUS

Section 3.1 Binding Effect. This Amendment to Facilities Lease shall inure to the benefit of and shall be binding in accordance with its terms upon the Board, the Corporation and their respective successors and assigns. This Amendment to Facilities Lease may be enforced only by the parties, their assignees and others who may, by law, stand in their respective places.

Section 3.2 Execution Counterparts. This Amendment to Facilities Lease may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

Section 3.3 Severability. If any provision of this Amendment to Facilities Lease, or any covenant, obligation or agreement contained herein, is determined by a court of competent jurisdiction to be invalid or unenforceable, that determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each such provision, covenant, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 3.4 Governing Law. This Amendment to Facilities Lease shall be deemed to be a contract made under the laws of the State of Louisiana and for all purposes shall be governed by and construed in accordance with the laws of the State of Louisiana.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Board has caused this First Amendment to Agreement to Lease with Option to Purchase to be duly executed in its name, all as of the date first above written.

WITNESSES:

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

By:

Printed Name: _____

Dr. John Crain, President of the University
And Authorized Officer of the Board

Printed Name: _____

DATE: _____

IN WITNESS WHEREOF, the Corporation has caused this First Amendment to Agreement to Lease with Option to Purchase to be duly executed in its name, all as of the date first above written.

WITNESSES:

UNIVERSITY FACILITIES, INC.

Printed Name: _____

Phil K. Livingston
Chairperson

Printed Name: _____

DATE: _____

**EXHIBIT A-1
TO THE FACILITIES LEASE**

DESCRIPTION OF THE SERIES 2010A FACILITIES

This facility will contain some of the most important academic and non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. It will be the central core for the campus. The two major components in the 2010A Series will include the Student Union and the Center for Student Excellence. The square footage for this series of space will total approximately 121,430 square feet.

The Student Union will include a large event space and ballroom. It will also consist of a series of student support spaces such as conference and meeting rooms, student organization space, a theater, as well as other activity and lounge spaces. Several administrative offices will also be located in the Union including offices in Student Affairs and Auxiliary Services. Finally, it will be home to the Center for Student Excellence which provides programming and resources to students to enhance and in support of academic achievement, personal development and professional growth.

{N1821600.13}

Facilities Lease

**EXHIBIT A-2
TO THE FACILITIES LEASE**

DESCRIPTION OF THE SERIES 2010B FACILITIES

This facility will contain some of the most important non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. The two major components in the 2010B Series will include Food Service and the Retail Bookstore totaling approximately 57,245 square feet.

The Food Service area will include a new residential and commuter dining facility as well as a food court and other smaller grab and go locations. The facility will include adequate support space such as seating, kitchens and production space. The Retail Bookstore will house retail textbooks, university paraphernalia, convenience items, reading areas and possibly a food and/or beverage concept. In addition to these two major components, approximately 3,600 square feet of space will be committed to other retail components providing additional services to our campus community.

{N1821600.13}

Facilities Lease

APPENDIX C-5

AGREEMENT TO LEASE WITH OPTION TO PURCHASE

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AGREEMENT TO LEASE WITH OPTION TO PURCHASE

by and between

UNIVERSITY FACILITIES, INC.
(as Lessor)

and

Board of Supervisors for the
University of Louisiana System,
on behalf of Southeastern Louisiana University
(as Lessee)

Dated as of January 1, 2010

in connection with
the anticipated Issuance of:

Louisiana Local Government Environmental Facilities and
Community Development Authority
Revenue Bonds
(Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010A

Louisiana Local Government Environmental Facilities and
Community Development Authority
Revenue Bonds
(Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2010B

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EXHIBIT A-1 DESCRIPTION OF THE SERIES 2010A FACILITIES
EXHIBIT A-2 DESCRIPTION OF THE SERIES 2010B FACILITIES

AGREEMENT TO LEASE WITH OPTION TO PURCHASE

This AGREEMENT TO LEASE WITH OPTION TO PURCHASE (together with any amendment hereto or supplement hereof, the "Facilities Lease"), dated and effective as of January 1, 2010, is entered into by and between UNIVERSITY FACILITIES, INC., a Louisiana nonprofit corporation represented herein by its duly authorized officer (the "Corporation"); and the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM (the "Board"), a public constitutional corporation organized and existing under the laws of the State of Louisiana, acting herein on behalf of Southeastern Louisiana University (the "University"), which Board is represented herein its duly authorized officer.

WITNESSETH:

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State of Louisiana and the University is a university under its management pursuant to Louisiana R. S. 17:3217;

WHEREAS, the Corporation is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201, et seq.), whose purpose is to support and benefit the educational, scientific, research and public service missions of the University;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3366, the Board is authorized to lease to a private entity, such as the Corporation, any portion of the campus of the University provided the Corporation is thereby obligated to construct improvements for furthering the educational, scientific, research or public service functions of the University;

WHEREAS, in order to further these functions of the Board, by demolition of certain existing facilities and renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related facilities for students, faculty, staff, and the general public on the campus of the University (the "Campus") (the "Facilities," as further defined herein), the Board deems it advisable that a portion of the Campus be leased to the Corporation for the purpose of demolishing certain existing facilities and renovating, developing and constructing such Facilities and leasing such Facilities back to the Board; and

WHEREAS, the Board and the Corporation have agreed to enter into a lease dated of even date herewith (the "Ground Lease") whereby the Board will lease certain tracts of land owned by the Board and located on the Campus to the Corporation; and

WHEREAS, the Corporation and the Board have agreed that the Corporation shall demolish certain existing facilities and renovate, develop and construct the Facilities on the land leased under the Ground Lease which Facilities will be owned by the Board as constructed and leased to the Corporation pursuant to the Ground Lease; and

WHEREAS, the Corporation wishes to lease such Facilities back to the Board pursuant to the terms and conditions of this Facilities Lease; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

Section 1. Definitions.

Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of and as used in this Facilities Lease, have the meanings as set forth below. All other capitalized terms used herein without definition shall have the meanings as set forth in the Indenture (as hereinafter defined). Other terms shall have the meanings assigned to them in other sections of this Facilities Lease.

"Additional Series 2010A Bonds" means bonds, if any, issued in one or more series on parity with the Series 2010A Bonds for completion of the Series 2010A Facilities.

"Additional Series 2010B Bonds" means bonds, if any, issued in one or more series on parity with the Series 2010B Bonds for completion of the Series 2010B Facilities.

"Additional Bonds" means bonds, if any, issued in one or more series on a parity with the Series 2010 Bonds pursuant to Article V of the Indenture.

"Additional Debt" means any obligation (whether present or future, contingent or otherwise, as principal or security or otherwise): (i) in respect of borrowed money, including without limitation, bonds, notes and similar obligations; or (ii) under a lease arrangement, installment sale agreement or other similar arrangement, that is secured by or payable from the Capital Funds and the Student Fees.

"Additional Facilities" means any additional facilities owned or leased by the Board or the Corporation that have been incorporated with the Facilities into a single system pursuant to Section 3(f) hereof.

"Additional Rental" means the amounts specified as such in Section 6(c) of this Facilities Lease.

"Administrative Expenses" means the necessary, reasonable and direct out-of-pocket expenses incurred by the Issuer or the Trustee pursuant to the Indenture and the Agreement, the compensation of the Trustee under the Indenture (including, but not limited to any annual administrative fee charged by the Trustee), the compensation of the Issuer, any amounts due to the Bond Insurer, if any, under the Reimbursement Agreement and the necessary, reasonable and direct out-of-pocket expenses of the Trustee incurred by the Trustee in the performance of its duties under the Indenture.

"Agreement" means the Loan Agreement to be entered into between the Corporation and the Issuer in connection with the issuance of the Series 2010 Bonds, including any amendments and supplements thereof and thereto as permitted thereunder.

"Annual Debt Service" means the amount required to pay all principal of and interest on a series of Bonds and any Additional Debt, as applicable, in any Fiscal Year. For purposes of calculating the Annual Debt Service on a series of Bonds or Additional Debt the interest rate

borne by which is not fixed to the maturity thereof on any date, for any period during which an interest swap or similar agreement shall be in effect whereunder the Corporation or the Board pays a fixed rate and the swap provider pays a floating rate that, in the judgment of the Authorized Corporation Representative (as evidenced by a certificate delivered to the Trustee) approximates the variable rate payable on such series of Bonds or Additional Debt, the interest rate on such series of Bonds or Additional Debt shall be deemed to be equal to the fixed rate payable by the Corporation or the Board under such interest swap or similar agreement and for any period during which such an agreement shall not be in effect the interest rate on such Bonds or Additional Debt shall be deemed to be the average interest rate borne by such series of Bonds or Additional Debt during the immediately preceding twelve (12) month period or, if such series of Bonds or Additional Debt has borne a floating rate for less than twelve (12) months, such series of Bonds or Additional Debt shall be treated as if it bears interest at the 25-year Revenue Bond Index as published by *The Bond Buyer* on the date of determination.

"Aramark" means Aramark Educational Services, LLC, a Delaware limited liability company having its principal place of business Philadelphia, Pennsylvania

"Authorized Corporation Representative" means any person at the time designated to act on behalf of the Corporation by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Corporation by an officer of the Corporation. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

"Auxiliary Revenues" means the amount of all funds or revenues held by the University derived by Auxiliary Enterprises and any earnings thereof from self generated fees, rates charges or income received by students, faculty or the public in connection with the utilization or operation of Auxiliary Enterprises after payment of any Auxiliary enterprise expenses. The auxiliary Enterprises of the University include the following, subject to modification from time to time: 1) student service fees for operation of the University's Text book rental, ID Card Services, Student Health Center and Student Union 2) certain commissions received from Food Service contractors, Retail Bookstore operations and Vending Operations and 3) the sales of copying services. Auxiliary Revenues shall not include student fees specifically assessed by the University to service any outstanding obligations or any capital funds received by outside contractors required to make building improvements for their delivery of services.

"Base Rental" means the amounts referred to as such in Section 6(b) of this Facilities Lease (as such amounts may be adjusted from time to time in accordance with the terms hereof), which amounts are paid out of the amounts collected as Capital Funds and Student Fees, and which do not include Additional Rental.

"Board" means Board of Supervisors for the University of Louisiana System or its legal successor as the management board of the University, acting on behalf of the University.

"Board Representative" means the Person or Persons designated by the Board in writing to serve as the Board's representative(s) in exercising the Board's rights and performing the Board's obligations under this Facilities Lease; the Board Representative shall be the President of the Board of Supervisors for the University of Louisiana System, or his or her

designee, the Assistant Vice President for Facilities Planning, or his or her designee, or any other representative designated by resolution of the Board, of whom the Corporation has been notified in writing.

"Bond Documents" shall have the meaning set forth in Section 3.12 of the Indenture.

"Bonds" means, collectively, the Series 2010 Bonds and any Additional Bonds issued pursuant to a supplemental indenture as authorized hereby.

"Bookstore" means the locations described as such on Exhibit A-2 to this Facilities Lease and any improvements thereon or placed thereon during the Term of this Facilities Lease.

"Budget" means the University's budget as approved by the Board for any Fiscal Year during the Term.

"Building Use Fee" means one-half of the building use fee being assessed by the University on all students for the renovation, construction and development of on-campus facilities.

"Business Day" means any day other than (i) a Saturday, (ii) a Sunday, (iii) any other day on which banking institutions in New York, New York, or Baton Rouge, Louisiana, are authorized or required not to be open for the transaction of regular banking business, or (iv) a day on which the New York Stock Exchange is closed.

"Capital Funds" means payments to the University, or to the Board on behalf of the University, for capital improvements and made in connection with the operation and/or management of the Food Service Areas whether pursuant to the Food Service Contract, the Facilities Lease or other lease, management agreement or operating agreement.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§9601, et seq.).

"Claim" collectively means any claim, liability, demand, loss, damage, deficiency, litigation, cause of action, penalty, fine, judgment, defense, imposition, fee, lien, bonding cost, settlement, disbursement, penalty, cost or expenses of any and every kind and nature (including without limitation Litigation Expenses), whether known or unknown, incurred or potential, accrued, absolute, direct, indirect, contingent or otherwise and whether imposed by strict liability, negligence, or otherwise, and consequential, punitive and exemplary damage claims.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

"Commencement Date" means the effective date of this Facilities Lease.

"Corporation" means University Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payments or provision for payment of all of the Bonds.

"Date of Opening" shall have the meaning set forth in the Ground Lease.

"Debt Service Coverage Ratio" means, for any Fiscal Year, the ratio determined by the Vice-President for Administration and Finance of the University by dividing (a) the combined amount of (i) the Capital Funds for such Fiscal Year and (ii) the Student Fees for such Fiscal Year by (b) Annual Debt Service on the Series 2010 Bonds outstanding and on any Additional Debt issued and proposed to be issued for such Fiscal Year.

"Debt Service Fund" means the fund of that name created under of the Indenture.

"Debt Service Reserve Fund Requirement" means with respect to the Series 2010 Bonds, and any Additional Bonds, at the time of determination, the least of (a) ten percent (10%) of the stated principal amount thereof (less any original issue discount that exceeds a *de minimis* amount), (b) one hundred twenty five percent (125%) of the average Annual Debt Service thereon from the date of calculation to the final maturity thereof, (c) the Maximum Annual Debt Service thereon, or (d) such lesser sum as shall be required by the Code and the Regulations to ensure the exclusion of the interest thereon from the gross income of the owners thereof for federal income tax purposes; provided, however, that the amount of principal due in any Bond Year shall be determined, in the case of Bonds subject to mandatory sinking fund redemption pursuant to the Indenture and similar provisions in any supplemental indenture, by the principal amount of Bonds to be redeemed by mandatory sinking fund redemption in such Bond Year.

"Default or Delay Rental" means and shall consist of (i) all amounts, fees or expenses which the Corporation may be legally obligated to pay to Other Parties by reason of any default of the Board hereunder or any delay in payment of any sums due by the Board hereunder; and (ii) all costs, expenses and charges, including reasonable Legal Expenses, incurred by the Corporation whether by suit or otherwise, in collecting sums payable hereunder or in enforcing any covenant or agreement of the Board contained in this Facilities Lease or incurred in obtaining possession of the Facilities after default by the Board.

"Encumbrance" means any lien, mortgage, encumbrance, privilege, charge, option, right of first refusal, conditional sales contract, security interest, mechanic's and materialmen's liens, or any lien or encumbrance securing payment of any Claims, including environmental Claims, or of any charges for labor, materials, supplies, equipment, taxes, or utilities, excluding the Option granted to the Board herein.

"Environmental Requirements" means all State, federal, local, municipal, parish, and regional laws, statutes, rules, regulations, ordinances, codes, permits, approvals, plans, authorizations, concessions, investigation results, guidance documents; all legislative, judicial, and administrative judgments, decrees, orders, rules, rulings, and regulations; and all agreements and other restrictions and requirements in effect on or prior to the Commencement Date, of any Governmental Authority, including, without limitation, federal, state, and local authorities, relating to the regulation or protection of human health and safety, natural resources, conservation, the environment, or the storage, treatment, disposal, processing, release, discharge, emission, use, remediation, transportation, handling, or other management of industrial, gaseous, liquid or solid waste, hazardous waste, hazardous or toxic substances or chemicals, or pollutants, and including without limitation the following environmental laws: The Clean Air Act (42

U.S.C.A. §1857); the Federal Water Pollution Control Act (33 U.S.C. §1251); the Resource Conservation and Recovery Act of 1976, (42 U.S.C. §6901); CERCLA, as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub.L. 99-499, 100 Stat. 1613); the Toxic Substances Control Act (15 U.S.C. §2601); the Clean Water Act (33 U.S.C. §1251); the Safe Drinking Water Act (42 U.S.C. §30); the Occupational Safety and Health Act (29 U.S.C. §651); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §135); the Louisiana Environmental Quality Act (La. R.S. 30:2001); and the Louisiana Air Quality Regulations (La. C. 33:III.2595) including any amendments or extensions thereof and any rules, regulations, standards or guidelines issued pursuant to or promulgated under any of the foregoing.

"Event of Default" means any default specified in and defined as such by Section 21 hereof.

"Expiration Date" means the earlier of January 1, 2050, or the date that all amounts owed under the Indenture have been paid.

"Facilities" means, collectively, the Series 2010A Facilities and the Series 2010B Facilities.

"Facilities Lease" means this Agreement to Lease With Option to Purchase, including the exhibits attached hereto, and any amendment or supplement hereto entered into from time to time in accordance with the terms hereof.

"Food Service Areas" means the locations described as such on Exhibit A-2 to this Facilities Lease and any improvements thereon or placed thereon during the Term of this Facilities Lease.

"Food Service Contract" means that certain Agreement dated July 1, 2008 by and between the Board and Aramark, as amended, modified, extended or replaced; provided the University will make its best efforts to require an annual payment of at least \$990,000 for capital improvements to the Food Service Areas in any such amended, modified, extended or replaced contract.

"Fiscal Year" means the fiscal year of the State, which at the date of this Facilities Lease is the period from July 1 to and including the following June 30.

"Governmental Authority" means any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, parish, district, municipality, city or otherwise) whether now or hereafter in existence.

"Governmental Regulations" means any and all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, writs, injunctions, rules, regulations, restrictions, permits, plans, authorizations, concessions, investigation reports, guidelines, and requirements or accreditation standards of any Governmental Authority having jurisdiction over the Corporation and/or the Board, or affecting the Facilities.

"Ground Lease" means that certain Ground and Buildings Lease dated as of January 1, 2010 by and between the Board, as Lessor on behalf of the University, and the Corporation, as Lessee whereby the Land upon which certain existing facilities that are to be demolished is located and upon which the Facilities shall be constructed and/or renovated and the Facilities, as completed, are leased by the Board to the Corporation.

"Hazardous Substance" means (a) any "hazardous substance" as defined in §101.14 of CERCLA or any regulations promulgated thereunder; (b) petroleum and petroleum by-products; (c) asbestos or asbestos containing material ("ACM"); (d) polychlorinated biphenyls; (e) urea formaldehyde foam insulation; or (f) any additional substances or materials which at any time are classified, defined or considered to be explosive, corrosive, flammable, infectious, radioactive, mutagenic, carcinogenic, pollutants, hazardous or toxic under any of the Environmental Requirements.

"Health Center Bond Fee" means the health center bond fee being assessed by the University on all students for the use and availability of on-campus health center facilities.

"Indenture" means the Trust Indenture to be entered into between the Issuer and the Trustee in connection with the issuance of the Series 2010 Bonds, as it may be amended or supplemented from time to time by supplemental indentures in accordance with the provisions thereof.

"Interest Payment Date" or **"interest payment date,"** when used with respect to the Series 2010 Bonds means each April 1 and October 1 commencing April 1, 2010.

"Issuer" means the Louisiana Local Government Environmental Facilities and Community Development Authority, a political subdivision of the State of Louisiana, created by the provisions of the Act (as defined in the Indenture), or any agency, board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Issuer by said provisions shall be given by law.

"Land" means the real property more particularly described on Exhibit A attached to the Ground Lease upon which certain existing facilities are to be demolished and upon which the Facilities are to be renovated, constructed and located.

"Legal Expenses" means the reasonable fees and charges of attorneys and of legal assistants, paralegals, law clerks and other persons and entities used by attorneys and under attorney supervision and all costs incurred or advanced by any of them irrespective of whether incurred in or advanced prior to the initiation of any legal, equitable, arbitration, administrative, bankruptcy, trial or similar proceedings and any appeal from any of same.

"Litigation Expenses" means all out-of-pocket costs and expenses incurred as a result of an Event of Default, or in connection with an indemnification obligation, including Legal Expenses, the reasonable fees and charges of experts and/or consultants, and all court costs and expenses.

"Management Agreements" means, collectively, any and all leases, management agreements, operating agreements, management agreements or other agreements between the

University or the Corporation and third parties for the management and/or operation of any of the Facilities.

"**Maximum Annual Debt Service**" with respect to a series of Bonds issued under the Indenture, means the maximum Annual Debt Service thereon in the then current Bond Year or in any future Bond Year, whether at maturity or subject to mandatory sinking fund redemption.

"**Notice**" shall have the meaning set forth in Section 50 hereof.

"**Option to Purchase**" or "**Option**" means the option to purchase the Corporation's interest in the Facilities granted in Section 23 of this Facilities Lease.

"**Other Parties**" means a Person other than the Parties.

"**Parties**" means, collectively, the Corporation and the Board.

"**Permitted Sublessees**" means persons other than University students, faculty and staff who are participants in any activities related to the mission of the University or who are using the Facilities pursuant to a concession or other arrangement with the University.

"**Permitted Use**" means the operation of the Facilities as a Student Union, a Center for Student Excellence, food services areas and a bookstore for University students, faculty, staff, the general public and Permitted Sublessees and for purposes related to or associated with the foregoing.

"**Person**" means all juridical persons, whether corporate or natural, including individuals, firms, trusts, corporations, associations, joint ventures, partnerships, and limited liability companies or partnerships.

"**Principal Payment Date**" shall have the meaning set forth in the Indenture.

"**Remediation**" means any and all costs incurred due to any investigation of the Facilities or any remediation, response, cleanup, removal, or restoration required by any Governmental Regulation or Governmental Authority or by Environmental Requirements.

"**Rents**" or "**Rental**" means, collectively, the Base Rental and Additional Rental.

"**Replacement Fund**" means the fund of that name created under the Indenture.

"**Series 2010 Bonds**" means, collectively, the Series 2010A Bonds and the Series 2010B Bonds.

"**Series 2010A Bonds**" means the Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A, including such Series 2010A Bonds issued in exchange for other such Series 2010A Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Series 2010A Bonds pursuant to the Indenture.

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Facilities Lease

"**Series 2010B Bonds**" means the Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B, including such Series 2010B Bonds issued in exchange for other such Series 2010B Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Series 2010B Bonds pursuant to the Indenture.

"**Series 2010A Facilities**" means the Student Union, the Center for Student Excellence and related facilities described in Exhibit A-1 attached hereto, as amended and supplemented in accordance with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2010A Bonds and any Additional Bonds.

"**Series 2010B Facilities**" means the Food Service Areas, the Bookstore and related facilities described in Exhibit A-2 attached hereto, as amended and supplemented in accordance with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2010B Bonds and any Additional Bonds.

"**State**" means the State of Louisiana.

"**Student Fees**" means, collectively, (a) the Building Use Fee, (b) the Health Center Bond Fee, (c) the Student Union Bond Fee and (d) the Student Union Expansion Fee.

"**Student Union Bond Fee**" means the student union bond fee being assessed by the University on all students for the use and availability of the Student Union.

"**Student Union Expansion Fee**" means the student union fee being assessed by the University on all students for the planning, development, construction and equipping of the Student Union.

"**Term**" means the term of this Facilities Lease, as provided in Section 2 hereof.

"**Trustee**" means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Series 2010 Bonds issued and secured under the terms of this Indenture, initially The Bank of New York Mellon Trust Company, N.A.

"**University**" means Southeastern Louisiana University in Hammond, Louisiana.

Section 2. Agreement to Lease; Term of Lease.

The Corporation hereby leases the Facilities to the Board, and the Board hereby leases the Facilities from the Corporation effective as of the Commencement Date of this Facilities Lease and agrees upon completion of construction of the Facilities to accept possession of the Facilities and agrees to pay the Base Rental and the Additional Rental as provided herein for the use and occupancy of the Facilities, all on the terms and conditions set forth herein. The Board agrees that it will take immediate possession of the Facilities under the terms and provisions of this Facilities Lease upon the Date of Opening (as defined in the Ground Lease) of the Facilities.

(N1821600.13)

Facilities Lease

The Board understands and agrees that Rental shall accrue from the Commencement Date hereof notwithstanding the fact that the Facilities have yet to be constructed. No delay in the Date of Opening of the Facilities beyond the time set forth in the Ground Lease will extend the Term. The Term of this Facilities Lease begins on the Commencement Date and ends on the Expiration Date; provided, however, this Facilities Lease shall terminate prior to the Expiration Date upon the happening of any of the following events:

- (a) repayment of the Bonds in full, including principal, premium, if any, interest and all Administrative Expenses with respect to the Bonds or the defeasance of the Bonds, all as set forth in the Indenture;
- (b) the exercise by the Board of the Option to Purchase and the purchase of the Corporation's interest in the Facilities pursuant to the Option; or
- (c) any other event described in this Facilities Lease which is specifically stated to cause a termination of this Facilities Lease, including without limitation an Event of Default by the Board, and the failure of the Board to designate or cause to be designated an amount necessary to pay the Base Rental, all as set forth in Sections 21 and 29 hereof.

Upon the termination of the Facilities Lease under the circumstances set forth in Section 2(a) above, at the Board's option, the Board may require the demolition of the Facilities as set forth in Section 12.2 of the Ground Lease.

Section 3. Acknowledgments, Representations and Covenants of the Board.

The Board represents, covenants and agrees as follows:

- (a) The Board has full power and authority to enter into this Facilities Lease, the Ground Lease, and the transactions contemplated thereby and agrees to perform all of its obligations hereunder and under the Ground Lease;
- (b) The Board has been duly authorized to execute and deliver this Facilities Lease and the Ground Lease and further represents and covenants that this Facilities Lease and the Ground Lease constitute the valid and binding obligations of the Board and that all requirements have been met and procedures have occurred in order to ensure the enforceability of this Facilities Lease and the Ground Lease and the Board has complied with all constitutional and other statutory requirements as may be applicable to the Board in the authorization, execution, delivery and performance of this Facilities Lease and the Ground Lease;
- (c) The execution and delivery of this Facilities Lease and the Ground Lease, and compliance with the provisions hereof, will not conflict with or constitute on the part of the Board a violation of, breach of, or default under any constitutional provision, statute, law, resolution, bond indenture or other financing agreement or any other agreement or instrument to which the Board is a party or by which the Board is bound, or any order, rule or regulation of any court or Governmental Authority or Body having jurisdiction over the Board or any of its activities or properties with respect to the Facilities; and all consents, approvals or authorizations required of the Board for the consummation of the transactions contemplated hereby have been obtained or timely will be obtained;

- (d) Other than that which was previously disclosed, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or threatened against or affecting the Board, wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated hereunder or which in any way would adversely affect the validity or enforceability of this Facilities Lease and the Ground Lease;

- (c) The Board will not take or permit to be taken any action which would have the effect, directly or indirectly, of causing interest on any of the Series 2010A Bonds to be included in gross income for federal income tax purposes;

- (f) The Board agrees to cause the Facilities to be used for the Permitted Use and shall not allow the Facilities to be used for any other use. No more than five percent (5%) of the gross area of the Series 2010A Facilities will be subleased by the Board or by any sublessees or assigns of the Board to, or otherwise used by, private business and the Board agrees to take all action, to the extent it is legally authorized and able to do so, necessary to prevent the Series 2010A Bonds from being deemed "private activity bonds" within the meaning of Section 141 of the Code; and

- (g) The Board covenants that, as long as any bonds, notes or lease obligations remain outstanding that are payable from the Capital Funds and the Student Fees, if the Debt Service Coverage Ratio falls below 1.20:1.00, the Board shall use its best efforts to raise its fees, rentals, rates and charges relating to the Facilities so that within two (2) full semesters after the Debt Service Coverage Ratio becomes deficient, the Debt Service Coverage Ratio at least equals 1.20:1.00. At the end of two (2) full semesters, if the Debt Service Coverage Ratio is still below 1.20:1.00, the Board shall hire an outside consultant, approved by the Bond Insurer, if any, and the Board shall follow any reasonably feasible recommendations of such consultant regarding the operation and management of the Facilities, including raising fees and rents, and reducing expenses. So long as the Board is working in good faith with such consultant to increase any deficient Debt Service Coverage Ratio, there shall not be an Event of Default hereunder unless the Debt Service Coverage Ratio is less than 1.00:1.00 at the end of any Fiscal Year. For purposes of the foregoing, when establishing such fees, rentals, rates and charges and calculating the Debt Service Coverage Ratio for this Section, the Board shall take into account payments required to be made into the Debt Service Reserve Fund pursuant to Section 4.8(h) of the Indenture. The Board further covenants that it will seek any required approval necessary in order to comply with this covenant.

- (h) Without the prior written consent of the Bond Insurer, if any, neither the Corporation, the University nor the Board will issue or incur or permit to be issued and incurred, any Additional Debt, unless each of the following conditions have been satisfied:

- (i) no Event of Default or event which with notice for lapse of time, or both, would constitute an Event of Default shall have occurred and be continuing (unless such Event of Default or other event would be cured by such issuances or incurrence) or will occur upon the issuance or incurrence by the Board of any such obligations;

(ii) the Debt Service Coverage Ratio for the most recently completed Fiscal Year, taking into account the Additional Debt proposed to be issued or incurred, would not have been less than 1.25:1.00. If the Additional Debt is being issued to finance the construction of facilities which generate available revenues or additional student fees, the Board may include in the calculation of Debt Service Coverage Ratio the proposed revenues to be generated by the future Facilities and/or the additional Student Fees attributable thereto; and

(iii) the Debt Service Coverage Ratio set forth in Section 3(g) above for the two most recently completed Fiscal Years has been met.

Section 4. Representations and Covenants of the Corporation.

The Corporation makes the following representations and covenants:

(a) The Corporation has been validly created under the Louisiana Nonprofit Corporation Law, is currently in good standing under the laws of the State, has the power to enter into the transactions contemplated hereby, and to carry out its obligations under this Facilities Lease, the Ground Lease and the Agreement. The Corporation is not in breach of or in default under any of the provisions contained in any contract, instrument or agreement to which it is a party or in any other instrument by which it is bound. By proper action, the Corporation has been duly authorized to execute and deliver this Facilities Lease, the Ground Lease and the Agreement;

(b) The execution and delivery of this Facilities Lease, the Ground Lease and the Agreement, and compliance with the provisions thereof and hereof, will not conflict with or constitute on the part of the Corporation a violation of breach of, or default under any statute, instrument, mortgage, declaration or deed of trust, loan agreement or other agreement or instrument to which the Corporation is a party or by which the Corporation is bound or any order, rule or regulation of any court or Governmental Agency or body having jurisdiction over the Corporation or any of its activities or properties; and all consents, approvals and authorizations which are required of the Corporation for the consummation of the transactions contemplated thereby and hereby have been or timely will be obtained;

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or threatened against or affecting the Corporation, wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated hereunder or which in any way would adversely affect the validity or enforceability of this Facilities Lease, the Ground Lease or any agreement or instrument to which the Corporation is a party;

(d) The Corporation will not take or permit to be taken any action which would have the effect, directly or indirectly, of causing interest on any of the Series 2010A Bonds to be included in gross income for federal income tax purposes.

Section 5. Waiver and Disclaimer of Warranties.

The Board acknowledges that the Corporation has not made any representations or warranties as to the suitability or fitness of the Facilities for the needs and purposes of the Board or for any other purpose.

The Board further declares and acknowledges that the Corporation in connection with this Facilities Lease, does not warrant that the Facilities will be upon completion of construction free from redhibitory or latent defects or vices and releases the Corporation of any liability for redhibitory or latent defects or vices under Louisiana Civil Code Articles 2520 through 2548 and Louisiana Civil Code Article 2695. The Board declares and acknowledges that it does hereby waive the warranty of fitness for intended purposes and guarantee against hidden or latent redhibitory defects and vices under Louisiana law, including Louisiana Civil Code Articles 2520 through 2548 and Louisiana Civil Code Article 2695, and the warranty imposed by Louisiana Civil Code Articles 2476 and 2695, and waives all rights in redhibition pursuant to Louisiana Civil Code Articles 2520, et seq. The Board further declares and acknowledges that this waiver has been brought to the attention of the Board and explained in detail and that the Board has voluntarily and knowingly consented to this waiver of warranty of fitness and/or warranty against redhibitory defects and vices for the Facilities. Notwithstanding the foregoing, the Board hereby retains all of its rights to proceed against any third parties with respect to such defects.

The Corporation disclaims and the Board waives any warranties and representations with respect to compliance with Governmental Regulations, including Environmental Requirements, or the disposal of, or existence in, on, under, or about the Facilities of any Hazardous Substance. The Board acknowledges that the Corporation reserves in this Facilities Lease all rights to recover from the Board all costs and expenses imposed on the Corporation to bring the Facilities into compliance with any Environmental Requirement, and all costs of Remediation or cleanup of such Hazardous Substance imposed on the Corporation or the Board, which shall be payable by the Board as Additional Rental hereunder to the extent imposed upon the Corporation.

Section 6. Rental.

(a) The Board, for and in consideration of the Corporation entering into the Ground Lease, renovating and/or constructing the Facilities in accordance with the Ground Lease and leasing the Facilities to the Board pursuant to the terms hereof, hereby covenants and agrees to pay the Base Rental and Additional Rental in the amounts, subject to amounts for which the Board is entitled to a credit as described in Section 6(d) hereof, at the times and in the manner set forth herein, such amounts constituting in the aggregate the total of the rental payable under this Facilities Lease. The obligation of the Board to make Base Rental and Additional Rental payments shall commence on the Commencement Date and shall not be subject to abatement, set-off or reduction as a result of a failure by the Corporation to complete construction of the Facilities on a timely basis.

(b) The Board agrees to pay Base Rental from the Capital Funds and the Student Fees. Payments of Base Rental shall be due on the dates and in the amounts as hereinafter provided:

(i) On each Interest Payment Date, the interest due and payable on the Bonds;

and

(ii) On each Principal Payment Date, the principal due and payable on the Bonds; and

(iii) On the dates required in the Indenture, to the Trustee for deposit into any of the funds established in the Indenture, including, without limitation, the Debt Service Reserve Fund and the Replacement Fund, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by the Indenture.

(c) In addition to the Base Rental set forth herein, the Board agrees to pay as Additional Rental any and all expenses, of every nature, character, and kind whatsoever, incurred by the Corporation on behalf of the Board and/or by the Board or the University in the management, operation, ownership, and/or maintenance of the Facilities, including but not limited to the following costs and expenses:

(i) all taxes, assessments and impositions against the Facilities, including without limitation ad valorem taxes attributed to the Corporation on behalf of the Board (and any tax levied in whole or in part in lieu of or in addition to ad valorem taxes);

(ii) any costs incurred by the Corporation in maintaining the Facilities for the Board and making any alterations, restorations and replacements to the Facilities;

(iii) insurance premiums and other charges for insurance obtained with respect to the Facilities including insurance premiums, if any, on all insurance required under the provisions of Section 9 of this Facilities Lease;

(iv) any Default or Delay Rentals;

(v) all costs incurred by the Corporation in connection with its performance of its obligations relating to the Facilities and/or the Land under the Ground Lease and this Facilities Lease;

(vi) all Administrative Expenses owed to the Issuer or the Trustee;

(vii) Litigation Expenses, if any, incurred pursuant to Section 43 hereof;

(viii) any reimbursement amounts payable pursuant to Section 20 hereof or pursuant to any other provision hereof;

(ix) any amounts to be paid to the Rebate Fund to be used to make rebate payments, if any, owed to the United States under the Code; and

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(x) any other costs, charges, and expenses commonly regarded as ownership, management, maintenance, and operating expenses, if any, incurred by the Corporation under this Facilities Lease.

Amounts constituting Additional Rental payable hereunder shall be paid by the Board directly to the person or persons to whom such amounts shall be due. The Board shall pay all such amounts when due or within thirty (30) days after notice in writing from the Corporation or the Trustee to the Board stating the amount of the Additional Rental then due and the purpose thereof.

(d) The Board shall be entitled to a credit against and reduction of each Base Rental payment in an amount equal to any amounts derived from the following sources:

(i) Accrued interest derived from the sale of the Bonds; and

(ii) Surplus moneys (including investment earnings) contained in the funds and accounts held by the Trustee under the Indenture, including the Debt Service Fund, the Debt Service Reserve Fund and the Replacement Fund. However, in no event shall the proceeds of the Series 2010A Bonds be used to make payments on the Series 2010B Bonds.

(e) Notwithstanding any other provision of the Facilities Lease, the obligation of the Board to make payments under this Facilities Lease, including payments of Base Rental and Additional Rental, shall be subject to, and dependent upon, designation by the Board of the Capital Funds and the Students Fees necessary to make the payments required under this Facilities Lease. The Vice President for Administration and Finance of the University shall cause the University to include in the Budget and, if necessary, any amendments to the Budget, an amount of the Capital Funds and the Students Fees sufficient to make the payments of Base Rental and Additional Rental described herein which amounts may or may not ultimately be designated by the Board for such purpose. Subject to the foregoing and Section 29 hereof, the obligations of the Board to make payments pursuant to this Facilities Lease, and to perform and observe the other agreements and covenants on its part contained herein, shall be absolute and unconditional and shall not be subject to any diminution, abatement, set-off, or counterclaim. Subject to the foregoing and Section 29 hereof, until such time as the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with this Facilities Lease, the Board shall not suspend or discontinue payment of Rental or any other payments pursuant to this Facilities Lease for any cause, and shall continue to perform and observe all of its agreements contained in this Facilities Lease. The Corporation and the Board acknowledge and agree that the obligation of the Board to pay Rental shall constitute a current expense of the Board payable by the Board from funds budgeted and designated in accordance with law for and in consideration of the right to use the Facilities during the Term and that such obligation shall not in any manner be construed to be a debt of the Board in contravention of any constitutional or statutory limitations or requirements concerning indebtedness of the Board and nothing contained herein shall constitute a pledge, lien or encumbrance upon any specific tax or other revenues of the Board.

(f) The payments of Base Rental and Additional Rental under this Facilities Lease for each Fiscal Year or portion thereof during the Term shall constitute the total Rental for such Fiscal Year or portion thereof and shall be paid by the Board for and in consideration of the

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construction by the Corporation of the Facilities and the right to the use and occupancy of the Facilities by the Board for and during such Fiscal Year or portion thereof.

(g) Amounts necessary to pay each Base Rental payment shall be deposited by the Board on the dates set forth in Section 6(b) hereof in lawful money of the United States of America at the office of the Trustee or at such other place or places as may be established by the Corporation and/or Trustee in accordance with the Indenture. Any amount necessary to pay any Base Rental payment or portion thereof which is not so deposited shall remain due and payable until received by the Trustee. Notwithstanding any dispute between the Board and the Corporation hereunder, the Board shall make all Rental payments when due and shall not withhold payment of any Rental pending the final resolution of such dispute or for any other reason whatsoever.

(h) This Facilities Lease is intended to be a triple net lease. The Board agrees that the Rental provided for herein shall be an absolute net return to the Corporation free and clear of any expenses, charges, taxes, abatements, counterclaims, reductions or set-offs whatsoever of any kind, character or nature; it being understood and agreed to by the Board that the Board shall bear responsibility for the payment of all costs and expenses associated with the ownership, management, operation, and maintenance of the Facilities. Under no circumstances will the Corporation be required to make any payment on the Board's behalf or for the Board's benefit under this Facilities Lease, or assume any monetary obligation of the Board under this Facilities Lease, or with respect to the Facilities.

(i) In addition to the Rental payments required hereby, the Board covenants and agrees to make extraordinary rental payments to fund a portion of the capital costs of the Facilities from funds on hand or collected by the Board, not to exceed \$6,500,000.

(j) In the event the Food Service Contract is terminated and the Corporation or the Board begins providing operations and management services for the Food Service Areas as required by Section 9.1 of the Ground Lease, the Board agrees to pay amounts sufficient to make up any shortfall in the payment of Base Rental of debt service on the Series 2010 Bonds payable solely from Auxiliary Revenues of the University after payment of annual debt service on the Corporation's (Southeastern Louisiana University Student Housing/University Facilities, Inc. Project) Series 2004 Bonds and the Corporation's (Southeastern Louisiana University / University Facilities Inc.: Phase Four Parking Project) Series 2007 Bonds.

Section 7. Operation, Alterations, Maintenance, Repair, Replacement and Security Service.

(a) The University, at the direction of the Board, shall be responsible for ensuring that all services necessary or required in order to adequately operate the Facilities in accordance with the Permitted Use are provided and maintained. The University shall continuously operate or cause to be operated the Facilities from the Date of Opening and continuing for the remainder of the Term for the Permitted Use, and in accordance with all Governmental Regulations.

(b) The University, at the direction of the Board, shall be responsible for maintaining the Facilities and shall make or contract or cause to be made or contracted with a suitable contractor for the making of all alterations, repairs, restorations, and replacements to the

Facilities, including without limitation the heating, ventilating, air conditioning, mechanical, electrical, elevators, plumbing, fire, sprinkler and theft systems, air and water pollution control and waste disposal facilities, structural roof, walls, and foundations, fixtures, equipment, and appliances to the Facilities as and when needed to preserve them in good working order, condition and repair (ordinary wear and tear excepted), regardless of whether such repairs, alterations, restorations or replacements are ordinary or extraordinary, foreseeable or unforeseeable, or are at the fault of the Board, the Corporation or some Other Party. All alterations, repairs, restoration, or replacements shall be of a quality and class equal to or better than the quality and class presently located in the Facilities.

(c) The University, at the direction of the Board, shall have the right during the Term to cause the Corporation or some other Party to make or construct any additions or improvements to the Facilities, alter the Facilities, attach fixtures, structures, or signs to or on the Facilities, and affix personal property to the Facilities without the Corporation's prior written consent to the extent allowed under the terms of any insurance covering the Facilities. All such alterations, improvements, additions, attachments, repairs, restorations, and replacements of all or any portion of the Facilities shall (i) be at the sole cost and expense of the University; (ii) not reduce the then fair market value of the Facilities; (iii) be constructed in a good and workmanlike manner; and (iv) be in compliance with all Governmental Regulations.

(d) The University, at the direction of the Board, shall provide or cause to be provided all security services, custodial service, janitorial service, trash disposal, and all other services necessary for the proper upkeep and maintenance of the Facilities as required herein. The Board acknowledges that the Corporation has made no representation or warranty with respect to systems and/or procedures for the security of the Facilities, any persons occupying, using or entering the Facilities, or any equipment, furnishings, or contents of the Facilities. It is the sole responsibility of the Board, through the University to cause to be provided or to provide for the security of persons on or entering the Facilities and/or property located at the Facilities, in accordance with reasonable and prudent business practices.

Section 8. Utilities.

All utilities which are used or consumed in or upon or in connection with the Facilities during the Term, including, without limitation water, gas, electricity, sewerage, garbage, or trash removal, light, cable, heat, telephone, power, computer data and other utilities necessary for the operation of the Facilities ("Utility Service") shall be the responsibility of the Board and/or Permitted Sublessees residing in the Facilities. Payments for Utility Services provided to the entire Facilities or to the common areas of the Facilities under such contract or contracts therefor as the Board may make shall be made by the Board directly to the respective utility companies furnishing such Utility Services.

The Corporation shall have no responsibility to the Board for the quality or availability of Utility Service to the Facilities, or for the cost to procure Utility Service. The Corporation shall not be in default under this Facilities Lease or be liable to the Board or any other Person for direct or consequential damage, or otherwise, for any failure in supply of any Utility Service, heat, air conditioning, elevator service, cleaning service, lighting, security, or for surges or interruptions of electricity.

Section 9. Insurance.

(a) The University, at the direction of the Board, shall cause to be secured and maintained at the University's cost and expense:

(i) A policy or policies of insurance covering the Facilities against loss or damage by fire, lightning, earthquake, collapse, vandalism and malicious mischief, flood and storm surge, and against such other perils as are included in so-called "extended coverage" and against such other insurable perils as, under good insurance practices, from time to time are insured for properties of similar character and location, which insurance shall be not less than the full replacement cost of the Facilities, without deduction for depreciation. In the event that the Facilities are not repaired or replaced, insurance proceeds shall be no greater than the actual cash value (replacement cost less depreciation) of the Facilities at the time of the loss. The policy shall be adjusted to comply with any applicable co-insurance provisions of such insurance policy. Full payment of insurance proceeds shall not be contingent on the degree of damage sustained at other facilities leased by the Board. The policy or policies covering such loss must explicitly waive any co-insurance penalty.

(ii) A policy of comprehensive public liability insurance with respect to the Facilities and the operations related thereto, whether conducted on or off the Facilities, against liability for personal injury (including bodily injury and death) and property damage, of not less than \$2,000,000 in combined single limit liability coverage. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability, water damage legal liability, motor vehicle liability for all owned and non-owned vehicles, including rented or leased vehicles.

(iii) Boiler and machinery insurance coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus, but only if steam boilers, pressure vessels or similar apparatus are installed on the Facilities, in an amount not less than \$5,000,000 with deductible provisions not exceeding \$100,000 per accident.

(iv) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State, or any act hereafter enacted as an amendment thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the Corporation in connection with the Facilities and to cover full liability for compensation under any such act aforesaid.

(b) The Corporation shall:

(i) cause to be secured and maintained a policy of title insurance insuring the Corporation's leasehold interest under the Ground Lease in an amount equal to the par amount of the Bonds; and

(ii) cause all of the construction professionals to secure and maintain:

(A) Comprehensive or Commercial General Liability insurance;

(B) Errors and Omissions insurance;

(C) Automobile Liability insurance;

(D) Worker's Compensation insurance;

(E) an all Risk Builder's Policy upon the construction of the Facilities; and

(F) boiler and machinery or additional property insurance;

all as required by the terms of any construction contracts entered into with regards to the demolition of certain existing facilities and the renovation, development and construction of the Facilities.

All insurance required in this Section 9 and all renewals of such insurance (excepting self insurance or commercial insurance, through ORM) shall be issued by commercial insurers authorized to transact business in the State, and rated at least A- by Best's Insurance Reports (property/liability) or in the two highest rating categories of S&P and Moody's. All insurance policies provided or caused to be provided by the Corporation shall expressly provide that the policies shall not be canceled or altered without thirty (30) days' prior written notice to the University and the Trustee; and shall, to the extent obtainable, provide that no act or omission of the Corporation or other provider of the insurance that would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained.

All policies of liability insurance that the University is obligated to maintain according to this Facilities Lease (other than any policy of worker's compensation insurance) will name the Corporation, the Trustee and such other Persons or firms as the University may be required to name from time to time as additional insureds and shall expressly provide that the policies shall not be canceled or altered without thirty (30) days' prior written notice to the Corporation and the Trustee; and shall, to the extent obtainable, provide that no act or omission of the University or other provider of the insurance that would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained. All public liability, property damage liability, and casualty policies maintained by the University shall be written as primary policies.

Proceeds of insurance received and/or the amount of any loss that is self-insured with respect to destruction of or damage to any portion of the Facilities by fire, earthquake or other casualty or event shall be paid to the Trustee (or, in the case of ORM insurance, to the Board for delivery in full to the Trustee) for application in accordance with the provisions of Section 11 of this Facilities Lease and the Indenture.

The Corporation shall certify annually to the Bond Insurer, if any, that all insurance policies required by this Section 9 are as of the date of such certification in place and in effect.

Section 10. Condemnation, Casualty and Other Damage.

The risk of loss or decrease in the enjoyment and beneficial use of the Facilities due to any damage or destruction thereof by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion or otherwise (collectively "Casualty") or in consequence of any foreclosures, attachments, levies or executions, or the taking of all or any portion of the Facilities by condemnation, expropriation, or eminent domain proceedings (collectively "Expropriation") is expressly assumed by the Board. The Corporation and the Trustee shall in no event be answerable, accountable or liable therefor, nor shall any of the foregoing events entitle the Board to any abatements, set-offs or counter claims with respect to its Base Rental, Additional Rental or any other obligation hereunder.

Section 11. Application of Insurance Proceeds, Condemnation Award.

(a) If during construction, all or any portion of the Facilities is damaged or destroyed by a Casualty, or is taken by Expropriation proceedings, the Board shall instruct the Corporation, as expeditiously as possible, to continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof; provided however, that the Corporation shall in no way be liable for any costs of the repair, restoration or replacement of the Facilities in excess of the proceeds of any insurance or of any Expropriation award received because of such Casualty or Expropriation. Following the completion of construction and acceptance of the Facilities by the Board on behalf of the Corporation, the Board shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted, the repair, restoration, or replacement thereof. The proceeds of any insurance, including the proceeds of any self-insurance fund, or of any Expropriation award or payment in lieu of Expropriation, received on account of any damage, destruction or taking of all or any portion of the Facilities shall be delivered to the Trustee and held by the Trustee in trust (or in the case of self insurance through ORM, as set forth in paragraph (b) below), and shall be made available for, and to the extent necessary be applied to, such restoration, repair and replacement. Any amounts so held by the Trustee shall be disbursed to pay the costs of restoration, replacement and repair of the Facilities with respect to which they are held, in each case promptly after receipt of a written request of the Corporation stating that the amount to be disbursed pursuant to such request will be used to pay costs of replacing or repairing or restoring the Facilities and that no amount previously has been disbursed by the Trustee for payment of the costs to be so paid. In making such payments, the Trustee may conclusively rely upon such written requests and shall have no liability or responsibility to investigate any matter stated therein, or for any inaccuracy or misstatement therein. In no event shall the Trustee be responsible for the adequacy of the plans and specifications or construction contract relating to the replacement, restoration, or repair of the Facilities, or for the improper use of moneys properly disbursed pursuant to request made under this Section 11. Any proceeds remaining on deposit with Trustee following completion of the repairs, restoration or replacement of the Facilities shall be paid by Trustee in accordance with the terms of the Indenture.

In the event the proceeds of any insurance, and any additional funds deposited with the Trustee, are insufficient to fully repair, restore or replace the Facilities, the proceeds shall be paid to the Board for immediate delivery to Trustee and used to redeem the Outstanding Bonds.

Notwithstanding the foregoing, the Corporation's obligation to replace the Facilities in the event of Expropriation proceedings is dependent on the Board entering into a lease with a different portion of the Campus as provided in Section 13.3 of the Ground Lease. In the event it is necessary to restore or replace the Facilities in a different location because of the Expropriation of all or a portion of the Facilities, the Corporation and the Board agree to amend or enter into a new Facilities Lease and Ground Lease in accordance with Section 13.3 of the Ground Lease. In the event the Board, pursuant to the Ground Lease, decides not to repair, restore or replace the Facilities for any reason, all insurance proceeds received or payable as a result of such Casualty, or all proceeds received or payable as a result of Expropriation proceedings (including payments received or payable in lieu of Expropriation) shall be paid to the Board for immediate delivery to the Trustee and applied to the prepayment of the Bonds in accordance with the terms of the Indenture, and this Facilities Lease and the Ground Lease shall terminate on the date that the events described in Section 2(a) or 2(b) hereof have occurred.

(b) In the event that ORM insures the Facilities, the Board shall use the insurance proceeds received from ORM in accordance with Policy and Procedure Memorandum Number 10 (requiring invoices to be submitted to ORM for payment to vendors, or alternatively, production of invoices paid by the Board to ORM for reimbursement of vendor payments) to effect the repair, restoration or replacement of the Facilities.

Section 12. Encumbrances.

(a) **Payment by the Board.** The Board shall pay or cause to be paid all costs and charges for alterations, improvements, additions, repairs and maintenance ("Work") (i) done by the Board or caused to be done by the Board in or to the Facilities, and (ii) for all materials furnished for or in connection with such Work. The Corporation reserves all rights to collect for any loss or damage sustained or incurred by the Corporation resulting from any and all Encumbrances, demands or liabilities arising on account of the Work, which shall be payable by the Board as Additional Rent hereunder.

(b) **Failure to Discharge.** If the Board fails to pay any charge for which an Encumbrance has been filed, and the Facilities or any portion thereof is placed in imminent danger of being seized, the Corporation may, but shall not be obligated to, pay such charge and related costs and interest, and the amount so paid, together with reasonable Legal Expenses incurred in connection with such Encumbrance, will be immediately due from the Board to the Corporation as Additional Rental. Nothing contained in this Facilities Lease will be deemed the consent or agreement of the Corporation to subject the Corporation's interest in the Facilities to liability under any Encumbrance, or any mechanics', materialman's or other lien law. If the Board receives written notice that an Encumbrance has been or is about to be filed against the Facilities, or that any action affecting title to the Facilities has been commenced on account of Work done by or for the Board or for materials furnished to or for the Board, it shall immediately give the Corporation Notice of such notice.

(c) **Notice of Work.** At least fifteen (15) days prior to the commencement of any Work in or to the Facilities, by or for the University, the University shall give the Corporation Notice of the proposed Work and the names and addresses of the Persons supplying labor and materials for the proposed Work. The Corporation will have the right to post notices of

nonresponsibility or similar written notices on the Facilities in order to protect the Facilities against any such claimants.

Section 13. Assignment and Sublease.

(a) No interest of the Board in the Facilities shall be mortgaged, pledged, assigned or transferred by the Board by voluntary act or by operation of law, or otherwise; provided, however, the Board may sublease all or any portion of the Facilities, or grant concessions involving the use of all or any portion of the Facilities, whether such concessions purport to convey a leasehold interest or a license to use all or a portion of the Facilities to any University student, faculty, staff or Permitted Sublessee. The Board shall, however, at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Facilities Lease (including, without limitation, the payment of Base Rental and Additional Rental), notwithstanding any subletting or granting of concessions which may be made. Nothing herein contained shall be construed to relieve the Board from its obligations to pay Base Rental and Additional Rental as provided in this Facilities Lease or to relieve the Board from any other obligations contained herein. Other than subleases to Permitted Sublessees and use of the Facilities for Permitted Uses, in no event will the Board sublease or permit the use of all or any part of the Facilities to any person without an opinion of Bond Counsel that such will not cause interest on the Bonds to be included in the gross income of the owners of the Series 2010 Bonds for federal income tax purposes.

(b) The Corporation shall, concurrently with the execution hereof, assign all of its right, title and interest in and to this Facilities Lease, including without limitation its right to receive Base Rental payable hereunder, to the Issuer pursuant to the Agreement, and the Issuer will in turn assign its rights under this Facilities Lease to the Trustee pursuant to the Indenture. The parties hereto further agree to execute any and all documents necessary and proper in connection therewith. Anything required or permitted to be done by the Corporation under this Facilities Lease may be done by the Trustee under the Indenture.

(c) Except as set forth in Section 13(b) hereof, the Corporation shall not sell or assign its interest in the Facility or this Facilities Lease without the prior written consent of the Board.

Section 14. Additions and Improvements Removal.

At the expiration of the Term, or termination of this Facilities Lease, all alterations, fixtures, improvements and additions made by the Board or the University and all equipment placed upon the Facilities that are incorporated into or made into component parts of the Facilities, as well as, title to all property, furniture, equipment, fixtures, and other property installed at or placed upon the Facilities by the Board which is not incorporated into or made a component part of the Facilities remain the property of the Board.

The Board hereby agrees to replace such property from time to time as such property becomes worn out, obsolete, inadequate, unsuitable or undesirable. The Board may add to or remove such property from time to time, and upon expiration of the Term, provided that the Board repairs any damage to the Facilities caused by such removal.

Section 15. Right of Entry.

Representatives of the Corporation and the Bond Insurer, if any, shall, subject to reasonable security precautions, and upon giving the Board not less than twenty-four (24) hours advance Notice, have the right to enter upon the Facilities during reasonable business hours (and in emergencies without notice and at all times) accompanied by a Board Representative (i) to inspect the same, (ii) for any purpose connected with the rights or obligations of the Corporation under this Facilities Lease, or (iii) for all other lawful purposes. Any right of access to any portion of the Facilities leased to the students, faculty, staff or Permitted Sublessees shall be subject to their rights pursuant to their rental agreements and University policy.

Section 16. Mortgage Prohibition.

Except as set forth in the Indenture, the Ground Lease and the Agreement, the Corporation shall not be entitled to mortgage or grant a security interest in the Facilities.

Section 17. Sale of Facilities; Attornment; and Conveyance and Transfer of the Corporation's Interest.

If a person other than the Corporation shall succeed to the rights of the Corporation hereunder (in any case with the prior written consent of the Board as required hereby), upon the declaration of the successor to the Corporation's interest in this Facilities Lease, the Board agrees to fully attorn to and recognize any such successor as the Board's landlord under this Facilities Lease upon the then existing terms of this Facilities Lease, provided that such successor shall agree in writing to accept the Board's attornment and not to disturb the Board's possession so long as the Board shall observe the provisions and all covenants of this Facilities Lease. This attornment provision shall inure to the benefit of any such successor and shall be self-operative upon the election and declaration by such successor, and no further instrument shall be required to give effect to the provisions. However, the Board agrees to evidence and confirm the foregoing attornment provisions by the execution and delivery of instruments in recordable form satisfactory to such successor.

If the Facilities, or any part thereof, shall be sold or otherwise transferred by sale, assignment, transfer or other contract, or by operation of law or otherwise (with the prior written consent of the Board as required hereby and with an opinion of Bond Counsel that such action will not cause interest on the Series 2010A Bonds to be included in the gross income of the owner of the Series 2010A Bonds for federal tax purposes), and if such written consent specifically so provides, the Corporation shall be automatically and entirely released and discharged to the extent of the interest in or the portion of the Facilities sold, assigned or transferred from and after the effective date of such sale, assignment or transfer of all liability for the performance of any of the covenants of this Facilities Lease on the part of the Corporation thereafter to be performed. The purchaser or other transferee of the Facilities shall be deemed to have agreed to perform such covenants of the Corporation from and after the date of such assignment or sale during such transferee's period of ownership of the Corporation's interest under this Facilities Lease, all without further agreement between the Corporation, its successor and the Board. The Corporation's transferee shall not be held responsible for the performance of any of the covenants of this Facilities Lease on the part of the Corporation required to be

performed prior to such sale and transfer, the Board reserving its rights against the Corporation for any unperformed covenants prior to such sale or transfer.

Section 18. Quiet Enjoyment.

The Corporation covenants that the Board, on paying the Rental and performing and observing all of the covenants and agreements herein contained and provided to be performed by the Board or the University, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Facilities during the Term and may exercise all of its rights hereunder; and the Corporation agrees to warrant and forever defend the Board's right to such occupancy, use, and enjoyment and the title to the Facilities against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof subject only to the provisions of this Facilities Lease.

Section 19. Environmental Compliance and Indemnity.

(a) Environmental Compliance. The Board or the University shall operate or cause to be operated the Facilities in compliance with all Environmental Requirements continuously during the Term, and for such periods of time prior to the Commencement Date and after the Expiration Date, as long as the Board is in possession of the Facilities, in whole or in part. The Board shall not cause or permit any Hazardous Substance to be brought upon, kept, or used in or about the Facilities or the Land, except for such Hazardous Substance as is necessary or useful to the operation of the Facilities.

(b) The Board's Liability. If the Board fails to comply with any of the foregoing warranties, representations, and covenants, and removal or Remediation of any Hazardous Substance found on the Facilities is required by Environmental Requirements or Governmental Authority, the Board shall promptly undertake the removal or Remediation of such Hazardous Substance, at the Board's sole cost and expense. In the event the Board fails or refuses to undertake such removal or Remedial actions, the Corporation may cause the removal or Remediation (or other cleanup reasonably acceptable to the Corporation) of any such Hazardous Substance from the Land or the Facilities. The reasonable costs of removal, Remediation, or any other cleanup (including transportation and storage costs) will be considered as Additional Rental under this Facilities Lease, whether or not a court has ordered the cleanup, and those costs will become due and payable within ninety (90) days of written demand by the Corporation. In connection therewith, the Board will give the Corporation, its agents, and employees access to the Facilities to remove, remediate, or otherwise clean up any Hazardous Substance. The Corporation, however, has no affirmative obligation to remove, remediate, or otherwise clean up any Hazardous Substance, and this Facilities Lease will not be construed as creating any such obligation. The Board hereby agrees that it shall be fully liable for all costs and expenses related to the use, storage, and disposal of any Hazardous Substance located in or about the Facilities by the Board.

Section 20. The Corporation's Reservation of Rights.

(a) The Corporation hereby reserves all of its rights to recover from the Board for any and all Claims asserted against the Corporation, including Litigation Expenses arising out of or by reason of:

(i) any injury to or death of any person or damage to property occurring on or about the Facilities occasioned by or growing out of or arising or resulting from any tortious or negligent act on the part of the Board in connection with the operation and management of the Facilities; or

(ii) any failure, breach, or default on the part of the Board in the performance of or compliance with any of the obligations of the Board under the terms of this Facilities Lease.

(b) Notwithstanding the fact that it is the intention of the parties that the Corporation shall not incur any pecuniary liability by reason of the terms of this Facilities Lease or the undertakings required of the Corporation hereunder, nevertheless, if the Corporation should incur any such pecuniary liability, then in that event, the Corporation shall be entitled to assert all rights and remedies granted in law or in equity to recover from the Board the amount of any pecuniary liability incurred by the Corporation, plus all Litigation Expenses incurred in defense of such liability to the extent subject to indemnification pursuant to Subsection (a) above.

(c) No recourse shall be had for the enforcement of any obligation, covenant, or agreement of the Corporation contained in this Facilities Lease or any Claim based thereon against the Corporation or of any successor thereto or member thereof, either directly or through the Corporation whether by virtue of any constitutional provision, statute, or rule of law. This Facilities Lease and the obligations of the Corporation hereunder, and any Claim asserted against the Corporation are solely corporate obligations, and the enforcement of any obligation or Claim shall be limited solely to the Corporation's interest in the Facilities. No personal liability shall attach to, or be incurred by, any officer, director, agent, employee or member of the Corporation and the Board acknowledges that all personal liability of any character against every such officer, director, agent, employee or member by the execution of this Facilities Lease, is expressly waived and released. The immunity of any officer, director, agent, employee or member of the Corporation under the provisions contained in this Section 20 shall survive any acquisition of the Facilities by the Board and the expiration or other termination of this Facilities Lease.

Section 21. Default by the Board.

If (i) the Board shall fail to deposit with the Trustee any Base Rental payment required to be so deposited pursuant to Section 6 hereof by the close of business on the day such deposit is required pursuant to Section 6 hereof, and shall fail to remedy such breach within five (5) days thereof, but in no event later than the date on which such payment is required to enable the Corporation to make payment on the Bonds (without use of moneys held in the Debt Service Reserve Fund), or (ii) the Board shall fail to pay or discharge any monetary obligation under this Lease (other than the payment of Base Rental) as and when due, or within thirty (30) days after receipt of Notice from the Corporation that such sums are due and owing; or (iii) the Board shall

breach any non-monetary terms, covenants or conditions herein, and shall fail to remedy any such breach with all reasonable dispatch within a reasonable period of time (or such longer period as the Trustee may approve) after written notice thereof from the Corporation to the Board, then and in any such event the Board shall be deemed to be in default hereunder, and the Corporation shall have the right, at its option, without any further demand or notice to terminate this Facilities Lease on the earliest date permitted by law or on any later date specified in any Notice given to the Board, in which case the Board's right to possession of the Facilities will cease and this Facilities Lease will be terminated, without, however, waiving the Corporation's right to collect all Rental and other payments due or owing for the period up to the time the Corporation regains possession (which have been approved for payment under this Facilities Lease, but not paid by the Board), and to enforce other obligations of the Board which survive termination of this Facilities Lease, and in such event the Corporation may without any further demand or notice re-enter the Facilities and eject all parties in possession thereof, subject to the rights of students, faculty, staff and Permitted Sublessees. The foregoing remedies of the Corporation are in addition to and not exclusive of any other remedy of the Corporation. Any such re-entry shall be allowed by the Board without hindrance, and the Corporation shall not be liable in damages for any such re-entry or be guilty of trespass. The Corporation understands and agrees that upon its termination of the Board's right to possession of the Facilities or termination of this Facilities Lease, the Corporation upon its re-entry of the Facilities shall only be allowed to use the Facilities for the Permitted Use and shall be subject to all applicable Governmental Regulations heretofore or hereafter enacted by any Governmental Authority relating to the use and operation of the Facilities.

Notwithstanding any other provision of this Facilities Lease, (i) in no event shall the Corporation have the right to accelerate the payment of any Base Rental payment hereunder and (ii) the Bond Insurer, if any, shall have ninety (90) days to cure an Event of Default hereunder.

Notwithstanding anything contained in this Section 21 to the contrary, a failure by the Board to pay when due any payment required to be made under this Facilities Lease or a failure by the Board to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Facilities Lease, resulting from a failure by the Board to designate moneys shall not constitute an Event of Default under this Section 21 and the Corporation shall not have any of the remedial rights set forth in this Section 21. Notwithstanding the foregoing, in such event the Board acknowledges that the Facilities Lease shall terminate and the Board shall immediately vacate the Facilities, and deliver the Facilities to the Corporation.

Section 22. Cumulative Remedies.

Each right and remedy provided for in this Facilities Lease is cumulative and is in addition to every other right or remedy provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Corporation of any one or more of the rights or remedies provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by the Corporation of any or all other rights or remedies provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise. All costs

incurred by the Corporation in collecting any amounts and damages owing by the Board pursuant to the provisions of this Facilities Lease or to enforce any provision of this Facilities Lease, including reasonable Litigation Expenses from the date any such matter is turned over to an attorney, whether or not one or more actions are commenced by the Corporation, will also be recoverable by the Corporation from the Board. The waiver by the Corporation of any breach by the Board and the waiver by the Board of any breach by the Corporation of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

Section 23. Option to Purchase

For and in consideration of the obligations of the Board under the Facilities Lease, the mutual undertakings of the parties, the receipt and adequacy of which is hereby acknowledged, the Corporation grants to the Board an exclusive and irrevocable option to purchase for the price and on the terms, provisions, stipulations and conditions hereinafter set forth, all but not less than all of the Corporation's leasehold interest in the Facilities.

(a) **Effective Date.** The effective date of this Option agreement shall be the Commencement Date.

(b) **Term of Option.** The Option shall expire at midnight Central Time, on the Expiration Date, or upon the termination of this Facilities Lease, whichever occurs first.

(c) **Limitation on Exercise of Option.** The Board may not exercise the Option, and the Option shall be voidable, at the sole election of the Corporation, if a default by the Board has occurred and is continuing under this Facilities Lease, and the applicable time period in which the Board may cure such default has expired. Notwithstanding any provision of this Option to the contrary, the Board shall be entitled to exercise the Option as long as the Board is legally obligated to make payments of Base Rental under the Facilities Lease.

(d) **Exercise of Option.** The Board may exercise the Option herein granted at any time on or before expiration of the Term, on any Interest Payment Date as set forth in the Indenture or on the date the Bonds are defeased pursuant to Article XII of the Indenture, by Notice to the Corporation of its election to exercise the Option and purchase the Corporation's interest in and to the Facilities given not less than sixty (60) days prior to the date on which the Board desires to purchase the Facilities.

(e) **Purchase Price.** The Purchase Price shall be equal to the principal of all Bonds then Outstanding plus the interest to accrue on such Bonds until the purchase date, plus any prepayment penalties, charges or costs for early prepayment or defeasance of the Bonds and any Administrative Expenses owed prior to the purchase date which payments are necessary to discharge the Indenture pursuant to Article XII thereof (collectively, the "Purchase Price").

(f) **Effect on Facilities Lease and Ground Lease.** Upon the purchase of the Corporation's leasehold interest in the Facilities by the Board pursuant to this Option, the Facilities Lease and the Ground Lease shall terminate and all of the Corporation's leasehold interest in the Land and the Facilities shall terminate.

(g) **Payment of Purchase Price.** The Board, on the purchase date, shall deposit an amount equal to the Purchase Price with the Trustee.

(i) **Conveyance.** In the event of and upon the payment of the Purchase Price and any other sums due under this Facilities Lease by the Board, the Corporation will on the purchase date execute and deliver to the Board a written cancellation of the Ground Lease and this Facilities Lease.

(ii) **Assignment of Contract Rights and Obligations.** The conveyance of the Corporation's leasehold interest in the Facilities shall also effect a transfer and assignment of all rights, warranties and liabilities of the Corporation under then existing contracts of any nature with respect to the Facilities.

(h) **Closing.** In the event the Option is timely exercised, notice of the Board's election to the Corporation shall constitute an irrevocable conversion of the Option into a binding obligation of the Corporation to sell its leasehold interest in the Facilities and the Board to buy the same under the terms and conditions set forth in this Section 23, and in such event, the Corporation and the Board shall have the right to demand specific performance of this agreement by the other. The closing shall occur at the offices of the Board or its counsel, or at such other time, place, and date as agreed upon by the Corporation and the Board.

(i) **Closing Costs.** The Board shall pay all closing costs and charges incident to the conveyance of the Corporation's interest in the Land and the Facilities.

(j) **No Warranty.** The Corporation shall convey its leasehold interest in the Facilities without any warranty whatsoever of any nature. The conveyances of the leasehold interest in the Facilities shall be without any warranty as to fitness and condition, as set forth in Section 5 of this Facilities Lease. Language substantially similar to the language contained in Section 5 of this Facilities Lease shall be incorporated into and made a part of such conveyance. In no event shall the Corporation be responsible for any defects in title.

(k) **Default under the Option.**

(i) In the event the Option is exercised, and the Corporation fails to consummate the transactions contemplated herein for any reason, except default by the Board or the failure of the Board to satisfy any of the conditions set forth herein, the Board may, in addition to any other rights and remedies which may otherwise be available to the Board, enforce this agreement by specific performance. The Board's remedies under this Section 23 are expressly subject to the provisions of Section 30 of this Facilities Lease.

(ii) In the event the Option is exercised, and the Board fails to consummate the transactions contemplated herein for any reason, except default by the Corporation or the failure of the Corporation to satisfy any of the conditions set forth herein, the Corporation (a) may enforce this agreement by specific performance and in such action shall have the right to recover damages suffered by reason of the Board's delay; or (b) may bring suit for damages for breach of this agreement.

(iii) No delay or omission in the exercise of any right or remedy accruing to either party upon any breach by the other party under this Section 23 shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter occurring. The waiver by either party of any condition or any subsequent breach of the same or any other term, covenant or condition contained in this Section 23 shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained.

(l) **Attorney's Fees.** Should either party employ an attorney or attorneys to enforce any of the provisions hereof, or to protect its interest in any matter arising under this agreement, or to recover damages for the breach of this agreement, the party prevailing in any final judgment shall have the right to collect from the losing party all Litigation Expenses incurred in enforcing such rights.

(m) **Notices.** Any notices required or permitted under this Section 23 shall be in writing and delivered either in person to the other party, or the other party's authorized agent, or by United States Certified Mail, return receipt requested, postage prepaid, to the address set forth in Section 50 of this Facilities Lease, or to such other address as either party may designate in writing and delivered as herein provided.

(n) **Assignability.** Except as set forth in the Indenture, the Mortgage or the Ground Lease, the Option may not be assigned by the Corporation or its interest in the Facilities sold (subject to the Option or otherwise) to any person or entity without the Board's prior written consent, which consent may be withheld by the Board in its sole discretion.

(o) **Time of Essence.** Time is of the essence of this Option.

(p) **Binding Effect.** This Option shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, successors and assigns.

Section 24. Severability.

If any provisions of this Facilities Lease shall be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable, to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Facilities Lease shall not affect the remaining portions of this Facilities Lease, or any part thereof.

Section 25. Redemption of Bonds.

The Corporation agrees that it will not exercise its option to redeem any Bonds pursuant to the Indenture unless the Board consents to such redemption or such redemption is to be effected with moneys derived from a source other than payments made by the Board under this Facilities Lease, however, in no event shall the mandatory redemption of any Bonds pursuant to

the Indenture require the consent of the Board. The Corporation further agrees that if requested by the Board it will take all actions necessary to redeem all or any portion of the Bonds designated by the Board on the first date that it may do so under the terms of the Indenture so long as the Board agrees to provide funds in an amount, and at the time, required to effect such redemption.

Section 26. Additional Bonds.

Upon the request and at the expense of the Board, the Corporation shall take action as may be required to effect the issuance of Additional Bonds in such amount as the Board may request as permitted by and in accordance with the provisions of the Indenture for any purpose permitted thereby.

Section 27. Execution.

This Facilities Lease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same Facilities Lease.

Section 28. Law Governing.

This Facilities Lease is made in the State under the constitution and laws of the State and is to be governed by the laws of the State.

Section 29. Non-designation of Funds.

In the event no funds or insufficient funds are lawfully designated in any Fiscal Year enabling the payment of Base Rental and Additional Rental due during the next succeeding Fiscal Year, the Board will immediately notify the Corporation and the Trustee of such occurrence. On the first day of the month following the Base Rental payment date on which the last payment of Base Rental can be made in full from the Capital Funds and the Student Fees, this Facilities Lease shall terminate without penalty or expense to the Board of any kind whatsoever, except as to the portions of Base Rental and Additional Rental payments herein agreed upon for Fiscal Years for which sufficient funds have been lawfully designated. In the event of such termination, the Board agrees peaceably to surrender possession of the Facilities to the Corporation on the date of such termination in its original condition (normal wear and tear excepted). The Corporation will have all legal and equitable rights and remedies to take possession of the Facilities and re-let or sell the Facilities as the Corporation determines and as granted in this Facilities Lease. The Board acknowledges that the Corporation's rights to take possession and to re-let or sell the Facilities under this Section 29 may be assigned to the Trustee for the benefit of the owners of the Bonds, and the Board agrees that the Trustee shall be entitled to exercise all of the rights of the Corporation under this Section 29. The event of an inability by the Board to cause the designation of sufficient funds for the payment of sums due under this Facilities Lease shall not constitute a default hereunder, but shall ipso facto terminate this Facilities Lease. This provision is operative notwithstanding any provisions of this Facilities Lease to the contrary. The Board shall be considered in default hereunder if sufficient funds are lawfully designated for the payment of Rental required under this Facilities Lease and the Board

fails to use lawfully designated funds for the payment of Rental. In such event, the Corporation shall be entitled to the rights and remedies set forth in Sections 21 and 22 hereof.

Section 30. Exculpatory Provision.

In the exercise of the powers of the Corporation and its trustees, officers, employees and agents under this Facilities Lease and the Indenture, the Corporation shall not be accountable or liable to the Board (i) for any actions taken or omitted by it or its officers, employees or agents in good faith and believed by it or them to be authorized or within their discretion or rights or powers conferred upon them, or (ii) for any claims based on this Facilities Lease against any officer, employee or agent of the Corporation in his or her personal capacity, all such liability, if any, being expressly waived by the Board by the execution of this Facilities Lease. Nothing in this Facilities Lease or the Indenture is intended to require or obligate, nor shall anything herein or therein be interpreted to require or obligate, the Corporation for any purpose or at any time whatsoever, to provide, apply or expend any funds coming into the hands of the Corporation other than the funds derived from the issuance of the Bonds under the Indenture and moneys derived pursuant to the Indenture and this Facilities Lease.

The Board specifically agrees to look solely to the Corporation's interest in the Facilities for the recovery of any judgments from the Corporation. It is agreed that the Corporation will not be personally liable for any such judgments, or incur any pecuniary liability as a result of this Facilities Lease to the Board, or the breach of its obligations hereunder. The Corporation's liability under this Facilities Lease is "in rem" as to its interest in the Facilities. The provisions contained in the preceding sentences are not intended to and will not limit any right that the Board might otherwise have to obtain injunctive relief against the Corporation or relief in any suit or action in connection with enforcement or collection of amounts that may become owing or payable under or on account of insurance maintained by the Corporation.

Section 31. Reserved.

Section 32. Recording.

The Corporation covenants and agrees that it will promptly record and from time to time re-record a memorandum in recordable form of this Facilities Lease and the Indenture and all supplements thereto and hereto in such manner and in such places as may be required by law in order to fully protect and preserve the security of the holders or owners of the Bonds.

Section 33. Construction Against Drafting Party.

The Corporation and the Board acknowledge that each of them and their counsel have had an opportunity to review this Facilities Lease and that each Party was responsible for the drafting thereof.

Section 34. Time of the Essence.

Time is of the essence of each and every provision of this Facilities Lease.

Section 35. No Waiver.

The waiver by the Corporation of any agreement, condition, or provision contained in this Facilities Lease will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Facilities Lease, nor will any current or future custom or practice between the parties in the administration of the terms of this Facilities Lease be construed to waive or to lessen the right of the Corporation to insist upon the performance by the Board in strict accordance with the terms of this Facilities Lease. The subsequent acceptance of Rental by the Corporation will not be deemed to be a waiver of any preceding breach by the Board of any agreement, condition, or provision of this Facilities Lease, other than the failure of the Board to pay the particular Rental so accepted, regardless of the Corporation's knowledge of such preceding breach at the time of acceptance of such Rental.

Section 36. Survival.

To the extent permitted by law and to the extent such will not constitute the incurrance of debt by the Board, all of the Corporation's remedies and rights of recovery under Sections 19 and 20 of this Facilities Lease shall survive the Term and/or the purchase of the Facilities by the Board under the Option.

Section 37. Reserved.

Section 38. Estoppel Certificates.

At any time and from time to time but within ten (10) days after prior written request by the Corporation, the Board will execute, acknowledge, and deliver to the Corporation, promptly upon request but only to the extent accurate, a certificate certifying (i) that this Facilities Lease is unmodified and in full force and effect on, if there have been modifications, that this Facilities Lease is in full force and effect, as modified, and stating the date and nature of each modification; (ii) the date, if any, to which Rental and other sums payable under this Facilities Lease have been paid; (iii) that no Notice of any default has been delivered to the Corporation which default has not been cured, except as to defaults specified in said certificate; (iv) that there is no Event of Default under this Facilities Lease or an event which, with Notice or the passage of time, or both, would result in an Event of Default under this Facilities Lease, except for defaults specified in said certificate; and (v) such other matters as may be reasonably requested by the Corporation. Any such certificate may be relied upon by any prospective purchaser or existing or prospective mortgagee of the Facilities or any part thereof. The Board's failure to notify the Corporation of any inaccuracies in the proposed certificate within the specified time period shall be conclusive evidence that the matters set forth in the certificate are accurate and correct.

Section 39. Waiver of Jury Trial.

The Corporation and the Board waive trial by jury in any action, proceeding, or counterclaim brought by either of the Parties to this Facilities Lease against the other on any matters whatsoever arising out of or in any way connected with this Facilities Lease, the relationship of the Corporation and the Board, the Board's use or occupancy of the Facilities, or any other Claims, and any emergency statutory or any other statutory remedy.

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Facilities Lease

Section 40. Written Amendment Required.

No amendment, alteration, modification of, or addition to the Facilities Lease will be valid or binding unless expressed in writing and signed by the Corporation and the Board and consented to the extent required by the Agreement.

Section 41. Entire Agreement.

This Facilities Lease, the exhibits and addenda, if any, contain the entire agreement between the Corporation and the Board. No promises or representations, except as contained in this Facilities Lease, have been made to the Board respecting the condition or the manner of operating the Facilities.

Section 42. Signs.

The Board may attach any sign on any part of the Facilities, or in the halls, lobbies, windows, or elevator banks of the Facilities, without the Corporation's approval. The Board may name the Facilities and change the name, number, or designation of the Facilities, without the Corporation's prior consent.

Section 43. Litigation Expenses.

The Board will pay the Corporation as Additional Rental all reasonable Litigation Expenses and all other reasonable expenses which may be incurred by the Corporation in enforcing any of the obligations of the Board under this Facilities Lease, in exercising its rights to recover against the Board for loss or damage sustained in accordance with the provisions of this Facilities Lease, or in any litigation or negotiation in which the Corporation shall, without its fault, become involved through or because of this Facilities Lease.

Section 44. Brokers.

The Corporation and the Board respectively represent and warrant to each other that neither of them has consulted or negotiated with any broker or finder with regard to the Facilities.

Section 45. No Easements for Air or Light.

Any diminution or shutting off of light, air, or view by any structure that may be erected on any of the lands constituting the Facilities, or on lands adjacent to the Facilities, will in no way affect this Facilities Lease or impose any liability on the Corporation. This Facilities Lease does not grant any rights to light, view and/or air over the Facilities whatsoever.

Section 46. Binding Effect.

The covenants, conditions, and agreements contained in this Facilities Lease will bind and inure to the benefit of the Corporation and the Board and their respective permitted successors and assigns.

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Facilities Lease

Section 47. Rules of Interpretation.

The following rules shall apply to the construction of this Facilities Lease unless the context requires otherwise: (a) the singular includes the plural and the plural includes the singular; (b) words importing any gender include the other genders; (c) references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute to which reference is made and all regulations promulgated pursuant to such statutes; (d) references to "writing" include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible form; (e) the words "including," "includes," and "include" shall be deemed to be followed by words "without limitation"; (f) references to the introductory paragraph, preliminary statements, articles, sections (or subdivision of sections), exhibits, appendices, annexes or schedules are to those of this Facilities Lease unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments; (h) references to Persons include their respective successors and assigns to the extent successors or assigns are permitted or not prohibited by the terms of this Facilities Lease; (i) any accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles; (j) "or" is not exclusive; (k) provisions apply to successive events and transactions; (l) references to documents or agreements which have been terminated or released or which have expired shall be of no force and effect after such termination, release, or expiration; (m) references to mail shall be deemed to refer to first-class mail, postage prepaid, unless another type of mail is specified; (n) all references to time shall be to Hammond, Louisiana time; (o) references to specific persons, positions, or officers shall include those who or which succeed to or perform their respective functions, duties, or responsibilities; and (p) the terms "herein," "hereunder," "hereby," "hereof," and any similar terms refer to this Facilities Lease as a whole and not to any particular articles, section or subdivision hereof.

Section 48. Relationship of Parties.

The relationship of the Parties shall be one of lessor and lessee only, and shall not be considered a partnership, joint venture, license arrangement or unincorporated association. The Corporation is not controlled by the Board or under the control of any Person also in control of the Board.

Section 49. Law Between the Parties.

This Facilities Lease shall constitute the law between the Parties, and if any provision of this Facilities Lease is in conflict with the provisions of "Title IX - Of Lease" of the Louisiana Civil Code, Articles 2669 through 2777, inclusive, the provisions of this Facilities Lease shall control.

Section 50. Notices.

All notices, filings and other communications ("Notice") shall be in writing and shall be sufficiently given and served upon the other parties if delivered by hand directly to the persons at the addresses set forth below, or shall be sent by first class mail, postage prepaid, addressed as follows:

The Corporation:

University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director

With copies at the same time to:

Seale & Ross
200 North Cate Street
Hammond, Louisiana 70404
Attention: T. Jay Seale

The Board:

Board of Supervisors for the University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Assistant Vice President for Facilities Planning and
Capital Improvements

With copies at the same time to:

Southeastern Louisiana University
Western Avenue
Friendship Circle (SLU Box 10709)
Hammond, Louisiana 70402
Attention: Vice President for Administration and Finance

Trustee:

The Bank of New York Mellon Trust Company, N.A.
One American Place, Suite 1510
301 Main Street
Baton Rouge LA 70825
Attention: Kathy L. Pine, Vice President

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IN WITNESS WHEREOF, the undersigned representative has signed this Facilities Lease on behalf of the Board of Supervisors for the University of Louisiana System on the date set forth below his signature.

WITNESSES:

Leanne Marshall
Printed Name: Leanne Marshall

By:

Christie McGhee
Printed Name: Christie McGhee

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

John Crain
Dr. John Crain, President of the University
And Authorized Officer of the Board

DATE: 11/14/10

IN WITNESS WHEREOF, the undersigned representative has signed this Facilities Lease on behalf of University Facilities, Inc. on the date set forth below his signature.

WITNESSES:

Steph Smith
Printed Name: STEPHEN SMITH

Sam Donahue Jr.
Printed Name: SAM DONAHUE JR.

UNIVERSITY FACILITIES, INC.
Phil K. Livingston
Phil K. Livingston
Chairperson

DATE: 01/13/2010

STATE OF LOUISIANA

PARISH OF IBERIA

BE IT KNOWN, that on this 13th day of January, 2010 before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

Dr. John Crain

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the President of Southeastern Louisiana University, and the authorized representative of the Board of Supervisors for the University of Louisiana System (the "Board"), that the aforesaid instrument was signed by him, on this date, on behalf of the Board and that the above named person acknowledges said instrument to be the free act and deed of the Board.

Leanne Marshall
Printed Name: Leanne Marshall

By:

John Crain

Christie McGhee
Printed Name: Christie McGhee

John Crain
NOTARY PUBLIC

Printed Name: John Crain
Notary Identification Number: 616443

STATE OF LOUISIANA


PARISH OF TANGIPAHONA


BE IT KNOWN, that on this 23 day of JANUARY, 2010, before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:


Phil K. Livingston

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the Chairperson of University Facilities, Inc. (the "Corporation"), and that the aforesaid instrument was signed by him, on this date, on behalf of the Corporation and that the above named person acknowledges the approval of said instrument to be the free act and deed of the Corporation.

WITNESSES:


Printed Name: STEPHEN SMITH

By: 
By: _____


Printed Name: SAM DOBRIANO JR.

Notary Public
Printed Name: Carol Prescott
Notary Identification Number: 010443

EXHIBIT A-1
TO THE FACILITIES LEASE

DESCRIPTION OF THE SERIES 2010A FACILITIES

This facility will contain some of the most important academic and non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. It will be the central core for the campus. The two major components in the 2010A Series will include the Student Union and the Center for Student Excellence. The square footage for this series of space will total approximately 94,520 square feet.

The Student Union will include a large event space and ballroom. It will also consist of a series of student support spaces such as conference and meeting rooms, student organization space, a theater, as well as other activity and lounge spaces. Several administrative offices will also be located in the Union including offices in Student Affairs and Auxiliary Services. Finally, it will be home to the Center for Student Excellence which provides programming and resources to students to enhance and in support of academic achievement, personal development and professional growth.

Facilities Lease

(N:1821600.13)

Facilities Lease

Acknowledgment

(N:1821600.13)

**EXHIBIT A-2
TO THE FACILITIES LEASE**

DESCRIPTION OF THE SERIES 2010B FACILITIES

This facility will contain some of the most important non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. The two major components in the 2010B Series will include Food Service and the Retail Bookstore totaling approximately 85,600 square feet.

The Food Service area will include a new residential and commuter dining facility as well as a food court and other smaller grab and go locations. The facility will include adequate support space such as seating, kitchens and production space. The Retail Bookstore will house retail textbooks, university paraphernalia, convenience items, reading areas and possibly a food and/or beverage concept. In addition to these two major components, approximately 3,600 square feet of space will be committed to other retail components providing additional services to our campus community.

APPENDIX D

PROPOSED FORM OF BOND COUNSEL OPINION

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FORM OF BOND COUNSEL OPINION

November 17, 2010

Louisiana Local Government Environmental Facilities
and Community Development Authority
Baton Rouge, Louisiana

\$25,470,000

Louisiana Local Government Environmental
Facilities and Community Development Authority
Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union /
University Facilities, Inc. Project)
Series 2010A

\$5,785,000

Louisiana Local Government Environmental
Facilities and Community Development Authority
Taxable Revenue Bonds
(Southeastern Louisiana University Student Union /
University Facilities, Inc. Project)
Series 2010B

We have acted as bond counsel to the Louisiana Local Government Environmental Facilities and Community Development Authority (the "*Issuer*"), a political subdivision of the State of Louisiana (the "*State*"), in connection with the issuance by the Issuer its \$25,470,000 Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010A (the "*Series 2010A Bonds*") and its \$5,785,000 Taxable Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010B (the "*Series 2010B Bonds*") and, together with the Series 2010A Bonds, the "*Series 2010 Bonds*") pursuant to Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 33:4548.16, inclusive) (the "*Act*").

The Series 2010 Bonds have been issued by the Issuer pursuant to the Act and other constitutional and statutory authority and a Trust Indenture dated as of November 1, 2010 (the "*Indenture*") between the Issuer and Regions Bank, as trustee (the "*Trustee*"). Capitalized terms used herein that are not otherwise defined have the meaning given them in the Indenture.

The Series 2010 Bonds are issuable as fully registered bonds, are dated, bear interest until paid at the rates per annum, mature in the principal amounts and on the dates, and are subject to redemption all as set forth in the Indenture and in the Series 2010 Bonds.

The Series 2010 Bonds are issued under and are secured as to principal and interest by the Indenture, which provides a description of the nature and extent of the security for the Series 2010 Bonds, a statement of the terms and conditions under which the Series 2010 Bonds are issued and secured, the rights, duties and obligations of the Issuer, the rights, duties and immunities of the Trustee and the rights of the owners of the Series 2010 Bonds.

The Series 2010 Bonds are issued in order to enable University Facilities, Inc., a Louisiana non-profit corporation (the "*Corporation*") to provide financing for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related facilities for students, faculty, staff, and the general public, including all furnishings, fixtures and facilities incidental or necessary in connection therewith, on the campus of Southeastern Louisiana University (the "*Facilities*").

The Corporation has leased the property upon which the Facilities will be located from the Board of Supervisors for the University of Louisiana System (the "*Board*") pursuant to a Ground and Buildings Lease Agreement dated as of January 1, 2010 (the "*Ground Lease*"). The Board will lease back the completed Facilities from the Corporation pursuant to that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010, as supplemented and amended by that certain First Amendment to Agreement to Lease with Option to Purchase dated as of November 1, 2010 by and between the Board and the Corporation (the "*Facilities Lease*").

The Issuer and Corporation have entered into a Loan and Assignment Agreement dated as of November 1, 2010 (the "*Loan Agreement*"), pursuant to which the Issuer will loan the proceeds from the sale of the Series 2010 Bonds to the Corporation for the foregoing purposes. Pursuant to the Agreement, the Corporation has agreed to make loan payments (the "*Payments*") solely from the Rentals (as defined in the Facilities Lease) sufficient to pay the principal of and interest on the Series 2010 Bonds. The rights of the Issuer under the Loan Agreement (except for the rights of the Issuer relating to exculpation, indemnification and payment of expenses thereunder) have been pledged and assigned by the Issuer to the Trustee as security for the Series 2010 Bonds.

The Series 2010 Bonds are also entitled to the benefits of the Act of Leasehold Mortgage, Assignment of Leases and Security Agreement dated November 17, 2010 and effective as of

November 1, 2010 (the "*Mortgage*") executed by the Corporation in favor of the Trustee, pursuant to which the Corporation has mortgaged its leasehold interest in and to the Land and the improvements located thereon, granted a security interest in certain movable property and assigned its rights to all leases and rents relating to the Facilities.

We have examined: (i) the constitution and statutes of the State, including the Act; (ii) a certified transcript of the proceedings of the Issuer authorizing the issuance of the Series 2010 Bonds; (iii) the Indenture, the Loan Agreement, the Tax Regulatory Agreement and Arbitrage Certificate among the Issuer and the Trustee, together with the Borrower Certificate attached thereto executed by the Corporation and the Board, both dated the date of delivery and payment for the Series 2010 Bonds (collectively, the "*Tax Regulatory Agreement*"); and (iv) such other documents, instruments, proofs and matters of law as we have deemed relevant to the issuance of the Series 2010 Bonds and necessary for the purpose of this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Board and the Corporation contained in the Indenture, the Loan Agreement and the Tax Regulatory Agreement, the certified proceedings and other certifications of public officials and others furnished to us, including certifications furnished to us by or on behalf of the Issuer, the Corporation and the Board, without undertaking to verify the same by independent investigation.

On the basis of the foregoing examinations, we are of the opinion, as of the date hereof and under existing law, that:

1. The Issuer is a validly existing political subdivision of the State and has the power and authority to enter into the Loan Agreement and the Indenture and to issue and sell the Series 2010 Bonds.

2. The Series 2010 Bonds are valid and binding special and limited obligations of the Issuer secured by and entitled to the benefits of the Indenture and are payable solely from the revenues and other amounts pledged and assigned under the Indenture.

3. The Loan Agreement and the Indenture have been duly authorized, executed and delivered by the Issuer and constitute valid and binding obligations of the Issuer, enforceable upon the Issuer in accordance with their terms, and all rights of the Issuer under the Loan Agreement have been validly assigned to the Trustee under the Indenture, with the

exception of certain rights of the Issuer relating to notice, exculpation, indemnification and payment of expenses.

4. The Series 2010 Bonds and interest thereon do not constitute an indebtedness or pledge of the general credit of the Issuer within the meaning of any State constitutional or statutory provision and will not constitute a general obligation or a charge against any other revenues of the Issuer.

5. Interest on the Series 2010A Bonds (including the amount of original issue discount properly allocable to the owner thereof) is excludable from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and will not be taken into account in determining a corporation's adjusted current earnings.

6. The Series 2010A Bonds are a "qualified tax-exempt obligation" under section 265(b)(3) of the Code, as amended by the American Recovery and Reinvestment Tax Act of 2009 of the United States Congress.

7. Under the Act, the Series 2010 Bonds, together with the interest thereof, income therefrom, and gain upon the sale thereof are exempt from all State taxes and local taxes.

In rendering the opinions expressed in paragraph 5 above, we have relied on representations of the Issuer, the Board and the Corporation with respect to matters solely within the knowledge of the Issuer, the Board and the Corporation, which we have not independently verified, and have assumed continuing compliance with the covenants in the Indenture, the Loan Agreement and the Tax Regulatory Agreement pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Series 2010 Bonds for federal income tax purposes. In the event that such representations are determined to be inaccurate or incomplete or the Issuer, the Board or the Corporation fails to comply with the foregoing covenants, interest on the Series 2010 Bonds could be includable in gross income for federal income tax purposes from the date of their original delivery, regardless of the date on which the event causing such inclusion occurs.

The accrual or receipt of interest on the Series 2010 Bonds may otherwise affect the federal income tax liability of certain recipients. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We

express no opinion regarding any such consequences and investors should consult their tax advisors regarding the tax consequences of purchasing or holding the Series 2010 Bonds.

It is to be understood that the rights of the owners of the Series 2010 Bonds and the enforceability of the Series 2010 Bonds, the Indenture, the Loan Agreement and the other documents enumerated above may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and that their enforcement may also be subject to the exercise of the sovereign police powers of the State or its governmental bodies and the exercise of judicial discretion in appropriate cases.

For purposes of this opinion, our services as bond counsel have not extended beyond the examinations and expressions of the conclusions referred to above. This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur. Except as stated above, no opinion is expressed as to any federal or state tax consequences resulting from the ownership of, receipt of interest on, or disposition of, the Series 2010 Bonds.

Respectfully submitted,

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APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. (FORMERLY KNOWN AS FINANCIAL SECURITY ASSURANCE INC.) ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day, otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. (FORMERLY KNOWN AS FINANCIAL SECURITY ASSURANCE INC.) has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.
(FORMERLY KNOWN AS FINANCIAL
SECURITY ASSURANCE INC.)

By _____
Authorized Officer

(212) 826-0100

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") constitutes the written undertaking of the **Board of Supervisors for the University of Louisiana System** (the "Board"), on behalf of **Southeastern Louisiana University** (the "University") for the benefit of the holders of the Bonds (as defined herein), required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12) (the "Rule"). The Board is an "obligated person" within the meaning of the Rule.

SECTION 1. Definitions. In addition to the definitions set forth in that certain Trust Indenture dated as of November 1, 2010 (the "Indenture") by and between the Issuer (as defined herein) and Regions Bank, as trustee (the "Trustee"), which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Disclosure Certificate, the following capitalized terms shall have the following meanings:

"Audited Financial Statements" means annual financial statements of the Board or operating data prepared in accordance with GAAP and mandated by statutory accounting requirements in effect from time to time, which financial statements shall have been audited by a firm of independent certified public accountants or the Legislative Auditor of the State.

"Board" means the Board of Supervisors for the University of Louisiana System.

"Bond Insurer" means Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.).

"Bonds" means the \$ _____ Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A and the \$ _____ Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B and such Bonds issued in exchange for other such Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Bonds pursuant to the Indenture.

"Corporation" means University Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payment or provision for the payment of all of the Bonds.

"Disclosure Representative" means the President of the University or his or her designee or such other officer, employee, agent or representative as the Dissemination Agent shall designate in writing from time to time.

"Dissemination Agent" means the Board, in its capacity as such, which (through its Disclosure Representative) shall collect and provide the Financial Information in accordance with Section 2 hereof.

“EMMA” shall mean the internet-based portal referred to as the Electronic Municipal Market Access system operated by the Municipal Securities Rulemaking Board. The online address of EMMA is www.emma.msrb.org.

“*Financial Information*” means the annual financial information (which shall be based on financial statements prepared in accordance with GAAP), or operating data with respect to the University, provided at least annually, of the type included in the Official Statement as further described in **Exhibit B** hereto, which annual financial information shall include Audited Financial Statements.

“*Fiscal Year*” means the period commencing on the first day of July of any year and ending on the last day of June of the following year or such other period of twelve (12) consecutive calendar months as shall be specified by the Board.

“*GAAP*” means generally accepted accounting principles.

“*Issuer*” means the Louisiana Local Government Environmental Facilities and Community Development Authority as issuer of the Bonds.

“*Material Event*” means any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults;
- (iii) Unscheduled draws on debt service reserves, reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to rights of the owners of the Bonds;
- (viii) Bond calls;
- (ix) Defeasances;
- (x) Release, substitution or sale of property, if any, securing repayment of the Bonds;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar proceeding;
- (xiii) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated person or their termination; and
- (xiv) Appointment of a successor or additional trustee or the change of the name of a trustee.

“*Notice of Material Events*” means the Notice required to be given in accordance with Section 4 hereof.

“*Official Statement*” means the final Official Statement dated _____, 2010 with respect to the Bonds.

“*Report Date*” shall have the meaning set forth in Section 2(a)(i) hereof.

“*Repository*” shall mean EMMA and the SID.

“Rule” means Rule 15c2-12(b)(5)(i) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SID” means any public or private repository or entity designated by the Board as a state depository for the purpose of the Rule. The SIDs, as of the date of this Disclosure Certificate, appear in **Exhibit E** attached hereto.

“State” means the State of Louisiana.

“Underwriter” means Morgan Keegan and Company, Inc.

“University” means Southeastern Louisiana University, Hammond, Louisiana.

SECTION 2. Provision of Financial Information.

(a) (i) The Board hereby covenants and agrees to act as “Dissemination Agent” in connection with the Bonds.

(ii) The Dissemination Agent, either on its own or through its designated Disclosure Representative, shall, while any of the Bonds are Outstanding, collect and provide the Financial Information to the Repositories and to the Bond Insurer no later than six (6) months from the end of each Fiscal Year ending after the issuance of the Bonds (the “Report Date”), commencing December 31, 2010. The Dissemination Agent may adjust the Report Date if the Board or the University change their Fiscal Year by providing written notice of the change of Fiscal Year and the new Report Date to each then existing Repository; provided that the new Report Date shall be no more than 180 days after the end of the new Fiscal Year, and provided further that the period between the final Report Date relating to the former Fiscal Year and the initial Report Date relating to the new Fiscal Year shall not exceed one year in duration.

(iii) It shall be sufficient if the Dissemination Agent provides to each then existing Repository the Financial Information (or any portion thereof) by specific reference to documents previously provided to each Repository or filed with the Securities and Exchange Commission or, if such document is a final official statement, available from the Municipal Securities Rulemaking Board. The Dissemination Agent shall clearly identify each such other document so incorporated by reference.

(b) If the Dissemination Agent is unable to provide the Financial Information to each then existing Repository by the Report Date, then the Dissemination Agent shall send a notice to each then existing Repository in substantially the form attached hereto as **Exhibit A**.

(c) The Dissemination Agent shall determine, each year prior to the date for providing the annual report, the name and address of each then existing Repository.

(d) In accordance with MSRB Notice 2009-04 (January 9, 2009) the filing requirements set forth in Section (2) and (4) herein shall be satisfied exclusively by submitting to EMMA the Annual Report and Listed Bank described herein.

SECTION 3. Content of Financial Information. The Financial Information shall contain or incorporate by reference information described in **Exhibit B** attached hereto, as well as the following:

- (a) Audited Financial Statements for the Board;
- (b) Financial Information for the University;
- (c) the accounting principles pursuant to which the Audited Financial Statements were prepared;
- (d) the statement that the above-described information has been provided directly by the Board and/or the University and
- (e) identification of any documents previously filed by the Board, the University, the State or any other entity and incorporated by reference pursuant to Section (2)(a)(ii) hereof.

The Dissemination Agent reserves the right to cross-reference any or all of such annual financial information and operating data to other documents to be provided to the Repositories or the Municipal Securities Rulemaking Board.

The Dissemination Agent reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Dissemination Agent; provided that the Dissemination Agent agrees that any such modification will be done in a manner consistent with the Rule as provided in Section 6 hereof.

SECTION 4. Reporting of Material Events.

(a) If a Material Event occurs while any Bonds are Outstanding, the Dissemination Agent shall provide a Material Event Notice in a timely manner and shall promptly provide to the Municipal Securities Rulemaking Board and the Repository, if any, such Material Event Notice. Each Material Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds. Notwithstanding the foregoing, a Notice of Material Event described in items (viii) and (ix) under the definition of "Material Event" herein need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Bondholders of affected Bonds pursuant to the Indenture.

(b) The Dissemination Agent shall provide in a timely manner to the Municipal Securities Rulemaking Board and to the Repository, if any, notice of any failure while any Bonds are Outstanding by the Dissemination Agent to provide to each then existing Repository Financial Information on or before the Report Date.

(c) The Dissemination Agent may from time to time choose to provide notice of the occurrence of certain other events, in addition to Material Events, if, in the judgment of the Dissemination Agent, such other event is material with respect to the Bonds, but the Dissemination Agent does not undertake to commit to provide any such notice of the occurrence of any material event except Material Events.

(d) Whenever the Dissemination Agent obtains knowledge of the occurrence of a Material Event, the Dissemination Agent shall, as soon as possible, determine if such event would constitute material information for Bondholders; provided, that any Material Event under items (i), (vi), (vii), or (xi) of the definition of "Material Event" herein will always be deemed to be material.

SECTION 5. Termination of Reporting Obligation. The Board's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption in whole or payment in full of all of the Bonds. In addition, any provision hereof and any provision relating to the Rule as set forth in the resolution authorizing the issuance of the Bonds shall be null and void in the event that the Board delivers to the Trustee an opinion of counsel expert in federal securities laws to the effect that those portions of the Rule that require this Disclosure Certificate, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; provided that the Board shall have provided notice of such delivery and the cancellation of this Disclosure Certificate and that portion of the Indenture relating to the Rule to each then existing Repository.

SECTION 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Board may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not in and of itself cause the undertakings herein to violate, or adversely affect compliance with the Rule if such amendment or waiver had been effective on the date hereof, but taking into account any subsequent change in or official interpretation of the Rule.

Provided, however, that the following conditions must be satisfied prior to such amendment:

(a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Board, or type of business conducted;

(b) The undertaking hereunder, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the holders of the Bonds, as determined either by parties unaffiliated with the Board (such as bond counsel), or by approving vote of such holders in accordance with the terms of the Indenture at the time of the amendment.

Further, the Financial Information containing the amended operating data or financial information shall explain in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

Further provided, if an amendment is made to an undertaking hereunder specifying the accounting principles to be followed in preparing the Audited Financial Statements, the Financial Information for the year in which the change is made should present a comparison between the Audited Financial Statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison should include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the Audited Financial Statements, in order to provide information to investors to enable them to reevaluate the ability of the Board to meet its obligations. To the extent reasonably feasible, the comparison also should be quantitative. A notice of the change in the accounting principles should be sent to the Repositories or the Municipal Securities Rulemaking Board.

Amendments to **Exhibit C** may be made by the Dissemination Agent at any time to correct or update the list of SIDs.

SECTION 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Dissemination Agent from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or Notice of Material Event, in addition to that which is required by this Disclosure Certificate. If the Board chooses to include any information in any Financial Information or Notice of Material Event in addition to that which is specifically required by this Disclosure Certificate, the Board shall have no obligation under this Disclosure Certificate to update such information or include it in any future Financial Information or Notice of Material Event.

SECTION 8. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Board, the Underwriter and the holders of the Bonds, and shall create no rights in any other person or entity.

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[Signature Page - Continuing Disclosure Certificate]

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

By: _____
John L. Crain, Authorized Representative

Date: _____, 2010

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Louisiana Local Government Environmental Facilities and
Community Development Authority

Name of Obligated Person: Board of Supervisors for the
University of Louisiana System

Name of Bond Issue: \$_____ Louisiana Local Government Environmental
Facilities and Community Development Authority
Tax-Exempt Revenue Bonds (Southeastern Louisiana
University Student Union/University Facilities, Inc.
Project) Series 2010A and \$_____ Louisiana Local
Government Environmental Facilities and Community
Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project) Series 2010B

Date of Issuance: _____, 2010

NOTICE IS HEREBY GIVEN that the Board has not provided the Financial Information with respect to the above-named Bonds as required by the Continuing Disclosure Certificate of the Board dated _____, 2010. The Board anticipates that the Annual Report will be filed by _____.

Dated: _____

**Board of Supervisors for the
University of Louisiana System**

By: _____
Authorized Board Representative

EXHIBIT B

(A) Names of the entities, enterprises, funds, accounts and other persons with respect to whom information will be provided:

Entity:

1. BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM
2. SOUTHEASTERN LOUISIANA UNIVERSITY

(B) Types of information to be provided: (e.g., specific types of financial statements and general descriptions of operating, economic, statistical, utilization and trend data)

Audited Financial Statements, Financial Statement of the University, including the same type of information set forth in the Official Statement in **Appendix A** under the caption "**Debt Management**" attached thereto.

Collection information regarding the Student Fee and Capital Improvement Fund Revenues, on an annual basis.

(C) The accounting principles pursuant to which the Audited Financial statements will be prepared:

Generally accepted accounting principles.

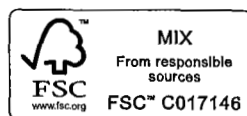
*Note: In accordance with Section 3(d) of the Continuing Disclosure Certificate, the Board is required to specifically identify any documents previously filed with a Repository that is being incorporated by reference.

EXHIBIT C
STATE INFORMATION DEPOSITORIES

None

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TAX REGULATORY AGREEMENT AND ARBITRAGE CERTIFICATE
\$25,470,000
LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY TAX-EXEMPT
REVENUE BONDS
(SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION /
UNIVERSITY FACILITIES, INC. PROJECT)
SERIES 2010A

This TAX REGULATORY AGREEMENT AND ARBITRAGE CERTIFICATE (together with the exhibits attached hereto, this "*Tax Agreement*") is entered into as of the 17th day of November, 2010 by the Louisiana Local Government Environmental Facilities and Community Development Authority (the "*Authority*") and Regions Bank, in its capacity as Trustee under the Indenture (the "*Trustee*") in connection with the issuance of the above-captioned bonds (the "*Bonds*").

The Authority and Trustee (with respect to Section 9 only) hereby certify, represent, agree and covenant as follows with respect to the Bonds and related matters for purposes of the Code. With regard to facts existing on the date hereof, the certifications and representations set forth in this Tax Agreement are as of the date hereof. With regards to events to occur in the future, the certifications and representations set forth in this Tax Agreement are based on reasonable expectations of the Company on the date hereof. All certifications and representations relating to the status and actions that have been taken or that will be taken by the Company or the Board are based upon the Company Certificate executed by the Company and the Board in connection with the issuance of the Bonds, an executed copy of which is attached hereto as Exhibit A and incorporated herein.

1. General Provisions.

1.1 Purpose. The parties are delivering this Tax Agreement to Bond Counsel with the understanding and acknowledgment that Bond Counsel will rely upon this Tax Agreement in rendering its opinion that interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code.

1.2 Authorization and Due Diligence. The undersigned officer of the Authority and the Trustee have the authority to execute this Tax Agreement. Such individuals have discussed with such professionals as they have deemed necessary (including Bond Counsel) the provisions of this Tax Agreement, and are satisfied that they (a) understand the certifications, representations and covenants made in this Tax Agreement (including the exhibits hereto) and (b) understand that continuing compliance with the representations and covenants made in this Tax Agreement (including the exhibits hereto) is necessary in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

1.3 Status of the Authority; Authorization of Bonds.

1.3.1 The Authority is a political subdivision of the State of Louisiana created pursuant to the authority of Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950,

as amended (La. R.S. 33:4548.1 through 4548.16) (the “Act”).

1.3.2 The Authority is issuing the Bonds pursuant to the Act and the terms of the Indenture.

1.4 Purpose for the Bonds. The Authority is issuing the Bonds to loan the proceeds of the Bonds to the Company. The Company will use the proceeds of the Bonds to (a) demolish certain existing facilities, and to develop, renovate and construct the Project (as defined in Section 3); (b) fund a deposit to the Series 2010A Bonds Debt Service Reserve Fund; and (c) pay the Costs of Issuance of the Bonds, including the premium for the bond insurance policy insuring the Bonds.

1.5 Definitions. Unless the context otherwise requires, capitalized terms used herein shall have the meanings ascribed thereto in Exhibit B to this Tax Agreement. Any capitalized term not defined herein or in Exhibit B to this Tax Agreement shall have the meaning ascribed thereto in the Indenture.

2. Description, Ownership and Use of the Project.

2.1.1 The Project. For purposes of this Tax Certificate, the term “***Project***” shall mean the Student Union, the Center for Student Excellence and related facilities described in Exhibit A-1 attached to the Facilities Lease, as amended and supplemented from time to time, which are to be renovated and/or constructed with the Net Sale Proceeds.

2.2 Ownership of the Project. The Project will be owned by the Company and leased to the Board throughout the term of the Bonds.

2.3 Contracts.

2.3.1 The Authority has not entered into any contracts or agreements relating to the maintenance and operation of the Project and does not expect to enter into any such contracts or agreements.

2.3.2 The Authority does not know of any reason that the Project or any part thereof, will not be used as described in this Tax Agreement in the absence of: (a) supervening circumstances not anticipated by the Authority on the Date of Issue of the Bonds; (b) adverse circumstances beyond its control; or (c) obsolescence of such insubstantial parts or portions thereof as may occur as a result of normal use thereof.

3. General Tax Matters.

3.1 Form 8038. To the best of the knowledge of the Authority, the information shown on Internal Revenue Service (“***IRS***”) Form 8038 that is included in the transcript of proceedings relating to the issuance of the Bonds is true, accurate and complete.

3.2 No Adverse Actions. The Authority will not knowingly take or permit to be taken any action that would have the effect, directly or indirectly, of causing the interest on any of the Bonds to be included in the gross income of the Holders thereof for federal income tax purposes.

3.3 Filings. The Authority will comply with and make all filings required by all effective rules, rulings or Regulations promulgated by the Department of Treasury or the IRS with respect to obligations described in Section 103 and Sections 141-150 of the Code.

3.4 Information Reporting. The Authority will comply with the information reporting requirements of Section 149(e)(2) of the Code.

3.5 Federal Guarantee. The Authority will not cause the Bonds to be treated as “Federally Guaranteed Obligations” for purposes of Section 149(b) of the Code, as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or IRS with respect to Federally Guaranteed Obligations described in Section 149(b) of the Code. Unless otherwise excepted under Section 149(b) of the Code, the Bonds will be considered federally guaranteed obligations if: (a) the payment of principal and interest with respect to the Bonds is guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof, except that Bonds guaranteed by the Federal Home Loan Bank are not treated as Federally Guaranteed Obligations if the Bonds are issued prior to December 31, 2010); (b) 5% or more of the Proceeds is (i) to be used in making loans, the payment of principal or interest with respect to which is to be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) or (ii) to be invested (directly or indirectly) in federally insured deposits or accounts; or (c) the payment of principal or interest on the Bonds is otherwise indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). For purposes of determining whether the Bonds are federally guaranteed, a guarantee by the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Insurance Company, the Government National Mortgage Association or the Resolution Funding Company is not considered a “federal guarantee”.

3.6 Payment of Costs of Issuance. The Authority reasonably expects that at least 95% of the Costs of Issuance will have been paid by the date that is 180 days after the Date of Issue.

4. Private Activity Bond Requirements Applicable to Qualified 501(c)(3) Bonds.

4.1 The Underwriter has furnished a certificate, an executed copy of which is attached hereto as Exhibit C (the “Underwriter’s Certificate”), which certifies that the weighted average maturity of the Bonds is 21.578 years.

4.2 As required by Section 147(f) of the Code, the Bonds and the Project were the subject of a public hearing held on November 5, 2010, which was preceded by reasonable public notice, and were subsequently approved by the Louisiana Attorney General.

4.3 At least 95% of the Proceeds deposited into the Project Fund will be allocated to costs that are chargeable to the Project’s capital account or would be so chargeable either with a proper election by the Company (under Section 266 of the Code) or but for a proper election by the Company to deduct such amounts.

4.4 No more than 2% of the proceeds of the Bonds will be used to pay Costs of Issuance of the Bonds.

4.5 The weighted average estimated economic life of the Project, as set forth in the Company Certificate, is not less than 25 years (which is 120% of the weighted average maturity of the Bonds) years. Such weighted average estimated economic life was determined in accordance with the following assumptions: (a) the weighted average was determined by taking into account the respective costs of each asset so itemized other than land if the cost of land is less than 25 percent of the proceeds of the Bonds (otherwise land is treated as having an economic life of 30 years); (b) the reasonably expected economic life of an asset was determined as of the later of the date of issuance of the Bonds or the date on which such asset, was or is expected to be placed in service; and (c) the economic lives for the itemized assets are the useful lives used for depreciation under Section 167 of the Code prior to the enactment of the current system of depreciation in effect under Section 168 of the Code (i.e., the midpoint lives under the Class Life Asset Depreciation Range of Section 167(m) of the Internal Revenue Code of 1954, as amended), as set forth in Revenue Procedure 83-35, 1983-1 C.B. 418, and where applicable, the guideline lives under Rev. Proc. 62-21, 1962-2 C.B. 418.

5. 501(c)(3) Status of the Company.

5.1 The Company is a non-profit corporation, duly organized and existing under the laws of the State of Louisiana.

5.2 The Company has received a written determination from the IRS that the Company is an organization that is described in Code Section 501(c)(3) (the “*Determination Letter*”).

5.3 The Determination Letter has not been modified, limited or revoked and the Company is in compliance with all terms, conditions and limitations, if any, contained in the letter.

5.4 The facts and circumstances that form the basis of the Determination Letter as represented to the IRS continue to exist and no material facts or circumstances have arisen that could affect the validity of the Determination Letter.

5.5 The Company has not been audited by the IRS and the Company continues to be recognized as an organization described in Section 501(c)(3) of the Code.

6. Issue Price Yield on the Bonds.

6.1.1 Issue Price.

(a) The Underwriter’s Certificate certifies that the Bonds will be sold for \$25,433,782, which is the par amount of the Bonds, reduced by \$36,218 of original issue discount. Accordingly, the issue price of the Bonds is \$25,433.782.

(b) The Underwriter has certified on the Underwriter’s Certificate that (a) all of the Bonds have been the subject of an initial bona fide offering to the public (exclusive of bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at the amounts listed in the Underwriter’s Certificate; and (b) that such initial offering prices were established by a bona fide bid without regard to any amounts that would increase the Yield

on any maturity of the Bonds above their market Yields. Based on past financing practices, the Authority believes that the initial offering price of the Bonds is reasonable under customary standards applicable in the established tax-exempt market.

6.1.2 Yield on the Bonds.

(a) The Underwriter's Certificate certifies that the Yield on the Bonds is 4.7556%.

(b) In computing the Yield on the Bonds, the amount of the premium for the insurance policy on the Bonds is treated as a qualified guarantee on the Bonds. This treatment is based upon representations made by the Underwriter in the Underwriter's Certificate, and the Bond Insurer in the Bond Insurer's certificate, an executed copy of which is attached hereto as Exhibit D, that the premium paid for the bond insurance policy was negotiated at arm's length and are within the normal range of charges charged by banks for the transfer of credit risk with respect to similar Tax-Exempt Obligations, that the present value of interest saved as a consequence of the bond insurance policy exceeds the present value of the premium paid for the bond insurance policy and that the premium paid for the bond insurance policy is not included in any direct or indirect payment for a cost, risk or other element that is not customarily borne by guarantors of tax-exempt bonds in transactions in which a bank has no involvement other than as a guarantor. The Authority believes that the premium paid for the bond insurance policy is reasonable based on past financing practices.

7. Arbitrage.

7.1 Reasonable Expectations. The Authority has reviewed the Company's representations relating to the use and investment of Proceeds in the Company Certificate. The Authority is not aware of any reason why it should not rely on such representations.

8. Arbitrage Rebate and Yield Reduction Payments.

8.1 General. The Authority acknowledges that the continued exclusion of interest on the Bonds from gross income of the holders thereof for purposes of federal income taxation depends, in part, upon compliance with the arbitrage rebate and yield reduction payment rules in the Code and Regulations (the "Rebate Rules").

8.2 Rebate Computation Date Election. The Authority hereby elects to treat the last day of the 5th Bond Year as the first rebate computation date, and each succeeding 5th Bond Year as a rebate computation date.

8.3 Rebate Computation. The Company has covenanted that in connection with complying with the Rebate Rules, the Company will take the following actions:

8.3.1 Within two (2) months after the Completion Date, the Company will provide a written certification to the Authority and the Trustee indicating whether the Company complied with a rebate spending exception to the arbitrage rebate requirement set forth in Section 148(f)(4)(B) of the Code or the Regulations.

8.3.2 Unless the Company has complied with a rebate spending exception, it will retain a Rebate Expert on or within thirty (30) days before the initial Rebate Computation Date and on each Rebate Computation Date thereafter, (a) to compute the amount of any Rebate Amount required for the period ending on such Rebate Computation Date and (b) to deliver an opinion to the Authority and Trustee, concerning its conclusions with respect to the amount (if any) of such Rebate Amount together with a written report providing a summary of the calculations relating thereto.

8.3.3 Within ten (10) days of receipt of the report furnished by the Rebate Expert, the Company is required to pay, or cause to be paid to the Trustee for deposit into the Rebate Fund the difference between the amount therein and the amount required to fund the Rebate Amount.

8.3.4 In the event any Rebate Amount is due, the Company is required to direct the Trustee in writing to withdraw from the Rebate Fund and pay over to the United States the Rebate Amount with respect to the Bonds on the applicable Rebate Payment Date.

8.4 Authority's Ability to Intervene.

8.4.1 If the Company fails to make or causes to be made any payment described in Subsection 8.3.3, the Authority shall have the right, but shall not be required to, make such payment to the Trustee for deposit into the Rebate Fund on behalf of the Company. Any amount advanced by the Authority pursuant to this Subsection will be added to the moneys owed the Authority by the Company under the Finance Agreement and shall be payable on demand with interest at the higher of (a) the interest rate on Bonds or (b) the default rate provided in the Bonds, if any.

8.4.2 The Authority shall have the right at any time and in the sole and absolute discretion of the Authority to obtain from the Company and the Trustee the information necessary to determine the amount required to be paid to the United States pursuant to Section 148(f) of the Code. Additionally, the Authority may, with reasonable cause, (a) review or cause to be reviewed any determination of the amount to be paid to the United States made by or on behalf of the Company and (b) make or retain a Rebate Expert to make the determination of the amount to be paid to the United States.

8.5 The Authority acknowledges that the provisions of this Article 8 are intended to comply with Section 148(f) of the Code and the regulations promulgated thereunder and if, as a result of a change in such Section of the Code or the promulgated regulations thereunder or in the interpretation thereof, a change in this Article 8 shall be necessary to assure continued compliance with Section 148(f) of the Code and the promulgated regulations thereunder, then, with written notice to the Trustee, the Authority shall be empowered to amend this Article 8 and the Authority may require, by written notice to the Company and the Trustee, the Company to amend this Article 8 to the extent necessary or desirable to assure compliance with the provisions of Section 148 of the Code and the regulations promulgated thereunder; provided that either the Authority or the Trustee shall require, prior to any such amendment becoming effective, at the sole cost and expense of the Company, an opinion of Bond Counsel satisfactory to the Authority and the Trustee to the effect that either (a) such amendment is required to maintain the exclusion

from gross income under Section 103 of the Code of interest paid and payable on the Bonds or (b) such amendment shall not adversely affect the exclusion from gross income under Section 103 of the Code of the interest paid or payable on the Bonds.

9. Duty to Keep Records. The Trustee shall maintain detailed records with respect to each Nonpurpose Investment attributable to Gross Proceeds of the Bonds, including: (a) purchase price; (b) information establishing Fair Market Value on the date such investment became a Nonpurpose Investment; (c) any accrued interest due on its purchase date; (d) face amount; (e) coupon rate; (f) frequency of interest payments; (g) disposition price; (h) accrued interest due on its disposition date; and (i) disposition date. These records are required to facilitate the calculation of the Rebate Amount.

10. Miscellaneous

10.1 Term. This Tax Agreement shall be effective from the date of issuance of the Bonds through the date six (6) years after the final Rebate Computation Date and will be effective at all times while the Bonds are outstanding.

10.2 Amendments. Notwithstanding any other provision hereof, any provision of this Tax Agreement may be amended or waived by an instrument in writing executed by the Authority, the Company and the Trustee, provided that there first shall have been provided to the Trustee a written opinion of Bond Counsel, in form and substance satisfactory to the Trustee and the Authority, that such amendment or waiver will not adversely affect the exclusion of interest on the Bonds from the gross income of the recipients thereof for purposes of federal income taxation.

10.3 Default; Remedies.


10.3.1 The failure of any party to this Tax Agreement to perform any of its required duties under any provision hereof shall constitute an event of default under this Tax Agreement.

10.3.2 Upon an occurrence of an event of default, the Authority or the Trustee may, in their discretion, proceed to protect and enforce their rights and the rights of the owners of the Bonds by pursuing any available remedy under and in accordance with the Indenture and the Finance Agreement, in addition to pursuing any other available remedy, including, but not limited to, a suit at law or in equity.

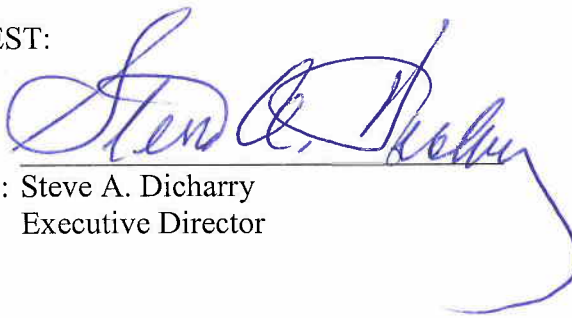
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IN WITNESS WHEREOF, the Authority, the Trustee and the Company have caused this Tax Regulatory Agreement and Arbitrage Certificate to be executed on their behalf by their duly authorized representatives on the date first above written.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

By: 
Name: Julian E. Dufreche
Title: Chairman

ATTEST:

By: 
Name: Steve A. Dicharry
Title: Executive Director

(SEAL)

REGIONS BANK, as Trustee

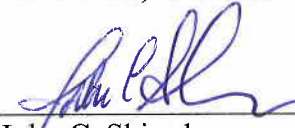
By: 
Name: John C. Shiroda
Title: Vice President

EXHIBIT A
COMPANY CERTIFICATE

See Attached

COMPANY CERTIFICATE**\$25,470,000****LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY TAX-EXEMPT
REVENUE BONDS
(SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION /
UNIVERSITY FACILITIES, INC. PROJECT)
SERIES 2010A**

This COMPANY CERTIFICATE (together with the exhibits attached hereto, this "Company Certificate") is executed as of the 17th day of November, 2010 by University Facilities, Inc. (the "Company") and the Board of Supervisors for the University of Louisiana System (the "Board"), in connection with the issuance and sale of the above-captioned bonds (the "Bonds").

The Company and the Board are executing this Company Certificate with the understanding and acknowledgment that the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Authority") will rely on this Company Certificate in executing the Tax Regulatory Agreement and Arbitrage Certificate and that Bond Counsel will rely upon this Company Certificate in rendering its opinion that interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code.

The Company and the Board hereby certify, represent, agree and covenant as follows with respect to the Bonds and related matters. With regard to facts existing on the date hereof, the certifications and representations set forth in this Company Certificate are as of the date hereof. With regards to events to occur in the future, the certifications and representations set forth in this Company Certificate are based on reasonable expectations of the Company and the Board on the date hereof.

1. General Provisions.

1.1 Authorization and Due Diligence. The undersigned officers of the Company and the Board have the authority to execute this Company Certificate. The officers have discussed with such professionals as they have deemed necessary (including Bond Counsel) the provisions of this Company Certificate, and are satisfied that the Company and the Board understand the certifications and representations made in this Company Certificate (including the exhibits hereto).

1.2 Status of the Company and the Board.

1.2.1 The Company is a non-profit corporation organized and existing under the laws of the State of Louisiana and recognized by the Internal Revenue Service (the "IRS") as an organization described in Section 501(c)(3) of the Code.

1.2.2 The Board is a public and constitutional corporation of the State of Louisiana (the "State"), created by Article VIII, Section 6(A) of the Louisiana Constitution of

1974, as amended, and statutes of the State.

1.3 Purpose for the Bonds. The Company will use the proceeds of the Bonds to (a) demolish certain existing facilities, and to develop, renovate and construct the Project (as defined in Section 3); (b) fund a deposit to the Series 2010A Bonds Debt Service Reserve Fund; and (c) pay the Costs of Issuance of the Bonds, including the premium for the bond insurance policy insuring the Bonds.

1.4 No Other Bonds. The Company will not finance any portion of the Project with the proceeds of any other bonds issued by or on behalf of any state, territory or possession of the United States (or any political subdivision of any of the foregoing, or of the District of Columbia) that: (a) were or will be sold within 15 days of the date of sale of the Bonds; (b) were sold pursuant to the same plan of financing as the Bonds; and (c) are payable directly or indirectly from the same source or sources of funds (determined without regard to guarantees by parties unrelated to the Company) from which the Bonds are payable.

1.5 Definitions. Unless the context otherwise requires, capitalized terms used herein shall have the meanings ascribed thereto in Exhibit A to this Company Certificate. Any capitalized term not defined herein or in Exhibit A to this Company Certificate shall have the meaning ascribed thereto in the Indenture.

2. The Company.

2.1 The Company acknowledges that it must be an organization described in Code Section 501(c)(3) in order for the interest on the Bonds to be and to remain excludable from the gross income of the bondholders.

2.2 The Company is a non-profit corporation, duly organized and existing under the laws of the State of Louisiana.

2.3 The Company has received a written determination from the IRS that the Company is an organization that is described in Code Section 501(c)(3) (the “Determination Letter”).

2.4 The Determination Letter has not been modified, limited or revoked and the Company is in compliance with all terms, conditions and limitations, if any, contained in the Determination Letter.

2.5 The facts and circumstances that form the basis of the Determination Letter as represented to the IRS continue to exist and no material facts or circumstances have arisen that could affect the validity of the Determination Letter.

2.6 The Company has not been audited by the IRS and the Company continues to be recognized as an organization described in Section 501(c)(3) of the Code.

2.7 Throughout the term of the Bonds, the Company shall do, or cause to be done, all things necessary to continue to be a non-profit corporation, duly organized and existing under the laws of the State of Louisiana.

2.8 Throughout the term of the Bonds, the Company shall do, or cause to be done, all things necessary to continue to be classified as an organization described in Section 501(c)(3) of the Code that is not a private foundation as defined in Section 509(a) of the Code.

2.9 The Company will not perform any act or enter into any agreement that adversely affects the federal income tax status of the Company, including its status as an organization described in Section 501(c)(3) of the Code, and shall conduct its operations in a manner that will conform to the standards necessary to continue to qualify the Company as an organization described in Section 501(c)(3) of the Code or any successor provision of federal income tax law.

2.10 The Company does not expect to perform any act, or enter into any agreement or transaction that would result in it no longer being an organization described in Section 501(c)(3) of the Code. To that end, the Company hereby covenants that it will follow all rulings and procedures outlined by the Regulations relating to organizations described in Section 501(c)(3) of the Code.

2.11 The Company's ownership and operation of the Project is substantially related to and in furtherance of the Company's Tax Exempt Purpose.

3. The Project.

3.1 General. The Company hereby acknowledges its understanding that it must satisfy certain requirements with respect to the Project in order for the Bonds to be treated as "qualified 501(c)(3) bonds" under Code Section 145.

3.2 Description of the Project.

3.2.1 For purposes of this Company Certificate, the term "*Project*" shall mean the Student Union, the Center for Student Excellence and related facilities described in Exhibit A-1 attached to the Facilities Lease, as amended and supplemented from time to time, which are to be renovated and/or constructed with the Net Sale Proceeds.

3.2.2 No portion of the Project will be used to provide any:

- (a) Airplane;
- (b) Skybox or other private luxury box;
- (c) Facility primarily used for gambling; or
- (d) Any store, the principal business of which is the sale of alcoholic beverages for consumption off premises.

3.3 Ownership of the Project. The Company will own the Project throughout the term of the Bonds.

3.4 Lease. The Company will lease the Project to the Board throughout the term of the Bonds.

3.5 Contracts Relating to the Project. The Company and the Board have disclosed to Bond Counsel all contracts and agreements relating to the maintenance and operation of the Project that they have entered into or anticipate entering into. There are no other contracts or agreements relating to the maintenance and operation of the Project and neither the Company nor the Board expects to enter into any such contracts or agreements.

3.6 Use of the Project.

3.6.1 Neither the Company nor the Board will use the Project or cause the Project to be used in a manner that will result in the Bonds not meeting the requirements imposed upon qualified 501(c)(3) bonds.

3.6.2 The Company and the Board understand that the Bonds will not be considered “qualified 501(c)(3) bonds” if more than 5% of the Project is used by a Private Person in a trade or business or by the Company in an Unrelated Business.

3.6.3 The Company and the Board understand that in determining whether all or a portion of the Project is used, directly or indirectly, in the trade or business of a Private Person for purposes of the “private business use test” under Section 141(b)(1) of the Code, use of the Project or any portion thereof by a Private Person pursuant to any agreement, including any management or other service contract must be examined.

3.6.4 Except for Permitted Contracts, neither the Company nor the Board will enter into any contract or agreement with respect to any portion of the Project without first disclosing such contract to the Authority and Bond Counsel.

3.6.5 Neither the Company nor the Board knows of any reason why the Project or any part thereof would not be used as described in this Company Certificate in the absence of: (a) supervening circumstances not anticipated by the Company or the Board on the Date of Issue; (b) adverse circumstances beyond their control; or (c) obsolescence of such insubstantial parts or portions of the Project as may occur as a result of normal use thereof.

4. General Tax Matters.

4.1 Tax Identification Number. The Company’s tax identification number is 72-1417328

4.2 Federal Guarantee. The Company will not take any action that would cause the Bonds to be treated as “federally guaranteed obligations” for purposes of Section 149(b) of the Code, as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the IRS with respect to Federally Guaranteed Obligations described in Section 149(b) of the Code. Unless otherwise excepted under Section 149(b) of the Code, the Bonds will be considered federally guaranteed obligations if: (a) the payment of principal and interest with respect to the Bonds is guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof, except that Bonds guaranteed by the Federal Home Loan Bank are not treated as Federally Guaranteed Obligations if the Bonds are issued prior to December 31, 2010); (b) 5% or more of the Proceeds is (i) to be used in making loans, the payment of principal or interest with

respect to which is to be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) or (ii) to be invested (directly or indirectly) in federally insured deposits or accounts; or (c) the payment of principal or interest on the Bonds is otherwise indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). For purposes of determining whether the Bonds are federally guaranteed, a guarantee by the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Insurance Company, the Government National Mortgage Association or the Resolution Funding Company is not considered a “federal guarantee”.

4.3 Payment of Costs of Issuance. At least 95% of the Costs of Issuance will have been paid by the date that is 180 days after the Date of Issue.

5. Private Activity Bond Requirements Applicable to Qualified 501(c)(3) Bonds.

5.1 At least 95% of the Proceeds deposited into the Project Fund will be allocable to costs that are chargeable to the Project’s capital account or would be so chargeable either with a proper election by the Company (under Section 266 of the Code) or but for a proper election by the Company to deduct such amounts.

5.2 No more than 2% of the proceeds of the Bonds will be used to pay Costs of Issuance of the Bonds.

5.3 The weighted average estimated economic life of the Project, as set forth on Exhibit B hereto, is not less than 25 years (which is 120% of the weighted average maturity of the Bonds). Such weighted average estimated economic life was determined in accordance with the following assumptions: (a) the weighted average was determined by taking into account the respective costs of each asset so itemized other than land if the cost of land is less than 25 percent of the proceeds of the Bonds (otherwise land is treated as having an economic life of 30 years); (b) the reasonably expected economic life of an asset was determined as of the later of the date of issuance of the Bonds or the date on which such asset, was or is expected to be placed in service; and (c) the economic lives for the itemized assets are the useful lives used for depreciation under Section 167 of the Code prior to the enactment of the current system of depreciation in effect under Section 168 of the Code (i.e., the midpoint lives under the Class Life Asset Depreciation Range of Section 167(m) of the Internal Revenue Code of 1954, as amended), as set forth in Revenue Procedure 83-35, 1983-1 C.B. 418, and where applicable, the guideline lives under Rev. Proc. 62-21, 1962-2 C.B. 418.

6. Arbitrage Matters.

6.1 General. The Company agrees and covenants that it shall do and perform all acts and things necessary to ensure that the requirements of Section 148 of the Code are met.

6.2 Funds and Accounts. The only funds and accounts relating to the Bonds are those listed below. Such funds and accounts are created under the Indenture and maintained by the Trustee:

6.2.1 the Series 2010A Bonds Proceeds Account (and within such account, the

Series 2010A Bonds Cost of Issuance Sub-Account);

6.2.2 the Series 2010A Bonds Project Account;

6.2.3 the Series 2010A Bonds Debt Service Account;

6.2.4 the Series 2010A Bonds Debt Service Reserve Account; and

6.2.5 the Series 2010A Rebate Fund;

6.3 Description of Funds. Pursuant to the terms of the Indenture, the accounts listed above will be used as follows:

6.3.1 Series 2010A Bond Proceeds Account. The 2010A Bonds Proceeds Account will receive the Sale Proceeds of the Bonds. The Trustee will retain an amount necessary to pay Costs of Issuance of the Bonds in the Series 2010A Bonds Cost of Issuance Sub-Account and will transfer:

(a) \$23,029,049.33 to the Series 2010A Bonds Project Account;

(b) \$1,578,568.55 to the Series 2010A Bonds Debt Service Reserve Account.

6.3.2 Series 2010A Bonds Project Account. Moneys on deposit in the Series 2010A Bond Project Account shall be used to pay the Costs of the Project.

6.3.3 Series 2010A Bonds Debt Service Account. Moneys on deposit in the Series 2010A Bonds Debt Service Account will be used exclusively for the payment of debt service on the Bonds as due under the terms of the Bonds or by redemption of the Bonds as provided for in the Indenture.

6.3.4 Series 2010A Bonds Debt Service Reserve Account. Moneys on deposit in the Series 2010A Bonds Debt Service Reserve Account will be transferred to the Series 2010A Bonds Debt Service Fund in such amount as shall be necessary to remedy any deficiency therein with respect to the Bonds. If the balance of the Series 2010A Bonds Debt Service Reserve Fund is greater than the Series 2010A Bonds Debt Service Reserve Fund Requirement, all amounts in the Series 2010A Bonds Debt Service Reserve Fund in excess of the Series 2010A Bonds Debt Service Reserve Fund Requirement shall be transferred to the Series 2010A Bonds Debt Service Account.

6.3.5 Series 2010A Bonds Rebate Fund. Moneys on deposit in the Series 2010A Bonds Rebate Fund shall be used to make rebate payments to the IRS as and when required.

6.4 No Other Sinking or Pledge Fund. Except for the Series 2010A Bonds Debt Service Account and the Series 2010A Bonds Debt Service Reserve Account, there are no funds or accounts comprised of securities (within the meaning of Section 165(g)(2)(A) or (B) of the Code), obligations, annuity contracts or investment-type property, established by or on behalf of

the Company that are reasonably expected to be used or generate earnings to be used to pay debt service on the Bonds or that are reserved or pledged as collateral for payment of debt service on the Bonds and for which there is reasonable assurance that amounts therein will be available to pay such debt service if the Company encounters financial difficulties; therefore, there is no other fund created or established or to be created or established which would be treated as a sinking fund in connection with the Bonds.

6.5 No Replacement Funds.

6.5.1 Except for amounts in the Series 2010A Bonds Project Account, the Company does not expect to have on hand any property, including cash and securities, that is legally required or otherwise restricted (no matter where held or the source thereof) to be used, directly or indirectly, for the purposes for which the Bonds are being issued.

6.5.2 No portion of the Proceeds will be used as a substitute for other funds that were otherwise to be used as a source of financing for the Project or for the payment of Debt Service on the Bonds and that have been or will be used to acquire directly or indirectly securities producing a Yield in excess of the Yield on the Bonds.

6.6 Use of Proceeds.

6.6.1 The Company expects that the Sale Proceeds will be equal to \$25,433,782, and that such amount will be used as follows:

- (a) \$438,267.72 will be used pay the premium on the insurance policy on the Bonds;
- (b) \$163,008 will be retained by the Underwriter as Underwriter's discount;
- (c) \$224,888.40 will be used to pay the Costs of Issuance of the Bonds;
- (d) \$1,578,568.55 will be deposited into the Series 2010A Bonds Debt Service Reserve Account; and
- (e) \$23,029,049.33 will be deposited into the Series 2010A Bonds Project Account.

6.7 Expectations with Regard to Funds.

6.7.1 The Series 2010A Bonds Project Account. The Company reasonably expects the following with respect to the amounts on deposit in the Series 2010A Bonds Project Account:

- (a) the Company will incur a substantial binding obligation to a third party within six months of the Date of Issue that obligates the Company to spend at least 5% of the amount deposited in the Series 2010A Bonds Project Account on the Project;

(b) the Company will allocate an amount equal to at least 85% of the amount deposited in the Series 2010A Bonds Project Account to expenditures on the Project within three years of the Date of Issue; and

(c) The Company will proceed with due diligence to complete the Project and to allocate the amount deposited in the Series 2010A Bonds Project Account to expenditures on the Project.

6.7.2 The Series 2010A Bonds Debt Service Account. The Company reasonably expects the following with respect to the Series 2010A Bonds Debt Service Account:

(a) The Series 2010A Bonds Debt Service Account will be depleted at least once annually except for a reasonable carryover amount not in excess of the greater of (A) the earnings on the Series 2010A Bonds Debt Service Account for the immediately preceding Bond Year or (B) 1/12th of the principal and interest payments on the Bonds for the immediately preceding Bond Year; and

(b) Amounts deposited in the Series 2010A Bonds Debt Service Account will be spent within thirteen months after the date of such deposit, and any investment earnings (net of losses) received from the investment or reinvestment of moneys held in the account will be spent within one year after the date of accumulation thereof in the account.

6.7.3 The Series 2010A Bonds Debt Service Reserve Account. The Company reasonably expects that the Series 2010A Bonds Debt Service Reserve Account will be used only as a reserve for the payment of principal or interest on the Bonds in the event that no other moneys are available therefore. The total amount held in the Series 2010A Debt Service Reserve Account at any time will not exceed the Series 2010A Bonds Debt Service Reserve Fund Requirement.

6.8 Investments of Amounts in Funds.

6.8.1 General.

(a) The Company is given the right under Section 4.10 of the Indenture to direct the investment of the Proceeds while held in the funds and accounts established under the Indenture. The Company acknowledges that the continued exclusion of interest on the Bonds from gross income of the recipients thereof for purposes of federal income taxation depends, in part, upon compliance with the arbitrage limitations imposed by Section 148 of the Code. The Company covenants that it will comply with the following restrictions on investments of the Proceeds.

(b) No Nonpurpose Investment may be acquired with Gross Proceeds for an amount (including transaction costs, except as otherwise provided in §1.148-5(e) of the Regulations) in excess of the Fair Market Value of such Nonpurpose Investment. No Nonpurpose Investment may be sold or otherwise disposed of for an amount (including transaction costs, except as otherwise provided in §1.148-5(e) of the Treasury Regulations) less than the Fair Market Value of the Nonpurpose Investment.

6.8.2 The Series 2010A Bonds Project Account. The Proceeds deposited in the Series 2010A Bonds Project Account may be invested without regard to Investment Yield until November 16, 2013. Thereafter, amounts deposited in the Project Fund must be invested in Yield Restricted Investments. Such investments are subject to the rebate requirement described in Section 7.

6.8.3 The Series 2010A Bonds Debt Service Account. Amounts deposited in the Series 2010A Bonds Debt Service Account may be invested without regard to Investment Yield for a period not exceeding thirteen months from the date of the first deposit of such amounts in the Series 2010A Bonds Debt Service Fund. Such amounts are not subject to the rebate requirement described in Section 7.

6.8.4 The Series 2010A Bonds Debt Service Reserve Account. Amounts deposited in the Series 2010A Bonds Debt Service Reserve Account may be invested without regard to Investment Yield. Such amounts are subject to the rebate requirement described in Section 7.

6.8.5 Investment Earnings. Investment earnings on moneys in the Series 2010A Bonds Project Account may be invested without regard to Investment Yield until the later of (a) November 16, 2013 or (b) one year from the date of receipt of such investment earnings. Investment earnings on amounts in the Series 2010A Bonds Debt Service Fund and the Series 2010A Bonds Debt Service Reserve Fund may be invested without regard to Investment Yield for a period of one year from the date of receipt of such investment earnings. All such earnings are subject to the rebate requirement described in Section 7.

6.8.6 No Abusive Arbitrage Device. The Bonds are not and will not be part of a transaction or series of transactions that (a) attempts to circumvent the provisions of Section 148 of the Code and related regulations, enabling the Board, the Company or any other person to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (b) increases the burden on the market for Tax-Exempt Obligations in any manner, including, without limitation, selling bonds that would not otherwise be sold, or selling more bonds, or issuing them sooner, or allowing them to remain outstanding longer, than would otherwise be necessary.

7. Arbitrage Rebate And Yield Reduction Payments.

7.1 General.

7.1.1 The Company acknowledges that the continued exclusion of interest on the Bonds from gross income of the holders thereof for purposes of federal income taxation depends, in part, upon compliance with the arbitrage rebate and yield reduction payment rules in the Code and Regulations (the "Rebate Rules").

7.1.2 The Company acknowledges that the provisions of this Section 7 are intended to comply the Rebate Rules, and if, as a result of a change in the Rebate Rules, a change in this Section 7 shall be necessary to assure continued compliance with the Rebate Rules then, with written notice to the Trustee, the Company shall be empowered to amend this Section 7 and the Authority may require, by written notice to the Company and the Trustee, the Company to

amend this Section 7 to the extent necessary or desirable to assure compliance with the Rebate Rules; provided that either the Authority or the Trustee shall require, prior to any such amendment becoming effective, at the sole cost and expense of the Company, an opinion of Bond Counsel satisfactory to the Authority and the Trustee to the effect that either (a) such amendment is required to maintain the exclusion from gross income under Section 103 of the Code of interest paid and payable on the Bonds or (a) such amendment shall not adversely affect the exclusion from gross income under Section 103 of the Code of the interest paid or payable on the Bonds.

7.2 Rebate Computation Date Election. The Company hereby elects to treat the last day of the 5th Bond Year as the first rebate computation date, and each succeeding 5th Bond Year as a rebate computation date.

7.3 Calculation of Rebate Amount. The Company hereby covenants that in connection with complying with the Rebate Rules, the Company will take the following actions:

7.3.1 Within two (2) months after the Completion Date, the Company will provide a written certification to the Authority and the Trustee indicating whether the Company complied with a Rebate Spending Exception.

7.3.2 Unless the Company has complied with a Rebate Spending Exception, the Company will retain a Rebate Expert on or within thirty (30) days before the initial Rebate Computation Date and on each Rebate Computation Date thereafter, (a) to compute the Rebate Amount required for the period ending on such Rebate Computation Date and (b) to deliver an opinion to the Authority and Trustee, concerning its conclusions with respect to the amount (if any) of such Rebate Amount together with a written report providing a summary of the calculations relating thereto.

7.4 Payment of Rebate Amount.

7.4.1 Within ten (10) days of receipt of a report furnished by the Rebate Expert pursuant to Subsection 7.3.2 above, the Company shall pay or cause to be paid to the Trustee for deposit into the Series 2010A Bonds Rebate Fund the difference between the amount therein and the amount required to fund the Rebate Amount.

7.4.2 Not later than 60 days after each Rebate Computation Date, the Company shall direct the Trustee to pay the Rebate Amount to United States. Each payment shall be accompanied by: (i) a copy of IRS Form 8038-T; and (ii) a statement summarizing the determination of the Rebate Amount, and shall be mailed to the Internal Revenue Service Center, Ogden, Utah 84201.

7.4.3 If the Company fails to make or cause to be made any payment required pursuant to Subsection 7.4.2 when due, the Authority shall have the right, but shall not be required, to make such payment to the Trustee for deposit into the Series 2010A Bonds Rebate Fund on behalf of the Company. Any amount advanced by the Authority pursuant to this subparagraph shall be added to the moneys owing by the Company under the Finance Agreement and shall be payable on demand with interest at the higher of (a) the interest rate on Bonds or (b) the default rate provided in the Bonds, if any.

7.4.4 The Company acknowledges that the Authority shall have the right at any time and in the sole and absolute discretion of the Authority to obtain from the Company and the Trustee the information necessary to determine the amount required to be paid to the United States pursuant to Section 148(f) of the Code. Additionally, the Authority may, with reasonable cause, (a) review or cause to be reviewed any determination of the amount to be paid to the United States made by or on behalf of the Company and (b) make or retain a Rebate Expert to make the determination of the amount to be paid to the United States. The Company hereby agrees to be bound by any such review or determination, absent manifest error, to pay the costs of such review, including without limitation the reasonable fees and expenses of counsel or a Rebate Expert retained by the Authority, and to pay to the Trustee any additional amounts for deposit in the Rebate Fund required as the result of any such review or determination.

7.4.5 Notwithstanding any provision of this Subsection to the contrary, the Company shall be liable, and shall indemnify and hold the Authority and the Trustee harmless against any liability, for payments due to the United States pursuant to Section 148(f) of the Code. Further, the Company specifically agrees that neither the Authority nor the Trustee shall be held liable, or in any way responsible, and the Company shall indemnify and hold harmless the Trustee and Authority against any liability, for any mistake or error in the filing of the payment or the determination of the amount due to the United States or for any consequences resulting from any such mistake or error. The provisions of this Subsection shall survive termination of this Agreement and the resignation or removal of the Trustee.

8. Miscellaneous.

8.1 Term. This Company Certificate shall be effective from the date of issuance of the Bonds through the date six (6) years after the final Rebate Computation Date and will be effective at all times while the Bonds are outstanding.

8.2 Amendments. Notwithstanding any other provision hereof, any provision of this Company Certificate may be amended or waived by an instrument in writing executed by the Authority, the Company and the Trustee, provided that there first shall have been provided to the Trustee a written opinion of Bond Counsel, in form and substance satisfactory to the Trustee and the Authority, that such amendment or waiver will not adversely affect the exclusion of interest on the Bonds from the gross income of the recipients thereof for purposes of federal income taxation.

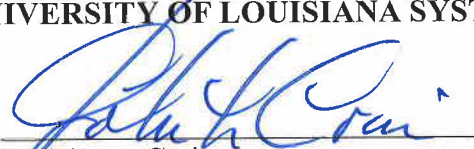
8.3 Default; Remedies.

8.3.1 The failure of any party to this Company Certificate to perform any of its required duties under any provision hereof shall constitute an event of default under this Company Certificate.

8.3.2 Upon an occurrence of an event of default, the Authority or the Trustee may, in their discretion, proceed to protect and enforce their rights and the rights of the owners of the Bonds by pursuing any available remedy under and in accordance with the Indenture and the Finance Agreement, in addition to pursuing any other available remedy, including, but not limited to, a suit at law or in equity.

IN WITNESS WHEREOF, the undersigned has executed this Company Certificate as of the date set forth above.

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

By: 
Name: John L. Crain
Title: Authorized Representative

UNIVERSITY FACILITIES, INC.

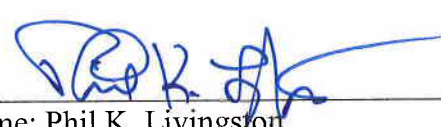
By: 
Name: Phil K. Livingston
Title: President

EXHIBIT A
DEFINITIONS

In addition to the words defined in this Company Certificate and the Indenture, the following terms shall have the following meanings as used herein, unless the context requires a different meaning. In the case that the definition assigned to a term in this Company Certificate or this Exhibit A differs from the definition assigned to that same term in any other document, the definition assigned by this Company Certificate or this Exhibit A shall control for purposes of this Company Certificate.

“*Bond Counsel*” means Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., or such other nationally recognized counsel that is nationally recognized as expert in matters relating to the issuance of municipal bonds in Louisiana that is acceptable to the Authority.

“*Bond Owner*” or “*Owner*” or “*Bondholder*” or “*Holder*” or any similar term, when used with reference to a Bond or Bonds means the registered owner of such Bond.

“*Bond Year*” shall mean the twelve-month period ending on June 30, except that the first Bond Year shall be the period that begins on the Date of Issue and ends on June 30, 2011.

“*Bond Yield*” or “*Yield on the Bonds*” means the Yield of the Bonds calculated in accordance with Section 1.148-4 of the Regulations.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

“*Company’s Tax Exempt Purpose*” means the purpose of the Company upon which the Company’s status as an organization described in Code Section 501(c)(3) is based.

“*Completion Date*” means the date that the Project is placed in service.

“*Cost of Issuance*” means all costs incurred in connection with the issuance of the Bonds other than fees paid to or on behalf of credit enhancers as fees for “qualified guarantees” as defined in Section 1.148-4(f) of the Regulations. Examples of Costs of Issuance include (but are not limited to):

- (a) underwriting fees;
- (b) counsel fees (including Bond Counsel, Underwriters’ counsel, Authority’s counsel, Company counsel, trustee’s counsel, and any other specialized counsel fees incurred in connection with the issuance of the Bonds);
- (c) rating agency fees (except for any such fee that is paid in connection with or as a part of the fee for credit enhancement of the Bonds);
- (d) trustee fees incurred in connection with the issuance of the Bonds;
- (e) costs incurred in connection with the required public approval process (e.g.,

EXHIBIT B
PROJECT WEIGHTED AVERAGE ECONOMIC USEFUL LIFE

Asset	Proceeds Allocation (1)	Economic Life (2)	(1) X (2) (3)
Land	\$ 0	40	N/A
Buildings	\$ 23,029,049.33		
FF&E	\$ 0		
Weighted Average Life (3/1)			18.597
120% of Weighted Average Life			22.3164

Note: Land not taken into account because cost of land (\$ 0) is less than 25% of Proceeds.

EXHIBIT C
FAIR MARKET VALUE

For purposes of this Company Certificate, the Fair Market Value of any Nonpurpose Investment shall be determined in accordance with the following rules:

1. In General.

(a) The fair market value of any Nonpurpose Investment shall mean the price at which a willing buyer would pay to a willing seller to acquire the Nonpurpose Investment, with no amounts paid to artificially reduce or increase the Investment Yield on such Nonpurpose Investment.

(b) If a Nonpurpose Investment is acquired pursuant to an arm's length transaction without regard to any amount paid to reduce the Investment Yield on the Nonpurpose Investment, the fair market value of the Nonpurpose Investment shall be the amount paid for the Nonpurpose Investment (without increase for transaction costs, except as otherwise provided in §1.148-5(e) of the Regulations).

(c) If a Nonpurpose Investment is sold or otherwise disposed of in an arm's length transaction without regard to any reduction in the disposition price to reduce the Rebate Amount, the fair market value of the Nonpurpose Investment shall be the amount realized from the sale or other disposition of the Nonpurpose Investment (without reduction for transaction costs, except as otherwise provided in §1.148-5(e) of the Regulations).

2. Certificates of Deposit. The purchase of certificates of deposit with fixed interest rates, fixed payment schedules and substantial penalties for early withdrawal will be deemed to be an Investment purchased at its Fair Market Value on the purchase date if the Yield on the certificate of deposit is not less than:

(a) The Yield on reasonably comparable direct obligations of the United States; and

(b) The highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

3. Guaranteed Investments Contracts. A Guaranteed Investment Contract ("GIC") is a Nonpurpose Investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, and also includes any agreement to supply Investments on two or more future dates (e.g., a forward supply contract). The purchase price of a GIC is treated at its Fair Market Value on the purchase date if all of the following conditions are satisfied:

(a) A bona fide solicitation in writing for a specified GIC, is timely forwarded to all potential providers. The solicitation must have specified the material terms of the GIC, including the collateral security requirements for the GIC, if any, and, unless the moneys invested pursuant to such investment will be held in a float fund or a debt service reserve fund,

the Borrower's reasonably expected draw-down schedule for the moneys to be invested. The solicitation must also include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the company or any other person (whether or not in connection with the Bonds), and that the bid is not being submitted solely as a courtesy to the Company or any other person for purposes of satisfying Treasury Regulations Section 1.148-5(d)(6)(iii)(B)(1) or (2).

(b) All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.

(c) At least three reasonably competitive providers (*i.e.*, having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Bonds (*e.g.*, a lead underwriter within 15 days of the Date of Issue or financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If the Company or Trustee uses an agent to conduct the bidding, the agent may not bid.

(d) The determination of the terms of the GIC takes into account the Company's reasonably expected drawdown schedule for the amounts to be invested.

(e) The provider of the GIC certifies the administrative costs that it is paying, or expects to pay, to third parties in connection with the GIC and such administrative costs are "qualified administrative costs as defined in Regulations section 1.148-5(e)..

(f) The GIC has a Yield at least equal to the highest yielding of the qualifying bids received from the bidders that have no material financial interest in the Bonds. If the GIC is not the highest-yielding of the qualifying bids, the Authority or the Company must have significant non-tax reasons, such as creditworthiness of the bidder, for failure to purchase the highest-yielding GIC offered.

(g) The Yield on the GIC is no less than the Yield available from the provider thereof at the time such GIC was entered into on reasonably comparative investment contracts offered to other persons, if any, from a source of funds other than gross proceeds of an issue of tax-exempt obligations.

(h) The terms of the GIC, including collateral security requirements, are commercially reasonable.

(i) The Company retains, or directs the Trustee to retain, until three years after the last outstanding Bond is retired: (i) a copy of the GIC contract; (ii) a receipt or other record of the amount actually paid for the GIC and a copy of the provider's certification described in (e); (iii) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results.

4. United States Treasury Securities - State and Local Government Series. If a United States Treasury obligation is acquired directly from or disposed of directly to the United

States Department of the Treasury (as in the case of the United States Treasury Securities - State and Local Government Series (“*SLGS*”) obligations), such acquisition or disposition shall be treated as establishing a market for the obligation and as establishing the fair market value of the obligation.

EXHIBIT D
PERMITTED CONTRACTS

Certain Management Contracts described in Revenue Procedure 97-13.

Pursuant to Rev. Proc. 97 13, a management or other service contract between the Company and a Private Person will not result in the related portion of the Project being used in the trade or business of that Private Person if the guidelines listed in Items 1 through 4 below are satisfied:

1. The contract provides for reasonable compensation for services rendered and is not based, in whole or in part, on a share of net profits from the operation of the Project. Furthermore, the service provider may not receive an ownership interest in the Project. Reimbursement of the service provider for actual and direct expenses paid by the service provider to unrelated parties is not by itself to be treated as compensation. Permitted compensation arrangements include arrangements where:

(a) at least 95 percent of the compensation is based on a periodic fixed fee for each annual period during the term (a fee does not fail to qualify as a periodic fixed fee as a result of a one-time incentive award, equal to a single, stated dollar amount, under which compensation automatically increases when a gross revenue or expense target, but not both, is reached), provided, that a contract with this compensation arrangement must have a term not exceeding the lesser of (i) 15 years, or (ii) 80 percent of the reasonably expected useful life of the related portion of the Project;

(b) at least 80 percent of the compensation is based on a periodic fixed fee for each annual period during the term, provided, that a contract with this compensation arrangement must have a term not exceeding the lesser of (i) 10 years or (ii) 80 percent of the reasonably expected useful life of the related portion of the Project;

(c) (i) at least 50 percent of the compensation is based on a periodic fixed fee; (ii) 100 percent of the compensation is based on a capitation fee; or (iii) 100 percent of the compensation is based on a combination of a capitation fee and a periodic fixed fee, for each annual period during the term, provided, that a contract with this compensation arrangement must have a term not exceeding 5 years and, in addition, the contract must be terminable by the Authority or Company on reasonable notice, without penalty or cause, at the end of the third year of the contract term;

(d) all compensation is based on (i) a per-unit fee, or (ii) a combination of a per-unit fee and a periodic fixed fee, provided that a contract with this compensation arrangement must have a term not exceeding 3 years and, in addition, the contract must be terminable by the Authority or Company on reasonable notice, without penalty or cause, at the end of the second year of the contract term; or

(e) all compensation is based on (i) a percentage of fees charged, or (ii) a combination of a per-unit fee and a percentage of revenue or expense fee, provided, that a contract with this compensation arrangement must have a term not exceeding 2 years and, in addition, the contract must be terminable by the Authority or Company on reasonable notice,

without penalty or cause, at the end of the first year of the contract term, and provided further that this compensation arrangement is available only for (i) contracts where the provider provides services to third parties, and (ii) management contracts for the Project during a start-up period where there are insufficient operations to estimate annual gross revenues and expenses.

2. Not more than 20 percent of the voting power of the Authority or Company is vested in the service provider, its directors, officers, shareholders and employees.

3. Overlapping board members of the Authority or Company and the service provider do not include the chief executive officers of the service provider or the Authority or Company or their respective governing bodies.

4. The Authority or Company and the service provider are not Related Parties.

EXHIBIT B
DEFINITIONS

In addition to the words defined in this Tax Agreement and the Indenture, the following terms shall have the following meanings as used herein, unless the context requires a different meaning. In the case that the definition assigned to a term in this Tax Agreement or this Exhibit B differs from the definition assigned to that same term in any other document, the definition assigned by this Tax Agreement or this Exhibit B shall control for purposes of this Tax Agreement.

“*Bond Counsel*” means Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., or such other nationally recognized counsel that is nationally recognized as expert in matters relating to the issuance of municipal bonds in Louisiana that is acceptable to the Authority.

“*Bond Insurer*” means Assured Guaranty Municipal Corp.

“*Bond Owner*” or “*Owner*” or “*Bondholder*” or “*Holder*” or any similar term, when used with reference to a Bond or Bonds means the registered owner of such Bond.

“*Bond Year*” shall mean the twelve-month period ending on June 30, except that the first Bond Year shall be the period that begins on the Date of Issue and ends on June 30, 2011.

“*Bond Yield*” or “*Yield on the Bonds*” means the Yield of the Bonds calculated in accordance with Section 1.148-4 of the Regulations.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

“*Completion Date*” means the date that the Project is placed in service.

“*Cost of Issuance*” means all costs incurred in connection with the issuance of the Bonds other than fees paid to or on behalf of credit enhancers as fees for “qualified guarantees” as defined in Section 1.148-4(f) of the Regulations. Examples of Costs of Issuance include (but are not limited to):

- (a) underwriting fees;
- (b) counsel fees (including Bond Counsel, Underwriters’ counsel, Authority’s counsel, Company counsel, trustee’s counsel, and any other specialized counsel fees incurred in connection with the issuance of the Bonds);
- (c) rating agency fees (except for any such fee that is paid in connection with or as a part of the fee for credit enhancement of the Bonds);
- (d) trustee fees incurred in connection with the issuance of the Bonds;
- (e) costs incurred in connection with the required public approval process (e.g., publication costs for public notices generally and costs of the public hearing); and

(f) fees to cover administrative costs and expenses incurred in connection with the issuance of the Bonds.

“*Date of Issue*” means November 17, 2010.

“*Discharged*” means, with respect to any Bond, the date on which all amounts due with respect to such Bond are actually and unconditionally due, if cash is available at the place of payment, and no interest accrues with respect to such Bonds after such date.

“*Fair Market Value*” shall have the meaning set forth on Exhibit E.

“*Gross Proceeds*” means any Proceeds or Replacement Proceeds of the Bonds.

“*Indenture*” means the Trust Indenture by and between the Authority and the Trustee entered into in connection with the issuance of the Bonds, dated as of June 1, 2010.

“*Investment*” means any Purpose Investment or Nonpurpose Investment, including any other tax-exempt bond.

“*Investment Proceeds*” means any amounts actually or constructively received from investing Gross Proceeds of the Bonds.

“*Investment Yield*” shall mean the yield on an investment calculated in accordance with Regulations section 1.148-5. For purposes of computing the Investment Yield on any Nonpurpose Investment that has been acquired through a broker or other intermediary obtaining bids for such Nonpurpose Investment, any compensation which is received by such broker or other intermediary, whether payable by or on behalf of the obligor or obligee under such Nonpurpose Investment, shall be treated as set forth in Regulations §1.148-5(e).

“*Net Sale Proceeds*” means Sale Proceeds reduced by the amount of Sales Proceeds deposited into a reasonably required reserve or replacement fund as defined in Code Section 148(d) and as part of a minor portion as defined in Code section 148(e).

“*Nonpurpose Investment*” means any security, obligation, annuity contract, or investment type property defined in Section 148(b) of the Code and 148-1(b) of the Regulations that is not a Tax-Exempt Obligation.

“*Placed-in-Service*” means, with respect to any given facility, the date on which, based on all facts and circumstances, (a) the facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

“*Private Person*” means any individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated organization other than a governmental unit as that term is used in Section 141 of the Code.

“*Proceeds*” means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of the Bonds.

“*Purpose Investment*” means an Investment that is acquired to carry out the governmental purpose of an issue. The Finance Agreement constitutes a Purpose Investment.

“*Rebate Amount*” means the amount of any rebate or yield reduction payment due for a Rebate Computation Period as calculated under Regulations section 1.148-3 or 1.148-5(c)..

“*Rebate Computation Date*” means (a) the last day of the fifth Bond Year, (b) the last day of each succeeding fifth Bond Year, and (c) the date the last Bond is Discharged.

“*Rebate Expert*” means any of the following chosen by the Company: (a) Bond Counsel, (b) any nationally recognized firm of certified public accountants, (c) any reputable firm which offers to the tax-exempt bond industry rebate calculation services and holds itself out as having expertise in that area, or (d) such other person as is approved by Bond Counsel.

“*Rebate Fund*” means the fund of that name created under Section 6.12 of the Indenture.

“*Rebate Payment Date*” means any date on which a payment of a Rebate Amount is required to be paid to the United States.

“*Regulation*” or “*Regulations*” means the final Income Tax Regulations promulgated by the Department of the Treasury and applicable to the Bonds, including Sections 1.148-0 through 1.148-11 and Sections 1.149, 1.150-2 relating to arbitrage compliance.

“*Replacement Proceeds*” means the amount described in Section 1.148-1(c) of the Regulations.

“*Sale Proceeds*” means any amounts actually or constructively received from the sale of the Bonds, including amounts used to pay Underwriter’s discount and accrued interest other than pre-issuance accrued interest.

“*Tax-Exempt Obligation*” means any obligation the interest on which is excludable from gross income under Section 103(a) of the Code, any interest in a regulated investment company the income of which is at least 95% excludable to the Holder under Section 103(a) of the Code, and any certificate of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program, but does not include any interest in a “specified private activity bond” within the meaning of Section 57(a)(5)(C) of the Code.

“*Transferred Proceeds*” means the amount described in Section 1.148-9 of the Regulations.

“*Underwriter*” means Morgan Keegan.

“*Yield*” means, for purposes of determining the Yield on the Bonds, the Yield computed under the Economic Accrual Method using consistently applied compounding intervals of not more than one year. Yield shall be calculated in accordance with the Regulations. A short first compounding interval may be used. Yield is expressed as an annual percentage rate that is calculated to at least four decimal places. Other reasonable, standard financial conventions, such as the 30 days per month/360 days per year convention, may be used in computing Yield but

must be consistently applied. The Yield on a fixed yield issue is the discount rate that, when used in computing the present Value as of the issue date of all unconditionally payable payments of principal, interest and fees for qualified guarantees on the issue and amounts reasonably expected to be paid as fees for qualified guarantees on the issue, produces an amount equal to the present Value, using the same discount rate, of the aggregate issue price of bonds of the issue as of the issue date. In the case of obligations purchased or sold at a substantial discount or premium or in the case of variable rate obligations, the Regulations prescribe certain special yield calculation rules. For purposes of determining the Yield on an Investment, the Yield computed under the Economic Accrual Method, using the same compounding interval and financial conventions used to compute the Yield on the Bonds should be used.

“*Yield Reduction Payment*” means a payment to the United States with respect to an Investment which is treated as a Payment for that Investment that reduces the Yield on that Investment in accordance with Section 1.148-5(c) of the Regulations. Yield Reduction Payments include Rebate Amounts paid to the United States.

EXHIBIT C
UNDERWRITER CERTIFICATE

See Attached

UNDERWRITER CERTIFICATE

\$25,470,000

**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY
DEVELOPMENT AUTHORITY TAX-EXEMPT
REVENUE BONDS
(SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION /
UNIVERSITY FACILITIES, INC. PROJECT)
SERIES 2010A**

The undersigned, being duly authorized to act on behalf of Morgan Keegan (the "Underwriter"), being the original purchaser of the above-captioned bonds (the "Bonds"), hereby represents that:

1. The Underwriter prepared the analysis attached hereto as **Exhibit 1** (referred to herein as the "Underwriter's Analysis").
2. The reoffering prices of the Bonds set forth in the Underwriter's Analysis, plus accrued interest, represent the maximum initial offering prices at which a substantial amount of each maturity of the Bonds was sold to the public (exclusive of bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) through a bona fide public offering and such initial offering prices were established by a bona fide bid without regard to any amounts which would increase the Yield on the Bonds above their market Yield;
3. The present value of the cost of the Municipal Bond Insurance Policy of Assured Guaranty Municipal Corp. for the Bonds is less than the present value of interest reasonably expected to be saved as a result of the Municipal Bond Insurance Policy using the Yield on the Bonds (determined without regard to the cost of the Municipal Bond Insurance Policy) as the discount rate in determining such present value; and
4. The Yield on the Bonds, calculated in accordance with Regulations section 1.148-4, is 4.7556%; and
5. The weighted average maturity of the Bonds, calculated in accordance with Code section 147(b)(2) is 21.578 years.

Any capitalized term that is not defined herein shall have the meaning assigned thereto in the Tax Regulatory Agreement and Arbitrage Certificate dated November 17, 2010 executed in connection with the issuance of the Bonds by the Louisiana Local Government Environmental Facilities and Community Development Authority and Regions Bank, as trustee.

Dated: November 17, 2010

Morgan Keegan

By: _____

Name: John B. Poche

Title: Managing Director

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES

AND COMMUNITY DEVELOPMENT AUTHORITY

SOUTHEASTERN LOUISIANA UNIVERSITY/ UNIVERSITY FACILITIES, INC. STUDENT UNION PROJECT
\$25,470,000 SERIES 2010A TAX-EXEMPT REVENUE BONDS (STUDENT UNION / CSE)**Pricing Summary**

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
10/01/2020	Serial Coupon	3.500%	3.610%	670,000.00	99.090%	663,903.00
10/01/2021	Serial Coupon	3.625%	3.790%	795,000.00	98.537%	783,369.15
10/01/2022	Serial Coupon	3.750%	3.900%	825,000.00	98.581%	813,293.25
10/01/2023	Serial Coupon	4.000%	4.000%	855,000.00	100.000% c	855,000.00
10/01/2024	Serial Coupon	4.000%	4.100%	890,000.00	98.946%	880,619.40
10/01/2025	Serial Coupon	4.000%	4.160%	930,000.00	98.234%	913,576.20
10/01/2026	Serial Coupon	4.000%	4.200%	965,000.00	97.696%	942,766.40
10/01/2031	Term 1 Coupon	4.500%	4.620%	5,520,000.00	98.398%	5,431,569.60
10/01/2040	Term 2 Coupon	5.000%	4.880%	14,020,000.00	100.925% c	14,149,685.00
Total	-	-	-	\$25,470,000.00	-	\$25,433,782.00

Bid Information

Par Amount of Bonds	\$25,470,000.00
Reoffering Premium or (Discount)	(36,218.00)
Gross Production	\$25,433,782.00
Total Underwriter's Discount	\$(163,008.00)
Bid (99.218%)	25,270,774.00
Total Purchase Price	\$25,270,774.00
Bond Year Dollars	\$549,595.50
Average Life	21.578 Years
Average Coupon	4.7472928%
Net Interest Cost (NIC)	4.7835424%
True Interest Cost (TIC)	4.7658592%

EXHIBIT D
BOND INSURER'S CERTIFICATE

See Attached

**DISCLOSURE, NO DEFAULT AND TAX CERTIFICATE OF
ASSURED GUARANTY MUNICIPAL CORP. (FORMERLY KNOWN AS FINANCIAL SECURITY ASSURANCE INC.)**

The undersigned hereby certifies on behalf of Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) ("AGM"), in connection with the issuance by AGM of its Policy No. 212858-N (the "Policy") in respect of the \$31,255,000 in aggregate principal amount of the Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project), Series 2010A and Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project), Series 2010B (the "Bonds") that:

- (i) the information set forth under the caption "MUNICIPAL BOND INSURANCE – The Bond Insurer" in the official statement dated November 4, 2010, relating to the Bonds is true and correct,
- (ii) AGM is not currently in default nor has AGM ever been in default under any policy or obligation guaranteeing the payment of principal of or interest on an obligation,
- (iii) the Policy is an unconditional and recourse obligation of AGM (enforceable by or on behalf of the holders of the Bonds) to pay the scheduled principal of and interest on the Bonds in the event of Nonpayment by the Issuer (as set forth in the Policy),
- (iv) the insurance premium of \$496,159.66 (the "Premium") is a charge for the transfer of credit risk and was determined in arm's length negotiations and is required to be paid to AGM as a condition to the issuance of the Policy,
- (v) no portion of such Premium represents an indirect payment of costs of issuance, including rating agency fees, other than fees paid by AGM to maintain its ratings, which, together with all other overhead expenses of AGM, are taken into account in the formulation of its rate structure, or for the provision of additional services by us, nor the direct or indirect payment for a cost, risk or other element that is not customarily borne by insurers of tax-exempt bonds (in transactions in which the guarantor has no involvement other than as a guarantor),
- (vi) AGM is not providing any services in connection with the Bonds other than providing the Policy, and except for the Premium, AGM will not use any portion of the Bond proceeds; provided, however, that AGM or its affiliates may independently provide a guaranteed investment contract for the investment of all or a portion of the proceeds of the Bonds,
- (vii) except for payments under the Policy in the case of Nonpayment by the Issuer, there is no obligation to pay any amount of principal or interest on the Bonds by AGM,
- (viii) AGM does not expect that a claim will be made on the Policy,
- (ix) the Issuer is not entitled to a refund of the premium for the Policy in the event a Bond is retired before the final maturity date, and
- (x) for Bonds which are secured by a debt service reserve fund, AGM would not have issued the Policy unless the authorizing or security agreement for the Bonds provided for a debt service reserve fund funded and maintained in an amount at least equal to, as of any particular date of computation, the reserve requirement as set forth in such agreement.

AGM makes no representation as to the nature of the interest to be paid on the Bonds or the treatment of the Policy under Section 1.148-4(f) of the Income Tax Regulations.

ASSURED GUARANTY MUNICIPAL CORP.
(FORMERLY KNOWN AS FINANCIAL SECURITY
ASSURANCE INC.)

By: _____


Authorized Officer

Dated: November 17, 2010

EXHIBIT E
FAIR MARKET VALUE

For purposes of this Tax Agreement, the Fair Market Value of any Nonpurpose Investment shall be determined in accordance with the following rules:

1. In General.

(a) The fair market value of any Nonpurpose Investment shall mean the price at which a willing buyer would pay to a willing seller to acquire the Nonpurpose Investment, with no amounts paid to artificially reduce or increase the Investment Yield on such Nonpurpose Investment.

(b) If a Nonpurpose Investment is acquired pursuant to an arm's length transaction without regard to any amount paid to reduce the Investment Yield on the Nonpurpose Investment, the fair market value of the Nonpurpose Investment shall be the amount paid for the Nonpurpose Investment (without increase for transaction costs, except as otherwise provided in §1.148-5(e) of the Regulations).

(c) If a Nonpurpose Investment is sold or otherwise disposed of in an arm's length transaction without regard to any reduction in the disposition price to reduce the Rebate Amount, the fair market value of the Nonpurpose Investment shall be the amount realized from the sale or other disposition of the Nonpurpose Investment (without reduction for transaction costs, except as otherwise provided in §1.148-5(e) of the Regulations).

2. Certificates of Deposit. The purchase of certificates of deposit with fixed interest rates, fixed payment schedules and substantial penalties for early withdrawal will be deemed to be an Investment purchased at its Fair Market Value on the purchase date if the Yield on the certificate of deposit is not less than:

(a) The Yield on reasonably comparable direct obligations of the United States; and

(b) The highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

3. Guaranteed Investments Contracts. A Guaranteed Investment Contract ("GIC") is a Nonpurpose Investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, and also includes any agreement to supply Investments on two or more future dates (*e.g.*, a forward supply contract). The purchase price of a GIC is treated at its Fair Market Value on the purchase date if all of the following conditions are satisfied:

(a) A bona fide solicitation in writing for a specified GIC, is timely forwarded to all potential providers. The solicitation must have specified the material terms of the GIC, including the collateral security requirements for the GIC, if any, and, unless the moneys invested pursuant to such investment will be held in a float fund or a debt service reserve fund,

the Borrower's reasonably expected draw-down schedule for the moneys to be invested. The solicitation must also include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the company or any other person (whether or not in connection with the Bonds), and that the bid is not being submitted solely as a courtesy to the Company or any other person for purposes of satisfying Treasury Regulations Section 1.148-5(d)(6)(iii)(B)(1) or (2).

(b) All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.

(c) At least three reasonably competitive providers (*i.e.*, having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Bonds (*e.g.*, a lead underwriter within 15 days of the Date of Issue or financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If the Company or Trustee uses an agent to conduct the bidding, the agent may not bid.

(d) The determination of the terms of the GIC takes into account the Company's reasonably expected drawdown schedule for the amounts to be invested.

(e) The provider of the GIC certifies the administrative costs that it is paying, or expects to pay, to third parties in connection with the GIC and such administrative costs are "qualified administrative costs as defined in Regulations section 1.148-5(e)..

(f) The GIC has a Yield at least equal to the highest yielding of the qualifying bids received from the bidders that have no material financial interest in the Bonds. If the GIC is not the highest-yielding of the qualifying bids, the Authority or the Company must have significant non-tax reasons, such as creditworthiness of the bidder, for failure to purchase the highest-yielding GIC offered.

(g) The Yield on the GIC is no less than the Yield available from the provider thereof at the time such GIC was entered into on reasonably comparative investment contracts offered to other persons, if any, from a source of funds other than gross proceeds of an issue of tax-exempt obligations.

(h) The terms of the GIC, including collateral security requirements, are commercially reasonable.

(i) The Company retains, or directs the Trustee to retain, until three years after the last outstanding Bond is retired: (i) a copy of the GIC contract; (ii) a receipt or other record of the amount actually paid for the GIC and a copy of the provider's certification described in (e); (iii) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results.

4. United States Treasury Securities - State and Local Government Series. If a United States Treasury obligation is acquired directly from or disposed of directly to the United

States Department of the Treasury (as in the case of the United States Treasury Securities - State and Local Government Series (“*SLGS*”) obligations), such acquisition or disposition shall be treated as establishing a market for the obligation and as establishing the fair market value of the obligation.

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") constitutes the written undertaking of the **Board of Supervisors for the University of Louisiana System** (the "Board"), on behalf of **Southeastern Louisiana University** (the "University") for the benefit of the holders of the Bonds (as defined herein), required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12) (the "Rule"). The Board is an "obligated person" within the meaning of the Rule.

SECTION 1. Definitions. In addition to the definitions set forth in that certain Trust Indenture dated as of November 1, 2010 (the "Indenture") by and between the Issuer (as defined herein) and Regions Bank, as trustee (the "Trustee), which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Disclosure Certificate, the following capitalized terms shall have the following meanings:

"Audited Financial Statements" means annual financial statements of the Board or operating data prepared in accordance with GAAP and mandated by statutory accounting requirements in effect from time to time, which financial statements shall have been audited by a firm of independent certified public accountants or the Legislative Auditor of the State.

"Board" means the Board of Supervisors for the University of Louisiana System.

"Bond Insurer" means Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.).

"Bonds" means the \$25,470,000 Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A and the \$5,785,000 Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B and such Bonds issued in exchange for other such Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Bonds pursuant to the Indenture.

"Corporation" means University Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payment or provision for the payment of all of the Bonds.

"Disclosure Representative" means the President of the University or his or her designee or such other officer, employee, agent or representative as the Dissemination Agent shall designate in writing from time to time.

"Dissemination Agent" means the Board, in its capacity as such, which (through its Disclosure Representative) shall collect and provide the Financial Information in accordance with Section 2 hereof.

“EMMA” shall mean the internet-based portal referred to as the Electronic Municipal Market Access system operated by the Municipal Securities Rulemaking Board. The online address of EMMA is www.emma.msrb.org.

“Financial Information” means the annual financial information (which shall be based on financial statements prepared in accordance with GAAP), or operating data with respect to the University, provided at least annually, of the type included in the Official Statement as further described in **Exhibit B** hereto, which annual financial information shall include Audited Financial Statements.

“Fiscal Year” means the period commencing on the first day of July of any year and ending on the last day of June of the following year or such other period of twelve (12) consecutive calendar months as shall be specified by the Board.

“GAAP” means generally accepted accounting principles.

“Issuer” means the Louisiana Local Government Environmental Facilities and Community Development Authority as issuer of the Bonds.

“Material Event” means any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults;
- (iii) Unscheduled draws on debt service reserves, reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to rights of the owners of the Bonds;
- (viii) Bond calls;
- (ix) Defeasances;
- (x) Release, substitution or sale of property, if any, securing repayment of the Bonds;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar proceeding;
- (xiii) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated person or their termination; and
- (xiv) Appointment of a successor or additional trustee or the change of the name of a trustee.

“Notice of Material Events” means the Notice required to be given in accordance with Section 4 hereof.

“Official Statement” means the final Official Statement dated November 4, 2010 with respect to the Bonds.

“Report Date” shall have the meaning set forth in Section 2(a)(i) hereof.

“Repository” shall mean EMMA and the SID.

“*Rule*” means Rule 15c2-12(b)(5)(i) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*SID*” means any public or private repository or entity designated by the Board as a state depository for the purpose of the Rule. The SIDs, as of the date of this Disclosure Certificate, appear in **Exhibit E** attached hereto.

“*State*” means the State of Louisiana.

“*Underwriter*” means Morgan Keegan and Company, Inc.

“*University*” means Southeastern Louisiana University, Hammond, Louisiana.

SECTION 2. Provision of Financial Information.

(a) (i) The Board hereby covenants and agrees to act as “Dissemination Agent” in connection with the Bonds.

(ii) The Dissemination Agent, either on its own or through its designated Disclosure Representative, shall, while any of the Bonds are Outstanding, collect and provide the Financial Information to the Repositories and to the Bond Insurer no later than six (6) months from the end of each Fiscal Year ending after the issuance of the Bonds (the “Report Date”), commencing December 31, 2010. The Dissemination Agent may adjust the Report Date if the Board or the University change their Fiscal Year by providing written notice of the change of Fiscal Year and the new Report Date to each then existing Repository; provided that the new Report Date shall be no more than 180 days after the end of the new Fiscal Year, and provided further that the period between the final Report Date relating to the former Fiscal Year and the initial Report Date relating to the new Fiscal Year shall not exceed one year in duration.

(iii) It shall be sufficient if the Dissemination Agent provides to each then existing Repository the Financial Information (or any portion thereof) by specific reference to documents previously provided to each Repository or filed with the Securities and Exchange Commission or, if such document is a final official statement, available from the Municipal Securities Rulemaking Board. The Dissemination Agent shall clearly identify each such other document so incorporated by reference.

(b) If the Dissemination Agent is unable to provide the Financial Information to each then existing Repository by the Report Date, then the Dissemination Agent shall send a notice to each then existing Repository in substantially the form attached hereto as **Exhibit A**.

(c) The Dissemination Agent shall determine, each year prior to the date for providing the annual report, the name and address of each then existing Repository.

(d) In accordance with MSRB Notice 2009-04 (January 9, 2009) the filing requirements set forth in Section (2) and (4) herein shall be satisfied exclusively by submitting to EMMA the Annual Report and Listed Bank described herein.

SECTION 3. Content of Financial Information. The Financial Information shall contain or incorporate by reference information described in **Exhibit B** attached hereto, as well as the following:

- (a) Audited Financial Statements for the Board;
- (b) Financial Information for the University;
- (c) the accounting principles pursuant to which the Audited Financial Statements were prepared;
- (d) the statement that the above-described information has been provided directly by the Board and/or the University and
- (e) identification of any documents previously filed by the Board, the University, the State or any other entity and incorporated by reference pursuant to Section (2)(a)(ii) hereof.

The Dissemination Agent reserves the right to cross-reference any or all of such annual financial information and operating data to other documents to be provided to the Repositories or the Municipal Securities Rulemaking Board.

The Dissemination Agent reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Dissemination Agent; provided that the Dissemination Agent agrees that any such modification will be done in a manner consistent with the Rule as provided in Section 6 hereof.

SECTION 4. Reporting of Material Events.

(a) If a Material Event occurs while any Bonds are Outstanding, the Dissemination Agent shall provide a Material Event Notice in a timely manner and shall promptly provide to the Municipal Securities Rulemaking Board and the Repository, if any, such Material Event Notice. Each Material Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds. Notwithstanding the foregoing, a Notice of Material Event described in items (viii) and (ix) under the definition of "Material Event" herein need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Bondholders of affected Bonds pursuant to the Indenture.

(b) The Dissemination Agent shall provide in a timely manner to the Municipal Securities Rulemaking Board and to the Repository, if any, notice of any failure while any Bonds are Outstanding by the Dissemination Agent to provide to each then existing Repository Financial Information on or before the Report Date.

(c) The Dissemination Agent may from time to time choose to provide notice of the occurrence of certain other events, in addition to Material Events, if, in the judgment of the Dissemination Agent, such other event is material with respect to the Bonds, but the Dissemination Agent does not undertake to commit to provide any such notice of the occurrence of any material event except Material Events.

(d) Whenever the Dissemination Agent obtains knowledge of the occurrence of a Material Event, the Dissemination Agent shall, as soon as possible, determine if such event would constitute material information for Bondholders; provided, that any Material Event under items (i), (vi), (vii), or (xi) of the definition of "Material Event" herein will always be deemed to be material.

SECTION 5. Termination of Reporting Obligation. The Board's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption in whole or payment in full of all of the Bonds. In addition, any provision hereof and any provision relating to the Rule as set forth in the resolution authorizing the issuance of the Bonds shall be null and void in the event that the Board delivers to the Trustee an opinion of counsel expert in federal securities laws to the effect that those portions of the Rule that require this Disclosure Certificate, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; provided that the Board shall have provided notice of such delivery and the cancellation of this Disclosure Certificate and that portion of the Indenture relating to the Rule to each then existing Repository.

SECTION 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Board may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not in and of itself cause the undertakings herein to violate, or adversely affect compliance with the Rule if such amendment or waiver had been effective on the date hereof, but taking into account any subsequent change in or official interpretation of the Rule.

Provided, however, that the following conditions must be satisfied prior to such amendment:

(a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Board, or type of business conducted;

(b) The undertaking hereunder, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the holders of the Bonds, as determined either by parties unaffiliated with the Board (such as bond counsel), or by approving vote of such holders in accordance with the terms of the Indenture at the time of the amendment.

Further, the Financial Information containing the amended operating data or financial information shall explain in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

Further provided, if an amendment is made to an undertaking hereunder specifying the accounting principles to be followed in preparing the Audited Financial Statements, the Financial Information for the year in which the change is made should present a comparison between the Audited Financial Statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison should include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the Audited Financial Statements, in order to provide information to investors to enable them to reevaluate the ability of the Board to meet its obligations. To the extent reasonably feasible, the comparison also should be quantitative. A notice of the change in the accounting principles should be sent to the Repositories or the Municipal Securities Rulemaking Board.

Amendments to **Exhibit C** may be made by the Dissemination Agent at any time to correct or update the list of SIDs.

SECTION 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Dissemination Agent from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or Notice of Material Event, in addition to that which is required by this Disclosure Certificate. If the Board chooses to include any information in any Financial Information or Notice of Material Event in addition to that which is specifically required by this Disclosure Certificate, the Board shall have no obligation under this Disclosure Certificate to update such information or include it in any future Financial Information or Notice of Material Event.

SECTION 8. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Board, the Underwriter and the holders of the Bonds, and shall create no rights in any other person or entity.

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[Signature Page - Continuing Disclosure Certificate]

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

By: 
John L. Crain, Authorized Representative

Date: November 17, 2010

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Louisiana Local Government Environmental Facilities and
Community Development Authority

Name of Obligated Person: Board of Supervisors for the
University of Louisiana System

Name of Bond Issue: \$25,470,000 Louisiana Local Government Environmental
Facilities and Community Development Authority
Tax-Exempt Revenue Bonds (Southeastern Louisiana
University Student Union/University Facilities, Inc.
Project) Series 2010A and \$5,785,000 Louisiana Local
Government Environmental Facilities and Community
Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project) Series 2010B

Date of Issuance: November 17, 2010

NOTICE IS HEREBY GIVEN that the Board has not provided the Financial Information with respect to the above-named Bonds as required by the Continuing Disclosure Certificate of the Board dated November 17, 2010. The Board anticipates that the Annual Report will be filed by _____.

Dated: _____

**Board of Supervisors for the
University of Louisiana System**

By: _____
Authorized Board Representative

EXHIBIT B

(A) Names of the entities, enterprises, funds, accounts and other persons with respect to whom information will be provided:

Entity:

1. BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM
2. SOUTHEASTERN LOUISIANA UNIVERSITY

(B) Types of information to be provided: (e.g., specific types of financial statements and general descriptions of operating, economic, statistical, utilization and trend data)

Audited Financial Statements, Financial Statement of the University, including the same type of information set forth in the Official Statement in **Appendix A** under the caption "**Debt Management**" attached thereto.

Collection information regarding the Student Fee and Capital Improvement Fund Revenues, on an annual basis.

(C) The accounting principles pursuant to which the Audited Financial statements will be prepared:

Generally accepted accounting principles.

*Note: In accordance with Section 3(d) of the Continuing Disclosure Certificate, the Board is required to specifically identify any documents previously filed with a Repository that is being incorporated by reference.

EXHIBIT C
STATE INFORMATION DEPOSITORIES

None

RESERVED

GENERAL CERTIFICATE OF THE AUTHORITY

\$25,470,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

\$5,785,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

I, the undersigned Executive Director of the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Authority") do hereby certify and covenant as follows:

1. The undersigned, Steve A. Dicharry, is the duly appointed, qualified and acting Executive Director of the Authority and as such official is familiar with and has access to the books and corporate records of the Authority.

2. The persons named below are the duly appointed and qualified members of the Executive Committee and are presently serving terms which will expire as indicated to the right of their respective names:

<u>Executive Committee</u>	<u>Office</u>	<u>Expiration of Term</u>
Julian E. Dufreche	Chairman	December 31, 2010
Mary S. Adams	Vice-Chair	December 31, 2010
Mayor David C. Butler, II	Secretary-Treasurer	December 31, 2010
William A. Lazaro, Jr.	Member	December 31, 2010
Lynn Austin	Member	December 31, 2010
Mike Grimmer	Member	December 31, 2010

3. The persons set forth in Exhibit A attached hereto are duly authorized officers for purposes of executing any and all documents, certificates, orders or writings with respect to the Bonds and holding the office stated opposite their respective names and the signatures appearing on said Exhibit A are genuine signatures of said officers.

4. Attached hereto as Exhibit B is a true and correct copy of the Authority's Amended and Restated By-Laws dated October 10, 2002, as amended October 14, 2004 and October 12, 2006, as the same are on file in the official records of the Authority and the same being in full force and effect as of the date of this certificate. The Authority duly approved the issuance of the Bonds by adopting resolutions at meetings held on June 12, 2008, December 11, 2008 and November 10, 2010 (collectively, the "*Bond Resolution*") at each of which a quorum was present.

5. The Chairman and Executive Director by their manual or facsimile signatures duly executed and attested the execution of the \$25,470,000 Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010A and the \$5,785,000 Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010B. The Bonds are issued under and secured by a Trust Indenture (the "*Indenture*") dated as of November 1, 2010 by and between the Authority and Regions Bank, as trustee (the "*Trustee*"). The proceeds of the Bonds will be loaned to University Facilities, Inc. (the "*Corporation*") pursuant to a Loan Agreement (the "*Loan Agreement*") dated as of November 1, 2010 by and between the Authority and the Corporation. The Bonds are dated November 17, 2010 and are numbered, bear interest and mature as set forth in the Indenture.

6. We hereby certify, to the best of our knowledge and belief, that:

(a) the representations, warranties and covenants of the Authority contained in the Loan Agreement are true and correct in all material respects and are complied with as of the date hereof; and

(b) the Authority has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied at or prior to this date.

7. As required by the Bond Purchase Agreement we hereby certify that:

(a) as of the date of the Bond Purchase Agreement, the information contained in the Authority Sections of the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make statements contained therein, in the light of the circumstances under which they were made, not misleading;

(b) at all times subsequent to the date of the Bond Purchase Agreement to and including this date, the information contained in the Authority sections of the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make statements contained therein, in light of the circumstances under which they were made, not misleading; and

(c) to the best of our knowledge and belief, no litigation is pending or, to our knowledge threatened, to restrain or enjoin the execution and delivery of the Bonds, the Resolution, the Tax Regulatory Agreement, the Indenture, the Loan Agreement or the existence

or powers of the Authority or the right of the Authority to carry out the terms thereof, and the issuance of the Bonds and the execution and delivery of the other agreements contemplated by the Bond Purchase Agreement and by the Official Statement under the circumstances contemplated thereby and the compliance by the Authority with the provisions thereof will not conflict with or constitute on the part of the Authority a breach of or a default under the By-Laws, as amended, or any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, loan or other instrument to which the Authority is subject or by which it is bound.

8. All meetings of the Executive Committee of the Authority, including meetings at which action was taken with respect to the Bonds, have been open to the public in accordance with the provisions of Title 42 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 42:5). Meetings of the Executive Committee of the Authority are held in accordance with the call for the meetings issued by the Chairman.

9. All approvals required to be obtained pursuant to the Act by the Authority in connection with the issuance of the Bonds have been obtained and are in full force and effect as of the date hereof.

10. Any certificate signed by any officer of the Authority delivered to the Trustee or Morgan Keegan & Company, Inc. (the “*Underwriter*”) shall be deemed a representation of the Authority to the Trustee or the Underwriter as to the statements made therein.

11. The official journal of the Authority is *The Advocate*, a daily newspaper published in the City of Baton Rouge and of general circulation in the City of Baton Rouge, Louisiana, having been so designated by resolution duly and legally adopted by the Executive Committee of the Authority.

12. The seal affixed to this certificate and the Indenture and the Bonds is the official seal of the Authority.

13. The Authority has not pledged the Trust Estate (as defined in the Indenture) to secure any other debt of the Authority that would result in there being a pledge on the Trust Estate superior to or on a parity with the pledge created by the Indenture.

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IN WITNESS WHEREOF, the undersigned has hereunto set the official seal of the Authority and their signatures as of the 17th day of November, 2010.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

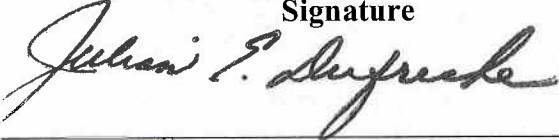
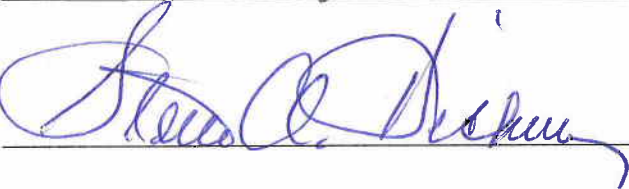
By:



Steve A. Dicharry, Executive Director

[SEAL]

**EXHIBIT A
OFFICERS OF THE BOARD OF DIRECTORS
AND *EX OFFICIO* OFFICERS OF THE
EXECUTIVE COMMITTEE OF THE
LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL
FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY**

Name	Office	Signature
Julian E. Dufreche	Chairman	
Steve A. Dicharry	Executive Director	

**EXHIBIT B
BYLAWS**

EXHIBIT B

AMENDED AND RESTATED
BYLAWS
OF
LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

A POLITICAL SUBDIVISION OF THE
STATE OF LOUISIANA

DATED
OCTOBER 10, 2002

**BYLAWS OF THE
LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY**

ARTICLE I - NAME, PURPOSE AND ACT

This organization, now known as the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Authority"), was created by Act 813 of the 1991 Regular Session of the Louisiana Legislature, enacted as La. R.S. 33:4548.1, et seq. ("Act 813"), was amended by Act 1151 of the 1997 Regular Session of the Louisiana Legislature ("Act 1151"), each of which Acts were authorized to be enacted by the state legislature by virtue of Section 19 of Article VI of the Louisiana Constitution of 1974, as amended (Act 813, Act 1151 and Section 19 of Article VI herein referred to collectively as the "Act"). For ease of reference and convenience, the Authority may be referred to as the "Louisiana Community Development Authority".

The Authority was created for the purposes of assisting political subdivisions in constructing, extending, rehabilitating, repairing, and renewing infrastructure, economic development and environmental facilities, and assisting in the financing of such needs by political subdivisions.

The Authority is generally governed by the Act. Individual powers and governing principles set forth in the Act may not be repeated herein. Terms not otherwise defined herein have the meaning attributed to such terms in the Act.

ARTICLE II - BOARD OF DIRECTORS

SECTION 1. Composition of the Board of Directors

- A. Each participating Political Subdivision shall appoint one director to the Board of Directors of the Authority in the manner set forth in the Act. Each director shall be appointed for a term of four years. The participating Political Subdivision may remove its appointed director at any time, with or without cause, upon giving 30 days written notice to the Authority. Upon the expiration of the term of a director or his or her earlier resignation or removal from office, the participating Political Subdivision shall select a successor director in the manner set forth in the Act.

- B. The Authority shall be governed by the Board of Directors. The Board of Directors shall exercise all of the authority conferred upon the Authority in the Act except for that authority expressly delegated to the Executive Committee herein. The authority so delegated to the Executive Committee shall be solely exercised by it without any need or requirement for any act or action of, or subsequent ratification by, the Board of Directors, and the exercise of such authority by the Executive Committee shall be binding in all respects upon the Authority and the Board of Directors, and may in all respects be relied upon by third parties.

SECTION 2. Meetings of the Board of Directors

- A. The Board of Directors shall have an annual meeting on or before November 1 of each year. The Executive Committee shall, at the beginning of each calendar year, set the date, time, and location of the annual meeting, and notice thereof shall be furnished to each director not less than thirty (30) days prior to the date set for such meeting and shall include an agenda. Upon the approval of two-thirds of the directors present, the Authority may take matters not included on the agenda. Such notice shall specify the date, time and location of each meeting and shall specify the purpose thereof and any action proposed to be taken. Such notice shall be provided to the director by mail to the address of such director as recorded in the office of the Authority. Special meetings of the Board of Directors shall be held at the request of the Chairman of the Executive Committee, a majority of the Executive Committee, or upon the written request of twenty-five (25) percent in number of the members of the Board of Directors. Notice of and the agenda for any special meeting of the Board of Directors shall be sent to each director not less than seven (7) days prior to the date of such meeting. All meetings of the Board of Directors shall be conducted in accordance with the Open Meetings Law.
- B. In cases of extraordinary emergency, special meetings of the Board of Directors may be called by the Chairman, the Executive Committee or upon the request of five (5) percent in number of the members of the Board of Directors and held at any time and place upon the same notice to the members of the Board of Directors as is required to be given to the public pursuant to the Open Meetings Law.
- C. A majority of the directors shall constitute a quorum of the Board of Directors. If a quorum shall fail to be present at any duly called meeting, the presiding officer may adjourn the meeting from time to time until a quorum is present. After a quorum has been established, it shall not be broken by withdrawal of any director.

SECTION 3. Voting

Each director shall be entitled to one (1) vote at any meeting of the Board of Directors of the Authority. All actions by and decisions of the Board of Directors shall be by vote of the

majority of the directors entitled to vote which are present at a duly called meeting at which a quorum is present. No proxy voting or secret ballots shall be utilized, and all votes shall be by viva voce and recorded in the official written proceedings of the Authority.

ARTICLE III - OFFICERS OF THE BOARD OF DIRECTORS

SECTION 1. Officers of the Board of Directors

- A. The elective officers of the Board of Directors shall be a Chairman, a Vice Chairman, and a Secretary/Treasurer. These officers shall be elected annually by and from the voting members of the Board of Directors at the annual meeting of the Board of Directors. Subsequent to the initial election of officers, each elective officer shall take office on the January 1 immediately following his election, and effective with the election of officers in 2001, each elective officer shall serve for a term of one (1) year, or until his successor has been elected and has taken office. Officers may not be re-elected for successive terms in any one office. The Board of Directors may remove any elected officer for just cause, as defined by the Board. In the event of such removal or the resignation of an officer, the Board of Directors shall elect a replacement to fill such Director's unexpired term.
- B. The Board of Directors shall appoint an Executive Director administer the affairs of the Authority, as authorized pursuant to R.S. 33:4548.6A(13). The Executive Director shall serve at the pleasure of the Board of Directors

SECTION 2. Duties of Officers

- A. The Chairman of the Board of Directors shall be the elected head of the Authority and ex officio Chairman of the Executive Committee. He shall preside at all meetings of the Board of Directors and of the Executive Committee and shall perform all other duties incidental thereto.
- B. The Vice Chairman shall also be ex officio Vice Chairman of the Executive Committee and shall act in the Chairman's stead with the same authority and duties as the Chairman in the event that the Chairman is absent or otherwise unavailable.
- C. The Secretary/Treasurer shall also be ex officio Secretary/Treasurer of the Executive Committee and shall oversee the maintenance of the minutes of the meetings of the Board of Directors and the Executive Committee, the giving of all required notices of such meetings, the maintenance of all of the financial records of the Authority and the disbursement of moneys and assets of the Authority.

- D. The Executive Director shall have general supervision over and be in administrative charge of the affairs of the Authority, including the conduct of the business and maintenance of the office of the Authority, and shall perform all the duties incident to his position and office. ~~Except as otherwise provided by resolution of the Executive Committee, the Executive Director shall make final certification for payment of all duly authenticated and authorized items of expenditures for payment from any Authority funds from whatever source derived, and shall also approve all checks, vouchers, payrolls and requisitions before signing, or submission thereof for signature by any persons authorized to sign, the same. The Executive Director, with the oversight of the Secretary/Treasurer, shall keep a record of the proceedings of the Authority and shall be custodian of all books, documents and records filed with the Authority and of the minutes of the Authority of its official seal.~~

ARTICLE IV - EXECUTIVE COMMITTEE

SECTION 1. Establishment of Executive Committee

- A. There is hereby established an Executive Committee of the Board of Directors to be composed of seven members of the Board of Directors, consisting of the three officers of the Board of Directors, who shall serve in the Executive Committee as ex officio members for as long as they remain officers of the Board of Directors of the Authority, and four other members elected at the annual meeting of the Board of Directors (after the election of officers) from the voting members of the Directors. Effective with the election in 2001, the four at-large members of the Executive Committee shall be elected as follows: one member shall be elected for a term of one (1) year; one member shall be elected for a term of two (2) years; one member shall be elected for a term of three (3) years; and, one member shall be elected for a term of four (4) years. An at-large member shall not succeed himself in office as an at large member, and his successor shall be elected for a four year term. To ensure that all participating members are adequately represented, from time to time, on the Executive Committee, the Executive Committee shall appoint a nominating committee consisting of at least two (2) members of the Board of Directors to recommend a slate of candidates for election to the Executive Committee who will be representative of the participating members.
- B. The Board of Directors may remove a member of the Executive Committee for just cause at any special or emergency meeting called for that purpose. If an elected member of the Executive Committee is removed for cause or resigns during the term for which he was elected as a member of the Executive Committee, the Board of Directors shall elect a replacement to fill such Executive Committee member's unexpired term. If an officer of the Board of Directors is removed from office, his replacement shall serve on the Executive Committee for the officer's unexpired term.

- C. Subsequent to the initial election of Directors to the Executive Committee, each Director elected to the Executive Committee shall take office on the January 1 immediately following their election.
- D. Upon expiration of the term of a member of the Executive Committee who has not been replaced, such member shall continue to serve until so replaced.
- E. The Executive Committee shall provide a written report to the Board of Directors for review at its annual meeting setting forth a summary of activity, programs and financial condition of the Authority. Minutes of all Executive Committee meetings shall be made available to any Board of Directors member upon request.

SECTION 2. Meetings of the Executive Committee

- A. The Executive Committee shall meet at least four (4) times per year, and more often if called by the Chairman, at the principal office of the Authority or at such other location as may be acceptable to a majority of the Executive Committee members. The Chairman of the Executive Committee shall set the date, time and location of each meeting, and notice thereof and an agenda shall be furnished to each member of the Executive Committee not less than two (2) calendar days prior to the date of such meeting. Executive Committee meetings shall be held in accordance with the Open Meetings Law. Such notice shall specify the date, time and location of such meeting and may specify the purpose thereof and any action proposed to be taken. Such notice shall be directed to the committee member by mail to the address of such committee member as recorded in the office of the Authority. Special meetings of the Executive Committee shall be held at the request therefor by the Chairman of the Executive Committee or a majority of the Executive Committee. Notice of any special meeting of the Executive Committee shall be sent to each committee member not less than one (1) calendar day prior to the date of such meeting. Each director shall be given notice of Executive Committee meetings in the same manner if so requested in writing.
- B. Four (4) members of the Executive Committee shall constitute a quorum. If a quorum shall fail to be present at any duly called meeting, the presiding officer may continue the meeting until a quorum is present. After a quorum has been established, it shall not be broken by withdrawal of any member.

SECTION 3. Voting

Each member of the Executive Committee shall be entitled to one (1) vote. All actions by and decisions of the Executive Committee shall be by vote of not less than a majority of

the Executive Committee members present and voting. No proxy voting or secret ballots shall be utilized, and all votes shall be by viva voce and recorded in the official written proceedings of the Executive Committee, with a copy thereof placed in the official proceedings of the Authority.

SECTION 4. Powers and Authority of the Executive Committee

- A. Pursuant to and as authorized by the Act, the Board of Directors in addition to the other duties and powers delegated herein, hereby delegates to the Executive Committee the authority to exercise the powers of the Authority specified in R.S. 33:4548.5A(4) through (12) and (14) through (19), 33:4548.6, R.S. 33:4548.8, R.S. 33:4548.14 and R.S. 33:4548.15.
- B. The Executive Committee on behalf of and for the benefit of the Authority may enter into local service agreements with the participating political subdivisions through which such political subdivisions may agree to share in the costs of operating the Authority and to pay such charges and fees as may be imposed by the Executive Committee.
- C. The Executive Committee may exercise the authority conferred by these Bylaws without any need or requirement for any act or action of, or subsequent ratification by, the Board of Directors, and in the exercise of such authority by the Executive Committee it shall bind in all respects the Authority and the Board of Directors, and in all respects such exercises of authority by the Executive Committee may be relied upon by third parties.
- D. The Executive Committee may appear and seek approval of the State Bond Commission for the issuance of bonds of the Authority as provided for in R.S. 33:4548.9.
- E. In addition, the Executive Committee is hereby delegated such further authority as may be necessary and incidental to the authority herein delegated to effectuate and exercise its authority including, but not limited to the adoption of necessary rules and regulations for the conduct of its affairs.
- F. The Executive Committee shall have the sole authority to decide which Authorized Projects, as such term is defined in R.S. 33:4548.3B, shall be undertaken by the Authority and to determine all of the terms, conditions and provisions of such Authorized Projects.
- G. It is the intent of this Section to vest in the Executive Committee sole authority to make all decisions, to take all actions and to enter into all contracts, agreements and instruments on behalf of the Authority as those certain powers are specified herein.

Any action taken or decision made on behalf of the Authority shall be evidenced by resolution adopted by the Executive Committee. No other approvals or consents shall be necessary to bind the Authority with respect to any action or decision of the Executive Committee.

SECTION 5. Execution of Documents

A copy of the resolution adopted by the Executive Committee certified by the Chairman or Secretary-Treasurer of the Executive Committee (or such officers of the Authority designated in writing by the Chairman or Secretary-Treasurer of the Executive Committee) shall be evidence of the action of the Executive Committee and the Authority and any such certified resolution or other instrument so signed shall conclusively be presumed to be authentic. Likewise, all facts and matters stated therein shall conclusively be presumed to be true.

SECTION 6. Reporting

The Executive Committee shall be responsible for and shall cause to be filed such annual or other periodic audits, reports and disclosures as may be required from time to time pursuant to applicable federal or state statutes or regulations.

ARTICLE V - MISCELLANEOUS

SECTION 1. Directors' and Officers' Liabilities

- A. No director or officer shall be liable for any claims resulting from any act or omission in connection with his duties as a member of the Board of Directors or Executive Committee of the Authority, or as an officer of the Board of Directors, except for claims resulting from the gross negligence or willful misconduct of such director or officer. The Executive Committee is hereby authorized and empowered to obtain, at the expense of the Authority, liability insurance fully protecting the respective directors, officers, employees, agents and the Authority from any loss or expense incurred, including reasonable attorney's fees, as a result of acts or omissions of the directors, officers, employees and agents. The Authority hereby agrees to save, hold harmless and indemnify each director, officer, employee and agent from any loss, damage or expense (including attorneys fees) incurred by said persons while acting in their official capacity or by reason of the fact the said person is or was a director, officer, employee or agent of the Authority, unless such loss, damage or expense was caused by the bad faith, gross negligence or willful misconduct of such director, officer, employee or agent. The termination of any civil or criminal action, suit or proceeding by judgement, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person acted other than in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the

Authority nor with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

- B. Any indemnification under this Section 1 of this Article shall be made by the Authority only as authorized in the specific case upon a determination that indemnification of the officer, director and employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in this Section 1 of this Article. Such determination shall be made (a) by the Executive Committee by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; provided, however, that if a director, officer, employee or agent of the Authority has been successful on the merits or otherwise in defense of any action, suit or proceeding, or in defense of any claim, issue or matter therein, he shall automatically be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith without the necessity of any such determination that he has met the applicable standard of conduct set forth in this Section 1 of this Article.

SECTION 2.

Reliance on Counsel's Opinion

The Board of Directors, the Executive Committee and the officers may employ and consult with legal counsel concerning any questions which may arise with reference to the duties and powers or with reference to any other matter pertaining to the operation of the Authority; and the opinion of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by the directors, the Executive Committee and the officers hereunder in good faith in accordance with the opinion of such counsel, and the Board of Directors, the Executive Committee, and the officers shall not be liable therefor.

SECTION 3.

Amendments to Bylaws

These bylaws may be amended in writing at any time by the concurrence of no less than two thirds (2/3) of the voting members of the Board of Directors present at a duly called meeting at which a quorum is present. The notice of such meeting must state that one of the purposes of the meeting is to consider the amendment of these bylaws and must generally state the substance of such proposed amendment. These bylaws may not be amended so as to permit the diversion or application of any of the assets of the Authority for any purpose other than those specified herein or in the Act or which would impair any contractual obligations. The Board of Directors, upon adoption of or amendment to these bylaws, shall send a copy of any such amendment to the participating political subdivisions of the Authority.

SECTION 4. Termination of Membership in the Authority.

Except as noted below, an Authority member may terminate its participation in the Authority upon thirty (30) days written notice to the Chairman of the Board of Directors. An Authority member shall not be permitted to terminate its participation in the Authority so long as such Authority member is obligated to repay an outstanding obligation to the Authority, provided such obligation has been lawfully approved by such member.

SECTION 5. Principal Office of the Authority

The books and records pertaining to the Authority and its administration shall be kept and maintained at the office of the Authority.

SECTION 6. Additional Committees

The Executive Committee may from time to time appoint such other committees with such membership as the Executive Committee may determine necessary or appropriate. Such committees may be composed in whole or in part of persons who are not members of the Board of Directors.

SECTION 7. Notices

Whenever under the Act or these bylaws notice is required or permitted to be given to the Directors or officers of the Authority, such notice may be given in writing by regular mail or by facsimile or electronic transmission, in either case addressed to such Director or officer at his address as shown on the books of the Authority. The time when such notice is so mailed or delivered via facsimile shall be deemed the time of the giving of such notice.

SECTION 8. Contracting for Services

The Authority was created to lower the borrowing costs of political subdivisions and beneficiaries through participation in Authority financings. By sharing the costs of professional and other services negotiated at reasonable rates by the Authority, smaller financings undertaken through participation in Authority transactions can benefit directly and immediately. The Authority further recognizes the merit of independent review of proposed financial transactions to avoid self-dealing by professionals serving the Authority or its beneficiaries.

- A. The Executive Committee shall have the authority to contract with and hire professionals for the purpose of rendering legal, accounting, financial advisory, management and other services to the Authority and to pay such professionals for such services rendered to the Authority.

- B. The Executive Committee shall evaluate and determine fair and equitable compensation for legal services by reference to the Rules of Professional Conduct of the Louisiana State Bar Association, particularly, Rule 1.5 Fees. The fee schedules promulgated by the Attorney General of the State of Louisiana which describe the maximum fees allowed for services of bond counsel shall be complied with, but shall not be used to define or determine the amount of compensation for bond counsel services to the Authority.
- C. The Executive Committee shall evaluate and determine fair and equitable compensation for non-legal professionals in accordance with relevant industry standards, criteria and practice.

SECTION 9. Preliminary Review of Authority Transactions

The Executive Committee shall establish a procedure to review proposed Authority transactions for merit and shall have the authority to contract with independent financial advisors and such other professionals as it deems fit to evaluate and provide preliminary findings regarding the relative benefits of transactions proposed to the Authority, its members or to the beneficiaries of such transactions.

SECTION 10. Severability

Should any provision of these By-Laws be declared invalid or unlawful by a court of competent jurisdiction, the remaining provisions hereof shall remain in full force and effect and to that end, such invalid or unlawful provisions are hereby declared to be severable.

**ARTICLE VI. DISTRIBUTION OF ASSETS
UPON FINAL DISSOLUTION**

Upon final dissolution of the Authority, all assets shall be sold as determined by the Executive Committee, all debts and obligations of the Authority shall be paid, and all funds then remaining shall be distributed to the then current Authority members on an equal share basis.

Adopted - 10-14-04

Proposed Amendments to By-laws

Amend Article II, Section 1 (A), Article III, Section 1 (B), Article IV, Section 4 (A), and Article V, Section 6 as follows:

ARTICLE II - BOARD OF DIRECTORS

SECTION 1. Composition of the Board of Directors

- A. Each participating Political Subdivision shall appoint one director to the Board of Directors of the Authority in the manner set forth in the Act. Each director shall be appointed for a term of four (4) years. The participating Political Subdivision may remove its appointed director at any time, with or without cause, upon giving 30 days written notice to the Authority. Upon the expiration of the term of a director or his or her earlier resignation or removal from office, the participating Political Subdivision shall select a successor director in the manner set forth in the Act.

ARTICLE III - OFFICERS OF THE BOARD OF DIRECTORS

SECTION 1. Officers of the Board of Directors

- B. The Board of Directors shall appoint an Executive Director to administer the affairs of the Authority, as authorized pursuant to R.S. 33:4548.6A(15). The Executive Director shall serve at the pleasure of the Board of Directors.

ARTICLE IV - EXECUTIVE COMMITTEE

SECTION 4. Powers and Authority of the Executive Committee

- A. Pursuant to and as authorized by the Act, the Board of Directors in addition to the other duties and powers delegated herein, hereby delegates to the Executive Committee the authority to exercise the powers of the Authority specified in R.S. 33:4548.5A(4) (1) through (23), 33:4548.6, R.S. 33:4548.8, R.S. 33:4548.14 and R.S. 33:4548.15.

ARTICLE V - MISCELLANEOUS

SECTION 6. Additional Committees

- A. The Executive Committee may from time to time appoint such other committees with such membership as the Executive Committee may determine necessary or appropriate. Such committees may be composed in whole or in part of persons who are not members of the Board of Directors.
- B. The Executive Committee shall appoint a Chairman's Advisory Committee consisting of at least one (1) member and not exceeding three (3) members. Such Committee shall consist of past Chairmen of the Board of Directors, and shall provide advice to the Executive Committee on any matters coming before it.

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES
AND COMMUNITY DEVELOPMENT AUTHORITY

On the motion of Mr. Lazaro seconded by Mayor Butler, the following
resolution was adopted:

RESOLUTION

A RESOLUTION AUTHORIZING THE AUTHORITY TO
PROCEED WITH THE DEVELOPMENT OF A PROJECT ON
BEHALF OF UNIVERSITY FACILITIES, INC. INVOLVING
THE ISSUANCE OF NOT TO EXCEED \$40,000,000
LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL
FACILITIES AND COMMUNITY DEVELOPMENT
AUTHORITY REVENUE BONDS (SOUTHEASTERN
LOUISIANA UNIVERSITY / UNIVERSITY FACILITIES, INC.
PROJECT) IN ONE OR MORE SERIES; AND OTHERWISE
PROVIDING WITH RESPECT THERETO.

WHEREAS, the Louisiana Local Government Environmental Facilities and Community
Development Authority (the "Authority") is a political subdivision established for public
purposes under and pursuant to the provisions of Chapter 10-D of Title 33 of the Louisiana
Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory
authority; and

WHEREAS, the Act empowers the Authority to issue bonds to provide funds for and to
fulfill and achieve its authorized public functions or corporate purposes as set forth in the Act;
and

WHEREAS, PL 109-135 of the United States Congress is the Gulf Opportunity Zone Act
of 2005 (the "GOZONE Act") provides certain benefits including the issuance of tax-exempt

private activity revenue bonds for qualified projects within the Gulf Opportunity Zone established by the GOZONE Act;

WHEREAS, the Authority has been asked to proceed and desires to proceed with the development of a project on behalf of the University Facilities, Inc., a Louisiana nonprofit corporation, (the "Corporation") involving the issuance of not to exceed \$40,000,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University / University Facilities, Inc. Project) in one or more series (the "Bonds"), to provide financing for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related facilities for students, faculty, staff, and the general public on the campus of the University and related facilities at Southeastern Louisiana University (the "Project"); and

WHEREAS, the Authority desires to authorize the filing of an application with the Louisiana State Bond Commission (the "Commission") requesting that the Commission grant approval to the issuance of the Bonds in accordance with the Act and, to any extent applicable, the GOZONE Act; and

WHEREAS, it is desirable that the Executive Committee of the Authority (the "Executive Committee") adopt a resolution approving the issuance of the Bonds for the development of the Project; and

WHEREAS, the Authority reasonably expects to reimburse expenditures of the Corporation, incurred prior to the issuance of the Bonds, if any, for the Project from proceeds of the Bonds and that this resolution is a declaration of official intent under Section 1.150-2 of the United States Treasury Regulations; and

NOW THEREFORE, BE IT RESOLVED by the Executive Committee of the Board of Directors of Louisiana Local Government Environmental Facilities and Community Development Authority, acting as the governing authority of said Authority, that:

SECTION 1. Pursuant to the authority of the Act, the Project is hereby approved and the Executive Committee of the Authority does hereby authorize the undertaking and development of the Project and the issuance of the Authority's Revenue and Refunding Bonds (Southeastern Louisiana University / University Facilities, Inc. Project), in one or more series, taxable or tax-exempt, in an aggregate amount not to exceed \$40,000,000 (the "Bonds"), such Bonds to mature not later than thirty-one (31) years from the date of their issuance, bearing interest at a fixed or variable rate not exceeding twelve percent (12%) and secured by payments under a loan agreement with the Corporation to be entered into by the Corporation, which payments will be assigned and pledged to the Authority for payment of principal of and interest on the Bonds.

SECTION 2. This Resolution evidences official intent of the Authority toward the issuance of its Bonds as contemplated herein in accordance with the laws of the State and the United States Treasury Regulations, Section 1.150-2(e). The Bonds are not expected to exceed an aggregate principal amount of \$40,000,000.

SECTION 3. The officers and staff of the Authority are authorized and empowered to take any and all further action and to sign any and all documents, instruments and writings as may be necessary to carry out the purposes of this resolution and to file, on behalf of the Authority, with any governmental board or entity having jurisdiction over the Bonds or the Project, such applications or requests for approval thereof as may be required by law.

SECTION 4. The Authority does hereby authorize the filing of an application with the Louisiana State Bond Commission (the "Commission") requesting approval of the issuance

of the Bonds and, if deemed necessary by Bond Counsel that any portion of the bonds must be designated as GO Zone bonds under the GO Zone Act, for approval of the State Bond Commission of an allocation under the GO Zone Act for that portion of the Bonds.

SECTION 5. To the extent that Bond Counsel deems necessary, the Authority hereby approves and authorizes the publication of one or more Notices of Public Hearing and does hereby further authorize and approve the conducting of public hearings as set forth in said notices in accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1981, as amended.

SECTION 6. It is recognized, found and determined that a real necessity exists for the employment of Bond Counsel in connection with the issuance of the Bonds and accordingly, Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Baton Rouge, Louisiana is hereby employed as Bond Counsel to the Authority to do and to perform comprehensive, legal and coordinate professional work with respect to the issuance and sale of the bonds. Bond Counsel shall (i) prepare and submit to the Authority for adoption all of the proceedings incidental to the authorization, issuance, sale and delivery of the Bonds, (ii) counsel and advise the Authority with respect to the issuance and sale of the Bonds, and (iii) furnish their opinion covering the legality of the issuance thereof. The fee for bond counsel services to be paid Bond Counsel from Bond proceeds shall be (a) an aggregate amount less than the Attorney General's then current Bond Counsel Fee Schedule and other guidelines, as negotiated, for comprehensive, legal and coordinate professional work in the issuance of revenue bonds applied to the actual aggregate principal amount issued, sold, delivered and paid for at the time such Bonds are delivered, together with the reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Bonds, and (b) an hourly rate for legal work related to

services not traditionally provided by bond counsel, if any, less than the Attorney General's maximum hourly rates, as negotiated, together with the reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Bonds, said fee to be payable out of Bond proceeds subject to the Attorney General's written approval of said employment and fee as required by the Act.

SECTION 7. It is recognized and agreed that a real necessity exists for the employment of special counsel to serve as issuer counsel to the Authority to supervise the issuance of the Bonds and accordingly Casten & Pearce APLC, Shreveport, Louisiana, is hereby employed for such purposes. The fee to be paid for such services shall be an amount computed at an hourly rate to be negotiated less than the Attorney General's current Hourly Fee Schedule, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Bonds, and shall be payable by the Issuer from the proceeds of the Bonds.

SECTION 8. This Resolution does hereby incorporate by reference as though fully set out herein the provisions and requirements of the Act.

SECTION 9. This Resolution shall be published in one issue of the official journal of the Authority as soon as possible. The Bonds herein authorized shall be incontestable in the hands of bona fide purchasers thereof for value and no court shall have authority or jurisdiction to inquire into the legality thereof if the validity of the Bonds and the security therefor is not raised within thirty (30) days from the date of the publication of this Resolution.

SECTION 10. This Resolution shall become effective immediately upon its adoption.


This resolution having been submitted to a vote, the vote thereon was as follows:

Executive Committee Member	Yea	Nay	Absent	Abstaining
Mike Grimmer	x			
Daniel Rawls	x			
Julian Dufreche			x	
Jack Hammons	x			
Mary S. Adams			x	
William A. Lazaro, Jr.	x			
David C. Butler, II	x			


The Resolution was declared adopted on this 12th day of June, 2008.

(Other items of business not pertinent to the foregoing resolution may be found in the official minutes of the Executive Committee of the Authority.)

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY


Chairman

Attest:


Executive Director

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Executive Director of the Louisiana Local Government Environmental Facilities and Community Development Authority, do hereby certify that the foregoing constitutes a true and correct copy of the proceedings taken by the Executive Committee of the Board of Directors of the Authority on June 12, 2008 authorizing the authority to proceed with the development of a project on behalf of the University Facilities, Inc. involving the issuance of not to exceed \$40,000,000 Local Government Environmental Facilities and Community Development Authority Revenue and Refunding Bonds (Southeastern Louisiana University / University Facilities Inc. Project) in one or more series; and to otherwise provide with respect thereto.

I further certify that this resolution remains in full force and effect.

IN FAITH WHEREOF, witness my official signature on this, the 17th day of November, 2010.



Steve A. Dicharry, Executive Director

[SEAL]

CAPITAL CITY PRESS

Publisher of
THE ADVOCATE

PROOF OF PUBLICATION

The hereto attached notice was published in THE ADVOCATE, a daily newspaper of general circulation published in Baton Rouge, Louisiana, and the official Journal of the State of Louisiana, the City of Baton Rouge, and the Parish of East Baton Rouge, in the following issues:

06/19/08

Susan A. Bush, Public Notices Clerk

Sworn and subscribed before me by the person whose signature appears above:

June 19, 2008

Pegeen Singley, Notary Public, #66565
My Commission Expires: Indefinite
Baton Rouge, Louisiana

LCDA

3905178

8712 JEFFERSON HWY STE A
BATON ROUGE LA 70809-2233

PUBLIC NOTICE

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY

On the motion of Lazaro seconded by Butler, the following resolution was adopted:

RESOLUTION

A RESOLUTION AUTHORIZING THE AUTHORITY TO PROCEED WITH THE DEVELOPMENT OF A PROJECT ON BEHALF OF UNIVERSITY FACILITIES, INC. INVOLVING THE ISSUANCE OF NOT TO EXCEED \$40,000,000 LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY REVENUE BONDS (SOUTHEASTERN LOUISIANA UNIVERSITY PROJECT) IN ONE OR MORE SERIES AND OTHERWISE PROVIDING WITH RESPECT THERETO.

WHEREAS, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Authority") is a political subdivision established for public purposes under and pursuant to the provisions of Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority; and

WHEREAS, the Act empowers the Authority to issue bonds to provide funds for and to fulfill and achieve its authorized public functions or corporate purposes as set forth in the Act; and

WHEREAS, PL 109-135 of the United States Congress is the Gulf Opportunity Zone Act of 2005 (the "GOZONE Act") provides certain benefits including the issuance of tax-exempt private activity revenue bonds for qualified projects within the Opportunity Zone established by the GOZONE Act;

WHEREAS, the Authority has been asked to proceed and desires to proceed with the development of a project on behalf of the University Facilities, Inc., a Louisiana nonprofit corporation (the "Corporation") involving the issuance of not to exceed \$40,000,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Project) in one or more series (the "Bonds"), to provide financing for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union Center for Student Excellence, food service areas, bookstore and related facilities for students, faculty, staff, and the general public on the campus of the University and related facilities at Southeastern Louisiana University (the "Project"); and

WHEREAS, the Authority desires to authorize the filing of an application with the Louisiana State Bond Commission (the "Commission") requesting that the Commission grant approval to the issuance of the Bonds in accordance with the Act and, to any

extent applicable, the GOZONE Act; and

WHEREAS, it is desirable that the Executive Committee of the Authority (the "Executive Committee") adopt a resolution approving the issuance of the Bonds for the development of the Project; and

WHEREAS, the Authority reasonably expects to reimburse expenditures of the Corporation, incurred prior to the issuance of the Bonds, if any, for the Project from proceeds of the Bonds and that this resolution is a declaration of official intent under Section 1.150-2 of the United States Treasury Regulations; and

NOW THEREFORE, BE IT RESOLVED, by the Executive Committee of the Board of Directors of Louisiana Local Government Environmental Facilities and Community Development Authority, acting as the governing authority of said Authority, that:

SECTION 1. Pursuant to the authority of the Act, the Project is hereby approved and the Executive Committee of the Authority does hereby authorize the undertaking and development of the Project and the issuance of the Authority's Revenue and Refunding Bonds (Southeastern Louisiana University Project) in one or more series, taxable or tax-exempt, in an aggregate amount not to exceed \$40,000,000 (the "Bonds"), such Bonds to mature not later than thirty-one (31) years from the date of their issuance, bearing interest at a fixed or variable rate not exceeding twelve percent (12%) and secured by payments under a loan agreement with the Corporation to be entered into by the Corporation, which payments will be assigned and pledged to the Authority for payment of principal and interest on the Bonds.

SECTION 2. This Resolution evidences official intent of the Authority toward the issuance of its Bonds as contemplated herein in accordance with the laws of the State and the United States Treasury Regulations, Section 1.150-2(e). The Bonds are not expected to exceed an aggregate principal amount of \$40,000,000.

SECTION 3. The officers and staff of the Authority are authorized and empowered to execute and perform all necessary and proper acts, deeds, and contracts, and to employ and engage such personnel as may be necessary for the purposes of the Authority. The fee to be paid for such services shall be an amount computed at an hourly rate to be negotiated less than the Attorney General's current Hourly Fee Schedule, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Bonds, and shall be payable by the Issuer from the proceeds of the Bonds.

SECTION 4. This Resolution does hereby incorporate by reference as though fully set out herein

and there are established projects as established and authorized by the Authority and the GOZONE Act, and the Authority shall be authorized to provide funds for and to fulfill and achieve its authorized public functions or corporate purposes as set forth in the Act; and

WHEREAS, the Authority has been asked to proceed and desires to proceed with the development of a project on behalf of the University Facilities, Inc., a Louisiana nonprofit corporation (the "Corporation") involving the issuance of not to exceed \$40,000,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Project) in one or more series (the "Bonds"), to provide financing for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union Center for Student Excellence, food service areas, bookstore and related facilities for students, faculty, staff, and the general public on the campus of the University and related facilities at Southeastern Louisiana University (the "Project"); and

WHEREAS, the Authority desires to authorize the filing of an application with the Louisiana State Bond Commission (the "Commission") requesting that the Commission grant approval to the issuance of the Bonds in accordance with the Act and, to any

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**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES
AND COMMUNITY DEVELOPMENT AUTHORITY**

On the motion of Mr. Lazaro and seconded by Mr. Dufreche, the following resolution was adopted:

RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$35,000,000 LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY REVENUE BONDS (SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION/ UNIVERSITY FACILITIES, INC. PROJECT) IN ONE OR MORE SERIES; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE TRUST INDENTURE, THE LOAN AND ASSIGNMENT AGREEMENT, THE PRELIMINARY OFFICIAL STATEMENT, THE OFFICIAL STATEMENT, THE MORTGAGE AND THE BOND PURCHASE AGREEMENT, AND OTHER DOCUMENTS, CERTIFICATES OR CONTRACTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE OFFICERS AND DIRECTORS OF THE AUTHORITY TO DO ALL THINGS NECESSARY TO EFFECTUATE THIS RESOLUTION.

WHEREAS, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Authority"), is a political subdivision of the State of Louisiana established for public purposes pursuant to Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 4548.16, inclusive) (the "Act");

WHEREAS, the Act and other constitutional and statutory authority empower the Authority to issue bonds to provide funds to the beneficiary thereof to allow it to finance and refinance the construction and acquisition of public infrastructure and public works of all types and to provide for the issuance of bonds in order to finance such construction and acquisition;

WHEREAS, University Facilities, Inc. (the "Corporation") has requested that the Authority issue its revenue bonds for the purpose of providing financing to the Corporation for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related

facilities for students, faculty, staff, and the general public, including all furnishings, fixtures and facilities incidental or necessary in connection therewith (the "Facilities") on the campus of Southeastern Louisiana University, such Facilities located on land owned by the Board of Supervisors for the University of Louisiana System (the "Board");

WHEREAS, the Facilities shall be leased to the Board by the Corporation;

WHEREAS, the Authority has adopted a resolution on June 12, 2008, as amended November 13, 2008 authorizing the issuance of its Revenue and Refunding Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project), in one or more series, taxable or tax-exempt, in an aggregate amount not to exceed \$35,000,000 (the "Bonds"), such Bonds to mature not later than thirty-one (31) years from the date of their issuance, bearing interest at a fixed or variable rate not exceeding twelve percent (12%);

WHEREAS, the proceeds of the sale of the Bonds shall be loaned to the Corporation pursuant to a Loan and Assignment Agreement (the "Loan Agreement") to be entered into by and between the Authority and the Corporation for the purpose of (a) demolishing certain existing facilities and renovating, developing constructing the Facilities, (b) funding a deposit to the debt service reserve fund, if any, and (c) paying costs of issuance of the Bonds including the premium of any bond insurance policy on the Bonds (the "Project");

WHEREAS, the Bonds shall be secured by payments under the Loan Agreement which payments will be assigned and pledged to the Authority for payment of principal and interest on the Bonds;

WHEREAS, on November 20, 2008, the State Bond Commission (the "Commission") granted its approval of the issuance of the Bonds and authorized the Authority to proceed with the financing of the Project for the Corporation through the issuance of the Bonds in the aggregate not to exceed amount of \$35,000,000;

WHEREAS, the Authority is authorized by the Act to secure its revenue bonds by a pledge of the income, revenues and receipts derived by or payable to the Authority under the Loan Agreement;

WHEREAS, rental payments from the University of Louisiana System (the "System"), on behalf of the University, to the Corporation in amounts sufficient to pay annual debt service on the Bonds shall provide funds for the Board to make lease payments to the Corporation to enable it to make loan payments under the Loan Agreement to the Authority;

WHEREAS, the Authority and The Bank of New York Mellon Trust Company, N.A., Baton Rouge, Louisiana (the "Trustee") will enter into a Trust Indenture (the "Indenture") pursuant to which the Authority's rights, duties and obligations under the Loan Agreement (except for certain rights of reimbursement of expenses, indemnification and exculpation, and rights to notices) shall be assigned by the Authority under the Indenture to the Trustee for the benefit and security of the present and future owners of the Bonds;

WHEREAS, in consideration of the loan by the Authority pursuant to the Loan Agreement, the Corporation will agree to make payments of principal and interest that will be sufficient to pay or reimburse the payment of the costs of issuance of the Bonds and principal of, interest and other charges relative to the Bonds;

WHEREAS, the Corporation intends to grant a Multiple Indebtedness Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement in favor of the Trustee for the benefit of the bondholders whereby the Corporation will mortgage its leasehold interest in the Ground Lease (the "Mortgage");

WHEREAS, the Authority has determined that the sale of the Bonds to Morgan Keegan & Company, Inc., (the "Underwriter") and the use of the proceeds thereof to finance the Project will be in furtherance of the public purposes intended to be served by the Act;

WHEREAS, all consents and approvals required to be given by public bodies in connection with the authorization, issuance and sale of the Bonds as authorized by the Indenture and as required by the Act have been or will be secured prior to the delivery of the Bonds; and

WHEREAS, the Authority now desires to authorize the execution and delivery of: (i) the Loan Agreement, (ii) the Trust Indenture; (iii) the Preliminary Official Statement; (iv) the Official Statement; (v) the Mortgage; (vi) the Bond Purchase Agreement (herein defined); and

(vii) all other documents, certificates and contracts ancillary thereto and required in connection with the transaction contemplated hereby, to authorize the sale and delivery of the Bonds to the Underwriter within certain parameters set forth herein, to authorize the use and distribution of the Preliminary Official Statement and the Official Statement with respect to the Bonds, and to provide for the execution of all instruments, documents and certificates in connection therewith.

NOW, THEREFORE, be it resolved by the Executive Committee of the Board of Directors of the Louisiana Local Government Environmental Facilities and Community Development Authority, acting as the governing authority for said Louisiana Local Government Environmental Facilities and Community Development Authority, that:

SECTION 1. For the purpose of financing the Project, the Authority hereby authorizes the issuance of the Authority's Revenue and Refunding Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project), in one or more series, taxable or tax-exempt, in an aggregate amount not to exceed \$35,000,000 (the "Bonds"). The details of the Bonds and the other provisions of their issuance, security and payment shall be as set forth in the Indenture, said Indenture to be substantially in the form submitted at this meeting and filed with the official minutes of the Authority, with such additions, omissions and changes as may be approved by Bond Counsel and Counsel to the Authority. The Bonds will be issued only as fully registered bonds in the denominations of \$5,000 or any integral multiple thereof. The Bonds shall mature not later than 31 years from the date of issuance, and shall bear interest at an average rate not to exceed twelve percent (12%) per annum, all as provided in and subject to the terms and conditions of the Indenture; and secured by payments under the Loan Agreement with the Corporation on behalf of the University, which payments will be assigned and pledged to the Authority for payment of principal and interest on the Bonds.

SECTION 2. The Bonds shall be sold and purchased pursuant to the terms of the purchase agreement to be entered into by and between the Authority and the Underwriter, which will provide for the sale of the Bonds by the Authority to the Underwriter and which will reflect the terms of the marketing and sale of the Bonds (the "Bond Purchase Agreement"), in such form

as approved by Bond Counsel and Counsel to the Authority. The use and distribution of the Preliminary Official Statement is hereby approved and the use and distribution of the Official Statement is hereby approved in such forms as approved by Bond Counsel and Counsel to the Authority.

SECTION 3. The forms and terms of the Indenture and the Loan Agreement are hereby approved substantially as submitted to the Authority and filed with the official minutes of the Authority, all of the provisions of which are hereby made a part of this resolution, with such additions, omissions and changes as may be approved by Bond Counsel to the Authority.

SECTION 4. The execution and delivery of the Mortgage, the Bond Purchase Agreement, the Preliminary Official Statement and the Official Statement is hereby approved in such form as approved by Bond Counsel and Counsel to the Authority.

SECTION 5. The Bonds are hereby awarded to the Underwriter or their designee, pursuant to the Bond Purchase Agreement to be entered into by and among the Authority and the Underwriter, provided that the parameters of the terms of the Bonds set forth in this resolution are not exceeded.

SECTION 6. The Bank of New York Mellon Trust Company, N.A., Baton Rouge, Louisiana is hereby appointed and approved as Trustee (the "Trustee") under the Indenture.

SECTION 7. Sisung Securities Corporation, New Orleans, Louisiana, is recognized as Financial Advisor (the "Financial Advisor") in connection with the Bonds.

SECTION 8. A Commitment for municipal bond insurance may be accepted by an Authorized Officer if deemed feasible by the Financial Advisor, Bond Counsel and Counsel to the Authority.

SECTION 9. The Chairman, Vice Chairman, Secretary-Treasurer, Executive Director and Assistant Director (each an "Authorized Officer") are hereby authorized and directed, for and on behalf of the Authority, to do all things necessary, on the advice of bond counsel to the Authority, to effectuate the sale and delivery of the Bonds and to implement this resolution, including the publication hereof as required by the Act, the execution of agreements, documents

or certificates necessary to issue and deliver the Bonds, including but not limited to the final versions of the Indenture and the Loan Agreement. Said officers are hereby further authorized and directed to approve for and on behalf of and in the name of the Authority any changes, additions or deletions in any of the documents, instruments or certificates referred to in this resolution, provided that all such changes, additions or deletions, if any, shall be approved by Bond Counsel to the Authority and consistent with and within the authority provided by the Act.

SECTION 10. This resolution shall be published in *The Advocate*, the official journal of the Authority and the State of Louisiana published in Baton Rouge, Louisiana.

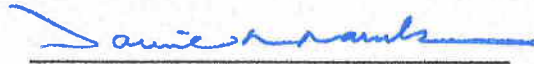
SECTION 11. This Resolution shall become effective immediately upon its adoption. This resolution having been submitted to a vote, the vote thereon was as follows:

Executive Committee Member	Yea	Nay	Absent	Abstaining
Mike Grimmer			x	
Daniel Rawls	x			
Julian Dufreche	x			
Jack Hammons	x			
Mary S. Adams	x			
William A. Lazaro, Jr.	x			
David C. Butler, II	x			

The Resolution was declared adopted on this 16th day of December, 2008.

(Other items of business not pertinent to the foregoing resolution may be found in the official minutes of the Executive Committee of the Authority.)

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY



Daniel Rawls
Vice Chairman

Attest:



Steve A. Dicharry
Executive Director

[SEAL]

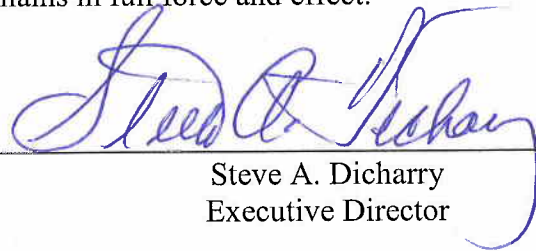
STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Executive Director of the Louisiana Local Government Environmental Facilities and Community Development Authority, do hereby certify that the foregoing constitutes a true and correct copy of the proceedings taken by the Executive Committee of the Board of Directors of the Authority on December 16, 2008, making certain findings with respect to and authorizing the issuance of not to exceed \$35,000,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) in one or more series; approving the forms of and authorizing the execution and delivery of the Trust Indenture, the Loan and Assignment Agreement, the Mortgage, the Preliminary Official Statement, the Official Statement and the Bond Purchase Agreement, and other documents, certificates or contracts required in connection therewith; and authorizing the officers and directors of the authority to do all things necessary to effectuate this resolution.

IN FAITH WHEREOF, witness my official signature on this, the 17th day of November, 2010.

I further certify that this resolution remains in full force and effect.



Steve A. Dicharry
Executive Director

[SEAL]

CAPITAL CITY PRESS

Publisher of
THE ADVOCATE

PROOF OF PUBLICATION

The hereto attached notice was published in THE ADVOCATE, a daily newspaper of general circulation published in Baton Rouge, Louisiana, and the official Journal of the State of Louisiana, the City of Baton Rouge, and the Parish of East Baton Rouge, in the following issues:

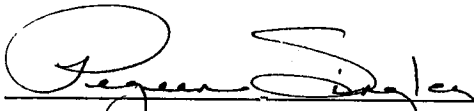
01/07/09



Susan A. Bush, Public Notices Clerk

Sworn and subscribed before me by the person whose signature appears above:

January 7, 2009



Pegeen Singley, Notary Public, #66565
My Commission Expires: Indefinite
Baton Rouge, Louisiana

LCDA 4019609
8712 JEFFERSON HWY STE A
BATON ROUGE LA 70809-2233

NOTICE
LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY

On the motion of Mr. Lazaro and seconded by Mr. Dufreche, the following resolution was adopted:

RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$35,000,000 LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY REVENUE BONDS (S O U T H E A S T E R N LOUISIANA UNIVERSITY STUDENT UNION / UNIVERSITY FACILITIES, INC. PROJECT) IN ONE OR MORE SERIES; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE TRUST INDENTURE, THE LOAN AND ASSIGNMENT AGREEMENT, THE PRELIMINARY OFFICIAL STATEMENT, THE OFFICIAL STATEMENT, THE MORTGAGE AND THE BOND PURCHASE AGREEMENT AND OTHER DOCUMENTS, CERTIFICATES OR CONTRACTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE OFFICERS AND DIRECTORS OF THE AUTHORITY TO DO ALL

Recreational Vehicles
ATV/Motorcycles
Travel Trailers
Motor Homes
Golf Carts
Equipment
Campers - Camping
ATV/Motorcycles

Lease purchase possible
New construction: 3br/2bath
\$1,595/mo. and
Fenced yard, stainless steel
1.7/1LA
for
the
place, drive by first then
call 413-8817
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lease, Ditchtown schools
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Prairieville-4036 Lachar
elle, 3br/2ba, large yard,
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1671/229-3906/654-1029

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225-698-9250

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cond. 32 ft. \$3000 obo. Call
225-698-9250

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Toyota
1-12 & Oneal Lane
273-5880

TEAM HONDA
6363 Siegen Lane
295-4100

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LINCOLN-MERCURY
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926-5211

2008 Polaris Outlaw 525
ATV, good cond., W/extras.
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model, \$7300.
Call 985-515-1219

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99 Yam. TR250 clean
or (225) 921-2528
\$1750 nego. (225) 658-236

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Model, 1100 CC Motor, 700
Miles Brand New Clean IT-
tie Moving and must sell
Blue, \$13,000. 225-413-8467

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5300

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES
AND COMMUNITY DEVELOPMENT AUTHORITY

On the motion of Mr. Lazaro and seconded by Mayor Butler, the following resolution was adopted:

RESOLUTION

A RESOLUTION MAKING CERTAIN FINDINGS WITH RESPECT TO THE ISSUANCE OF NOT TO EXCEED \$35,000,000 LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY REVENUE BONDS (SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION/ UNIVERSITY FACILITIES, INC. PROJECT) IN ONE OR MORE SERIES; AND OTHERWISE PROVIDING WITH RESPECT THERETO.

WHEREAS, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Authority"), is a political subdivision of the State of Louisiana established for public purposes pursuant to Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 4548.16, inclusive) (the "Act");

WHEREAS, the Act and other constitutional and statutory authority empower the Authority to issue bonds to provide funds to the beneficiary thereof to allow it to finance and refinance the construction and acquisition of public infrastructure and public works of all types and to provide for the issuance of bonds in order to finance such construction and acquisition;

WHEREAS, University Facilities, Inc. (the "Corporation") has requested that the Authority issue its revenue bonds for the purpose of providing financing to the Corporation for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related facilities for students, faculty, staff, and the general public, including all furnishings, fixtures and facilities incidental or necessary in connection therewith (the "Facilities") on the campus of Southeastern Louisiana University, such Facilities located on land owned by the Board of Supervisors for the University of Louisiana System;

WHEREAS, the Authority has adopted a resolutions on June 12, 2008, November 13, 2008 and December 16, 2008 (collectively, the "Resolution") authorizing the issuance of its Revenue and Refunding Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) within parameters set forth in the Resolution;

WHEREAS, the Resolution named The Bank of New York Mellon Trust Company, N.A., Baton Rouge, Louisiana as trustee in connection with the Bonds

WHEREAS, the Corporation has requested that the Authority re-designate the Trustee to be Regions Bank;

WHEREAS, the Authority desires to re-designate the Trustee as Regions Bank;

WHEREAS, the American Recovery and Reinvestment Act of 2009 (P.L. 111-5), signed into law on April 17, 2009 increases the limitation for bank qualified bonds from \$10,000,000 to \$30,000,000 for bonds issued in 2009 or 2010 (the "Bank Qualified Limitation"); and

WHEREAS, the Authority desires to designate portions of the Bonds being issued as tax-exempt Bonds as bank qualified bonds; provided that all portions of the Bonds being issued as tax-exempt bonds do not, in the aggregate, exceed the Bank Qualified Limitation;

NOW, THEREFORE, be it resolved by the Executive Committee of the Board of Directors of the Louisiana Local Government Environmental Facilities and Community Development Authority, acting as the governing authority for said Louisiana Local Government Environmental Facilities and Community Development Authority, that:

SECTION 1. Regions Bank is hereby appointed and approved as Trustee in connection with the Bonds.

SECTION 2. Any portion of the Bonds being issued as tax-exempt Bonds are hereby designated as bank qualified bonds; provided that all portions of the Bonds being issued as tax-exempt bonds do not, in the aggregate, exceed the Bank Qualified Limitation.

SECTION 3. All other portions of the Resolution remain unchanged and in full force and effect.

SECTION 5. This Resolution shall become effective immediately upon its adoption.

This resolution having been submitted to a vote, the vote thereon was as follows:

Executive Committee Member	Yea	Nay	Absent	Abstaining
Julian E. Dufreche, Chairman	x			
Mary S. Adams	x			
David C. Butler, II	x			
William A. Lazaro, Jr.	x			
Lynn Austin	x			
Mike Grimmer	x			


The Resolution was declared adopted on this 10th day of November, 2010.

(Other items of business not pertinent to the foregoing resolution may be found in the official minutes of the Executive Committee of the Authority.)

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY


Chairman

Attest:


Executive Director

[SEAL]

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Executive Director of the Louisiana Local Government Environmental Facilities and Community Development Authority, do hereby certify that the foregoing constitutes a true and correct copy of the proceedings taken by the Executive Committee of the Board of Directors of the Authority on November 10, 2010 making certain findings with respect to the issuance of not to exceed \$35,000,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) in one or more series; and otherwise providing with respect thereto.

I further certify that this resolution remains in full force and effect.

IN FAITH WHEREOF, witness my official signature on this, the 17th day of November, 2010.



Steve A. Dicharry
Executive Director

[SEAL]

ORDER OF ISSUER REQUESTING TRUSTEE
TO AUTHENTICATE AND DELIVER THE BONDS

\$25,470,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

\$5,785,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

November 17, 2010

Regions Bank
II City Plaza
400 Convention Street, 3rd Floor
Baton Rouge, Louisiana 70802
Attention: Corporate Trust Department
as Trustee of the above-captioned bonds

You have been designated to serve as trustee pursuant to the terms of a Trust Indenture dated as of November 1, 2010 (the “*Indenture*”) between the Louisiana Local Government Environmental Facilities and Community Development Authority (the “*Issuer*”) and you, as trustee (the “*Trustee*”), and resolutions adopted by the Issuer on June 12, 2008, December 11, 2008 and November 10, 2010 authorizing the above-captioned bonds (the “*Bonds*”), copies of which, having been duly adopted and executed by the Issuer and which have been furnished to you for your review.

You are in receipt of an opinion of Bond Counsel and certifications by the Issuer to the effect that the Bonds have been duly authorized and executed and that all conditions precedent to delivery of the Bonds have been fulfilled.

SERIES 2010A Bonds: You are hereby authorized and directed to sign the Trustee’s Certificate of Authentication on the Series 2010A Bonds in the aggregate principal amount of \$25,470,000.00 and to register said Bonds in the name of the respective Purchasers thereof. The purchase price of the Series 2010A Bonds to be paid by the Purchasers is \$25,270,000.00 representing the principal amount of the Series 2010A Bonds, less net original issue discount of \$36,218.00 and an Underwriters discount of \$163,008.00. The amount of the Series 2010A bond

proceeds to be wired by the Purchasers thereof is \$24,832,506.28 representing the \$25,270,000.00 purchase price of the Bonds less the Bond Insurance Premium of \$438,267.72 being wired directly to the Bond Insurer.

SERIES 2010B BONDS: You are hereby authorized and directed to sign the Trustee's Certificate of Authentication on the Series 2010B Bonds in the aggregate principal amount of \$5,785,000.00 and to register said Bonds in the name of the respective Purchasers thereof. The purchase price of the Series 2010B Bonds to be paid by the Purchasers is \$5,747,976.00, representing the principal amount of the Bonds, less an Underwriters discount of \$37,024.00. The amount of the bond proceeds to be wired by the Purchasers thereof is \$5,690,084.06, representing the \$5,747,976.00 purchase price of the Bonds less the Bond Insurance Premium of \$57,891.94.

In addition to the aggregate Bond Proceeds received by you in the amount of \$30,522,590.34, you are also in receipt of an equity contribution by the Board of Supervisors for the University of Louisiana System in the amount of \$5,831,600.00 (the "*Board Contribution*").

Upon receipt by you of such sums, you are directed to deliver the Bonds to the Purchaser or to its agent for such purpose and to deposit the aggregate total of \$36,354,190.34 as follows:

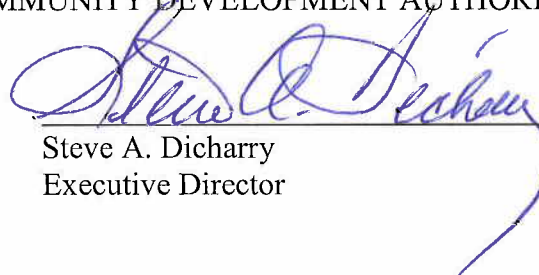
\$1,578,568.55	Bond Proceeds to the Series 2010A Bonds Debt Service Reserve Account
\$358,540.21	Bond Proceeds to the Series 2010B Bonds Debt Service Reserve Account
\$23,029,049.33	Bond Proceeds to the Series 2010A Bonds Project Account of the Project Fund
\$5,270,899.11	Bond Proceeds to the Series 2010B Bonds Project Account of the Project Fund
\$5,831,600.00	Board Contribution to Series 2010B Bonds Project Account of the Project Fund
\$224,888.40	Bond Proceeds to be retained in the Series 2010A Bonds Costs of Issuance Sub-Account of the Bond Proceeds Fund
\$60,644.74	Bond Proceeds to be retained in the Series 2010B Bonds Costs of Issuance Sub-Account of the Bond Proceeds Fund
<hr/>	
\$36,354,190.34	TOTAL USES

Costs of Issuance shall be paid as set forth in the Closing Order executed this date.

Upon your authentication of the Bonds as herein directed and your receipt, disbursement, deposit and transfer of the sums as hereinabove directed, you are specifically directed to invest the moneys on deposit in funds and accounts established by you pursuant to the Indenture in accordance with its terms and conditions and the Tax Regulatory Agreement and Arbitrage Certificate of the Issuer also delivered to you this date.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

By:



Steve A. Dicharry
Executive Director

[SEAL]

**Information Return for Tax-Exempt
Private Activity Bond Issues**
(Under Internal Revenue Code section 149(e))
▶ See separate instructions.

Part I Reporting Authority		Check if Amended Return <input type="checkbox"/>	
1 Issuer's name Louisiana Local Government Environmental Facilities and Community Development Authority		2 Issuer's employer identification number 72 1416168	
3 Number and street (or P.O. box if mail is not delivered to street address) 8712 Jefferson Highway		Room/suite A	4 Report number 1 2010 - 09
5 City, town, or post office, state, and ZIP code Baton Rouge, Louisiana 70809		6 Date of issue November 17, 2010	
7 Name of issue Revenue Bonds (Southeastern Louisiana University / University Facilities Inc Student Union Project) Series 2010		8 CUSIP number 546282 FQ2	
9 Name and title of officer or legal representative whom the IRS may call for more information Fred L. Chevalier, Attorney		10 Telephone number of officer or legal representative (225) 248-2046	

Part II Type of Issue (check the applicable box(es) and enter the issue price for each)		Issue Price
11 Exempt facility bond:		
a <input type="checkbox"/>	Airport (sections 142(a)(1) and 142(c))	11a
b <input type="checkbox"/>	Docks and wharves (sections 142(a)(2) and 142(c))	11b
c <input type="checkbox"/>	Water furnishing facilities (sections 142(a)(4) and 142(e))	11c
d <input type="checkbox"/>	Sewage facilities (section 142(a)(5))	11d
e <input type="checkbox"/>	Solid waste disposal facilities (section 142(a)(6))	11e
f <input type="checkbox"/>	Qualified residential rental projects (sections 142(a)(7) and 142(d)), (see instructions)	11f
	Meeting 20-50 test (section 142(d)(1)(A)) <input type="checkbox"/>	
	Meeting 40-60 test (section 142(d)(1)(B)) <input type="checkbox"/>	
	Meeting 25-60 test (NYC only) (section 142(d)(6)) <input type="checkbox"/>	
	Has an election been made for deep rent skewing (section 142(d)(4)(B))? <input type="checkbox"/> Yes <input type="checkbox"/> No	
g <input type="checkbox"/>	Facilities for the local furnishing of electric energy or gas (sections 142(a)(8) and 142(f))	11g
h <input type="checkbox"/>	Facilities allowed under a transitional rule of the Tax Reform Act of 1986 (see instructions)	11h
	Facility type.....	
	1986 Act section.....	
i <input type="checkbox"/>	Qualified enterprise zone facility bonds (section 1394) (see instructions)	11i
j <input type="checkbox"/>	Qualified empowerment zone facility bonds (section 1394(f)) (see instructions)	11j
k <input type="checkbox"/>	District of Columbia Enterprise Zone facility bonds (section 1400A)	11k
l <input type="checkbox"/>	Qualified public educational facility bonds (sections 142(a)(13) and 142(k))	11l
m <input type="checkbox"/>	Qualified green building and sustainable design projects (sections 142(a)(14) and 142(l))	11m
n <input type="checkbox"/>	Qualified highway or surface freight transfer facilities (sections 142(a)(15) and 142(m))	11n
o <input type="checkbox"/>	Qualified Gulf Opportunity Zone Bonds (sections 1400N(a)(1)(A) and 1400N(a)(2)(A)(i))	11o
p <input type="checkbox"/>	Qualified New York Liberty Bonds (section 1400L(d))	11p
q <input type="checkbox"/>	Other. Describe (see instructions) ▶.....	11q
12a <input type="checkbox"/>	Qualified mortgage bond (section 143(a))	12a
b <input type="checkbox"/>	Qualified Gulf Opportunity Zone mortgage bond (sections 1400N(a)(1)(B) and 1400N(a)(2)(A)(iii))	12b
13 <input type="checkbox"/>	Qualified veterans' mortgage bond (section 143(b)) (see instructions) ▶	13
	Check the box if you elect to rebate arbitrage profits to the United States <input type="checkbox"/>	
14 <input type="checkbox"/>	Qualified small issue bond (section 144(a)) (see instructions) ▶	14
	Check the box for \$10 million small issue exemption <input type="checkbox"/>	
15 <input type="checkbox"/>	Qualified student loan bond (section 144(b))	15
16 <input type="checkbox"/>	Qualified redevelopment bond (section 144(c))	16
17 <input type="checkbox"/>	Qualified hospital bond (section 145(c)) (attach schedule—see instructions)	17
18 <input checked="" type="checkbox"/>	Qualified 501(c)(3) nonhospital bond (section 145(b)) (attach schedule—see instructions)	18 \$25,470,000
	Check box if 95% or more of net proceeds will be used only for capital expenditures ▶ <input checked="" type="checkbox"/>	
19 <input type="checkbox"/>	Nongovernmental output property bond (treated as private activity bond) (section 141(d))	19
20a <input type="checkbox"/>	Gulf Opportunity Zone advance refunding bond (sections 1400N(b)(1)) (see instructions)	20a
b <input type="checkbox"/>	New York Liberty Zone advance refunding bond (section 1400L(e)) (see instructions)	20b
c <input type="checkbox"/>	Other. Describe (see instructions) ▶	20c

Part III Description of Bonds (Complete for the entire issue for which this form is being filed.)					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	October 1, 2040	\$ 25,433,782	\$ 25,470,000	21.578 years	4.7556 %

Part IV Uses of Proceeds of Issue (including underwriters' discount)		Amount
22	Proceeds used for accrued interest	0
23	Issue price of entire issue (enter amount from line 21, column (b))	25,433,782
24	Proceeds used for bond issuance costs (including underwriters' discount)	387,896
25	Proceeds used for credit enhancement	438,268
26	Proceeds allocated to reasonably required reserve or replacement fund	1,578,569
27	Proceeds used to currently refund prior issue (complete Part VI)	0
28	Proceeds used to advance refund prior issue (complete Part VI)	0
29	Add lines 24 through 28	2,404,733
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	23,029,049

Part V Description of Property Financed by Nonrefunding Proceeds
Caution: The total of lines 31a through e below must equal line 30 above. Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.

31 Type of Property Financed by Nonrefunding Proceeds:		Amount
a	Land	0
b	Buildings and structures	23,029,049
c	Equipment with recovery period of more than 5 years	0
d	Equipment with recovery period of 5 years or less.	0
e	Other (describe)	0

32 North American Industry Classification System (NAICS) of the projects financed by nonrefunding proceeds.					
	NAICS Code	Amount of nonrefunding proceeds		NAICS Code	Amount of nonrefunding proceeds
a	611310	\$ 23,029,049	c		\$
b		\$	d		\$

Part VI Description of Refunded Bonds (Complete this part only for refunding bonds.)

33 Enter the remaining weighted average maturity of the bonds to be currently refunded ▶ _____ years

34 Enter the remaining weighted average maturity of the bonds to be advance refunded ▶ _____ years

35 Enter the last date on which the refunded bonds will be called ▶ _____

36 Enter the date(s) the refunded bonds were issued ▶ _____

Part VII Miscellaneous

37 Name of governmental unit(s) approving issue (see the instructions) ▶ Attorney General of the State of Louisiana approved TEFRA hearing November 5, 2008

38 Check the box if you have designated any issue under section 265(b)(3)(B)(i)(III) ▶

39 Check the box if you have elected to pay a penalty in lieu of arbitrage rebate ▶

40 Check the box if you have identified a hedge (see instructions) ▶

41 Check the box if the issue is comprised of qualified redevelopment, qualified small issue, or exempt facilities bonds and provide name and EIN of the primary private user ▶

Name ▶ _____ EIN ; _____

Part VIII Volume Caps		Amount
42	Amount of state volume cap allocated to the issuer. Attach copy of state certification	
43	Amount of issue subject to the unified state volume cap.	
44	Amount of issue not subject to the unified state volume cap or other volume limitations:	25,470,000
a	Of bonds for governmentally owned solid waste facilities, airports, docks, wharves, environmental enhancements of hydroelectric generating facilities, or high-speed intercity rail facilities	
b	Under a carryforward election. Attach a copy of Form 8328 to this return	
c	Under transitional rules of the Tax Reform Act of 1986. Enter Act section ▶ _____	
d	Under the exception for current refunding (section 146(i) and section 1313(a) of the Tax Reform Act of 1986)	
45a	Amount of issue of qualified veterans' mortgage bonds	
b	Enter the state limit on qualified veterans' mortgage bonds	
46a	Amount of section 1394(f) volume cap allocated to issuer. Attach copy of local government certification	
b	Name of empowerment zone ▶ _____	
47	Amount of section 142(k)(5) volume cap allocated to issuer. Attach copy of state certification	

Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here ▶ Steve A. Dicharry Signature of officer

Steve A. Dicharry Name of above officer (type or print)

▶ Nov 17, 2010 Date

Executive Director Title of officer (type or print)

**Attachment
Form 8038**

**Louisiana Local Government Environmental Facilities and
Community Development Authority
EIN 72-1416168**

Line 18:

Borrowing Organization:	University Facilities, Inc.
EIN:	72-1417328
Amount of Issue Benefiting this Organization:	\$23,029,049



Patti Dunbar
Public Finance Paralegal
Direct Dial 225-248-3447
Direct Fax 225-248-3047
pdunbar@joneswalker.com

November 17, 2010

Internal Revenue Service
Ogden, UT 84201

FED EX
7941 2845 9700

Re:
Re: \$25,470,000 Louisiana Local Government Environmental Facilities and
Community Development Authority Tax Exempt Revenue Bonds (Southeastern
Louisiana University Student Union/University Facilities Inc. Project) Series
2010A

\$5,785,000 Louisiana Local Government Environmental Facilities and
Community Development Authority Tax Exempt Revenue Bonds (Southeastern
Louisiana University Student Union/University Facilities Inc. Project) Series
2010A

Dear Sir or Madam:

Enclosed is Form 8038 completed in connection with the above referenced transaction. Also enclosed is an acknowledgment copy of the Form 8038, which we request that you return to our office, using the self-addressed, stamped envelope, with your filing confirmation stamped thereon.

Please feel free to contact me at (225) 248-3447 should you have any questions or comments regarding this submission. Thank you for your attention to this matter.

Sincerely,

Patti Dunbar
Public Finance Paralegal

PLD/acc

Enclosures – as stated

JONES, WALKER, WAECHTER, POITEVENT, CARRÈRE & DENÈGRE L.L.P.

Form **8038**
(Rev. September 2007)
Department of the Treasury
Internal Revenue Service

**Information Return for Tax-Exempt
Private Activity Bond Issues**
(Under Internal Revenue Code section 149(e))
▶ See separate instructions.

OMB No. 1545-0720

ENVELOPE POSTMARK DATE NOV 18 2010

Part I Reporting Authority Check if Amended Return

1 Issuer's name Louisiana Local Government Environmental Facilities and Community Development Authority		2 Issuer's employer identification number 72 1416168	
3 Number and street (or P.O. box if mail is not delivered to street address) 8712 Jefferson Highway		Room/suite A	4 Report number 1 2010 - 09
5 City, town, or post office, state, and ZIP code Baton Rouge, Louisiana 70809		6 Date of issue November 17, 2010	
7 Name of issue Revenue Bonds (Southeastern Louisiana University / University Facilities Inc Student Union Project) Series 2010		8 CUSIP number 546282 FQ2	
9 Name and title of officer or legal representative whom the IRS may call for more information Fred L. Chevalier, Attorney		10 Telephone number of officer or legal representative (225) 248-2046	

Part II Type of Issue (check the applicable box(es) and enter the issue price for each) Issue Price

11 Exempt facility bond:		Issue Price
a <input type="checkbox"/> Airport (sections 142(a)(1) and 142(c))	11a	
b <input type="checkbox"/> Docks and wharves (sections 142(a)(2) and 142(c))	11b	
c <input type="checkbox"/> Water furnishing facilities (sections 142(a)(4) and 142(e))	11c	
d <input type="checkbox"/> Sewage facilities (section 142(a)(5))	11d	
e <input type="checkbox"/> Solid waste disposal facilities (section 142(a)(6))	11e	
f <input type="checkbox"/> Qualified residential rental projects (sections 142(a)(7) and 142(d)), (see instructions)	11f	
Meeting 20-50 test (section 142(d)(1)(A)) <input type="checkbox"/>		
Meeting 40-60 test (section 142(d)(1)(B)) <input type="checkbox"/>		
Meeting 25-60 test (NYC only) (section 142(d)(6)) <input type="checkbox"/>		
Has an election been made for deep rent skewing (section 142(d)(4)(B))? <input type="checkbox"/> Yes <input type="checkbox"/> No		
g <input type="checkbox"/> Facilities for the local furnishing of electric energy or gas (sections 142(a)(8) and 142(f))	11g	
h <input type="checkbox"/> Facilities allowed under a transitional rule of the Tax Reform Act of 1986 (see instructions)	11h	
Facility type		
1986 Act section		
i <input type="checkbox"/> Qualified enterprise zone facility bonds (section 1394) (see instructions)	11i	
j <input type="checkbox"/> Qualified empowerment zone facility bonds (section 1394(f)) (see instructions)	11j	
k <input type="checkbox"/> District of Columbia Enterprise Zone facility bonds (section 1400A)	11k	
l <input type="checkbox"/> Qualified public educational facility bonds (sections 142(a)(13) and 142(k))	11l	
m <input type="checkbox"/> Qualified green building and sustainable design projects (sections 142(a)(14) and 142(l))	11m	
n <input type="checkbox"/> Qualified highway or surface freight transfer facilities (sections 142(a)(15) and 142(m))	11n	
o <input type="checkbox"/> Qualified Gulf Opportunity Zone Bonds (sections 1400N(a)(1)(A) and 1400N(a)(2)(A)(i))	11o	
p <input type="checkbox"/> Qualified New York Liberty Bonds (section 1400L(d))	11p	
q <input type="checkbox"/> Other. Describe (see instructions) ▶	11q	
12a <input type="checkbox"/> Qualified mortgage bond (section 143(a))	12a	
b <input type="checkbox"/> Qualified Gulf Opportunity Zone mortgage bond (sections 1400N(a)(1)(B) and 1400N(a)(2)(A)(ii))	12b	
13 <input type="checkbox"/> Qualified veterans' mortgage bond (section 143(b)) (see instructions) ▶	13	
Check the box if you elect to rebate arbitrage profits to the United States <input type="checkbox"/>		
14 <input type="checkbox"/> Qualified small issue bond (section 144(a)) (see instructions) ▶	14	
Check the box for \$10 million small issue exemption <input type="checkbox"/>		
15 <input type="checkbox"/> Qualified student loan bond (section 144(b))	15	
16 <input type="checkbox"/> Qualified redevelopment bond (section 144(c))	16	
17 <input type="checkbox"/> Qualified hospital bond (section 145(c)) (attach schedule—see instructions)	17	
18 <input checked="" type="checkbox"/> Qualified 501(c)(3) nonhospital bond (section 145(d)) (attach schedule—see instructions)	18	\$25,470,000
Check box if 95% or more of net proceeds will be used only for capital expenditures ▶ <input checked="" type="checkbox"/>		
19 <input type="checkbox"/> Nongovernmental output property bond (treated as private activity bond) (section 141(d))	19	
20a <input type="checkbox"/> Gulf Opportunity Zone advance refunding bond (sections 1400N(b)(1)) (see instructions)	20a	
b <input type="checkbox"/> New York Liberty Zone advance refunding bond (section 1400L(e)) (see instructions)	20b	
c <input type="checkbox"/> Other. Describe (see instructions)	20c	

RECEIVED
NOV 18 2010
BATON ROUGE, LA
LOUISIANA

Part III Description of Bonds (Complete for the entire issue for which this form is being filed.)

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	October 1, 2040	\$ 25,433,782	\$ 25,470,000	21.578 years	4.7556 %

Part IV Uses of Proceeds of Issue (including underwriters' discount)		Amount
22	Proceeds used for accrued interest	0
23	Issue price of entire issue (enter amount from line 21, column (b))	25,433,782
24	Proceeds used for bond issuance costs (including underwriters' discount)	387,896
25	Proceeds used for credit enhancement	438,268
26	Proceeds allocated to reasonably required reserve or replacement fund	1,578,569
27	Proceeds used to currently refund prior issue (complete Part VI)	0
28	Proceeds used to advance refund prior issue (complete Part VI)	0
29	Add lines 24 through 28	2,404,733
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	23,029,049

Part V Description of Property Financed by Nonrefunding Proceeds
Caution: The total of lines 31a through e below must equal line 30 above. Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.

Part V Description of Property Financed by Nonrefunding Proceeds		Amount
31	Type of Property Financed by Nonrefunding Proceeds:	
a	Land	0
b	Buildings and structures	23,029,049
c	Equipment with recovery period of more than 5 years	0
d	Equipment with recovery period of 5 years or less.	0
e	Other (describe)	0
32	North American Industry Classification System (NAICS) of the projects financed by nonrefunding proceeds.	
a	NAICS Code	Amount of nonrefunding proceeds
b	611310	\$ 23,029,049
c	NAICS Code	Amount of nonrefunding proceeds
d		\$

Part VI Description of Refunded Bonds (Complete this part only for refunding bonds.)

33 Enter the remaining weighted average maturity of the bonds to be currently refunded years

34 Enter the remaining weighted average maturity of the bonds to be advance refunded years

35 Enter the last date on which the refunded bonds will be called

36 Enter the date(s) the refunded bonds were issued ▶

Part VII Miscellaneous

37 Name of governmental unit(s) approving issue (see the instructions) ▶ Attorney General of the State of Louisiana approved TEFRA hearing November 5, 2008

38 Check the box if you have designated any issue under section 265(b)(3)(B)(i)(III)

39 Check the box if you have elected to pay a penalty in lieu of arbitrage rebate

40 Check the box if you have identified a hedge (see instructions)

41 Check the box if the issue is comprised of qualified redevelopment, qualified small issue, or exempt facilities bonds and provide name and EIN of the primary private user

Name ▶ _____ EIN : _____

Part VIII Volume Caps		Amount
42	Amount of state volume cap allocated to the issuer. Attach copy of state certification	
43	Amount of issue subject to the unified state volume cap.	
44	Amount of issue not subject to the unified state volume cap or other volume limitations:	25,470,000
a	Of bonds for governmentally owned solid waste facilities, airports, docks, wharves, environmental enhancements of hydroelectric generating facilities, or high-speed intercity rail facilities	
b	Under a carryforward election. Attach a copy of Form 8328 to this return	
c	Under transitional rules of the Tax Reform Act of 1986. Enter Act section ▶	
d	Under the exception for current refunding (section 146(i) and section 1313(a) of the Tax Reform Act of 1986)	
45a	Amount of issue of qualified veterans' mortgage bonds	
b	Enter the state limit on qualified veterans' mortgage bonds	
46a	Amount of section 1394(f) volume cap allocated to issuer. Attach copy of local government certification	
b	Name of empowerment zone ▶	
47	Amount of section 142(k)(5) volume cap allocated to issuer. Attach copy of state certification	

Sign Here

Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature of officer: Steve A. Dicharry Date: Nov 17, 2010

Name of above officer (type or print): Steve A. Dicharry Title of officer (type or print): Executive Director

**Attachment
Form 8038**

**Louisiana Local Government Environmental Facilities and
Community Development Authority
EIN 72-1416168**

Line 18:

Borrowing Organization:	University Facilities, Inc.
EIN:	72-1417328
Amount of Issue Benefiting this Organization:	\$23,029,049

From: Origin ID: OPLA (225) 248-3451
Alicia Elkins
Jones Walker
8555 United Plaza Blvd, 5th Floor

Baton Rouge, LA 70809



J10301010040225

Ship Date: 17NOV10
Act/Wgt: 1.0 LB
CAD: 1292465/INET3090

Delivery Address Bar Code

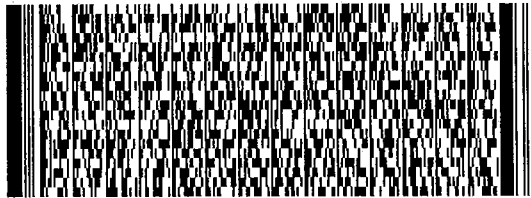


Ref # 113487-00
Invoice #
PO #
Dept #

SHIP TO: (801) 620-6227 **BILL SENDER**
Internal Revenue Service

1160 W 12TH ST

OGDEN, UT 84201



TRK# 7941 2845 9788
0201

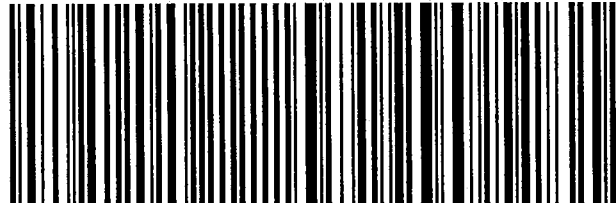
THU - 18 NOV A2
STANDARD OVERNIGHT

84201

UT-US

SLC

XH OGDA



50AG1/BCDA/2780

After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

This tracking update has been requested by:

Company Name: Jones Walker
Name: Alicia Elkins
E-mail: aelkins@joneswalker.com

Our records indicate that the following shipment has been delivered:

Reference: 113487-00
Ship (P/U) date: Nov 17, 2010
Delivery date: Nov 18, 2010 10:22 AM
Sign for by: B.ALLEN
Delivery location: OGDEN, UT
Delivered to: Shipping/Receiving
Service type: FedEx Standard Overnight
Packaging type: FedEx Envelope
Number of pieces: 1
Weight: 0.50 lb.
Special handling/Services: Deliver Weekday

Tracking number: 794128459788

Shipper Information	Recipient Information
Alicia Elkins	Internal Revenue Service
Jones Walker	1160 W 12TH ST
8555 United Plaza Blvd, 5th Floor	OGDEN
Baton Rouge	UT
LA	US
US	84201
70809	

Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 11:30 AM CST on 11/18/2010.

To learn more about FedEx Express, please visit our website at fedex.com.

All weights are estimated.

To track the latest status of your shipment, click on the tracking number above, or visit us at fedex.com.

This tracking update has been sent to you by FedEx on the behalf of the Requestor noted above. FedEx does not validate the authenticity of the requestor and does not validate, guarantee or warrant the authenticity of the request, the requestor's message, or the accuracy of this tracking update. For tracking results and fedex.com's terms of use, go to fedex.com.

Thank you for your business.

11/18/2010

NOT TO EXCEED \$40,000,000
LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY REVENUE BONDS
(SOUTHEASTERN LOUISIANA UNIVERSITY / UNIVERSITY FACILITIES, INC.
PROJECT) IN ONE OR MORE SERIES

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Authority") will conduct and hold a public hearing at the office of the Authority, 8712 Jefferson Highway, Suite A, Baton Rouge, Louisiana 70809 on November 5, 2008 at Ten o'clock (10:00) a.m. to hear any objections to the issuance, sale and delivery of its not to exceed \$40,000,000 Revenue Bonds (Southeastern Louisiana University / University Facilities, Inc. Project) in one or more Series (the "Bonds").


The Bonds are intended to be qualified 501(c)(3) bonds and are being issued by the Authority for the purpose of providing financing for the financing for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related facilities for students, faculty, staff, and the general public on the campus of the University and related facilities at Southeastern Louisiana University (collectively, the "Facilities") located on the campus of Southeastern Louisiana University (the "University") in Hammond, Tangipahoa Parish, Louisiana on land owned by the Board of Supervisors for the University of Louisiana System (the "Board") acting on behalf of the University, which Facilities shall be owned by the Board, leased to University Facilities, Inc., a Louisiana non-profit corporation (the "Corporation") and leased back to the Board while the Bonds are outstanding.

The Bonds will be secured solely by payments made by the Corporation pursuant to a Loan Agreement by and between the Corporation and the Authority and will not be payable from any other revenues of the Authority or the State of Louisiana and will not constitute an indebtedness of the Authority or the State of Louisiana within the meaning of any constitutional or statutory limitations of indebtedness. The payments to be made by the Corporation under the Loan Agreement are payable from amounts received by the Corporation from the Board pursuant to the lease of the Facilities by the Corporation to the Board.

Following such public hearing, the Attorney General of the State of Louisiana will be asked to execute an approval certificate granting public approval to such proposed issuance of revenue bonds for the purpose of compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended, and addressing relating matters.

The public and interested parties are invited to attend or to submit written comments in advance of the Public Hearing to Steve A. Dicharry, Executive Director of the Louisiana Local Government Environmental Facilities and Community Authority, 8712 Jefferson Highway, Suite A, Baton Rouge, Louisiana 70809.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

BY: 
Steve A. Dicharry
Executive Director

CERTIFICATE AND APPROVAL OF THE ATTORNEY GENERAL
OF THE STATE OF LOUISIANA EVIDENCING PUBLIC APPROVAL
PURSUANT TO SECTION 147(f) OF THE
INTERNAL REVENUE CODE OF 1986, AS AMENDED

NOT TO EXCEED \$40,000,000
LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY REVENUE BONDS
(SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION / UNIVERSITY
FACILITIES, INC. PROJECT) IN ONE OR MORE SERIES

WHEREAS, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "*Authority*") has on June 12, 2008 adopted a resolution authorizing the issuance of the above-referenced bonds in one or more series (the "*Bonds*");

WHEREAS, on November 5, 2008 the Authority held a public hearing on the issuance of the aforesaid Bonds after due notice thereof was published on October 21, 2008 in *The Advocate*, the official journal of the Authority, and in *The Daily Star*, a newspaper of general circulation in Hammond, Louisiana (proofs of publication of the notice of public meeting and the excerpts of proceedings of the Authority's public hearing are both attached hereto and made a part hereof);

WHEREAS, the Louisiana State Bond Commission (the "*Commission*") on November 20, 2008 duly approved the issuance of the Bonds in accordance with the Commission's Rules and Regulations in a Not to Exceed amount of \$35,000,000;

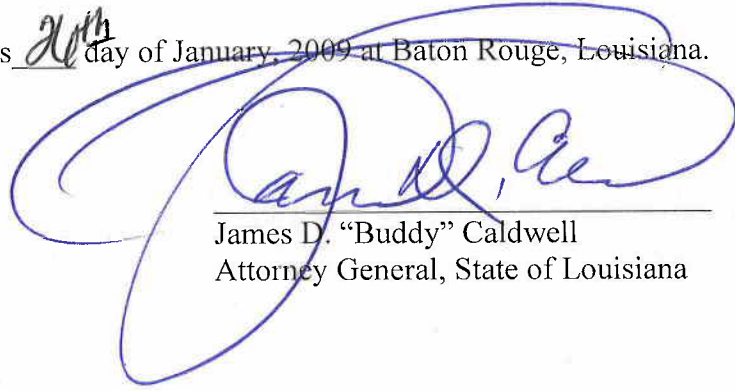
WHEREAS, the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "*Code*"), require that the issuance of private activity bonds under Section 147(f) of the Code must be approved by the "applicable elected representative" of the "governmental unit" issuing the Bonds or on whose behalf the Bonds are being issued in order for the bonds to be "qualified bonds" within the meaning of Section 141 of the Code;

WHEREAS, under Section 147(f)(2)(E) the applicable elected representative of the governmental unit is, in this case, the Attorney General of the State of Louisiana, who is elected at large by the voters of the State of Louisiana as a whole; and

WHEREAS, as Attorney General of the State of Louisiana, the undersigned desires to approve the issuance of the Bonds for the purposes of Section 147(f) of the Code and Section 215 of TEFRA.

NOW, THEREFORE, I, James D. "Buddy" Caldwell, Attorney General of the State of Louisiana, hereby certify that I am the duly elected Attorney General of the State of Louisiana, and I do hereby approve the issuance of the Bonds for the purposes of Section 147(f) of the Code and Section 215 of TEFRA. I do hereby authorize the Authority and its officers to cause this Certificate to be filed of record in the Transcript of Proceedings for the Bonds and to file a copy thereof with any State or Federal agency, board or commission as may be required by any applicable State or Federal laws, rules or regulations.

WITNESS, my signature this 20th day of January, 2009 at Baton Rouge, Louisiana.



James D. "Buddy" Caldwell
Attorney General, State of Louisiana

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL
FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY
(the "Authority")

EXCERPTS OF PROCEEDINGS OF AUTHORITY'S PUBLIC HEARING
OF NOVEMBER 5, 2008

The public hearing of the Authority was called to order at 10:00 a.m. at the office of the Authority, 8712 Jefferson Highway, Suite A, Baton Rouge, Louisiana 70809. Steve A. Dicharry, Executive Director, presided.

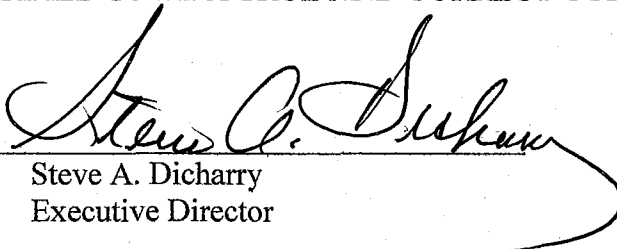
Mr. Dicharry advised the members of the general public who were in attendance as to the purpose of the public hearing to be conducted for the Authority. Mr. Dicharry then announced that he would receive questions and general comments from the audience and any statements from persons desiring to make statements to the Authority in connection with the issuance of Revenue Bonds for the Southeastern Louisiana University Student Union / Univeristy Facilities Inc. Project (the "Project").

There was no response from anyone in the audience.

Mr. Dicharry noted that the Report of the Public Hearing of the Authority would state that no one appeared to ask questions or give statements or comments and no written statements or comments were received concerning the Project.

The Notice of Public Hearing was published on October 21, 2008 in, *The Advocate*, the official journal of the Authority and on October 21, 2008 in *The Daily Star*, a newspaper of general circulation in the Hammond, Louisiana area. Mr. Dicharry requested that copies of the Affidavits of Publication of the Notice of Public Hearing executed by representatives of *The Advocate* and *The Daily Star* confirming that the Notice of Public Hearing was so published by the Authority be attached hereto for the project file of the Authority.

CERTIFIED TO BE A TRUE AND CORRECT COPY

By: 
Steve A. Dicharry
Executive Director

[SEAL]

CAPITAL CITY PRESS

Publisher of
THE ADVOCATE

PROOF OF PUBLICATION

The hereto attached notice was published in **THE ADVOCATE**, a daily newspaper of general circulation published in Baton Rouge, Louisiana, and the official Journal of the State of Louisiana, the City of Baton Rouge, and the Parish of East Baton Rouge, in the following issues:

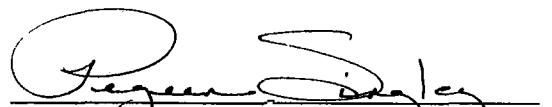
10/21/08



Susan A. Bush, Public Notices Clerk

Sworn and subscribed before me by the person whose signature appears above:

October 21, 2008



Pegeen Singley, Notary Public, #66565
My Commission Expires: Indefinite
Baton Rouge, Louisiana

**NOT TO EXCEED \$40,000,000
LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL
FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY
REVENUE BONDS (SOUTHEASTERN LOUISIANA UNIVER-
SITY / UNIVERSITY FACILITIES, INC. PROJECT) IN ONE OR
MORE SERIES**

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Authority") will conduct and hold a public hearing at the office of the Authority, 8712 Jefferson Highway, Suite A, Baton Rouge, Louisiana 70809 on November 5, 2008 at Ten o'clock (10:00) a.m. to hear any objections to the issuance, sale and delivery of its not to exceed \$40,000,000 Revenue Bonds (Southeastern Louisiana University / University Facilities, Inc. Project) in one or more Series (the "Bonds").

The Bonds are intended to be qualified 501(c)(3) bonds and are being issued by the Authority for the purpose of providing financing for the financing for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related facilities for students, faculty, staff, and the general public on the campus of the University and related facilities at Southeastern Louisiana University (collectively, the "Facilities") located on the campus of Southeastern Louisiana University (the "University") in Hammond, Tangipahoa Parish, Louisiana on land owned by the Board of Supervisors for the University of Louisiana System (the "Board") acting on behalf of the University, which Facilities shall be owned by the Board, leased to University Facilities, Inc., a Louisiana non-profit corporation (the "Corporation") and leased back to the Board while the Bonds are outstanding.

The Bonds will be secured solely by payments made by the Corporation pursuant to a Loan Agreement by and between the Corporation and the Authority and will not be payable from any other revenues of the Authority or the State of Louisiana and will not constitute an indebtedness of the Authority or the State of Louisiana within the meaning of any constitutional or statutory limitations of indebtedness. The payments to be made by the Corporation under the Loan Agreement are payable from amounts received by the Corporation from the Board pursuant to the lease of the Facilities by the Corporation to the Board.

Following such public hearing, the Attorney General of the State of Louisiana will be asked to execute an approval certificate granting public approval to such proposed issuance of revenue bonds for the purpose of compliance with Section 147(1) of the Internal Revenue Code of 1986, as amended, and addressing relating matters.

The public and interested parties are invited to attend or to submit written comments in advance of the Public Hearing to Steve A. Dicharry, Executive Director of the Louisiana Local Government Environmental Facilities and Community Authority, 8712 Jefferson Highway, Suite A, Baton Rouge, Louisiana 70809.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

BY: /s/ Steve A. Dicharry
Steve A. Dicharry
Executive Director

3978939-Oct 21-1t

LCDA

3978939

8712 JEFFERSON HWY STE A
BATON ROUGE LA 70809-2233

Hammond Daily Star

P.O. Box 1149, Hammond, Louisiana 70404
Phone: Area Code (985) 254-7827

STATE OF LOUISIANA
Parish of Tangipahoa

I, Kathy Dufour, the Accounting Clerk of the Hammond Daily Star, a daily newspaper of circulation in Hammond and Tangipahoa Parish, Louisiana, do certify that the following insert/advertisement appeared in the said Hammond Daily Star in its regular edition on:

NOT TO EXCEED
\$40,000,000
LOUISIANA LOCAL
GOVERNMENT
ENVIRONMENTAL
FACILITIES AND
COMMUNITY
DEVELOPMENT
AUTHORITY REVENUE
BONDS
(SOUTHEASTERN
LOUISIANA UNIVERSITY
/ UNIVERSITY FACILI-
TIES, INC. PROJECT) IN
ONE OR MORE SERIES

NOTICE OF
PUBLIC HEARING

Notice is hereby given that the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Authority") will conduct and hold a public hearing at the office of the Authority, 8712 Jefferson Highway, Suite A, Baton Rouge, Louisiana 70809 on November 5, 2008 at Ten o'clock (10:00) a.m. to hear any objections to the issuance, sale and delivery of its not to exceed \$40,000,000 Revenue Bonds (Southeastern Louisiana University / University Facilities, Inc. Project) in one or more Series (the "Bonds").

The Bonds are intended to be qualified 501(c)(3) bonds and are being issued by the Authority for the purpose of providing financing for the financing for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore or the Authority of the State of Louisiana within the meaning of any constitutional or statutory limitations of indebtedness. The payments to be made by the Corporation under the Loan Agreement are payable from amounts received by the Corporation from the Board pursuant to the lease of the Facilities by the Corporation to the Board.

Following such public hearing, the Attorney General of the State of Louisiana will be asked to execute an

October 21, 2008
Date

08-10-130
Legal Number

Kathy Dufour
Kathy Dufour
Accounting Clerk

Sworn to and subscribed before me
this OCT 23 2008
day of _____
A.D. Robert W. Tillery
Notary Public

Robert W. Tillery, Notary Public
Bar Roll No. 12790

SBC No. : S08-061
SBC: November 20, 2008

LOUISIANA STATE BOND COMMISSION

The following resolution was offered by Alario and seconded by Fannin:

A RESOLUTION APPROVING THE ISSUANCE, SALE AND DELIVERY OF AN AGGREGATE OF NOT TO EXCEED \$35,000,000 OF LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY REVENUE BONDS (SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION / UNIVERSITY FACILITIES, INC. PROJECT) IN ONE OR MORE SERIES; APPROVING CERTAIN DOCUMENTS RELATING TO SAID BONDS; AND AUTHORIZING THE APPROPRIATE OFFICERS OF THE STATE BOND COMMISSION TO EXECUTE ANY INSTRUMENT, DOCUMENT AND CERTIFICATE IN CONNECTION WITH THE FOREGOING.

WHEREAS the Louisiana Local Government Environmental Facilities and Community Development Authority (the "*Authority*"), by resolution adopted on June 12, 2008 (the "*Resolution*"), has made application to the Louisiana State Bond Commission (the "*Commission*") for approval to issue, sell and deliver not exceeding an aggregate of \$35,000,000 of the Authority's Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) in one or more series, taxable or tax-exempt (the "*Bonds*"), in accordance with the provisions of Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (the "*Act*"), and other constitutional and statutory authority, for the purpose of (a) providing financing for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related facilities for students, faculty, staff, and the general public including all furnishings, fixtures and facilities incidental or necessary in connection therewith (the "*Facilities*"), such Facilities located on land owned by the Board of Supervisors for the University of Louisiana System (the "*Board*"), which Facilities shall be owned by the University Facilities, Inc. (the "*Corporation*") while the Bonds are outstanding, to be and leased to the Board, (b) funding a deposit to the debt service reserve fund and (c) paying the cost of issuance of the Bonds, including the premium for any bond insurance policy insuring the Bonds (the "*Project*");

WHEREAS, the Authority has agreed to issue the Bonds pursuant to the terms and conditions of a Trust Indenture (the "*Indenture*") by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "*Trustee*") in such form as submitted to

the Commission, with such changes as may be approved by bond counsel to the Authority (provided such changes are not inconsistent with the Act);

WHEREAS, the proceeds of the sale of the Bonds will be loaned to the Corporation pursuant to a Loan and Assignment Agreement (the "*Loan Agreement*") in such form as submitted to the Commission, with such changes as may be approved by bond counsel to the Authority (provided such changes are not inconsistent with the Act); and

WHEREAS, the Commission, in accordance with the provisions of the Act, desires to approve the issuance of the Bonds and the execution and delivery of the Indenture and the Loan Agreement in the form submitted to the Commission, with such changes as may be approved by bond counsel to the Authority (provided such changes are not inconsistent with the Act) and any additional instruments providing security for the payment of the Bonds (the "*Documents*").

NOW, THEREFORE, BE IT RESOLVED by the State Bond Commission:

SECTION 1. There is hereby approved the issuance, sale and delivery of not exceeding an aggregate of \$35,000,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) in one or more series, taxable or tax-exempt, under the provisions of the Act, bearing interest at a fixed or variable rate not to exceed twelve percent (12%) per annum, maturing not later than thirty-one (31) years from the date of their issuance, as more fully set forth in the Indenture. The Bonds shall be issued and secured by and be in the form and have the details and features as provided in the Documents submitted to the Commission this date.

SECTION 2. There is hereby approved the Documents described in the preamble to this resolution, with such changes as may be approved by bond counsel to the Authority (provided such changes are not inconsistent with the Act), and any additional documents providing security for the Bonds.

SECTION 3. The Chairman and Secretary of this Commission be and they are hereby authorized to execute and deliver such instruments, documents and certificates as may be required for, and/or necessary, convenient and appropriate to the approval of the foregoing.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: Teepell, Wesley, Dardenne, McGimsey, Alario, Michot,
Marionneaux, Jackson, Tucker, Fannin, Greene, Ledger
Davis

NAYS:

ABSENT:

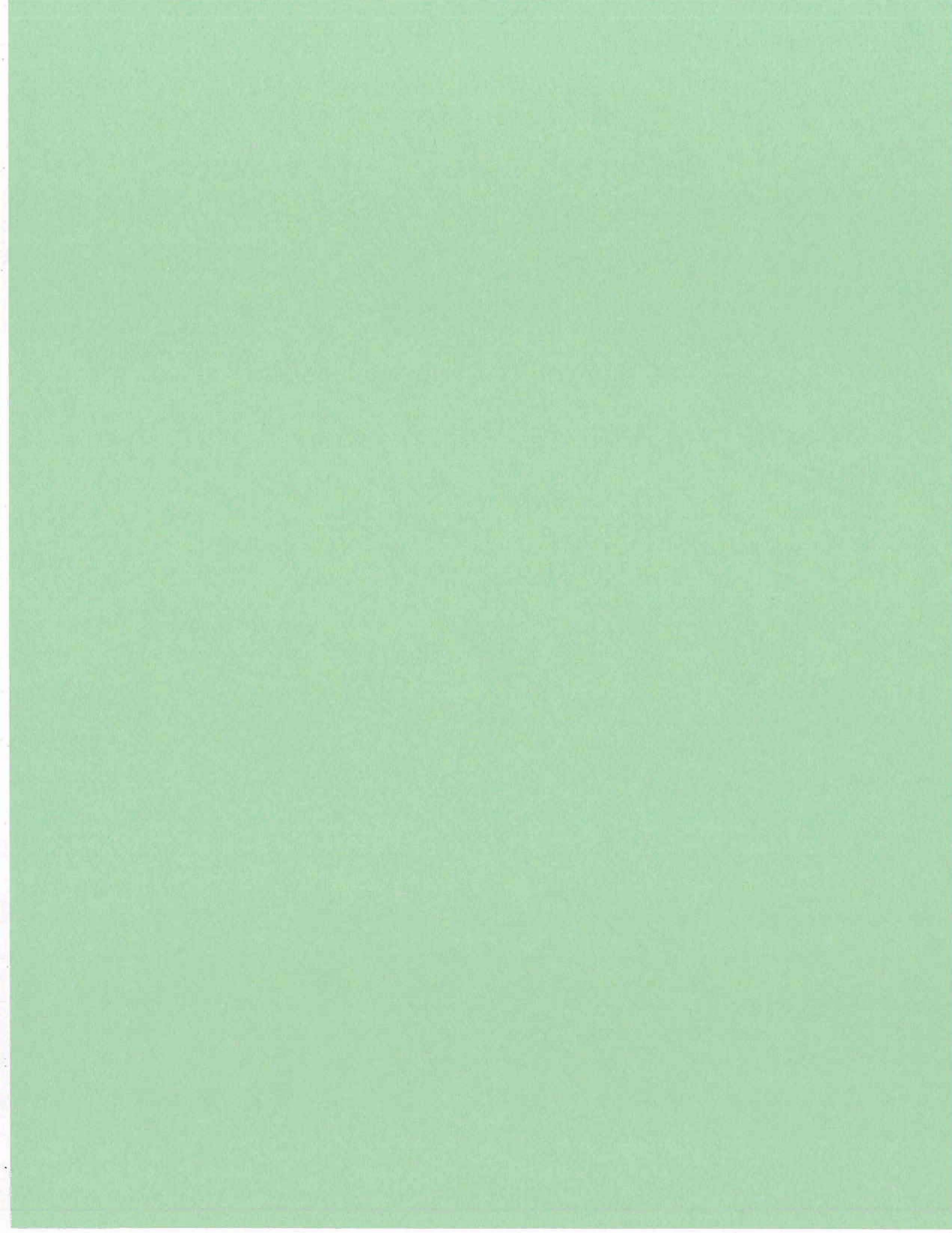
NOT VOTING: Kennedy

And the resolution was declared adopted on this, the 20th day of November, 2008.

Certified to be a true copy.



Director-Secretary



\$25,470,000
**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL
FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY
TAX-EXEMPT REVENUE BONDS
(SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION/
UNIVERSITY FACILITIES INC. PROJECT)
SERIES 2010A**

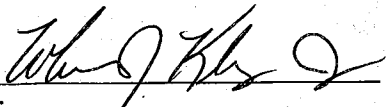
\$5,785,000
**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL
FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY
TAXABLE REVENUE BONDS
(SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION/
UNIVERSITY FACILITIES, INC. PROJECT)
SERIES 2010B**

SBC No. S08-061
Date of Approval: November 20, 2008

GOVERNMENTAL ISSUE
Aggregate Par of \$31,255,000.00

I, the undersigned Whitman J. Kling, Jr. of the Louisiana State Bond Commission (the "Commission"), hereby acknowledge that I have received payment in the amount \$15,739.75 representing payment in full of the fees charged by the Commission in connection with closing of the above referenced transaction.

LOUISIANA STATE BOND COMMISSION


Name: Whitman J. Kling, Jr.
Title: Director

DATE: 12/9/10

Claiborne Building
1201 North Third Street
Suite 7-300
Baton Rouge, LA 70802
www.ulsystem.edu



Board of Supervisors
Mr. Winfred F. Sibille
Chair

Mr. D. Wayne Parker
Vice Chair

Mr. Russell L. Mosely
Parliamentarian

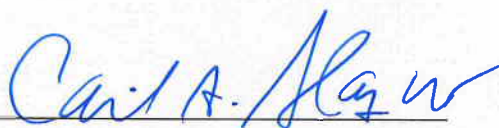
P 225-342-6950
F 225-342-6473

Dr. Randy Moffett
President

CERTIFICATE

I, the undersigned, Carol Slaght, of the Board of Supervisors for the University of Louisiana System (the "Board") do hereby certify that the foregoing constitutes a true and correct copy of the Minutes regarding proceedings taken by the Board at its regularly scheduled meeting on October 24, 2008.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Board this 10th of November, 2010.



Carol Slaght
Assistant to the Board



Grambling State University Louisiana Tech University McNeese State University
Nicholls State University Northwestern State University Southeastern Louisiana University
University of Louisiana at Lafayette University of Louisiana at Monroe



MINUTES

BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM OCTOBER 24, 2008

A. Call to Order

Mrs. Elsie Burkhalter, Chair, called to order the regular meeting of the Board of Supervisors for the University of Louisiana System in Room 100, the "Louisiana Purchase Room," Claiborne Conference Center, 1201 North Third Street, Baton Rouge, Louisiana at 10:10 a.m.

B. Roll Call

The roll was called and a quorum established.

PRESENT

Mrs. Elsie Burkhalter, Chair
Mr. Winfred F. Sibille, Vice Chair
Mr. Paul Aucoin
Mr. Andre G. Coudrain
Mr. Edward Crawford III
Dr. Mildred G. Gallot

Mr. Gregory Hamer, Sr.
Mr. E. Gerald Hebert *
Mr. Jimmy D. Long, Sr.
Mr. Russell Mosely
Mr. D. Wayne Parker
Ms. Morgan Verrette

ABSENT

Mr. Jeffrey S. Jenkins
Ms. Renee Lapeyrolerie
Mr. Carl Shetler
Dr. Eunice W. Smith

* Oath of office was administered prior to roll call.

Also present for the meeting were the following: System President Randy Moffett, System staff, administrators and faculty representatives from System campuses, Attorney Linda Law Clark, interested citizens, and representatives of the news media.

C. Invocation

Mr. Parker gave the invocation.

D. Administering the Oath of Office to newly appointed Board Member – Mr. E. Gerald Hebert

System Vice President for Administration and General Counsel Kay Kirkpatrick administered the Oath of Office to Mr. E. Gerald Hebert, newly appointed Board Member.

Mrs. Burkhalter indicated that Mr. Hebert was appointed by Governor Jindal to serve in the "at large" position. *(Since Mr. Robert Hale's death in September, Mr. Carl Shetler has been reappointed to the District 7 position, leaving the "at large" position vacant.)*

Mrs. Burkhalter welcomed Mr. Hebert to the Board and introduced him as CEO and founder of Patriot Services Corp., an oil industry producer of drilling fluid products and an environmental testing company based in Kenner. Mrs. Burkhalter appointed him to serve on the Athletic, Audit, and Finance Committees.

Mr. Hebert stated that he was honored to serve as a member of the Board of Supervisors and looked forward to his tenure.

E. **Approval of Minutes of the August 28, 2008 Board Minutes**

Upon motion of Mr. Long, seconded by Mr. Coudrain, the Board voted unanimously to approve the minutes of the August 28, 2008 Board meeting.

F. **Report of Academic and Student Affairs Committee**

Dr. Gallot, Chair of the Academic and Student Affairs Committee, presented the Committee report.

Upon motion of Dr. Gallot, seconded by Mr. Sibille, the Board voted unanimously to approve the adoption of the following resolutions.

- F.1. Louisiana Tech University's request for approval of a combined Letter of Intent/Proposal for a Bachelor of Science degree program in Sustainable Supply Chain Management.

***NOW, THEREFORE, BE IT RESOLVED,** that the Board of Supervisors for the University of Louisiana System does hereby approve Louisiana Tech University's request for approval of a combined Letter of Intent/Proposal for a Bachelor of Science degree program in Sustainable Supply Chain Management.*

- F.2. Nicholls State University's request for approval to award an Honorary Doctor of Letters degree to Dr. Alfred Delahaye at the Fall 2008 commencement exercises.

***NOW, THEREFORE, BE IT RESOLVED,** that the Board of Supervisors for the University of Louisiana System does hereby approve Nicholls State University's request to award an Honorary Doctor of Letters degree to Dr. Alfred Delahaye at the Fall 2008 commencement exercises.*

- F.3. Northwestern State University's request for approval of a Letter of Intent for a Master of Social Work degree program.

***NOW, THEREFORE, BE IT RESOLVED,** that the Board of Supervisors for the University of Louisiana System does hereby approve Northwestern State University's request for approval of a Letter of Intent for a Master of Social Work degree program.*

- F.4. University of Louisiana at Lafayette's request for approval to award an Honorary Doctor of Fine Arts degree to Mr. Zachary Richard at the Fall 2008 commencement exercises.

***NOW, THEREFORE, BE IT RESOLVED,** that the Board of Supervisors for the University of Louisiana System does hereby approve University of Louisiana at Lafayette's request for approval to award an Honorary Doctor of Fine Arts degree to Mr. Zachary Richard at the Fall 2008 commencement exercises.*

G. **Report of Joint Athletic and Audit Committee**

Mr. Aucoin, Chair of the Athletic Committee, presented the Joint Committee report.

Upon motion of Mr. Aucoin, seconded by Mr. Parker, the Board voted unanimously to approve the adoption of the following resolutions.

- G.1. Grambling State University's request for approval to appoint Mr. J. Lin Dawson as Athletic Director effective October 13, 2008.

***NOW, THEREFORE, BE IT RESOLVED,** that the Board of Supervisors for the University of Louisiana System does hereby approve the appointment of Mr. J. Lin Dawson as Athletic Director of Grambling State University effective October 13, 2008.*

- G.2. Grambling State University's request for approval of the employment contract with Mr. Ricky L. Duckett as Head Men's Basketball Coach effective August 21, 2008.

At the request of Dr. Horace Judson, President, this item was deferred.

- G.3. University of Louisiana at Monroe's request for approval to extend the contractual agreement with Mr. Robert Staub, Athletic Director, effective October 1, 2008 through September 30, 2011.

***NOW, THEREFORE, BE IT RESOLVED,** that the Board of Supervisors for the University of Louisiana System does hereby approve University of Louisiana at Monroe's employment agreement with Athletic Director, Mr. Robert Staub, for the period October 1, 2008 through September 30, 2011.*

- G.4. University of Louisiana System's report on significant athletic activities for the period of August 19 through October 13, 2008.

Mr. Robbie Robinson, Director of Internal and External Audit, presented this report to the Board. No official Board action was required.

- G.5. Grambling State University's request for acceptance of Fiscal Year 2007-08 Financial and Compliance Representation Letter.

***NOW, THEREFORE, BE IT RESOLVED,** that the Board of Supervisors for the University of Louisiana System does hereby accept Grambling State University's Fiscal Year 2007-08 Financial and Compliance Representation Letter.*

- G.6. Southeastern Louisiana University's request for acceptance of Fiscal Year 2007-08 Financial and Compliance Representation Letter.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the University of Louisiana System does hereby accept Southeastern Louisiana University's Fiscal Year 2007-08 Financial and Compliance Representation Letter.

- G.7. University of Louisiana System's report on internal and external audits submitted for the period August 16 through October 13, 2008.

Mr. Robbie Robinson, Director of Internal and External Audit, presented this report to the Board. No official Board action was required.

H. **Report of Joint Facilities Planning and Finance Committee**

Mr. Mosely, Chair of the Facilities Planning Committee, presented the Joint Committee report.

Upon motion of Mr. Mosely, seconded by Mr. Coudrain, the Board voted unanimously to approve the adoption of the following resolutions.

- H.1. Southeastern Louisiana University's request for approval to amend and extend a lease agreement with University Facilities, Inc. (UFI), a private, not-for-profit 501(c)3 corporation, to construct an athletic weight room and training facility.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the University of Louisiana System does hereby approve Southeastern Louisiana University's request for approval to amend and extend a lease agreement with University Facilities, Inc. (UFI), a private, not-for-profit 501(c)3 corporation, to construct an athletic weight room and training facility.

BE IT FURTHER RESOLVED, that Southeastern Louisiana University shall obtain final reviews from UL System staff, legal counsel, and all other appropriate agencies/parties, of processes, documents, and administrative requirements prior to execution of documents.

BE IT FURTHER RESOLVED, that the Interim President of Southeastern Louisiana University is hereby designated and authorized to execute any and all documents associated with said lease agreements by the University of Louisiana System on behalf of and for the use of Southeastern Louisiana University.

AND FURTHER, that Southeastern Louisiana University will provide the System office with copies of all final executed documents for Board files.

- H.2. Southeastern Louisiana University's request for approval of the form and authorization to execute a Ground Lease Agreement and Agreement to Lease with Option to Purchase with University Facilities, Inc. (UFI) to demolish, renovate, and expand the Student Union and other facilities to develop a Center for Student Excellence and other student support functions, including food services and bookstore.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the University of Louisiana System does hereby approve Southeastern Louisiana University's request for approval of the form and authorization to execute a Ground Lease Agreement and Agreement to Lease with Option to Purchase with University Facilities, Inc. (UFI) to demolish, renovate,

and expand the Student Union and other facilities to develop a Center for Student Excellence and other student support functions, including food services and bookstore.

BE IT FURTHER RESOLVED, that Dr. Randy Moffett, President of University of Louisiana System, and/or the Interim President of Southeastern Louisiana University are/is hereby designated and authorized to execute any and all documents necessary to execute said lease agreement.

BE IT FURTHER RESOLVED, that the University shall submit all information and documentation required for implementing the project(s) to the Board of Supervisors for the University of Louisiana System for final approval.

AND FURTHER, that Southeastern Louisiana University will provide the System office with copies of all final executed documents for Board files.

- H.3. Northwestern State University's status report regarding the proposed lease property in Desoto Parish totaling 366.98 acres.

This item is a report only and no Board action is necessary.

- H.4. University of Louisiana System's discussion of Fiscal Year 2007-08 fourth quarter interim financial reports and ongoing assurances.

This item is a report only and no Board action is necessary.

- H.5. University of Louisiana System's report on third-party projects.

This item is a report only and no Board action is necessary.

- H.6. University of Louisiana System's report on the financial status of alternatively financed projects.

This item is a report only and no Board action is necessary.

- H.7. University of Louisiana System's request for approval of delegation of authority to the University Presidents or their designees for research subcontracts in amounts up to \$100,000.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the University of Louisiana System does hereby approve the delegation of authority to the University Presidents or their designees for research subcontracts in amounts up to \$100,000.

I. **System President's Business**

I.1. **Personnel Actions**

Dr. Randy Moffett, System President, reported that System staff reviewed the personnel actions as amended, including faculty pay plans and University of Louisiana at Lafayette's organizational changes, and staff recommends approval.

Upon motion of Mr. Sibille, seconded by Mr. Parker, the Board voted unanimously to approve the System personnel actions as amended, faculty pay plans, and University of Louisiana at Lafayette's organizational changes.

Dr. Moffett asked Dr. Horace Judson, President of Grambling State University, to introduce Mr. J. Lin Dawson, the new Athletic Director. Mr. Dawson thanked the Board for opportunity to serve Grambling and the System in this capacity.

Dr. Sally Clausen, Commissioner of Higher Education, provided an update on the Board of Regents formula funding as well as master plan activities. Further details will be forthcoming in November.

I.2. System President's Report

- Dr. Moffett stated that he had visited University of Louisiana at Lafayette and University of Louisiana at Monroe and has plans to visit McNeese State University and Nicholls State University in the upcoming weeks.
- Dr. Moffett also informed the Board that he recently participated in a meeting of the Board of Regents Finance Committee. At the meeting he presented information to the Committee about our System's unique contributions to the state, as well as the responsible manner by which the Presidents utilize resources. Board members Paul Aucoin and Russell Mosely also participated.
- Dr. Moffett stated that over the past three years the University of Louisiana System has seen a 27 percent increase in the number of community college students who transferred to System institutions. Working with LCTCS personnel, further research will occur in the near future that will explore student success.
- Dr. Moffett reported on the first two meetings of the Southeastern Louisiana University Presidential Search Committee. The voting members of the Committee include Mrs. Burkhalter, Mr. Coudrain, Mr. Mosely, Mr. Parker, Mr. Sibille, and Ms. Verrette. Dr. Joe Burns, representing the Southeastern Faculty Senate, is also a voting member; and Mr. Daryl Ferrara, representing the Hammond Chamber of Commerce, and Mr. Zealon Solomon, Southeastern's SGA President, serve as non-voting advisory members.

The initial meeting was held in Hammond and included a public forum during which the Committee received feedback from faculty, staff, students, and community members concerning desired qualifications of the next President as well as issues of importance to the various constituencies. The second meeting was held the morning of the Board meeting, October 24. Dr. Moffett reported that the advertisement was approved by the Committee and would be immediately posted on the website and in national publications including *Chronicle for Higher Education*. Advertising will continue through November/December. He also stated that the Institutional Review by Keeling and Associates had been completed, which complimented Southeastern as "among the most impressive and positive institutions of its kind that the consultants have visited in more than 20 years of consulting practice and campus experience." Dr. Moffett also stated that

Greenwood/Asher & Associates, an executive search and consulting firm, has been selected to aid in the recruitment of highly qualified candidates.

- Dr. Moffett commended campus Presidents, staffs, and System staff for the improvement in communication that has continued since Hurricanes Katrina and Rita in 2005. He asked Dr. Stephen Hulbert, President of Nicholls State University, to update the Board on the state of Nicholls subsequent to Hurricanes Gustav and Ike. Nicholls sustained close to \$3.1 million in damages, including damage to 35 roofs (6-8 replacements), loss of most outdoor electronic signage and electric lighting, and limited interior damage.

Dr. Hulbert thanked all System administrators for support during and after the storm and noted that much progress in response to emergencies has been made in the last three years. He also complimented Governor Jindal for his leadership. Dr. Hulbert especially thanked Devin Broome, System Executive Director of Information Technology and Digital Media, and Dr. Kim Reed of the Board of Regents for their extraordinary work during and after the storms.

- Dr. Moffett reported that the System has commissioned an economic and community impact study for the eight universities. Results will be available in early 2009.
- Dr. Moffett recognized System Vice President for Business and Finance, Dr. Nick Bruno, for being nominated for a lifetime achievement award by the National Association of College Auxiliary Services. Dr. Bruno will receive this recognition at the Annual Conference in November.
- Dr. Moffett introduced Ms. Erica Sherrard, who has recently been hired as Executive Director of Academic Services and Planning for the System office.

J. **Board Chair's Report**

Upon motion of Mr. Sibille, seconded by Mr. Parker, the Board voted unanimously to approve the adoption of the following resolution.

- J.2. **University of Louisiana System's** request for approval of a proposed revision to Board RULES, Chapter III. Faculty and Staff, Section II. Personnel Actions, G. Reemployment of State Retirees.

***NOW, THEREFORE, BE IT RESOLVED,** that the Board of Supervisors for the University of Louisiana System does hereby approve a request by the University of Louisiana System for approval of a revision to Board RULES, Chapter III. Faculty and Staff, Section II. Personnel Actions, G. Reemployment of State Retirees.*

Upon motion of Mr. Parker, seconded by Mr. Coudrain, the Board voted unanimously to approve the adoption of the following resolution.

- J.3. **University of Louisiana System's** request for approval of a proposed revision to Board RULES, Chapter III. Faculty and Staff, Section IV. Role, Contractual Arrangements, Benefits, Expenses, and Evaluations of Presidents, C. Presidential Expenses.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the University of Louisiana System does hereby approve a request by the University of Louisiana System for approval of a revision to Board RULES, Chapter III. Faculty and Staff, Section IV. Role, Contractual Arrangements, Benefits, Expenses, and Evaluations of Presidents, C. Presidential Expenses.

J.4. Appointment of Nominating Committee for 2009 Board Officers

Chair Burkhalter appointed Mr. Russell Mosely, Mr. Andre Coudrain, and Dr. Mildred Gallot to serve on this year's Nominating Committee. Mr. Mosely will serve as Chair of the Committee, which will meet in December and provide recommendations at the Board meeting.

J.5. Other Business

Upon motion of Dr. Gallot, seconded by Mr. Mosely, the Board unanimously voted to approve University of Louisiana System's request for approval of the 2009 Board Meeting Schedule.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the University of Louisiana System does hereby approve the 2009 Board Meeting Schedule.

Board Rules Revision

Mrs. Burkhalter informed the Board that each member was given a copy of a proposed revision to Board Rules. The proposal is a revision to Chapter IV. Facilities Planning.

Act 438 of the 2008 Legislative Session increased the threshold from \$350,000 to \$500,000 for exclusion of certain higher education projects involving minor repairs, renovation or building construction from the capital outlay budget. She reminded Board members that proposed rule changes require a 30-day advance notice and the revision would be adopted at the December 2008 meeting.

Upon motion of Mr. Coudrain, seconded by Mr. Mosely, the Board unanimously voted to amend the agenda to add one item of other business.

Upon motion of Mr. Coudrain, seconded by Mr. Mosely, the Board unanimously voted to suspend the current rule of 30-day advance notice in order to allow the campuses to immediately comply with Act 438 and current Board of Regents guidelines.

Upon motion of Mr. Coudrain, seconded by Mr. Mosely, the Board unanimously voted to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the University of Louisiana System does hereby approve a revision to Board Rule Chapter VI. Facilities Planning.

PPM - Private Grant and Federal Funds--Delegation of Authority for Research Subcontracts

Also included in the Board member folders was a PPM regarding Delegation of Authority for Research Subcontracts. No action is required by the Board.

Mrs. Burkhalter reminded Board members that the next meeting is scheduled for Friday, December 5, 2008 at Nicholls State University in Thibodaux, Louisiana. Details will be forthcoming.

K. **Other Business**

Mrs. Burkhalter indicated that there would be a short Board Orientation for new members immediately following the meeting. All members were invited to attend.

There was no other business to come before the Board.

L. **Adjournment**

Upon motion of Mr. Coudrain, seconded by Mr. Sibille, the meeting adjourned at 11:40 a.m.

BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM

The following resolution was offered upon motion by Mr. Mosely:

RESOLUTION

A RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF (A) AN AGREEMENT TO LEASE WITH OPTION TO PURCHASE AND (B) A GROUND AND BUILDINGS LEASE AGREEMENT IN CONNECTION WITH THE LEASE AND LEASE BACK OF A PORTION OF THE SOUTHEASTERN LOUISIANA UNIVERSITY CAMPUS TO UNIVERSITY FACILITIES, INC. AND THE DEMOLITION OF CERTAIN EXISTING FACILITIES AND RENOVATION, DEVELOPMENT AND CONSTRUCTION OF STUDENT UNION, CENTER FOR STUDENT EXCELLENCE, FOOD SERVICES AREAS, A BOOKSTORE AND RELATED FACILITIES THEREON; AUTHORIZING THE ISSUANCE OF BONDS FOR THE FACILITIES; APPROVING THE EXECUTION OF ANY AND ALL DOCUMENTS AND CERTIFICATES IN CONNECTION THEREWITH; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the Board of Supervisors for the University of Louisiana System (the "Board") will, pursuant to La. R.S. 17:3361 through 17:3365 (the "Act"), and other constitutional and statutory authority supplemental thereto, lease a portion of the campus of Southeastern Louisiana University (the "University") to University Facilities, Inc. (the "Corporation") in order to enable the Corporation to demolish certain existing facilities and renovate, develop and construct a Student Union, Center for Student Excellence, food services areas, a bookstore and related facilities (the "Facilities"); and

WHEREAS, the Board desires to approve and authorize the execution of (a) a Ground and Buildings Lease Agreement by and between the Board and the Corporation (the "Ground Lease") and (b) an Agreement to Lease with Option to Purchase (the "Facilities Lease"), by and between the Board and the Corporation, each relative to the lease and lease-back of a portion of the University's campus to the Corporation for construction or demolition, renovation and reconstruction of Facilities on the main campus of the University (the "Project"); and

WHEREAS, the Corporation intends to finance the Project using the proceeds of revenue bonds (the "Bonds") issued by Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer"); and

WHEREAS, the University has requested that the Board approve the issuance of the Bonds to finance demolition of certain existing facilities and renovation, development and construction of the Facilities as described in Exhibits A-1 and A-2 to the Facilities Lease.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors for the University of Louisiana System, as follows:

SECTION 1. The Ground and Buildings Lease Agreement and the Agreement to Lease with Option to Purchase, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B**, respectively, are hereby approved, subject to such changes as may be approved by counsel to the Board.

SECTION 2. There is hereby approved the issuance by the Issuer of the Bonds under a trust indenture to be entered into by and between the Issuer and trustee bank in order to complete the Facilities as described on Exhibits A-1 and A-2 to the Facilities Lease.

SECTION 3. The Chairman, Vice Chairman, Secretary of the Board, the System President or the President of the University shall be authorized to execute the Ground Lease and the Facilities Lease attached hereto as Exhibits A and B, and any certificates, documents or other items necessary therefor, subject to approval by counsel to the Board and the bond insurer, if any, of the above-referenced Bonds prior thereto.

SECTION 4. This resolution shall take effect immediately.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: Mrs. Burkhalter, Mr. Sibille, Mr. Aucoin, Mr. Coudrain, Mr. Crawford,
Dr. Gallot, Mr. Hamer, Mr. Hebert, Mr. Long, Mr. Mosely, Mr. Parker,
Ms. Verrette

NAYS: None

ABSENT: Mr. Jenkins, Ms. Lapeyrolerie, Mr. Shetler, Dr. Smith

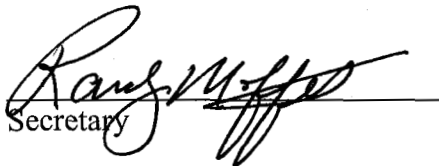
ABSTAINING: None

The Resolution was declared to be adopted on the 24th day of October, 2008.

(Other items not pertinent hereto are omitted)

Upon motion duly made, seconded and unanimously carried, the meeting was adjourned.


Chairman

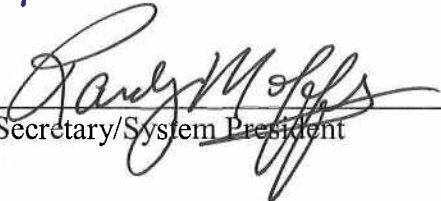

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary/System President to the Board of Supervisors for the University of Louisiana System (the "Board") do hereby certify that the foregoing pages constitute a true and correct copy of a resolution adopted by the Board on August 29, 2008 authorizing the execution of (a) an Agreement to Lease with Option to Purchase and (b) a Ground and Buildings Lease Agreement in connection with the lease and lease back of a portion of the Southeastern Louisiana University campus to University Facilities, Inc. and the demolition of certain existing facilities and renovation, development and construction of Student Union, Center for Student Excellence, food services areas, a bookstore and related facilities thereon; authorizing the issuance of bonds for the facilities; approving the execution of any and all documents and certificates in connection therewith; and providing for other matters in connection therewith, being duly adopted by the Board at a meeting duly called, noticed and held and at which meeting a quorum was present and voting.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of said Board on this, the 26 day of January, 2009.


Secretary/System President

[SEAL]

Artis L. Terrell, Jr.
Chair

Robert W. Levy
Vice Chair

Mary Ellen Roy
Secretary

Commissioner of
Higher Education



Charlotte A. Bollinger
Scott O. Brame
Robert J. Bruno
Richard E. D'Aquin
Maurice C. Durbin
Donna G. Klein
Ingrid T. Labat
W. Clinton Rasberry, Jr.
Victor T. Stelly
Harold M. Stokes
Roland M. Toups
Joseph C. Wiley
Demetrius D. Sumner, Student

21

BOARD OF REGENTS

P. O. Box 3677
Baton Rouge, LA 70821-3677
Phone (225) 342-4253, FAX (225) 342-9318
www.regents.state.la.us

November 10, 2010

To Whom It May Concern:

This is to certify that the attached is a true and correct copy of the October 23, 2008, Minutes of the Board of Regents.

Carolyn Blanchard
Carolyn Blanchard
Executive Assistant to the Board

DRAFT

MINUTES
BOARD OF REGENTS
OCTOBER 23, 2008

The Board of Regents met in session at 9:35 a.m. Thursday, October 23, 2008, at Southern University-Shreveport in the SUSLA Metro Center, Room 311 in Shreveport, Louisiana. Chair Pat Strong called the meeting to order. Executive Assistant Carolyn Blanchard called the roll and a quorum was established.

Present for the meeting were:

Scott Brame
Richard D'Aquin
Ingrid Labat
Robert Levy
W. Clinton Rasberry, Jr.
Mary Ellen Roy
Victor Stelly
Harold Stokes
Pat Strong
Artis Terrell, Jr.
Joseph Wiley

Absent for the meeting were:

Robert Bruno
Maurice Durbin
Donna Klein
Roland Toups
Jamey Arnette

PUBLIC COMMENTS

Chair Strong noted that no written requests were received for public comments and asked whether the audience had any comments at the time. There were none.

Chair Pat Strong recognized Representative Patrick Williams and Senator Lydia Jackson in the audience. He mentioned that Shreveport is blessed to have these two legislators representing the Shreveport community.

MINUTES APPROVED

APPROVAL OF THE MINUTES OF SEPTEMBER 25, 2008

On motion of Regent Raspberry, seconded by Regent D'Aquin, the Board voted unanimously to approve the minutes of September 25, 2008.

APPROVAL OF 2009 SCHEDULE OF BOARD OF REGENTS' MEETINGS

On motion of Regent Terrell, seconded by Regent Stokes, the Board voted unanimously to approve the 2009 schedule of Board of Regents' meetings.

WELCOME AND PRESENTATION BY DR. RAY BELTON, CHANCELLOR, SOUTHERN UNIVERSITY AT SHREVEPORT

Dr. Ray Belton, Chancellor, Southern University at Shreveport (SUSLA), welcomed the Board of Regents to Shreveport. He shared a power point presentation about the campus highlighting the following points:

- The mission of the university is to display a quality of excellence, integrity, viability, accountability and customer service;
- SUSLA is ranked 44th in the nation in producing African-Americans graduates;
- In 2007, the University of Texas at Austin recognized SUSLA as a national top performer;
- Enrollment is 2,449 for the fall 2008 semester;
- Nursing program has graduated 2 classes. The first graduating class had a 91.4% passage rate on the NCLEX; while the second graduating class had a 98.0% passage rate;
- The Metro Center, their current downtown location, was purchased in 2006; and
- The Aerospace Technology Center assists with meeting workforce needs in northwest Louisiana. Entry level salary for graduates will be no less than \$50,000. On October 29, SUSLA is accepting a donation of a 727 jet for the program.

Dr. Belton said he looks forward to continuing his work with the Board of Regents. Chair Strong noted that the strong leadership and staff assembled by Dr. Belton has resulted in many accomplishments.

Dr. Sally Clausen, Commissioner of Higher Education, took the opportunity to honor and recognize Dr. Leonard Barnes, an education pioneer in the Shreveport area and the second Chancellor of SUSLA. She invited Senator Jackson to escort Dr. Barnes' wife, Ms. Dortha Barnes, to the witness table, as his representative. Dr. Clausen noted that Dr. Barnes was Chancellor for 20 years, and he retired in 1987. She next invited Mr. Artis Terrell and Mr. W. Clinton Rasberry, Jr., members of the Board of Regents, for remarks about Dr. Barnes.

Regent Terrell said that Dr. Barnes influenced the lives of many students and faculty. He remarked that he remembers a stadium being named after Dr. Barnes. Mr. Terrell said that normally you could not name a stadium after someone who was alive, but since there was strong community support, the Booker T. Washington High School Stadium was named "Leonard Barnes Stadium".

Regent Rasberry said he has known Dr. Barnes for many years; in fact, Mr. Rasberry's father cherished the friendship he had with Dr. Barnes and their work toward integration. He said Dr. Barnes was a good football coach and a diligent man.

Dr. Belton mentioned that Dr. Barnes was always there for him, and he considered Mrs. Barnes "a true first lady".

Senator Jackson said Dr. Barnes was a gifted leader, armed with wisdom, an inspiration to many.

Dr. Clausen said Dr. Barnes insisted that his football players keep education as their top priority, not sports. She said he opened many doors of opportunity for students. The Board members presented a gift of recognition, a reproduction of a doorknob from the State Capitol, to Mrs. Barnes, in honor of Dr. Barnes.

Mrs. Barnes said she was surprised today and knows that Dr. Barnes will be so happy with his gift of recognition.

REPORTS AND RECOMMENDATIONS OF STANDING COMMITTEES

Before consideration of the agenda, Chair Strong entertained a motion to dispense with a reading of each Committee report but, rather, adopt the minutes and the reports and entertain the motions contained in each *in globo*.

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to dispense with a reading of each committee report and adopt the reports and approve the actions and motions contained in each report *in globo*.

FINANCE COMMITTEE (Operating Budget Hearings on October 15 and 16, 2008)

FY 2008-2009 OPERATING BUDGET REVIEW

A brief overview was presented on budget information by system level as follows.

1. Dr. John Lombardi, President of the Louisiana State University System and Mr. John Antolik, Assistant Vice President/Comptroller
2. Dr. Nancy Rabalais, Executive Director of the Louisiana Universities Marine Consortium
3. Dr. Ralph Slaughter, President of the Southern University System
4. Dr. Joe May, President of the Louisiana Community and Technical College System.
5. Dr. Randy Moffett, President of the University of Louisiana System

OTHER BUSINESS

Mr. Donald J. Vandal, Deputy Commissioner for Finance and Administration, said a brief update was given on the status of development of the new funding formula mechanism.

ADOPTION OF THE FINANCE COMMITTEE REPORT OF OCTOBER 15 AND 16, 2008

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to adopt the Finance Committee Report of October 15 and 16, 2008. (Copy on file in the office of the Board of Regents.)

PLANNING, RESEARCH AND PERFORMANCE COMMITTEE

LICENSURE

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Planning, Research and Performance Committee to approve license renewals for Delta College of Arts and Technology, Inc. and ITT Technical Institute.

BOARD OF REGENTS' OPERATIONAL PLAN, 2009-10

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Planning, Research and Performance Committee to approve the Board of Regents' Operational Plan, 2009-10.

ADOPTION OF THE PLANNING, RESEARCH AND PERFORMANCE COMMITTEE REPORT OF OCTOBER 22, 2008

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to adopt the Planning, Research and Performance Report of October 22, 2008. (Copy on file in the office of the Board of Regents.)

ACADEMIC AND STUDENT AFFAIRS COMMITTEE REPORT**PROPOSED ACADEMIC PROGRAMS****Baton Rouge Community College - A.A.S. in Accounting Technology**

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to grant conditional approval for the proposed Associate of Applied Science program in Accounting Technology (CIP Code 52.0302) at Baton Rouge Community College, effective immediately.

- 1. By April 1, 2010, the College shall submit a report to the Associate Commissioner for Academic Affairs addressing the following:**
 - a. The hiring of one additional full-time Accounting faculty in time for AY 2010-2011;**
 - b. Numbers of students and graduates; and**
 - c. Placement of graduates.**
- 2. Beginning September 1, 2010, and annually on that date until further notice, annual reports addressing “b” and “c” above only shall be due to the Associate Commissioner for Academic Affairs.**

LTC - Florida Parishes Campus - A.A.S. in Criminal Justice

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to grant conditional approval for the Associate of Applied Science program in Criminal Justice (CIP Code 43.0104) at LTC-Florida Parishes Campus. Implementation of the program shall be delayed until staff is provided evidence of successful hiring of a full-time instructor to coordinate the program. Beginning September 1, 2009, and annually on that date until otherwise indicated, a report shall be due to the Associate Commissioner for Academic Affairs addressing the following:

- 1. Adequacy of faculty and other resources;**
- 2. Numbers of students and graduate;**
- 3. Placement of graduates; and**
- 4. Status of dual enrollment of secondary students in the program.**

Southern University at Shreveport - A.S. in Event Management

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to grant conditional approval for the proposed Associate of Science (A.S.) in Event Management degree program (CIP Code 19.0604) at Southern University at Shreveport, effective immediately.

By August 1, 2009, and on that date annually thereafter until otherwise indicated, the University shall submit a progress report to the Associate Commissioner for Academic Affairs addressing the following:

1. The hiring of an additional, full-time faculty member for Fall 2009;
2. An assessment of future program faculty needs;
3. Numbers of program enrollees/completers and placement of graduates; and
4. Status of program accreditation.

PROPOSED LETTER OF INTENT - UNIVERSITY OF LOUISIANA AT MONROE - MASTER OF NURSING ADMINISTRATION

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to grant approval for the proposed Letter of Intent for the projected online Master of Science in Nursing Administration (CIP Code 51.1602) at the University of Louisiana - Monroe.

PROPOSED NEW ACADEMIC/RESEARCH UNITS

Louisiana State University Health Sciences Center at New Orleans

1. South Louisiana Institute for Infectious Disease Research

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to grant two-year, conditional approval for the proposed South Louisiana Institute for Infectious Disease Research at the Louisiana State University Health Sciences Center at New Orleans. This approval shall be effective immediately and valid through July 31, 2010. Prior to that date, the institution shall submit to the Associate Commissioner for Academic Affairs a request for full approval. Should such request not be received by the

aforementioned date, the Board of Regents shall re-examine the continuing need for this unit.

2. Louisiana Vaccine Center

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to grant one-year, conditional approval for the proposed Louisiana Vaccine Center at the Louisiana State University Health Sciences Center-New Orleans. This approval shall be effective immediately and valid through July 31, 2009. Prior to that date, the institution shall submit to the Associate Commissioner for Academic Affairs a request for full approval. This proposal should in particular address those concerns referenced in the staff summary. Should such request not be received by the aforementioned date, the Board of Regents shall re-examine the continuing need for this unit.

Louisiana State University Pennington Biomedical Research Center - Institute for Dementia Research and Prevention

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to grant one-year, conditional approval for the proposed Institute for Dementia Research and Prevention (IDRP) at the Louisiana State University Pennington Biomedical Research Center, effective immediately through September 30, 2009. Prior to that date, the institution shall submit to the Associate Commissioner for Academic Affairs a request for full approval. Should such request not be received by the aforementioned date, the Board of Regents shall re-examine the continuing need for this unit.

PROPOSED REAUTHORIZATIONS OF PREVIOUSLY APPROVED UNITS

University of New Orleans - Center for Hazards Assessment, Response, and Technology (CHART)

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to grant continued approval for the Center for Hazards Assessment, Response, and Technology (CHART) at the University of New Orleans through June 30, 2013. At that time, the University shall submit a request for reauthorization of center status and provide the Associate Commissioner for Academic Affairs with a progress report detailing Center activities to-date and external funding secured to afford future Center

operations. Should such request not be received by the aforementioned date, the Board of Regents shall re-examine the continuing need for this unit.

Louisiana State University at Shreveport - Red River Watershed Institute

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to grant continued approval for the Red River Watershed Institute at Louisiana State University-Shreveport through September 30, 2013. At that time, the University shall submit a request for reauthorization of Institute status and provide the Associate Commissioner for Academic Affairs with a progress report detailing activities to-date and external funding secured to afford future operations. Should such request not be received by the aforementioned date, the Board of Regents shall re-examine the continuing need for this unit.

Louisiana Tech University - Center for Entrepreneurship and Information Technology

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to grant continued approval for the Center for Entrepreneurship and Information Technology (CEnIT) at Louisiana Tech University through September 30, 2013. At that time, the University shall submit a request for reauthorization of center status and provide the Associate Commissioner for Academic Affairs with a progress report detailing center activities to-date and external funding secured to afford future center operations. Should such request not be received by the aforementioned date, the Board of Regents shall re-examine the continuing need for this unit.

Louisiana State University Health Sciences Center at New Orleans - The Epilepsy Center

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to grant continued approval for the Epilepsy Center at the Louisiana State University Health Sciences Center at New Orleans through September 30, 2013. At that time, the University shall submit a request for reauthorization of center status and provide the Associate Commissioner for Academic Affairs with a progress report detailing Center activities to-date and external funding secured to afford future Center operations. Should such

request not be received by the aforementioned date, the Board of Regents shall re-examine the continuing need for this unit.

PROGRESS REPORTS ON CONDITIONALLY APPROVED PROGRAMS

Delgado Community College - A.A.S. and Certificate Programs in Horticulture Technology

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to receive the 2008 Progress Report from Delgado Community College relative to the implementation of the Certificate and Associate of Applied Science Programs in Horticulture Technology. By August 1, 2009, the College shall submit a report to the Associate Commissioner for Academic Affairs addressing the following:

1. Corrective steps taken to increase numbers of program completers;
2. Numbers of program enrollees and completers; and
3. Placement of program graduates.

Louisiana Technical College - Baton Rouge - A.A.S. in Occupational Education

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to receive the AY 2007-08 Progress Report from the LTC-Baton Rouge relative to the implementation of the A.A.S. in Occupational Education. By August 1, 2009, the College shall submit a further progress report to the Associate Commissioner for Academic Affairs documenting:

1. Numbers of enrollees;
2. Timely progress of students toward degree completion;
3. Numbers of graduates; and
4. Placement of graduates.

Louisiana State University Health Sciences Center at New Orleans - Ph.D. in Biostatistics

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Academic and Student

Affairs Committee to receive the Progress Report relative to implementation of the Ph.D. Program in Biostatistics at the LSUHSC-NO.

As required by previous Regents action, the next report shall be due August 31, 2009, and annually on that date until CEPH accreditation has been achieved by the School of Public Health, the LSUHSC-NO shall submit to the Associate Commissioner for Academic Affairs a progress report addressing the following:

- 1. Numbers of students/graduates/placement of graduates, when applicable;**
- 2. Updates on faculty workload;**
- 3. Documentation of the use of adjunct faculty, graduate teaching associates and distance learning technology to distribute teaching load/effect interactions with closely related state institutions (LSUHSC-S, LSU A&M, UNO, La Tech, Pennington); and**
- 4. Progress toward CEPH accreditation.**

RESEARCH UNIT TERMINATIONS

Southern University and A&M College

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to terminate the Urban Recreation Research Center at Southern University and A&M College, effective immediately.

University of Louisiana at Lafayette - Center for Business and Economic Research

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to terminate the Center for Business and Economic Research (CBER) at the University of Louisiana at Lafayette effective immediately.

TEACHER EDUCATION INITIATIVES - REPORT ON THE BLUE RIBBON COMMISSION FOR EDUCATIONAL EXCELLENCE

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Academic and Student Affairs Committee to grant approval of the appointment of the following individuals to the Blue Ribbon Commission for Educational Excellence:

1. **Dr. Randy Moffett, President, University of Louisiana System (representing university presidents);**
2. **Dr. Diane Allen, Southeastern Louisiana University (representing the public College of Education Deans); and**
3. **Dr. Patricia Morris, Dillard University (representing the private College of Education Deans)**

ADOPTION OF THE ACADEMIC AND STUDENT AFFAIRS COMMITTEE REPORT OF OCTOBER 22, 2008

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to adopt the Academic and Student Affairs Committee Report of October 22, 2008. (Copy on file in the office of the Board of Regents.)

FACILITIES AND PROPERTY COMMITTEE

SMALL CAPITAL PROJECTS REPORT

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Facilities and Property Committee to approve the Small Capital Projects Report as presented by the staff.

Coates Hall Classroom Renovation - Rooms 234, 236, and 237 - Louisiana State University and A&M College
\$130,000 from State Funds

Paul M. Hebert Law Center Law Clinic Renovation - Louisiana State University Law Center
\$397,000 from State Funds

Miller Hall Roof Project - Louisiana State University and A&M College
REAPPROVAL from \$250,000 to \$325,000 from State Funds

FY 2009-2010 CAPITAL OUTLAY BUDGET RECOMMENDATION

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Facilities and Property Committee to approve the FY 2009-2010 Capital Outlay Budget Recommendation.

PROJECTS UTILIZING ALTERNATIVE MEANS OF FINANCING



On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Facilities and Property Committee to approve the project for the Renovation of and Addition to the Student Union at Southeastern Louisiana University utilizing alternative means of financing.



ACT 971 PROJECTS

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Facilities and Property Committee to approve the Act 971 submittals for the following institutions: Southern University and A&M College, the Southern University Law Center, Southern University at Shreveport, Nunez Community College, Grambling State University, Southeastern Louisiana University, and the University of Louisiana at Monroe.

ADOPTION OF THE FACILITIES AND PROPERTY COMMITTEE REPORT OF OCTOBER 22, 2008

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to adopt the Facilities and Property Committee Report of October 22, 2008. (Copy on file in the office of the Board of Regents.)

FINANCE COMMITTEE

REVIEW AND CONSIDERATION OF THE FY 2008-09 OPERATING BUDGETS

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Finance Committee to approve the FY 2008-2009 Operating Budget Submissions.

REVIEW OF FORMULA FUNDING DEVELOPMENT

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Finance Committee to authorize the staff to continue to work with the System Presidents in refining the formula and in development of budget proposals directed at implementing the formula.

ADOPTION OF THE FINANCE COMMITTEE REPORT OF OCTOBER 22, 2008

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to adopt the Finance Committee Report of October 22, 2008. (Copy on file in the office of the Board of Regents.)

SPONSORED PROGRAMS COMMITTEE

Dr. Kerry Davidson, Deputy Commissioner for Sponsored Programs, said he had presented a power point presentation on the following items:

- The 2008-09 Endowed Chairs for Eminent Scholars Program Comprehensive Review
- The 2009-10 Research and Development Program Comprehensive Review
- The LA GEAR UP Introductory Conferences with Districts/schools

ADOPTION OF THE SPONSORED PROGRAMS COMMITTEE REPORT OF OCTOBER 22, 2008

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to adopt the Sponsored Programs Committee Report of October 22, 2008. (Copy on file in the office of the Board of Regents.)

EXECUTIVE COMMITTEE

NATIONAL LAMBDARAIL (NLR) AND LOUISIANA OPTICAL NETWORK INITIATIVE (LONI) UPDATE

Ms. Connie Koury, General Counsel, Board of Regents, and Mr. Donald Vandal, Deputy Commissioner for Finance and Administration, Board of Regents, noted that an update was given regarding the last year of the five-year membership agreement with NLR.

BOARD OF REGENTS' STAFF COST-OF-LIVING PROPOSAL

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to accept the recommendation of the Executive Committee to approve an unclassified staff merit evaluation and pay plan 3% on the average.

ADOPTION OF THE EXECUTIVE COMMITTEE REPORT OF OCTOBER 22, 2008

On motion of Regent Brame, seconded by Regent Rasberry, the Board voted unanimously to adopt the Executive Committee Report of October 22, 2008.
(Copy on file in the office of the Board of Regents.)

ENDOWED CHECK PRESENTATION

Dr. Clausen next recognized two campuses, the University of Louisiana at Monroe (ULM) and Southern University at Shreveport and their donors today at the Endowed Check presentation.

Regents Strong and Levy presented a check in the amount of \$40,000 to Dr. Mark Doherty, Department Chair, Department of Kinesiology, at ULM for the George L. "Chip" Luffey Endowed Professorship in Kinesiology. Dr. Clausen said that Mr. George Luffey, former member of the Board of Regents, has funded four scholarships in his late son's name. She said Mr. Luffey had recently been honored at ULM with a Lifetime Achievement Award for his generosity, community service and leadership.

Regents Strong, Rasberry and Terrell presented a check in the amount of \$120,000 to Dr. Kassie Freeman and Mr. Tolor White of the Southern University System along with Senator Lydia Jackson, Representative Patrick Williams, and Dr. Ray Belton for two professorships in the name of Jack Binion/Shreveport Endowed Professorship in Business. Dr. Freeman said she was honored to have the Regents in Shreveport, and she said the SUSLA campus was a model for all Southern University campuses.

**REPORTS AND RECOMMENDATIONS OF THE
COMMISSIONER OF HIGHER EDUCATION**

Dr. Clausen once again thanked Dr. Belton for his “Jaguar” hospitality. She also expressed gratitude to Regent Rasberry for hosting the Regents and staff at dinner on Wednesday night.

She continued by listing activities since the last Board meeting as well as upcoming events she will attend.

- Met with Ms. Beth Courtney and the Ford Foundation;
- Continues to work with the system presidents on the goal of increasing completers;
- Working with the Governor’s office on the funding formula;
- Working lunch with Paul Pastorek on K-12 issues;
- Ethics training for the staff of the Board of Regents;
- Dinner with John Spain, John Davies and Christal Slaughter of the Baton Rouge Area Foundation;
- Fall Research Advisory Committee meeting on October 29;
- Dr. Joseph Savoie’s investiture and ULL endowed check presentation on October 30;
- AGB Council of Presidents meeting on November 2 and 3;
- New Orleans endowed check presentation on November 5;
- College Career Ready Policy Institute Leadership Session on November 18-20; and
- AASCU on November 23.

ADJOURNMENT

Regent Strong thanked everyone for being here and stated there being no further business to come before the Board, the meeting was adjourned at 10:30 a.m.

UNIVERSITY FACILITIES, INC.

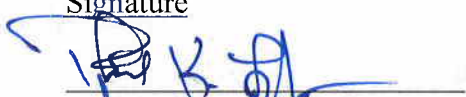


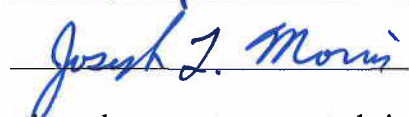
General Certificate of the Corporation

- Re:** \$25,470,000 Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A (the "**Series 2010A Bonds**")
- and** \$5,785,000 Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc.) Series 2010B (the "**Series 2010B Bonds**")

As of November 17, 2010

The undersigned, representing University Facilities, Inc. (the "**Corporation**"), hereby certifies as follows:

1. Attached hereto as **Exhibit A** is the certificate of good standing status of the Corporation in the State of Louisiana issued by the Secretary of State of the State of Louisiana.
2. Attached hereto as **Exhibit B** is a certified copy of the Articles of Incorporation of the Corporation, together with any amendments thereto, as in effect on the date hereof.
3. Attached hereto as **Exhibit C** is a true, correct and complete copy of the By-Laws of the Corporation, together with any amendments thereto, as in effect on the date hereof.
4. Attached hereto as **Exhibit D** is a true, correct and complete copy of the written determination from the Internal Revenue Service dated March 10, 1999, that the Corporation has been determined to be an organization that is exempt from federal income taxation under §501(a) of the Internal Revenue Code of 1986, as amended (the "**Code**"), by virtue of being an organization described in §501(c)(3) of the Code.
4. The persons named below are at the date hereof the duly elected, qualified and acting officers of the Corporation holding the offices indicated are designated for purposes of the above-referenced bond issue as "**Authorized Corporation Representatives**" and the corresponding signature is the genuine signature of the person named:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Phil K. Livingston	President/Chairman	
Jack Gautier	Vice President/Vice Chairman	
Stephen M. Smith	Member	
Joseph Morris	Executive Director	

5. The following documents, together with any other documents executed in connection with the following documents and the transactions evidenced thereby, are collectively referred to as the ***“Corporation Documents”***:

- The Articles of Incorporation, the Bylaws, and the minute book of the Corporation.
- The Trust Indenture (the ***“Indenture”***) dated as of November 1, 2010, by and between the Louisiana Local Government Environmental Facilities and Community Development Authority, as Issuer (the ***“Authority”***) and Regions Bank, as Trustee (in such capacity, the ***“Trustee”***).
- The Loan and Assignment Agreement (the ***“Loan Agreement”***) dated as of November 1, 2010, by and between the Authority and the Corporation.
- The Ground Lease Agreement dated as of January 1, 2010, by and between the Board of Supervisors for the University of Louisiana System (the ***“Board”***) on behalf of Southeastern Louisiana University (the ***“University”***), and the Corporation (the ***“Ground Lease”***).
- The Agreement to Lease with Option to Purchase dated as of January 1, 2010, by and between the Corporation and the Board on behalf of the University, as amended by the First Amendment to Agreement to Lease with Option to Purchase dated as of November 1, 2010, by and between the Corporation and the Board on behalf of the University (collectively, the ***“Facilities Lease”***).
- The Act of Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement dated November 17, 2010 (the ***“Mortgage”***), by the Corporation in favor of the Trustee.
- The Company Certificate executed by the Board and the Corporation and attached as Exhibit A to the Tax Regulatory Agreement and Arbitrage Certificate (the ***“Tax***

Agreement") dated as of November 17, 2010, by and between the Authority and the Trustee.

- The Bond Purchase Agreement (the "*Bond Purchase Agreement*") dated as of November 4, 2010, among the Authority, the Corporation, and Morgan Keegan & Company, Inc., as Underwriter (the "*Underwriter*").
 - The Official Statement (the "*Official Statement*") dated November 4, 2010, by the Underwriter.
6. Attached hereto as **Exhibit E** is a copy of the resolution of the Corporation dated November 7, 2008 (the "*Resolution*"). Said Resolution is a true, complete and correct copy of the Resolution and remains in full force and effect without modification, alteration or amendment.
7. Pursuant to the Bond Purchase Agreement among the Corporation, the Authority and the Underwriters named therein, I hereby certify that:
- (a) (i) each of the representations and warranties of the Corporation contained in the Bond Purchase Agreement and in the Corporation Documents, is true, accurate and complete in every material respect and (ii) the Corporation has complied with and performed its obligations to be performed on and prior to the Closing Date under the Bond Purchase Agreement and under all of the Corporation Documents in every material respect;
 - (b) The Official Statement dated November 4, 2010, as of that date, is accurate in all material respects, and does not include any untrue statements of a material fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;
 - (c) Except as disclosed in the Official Statement, there is no pending or, to the best of the knowledge of the Corporation, threatened legal action against the Corporation, nor any suit other proceeding, inquiry or investigation at law or in equity, before or by any court, governmental agency, authority, board, body or arbitrator, nor, to the best of the knowledge of the Corporation, is there any basis therefore, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Corporation Documents, the Official Statement or any agreement or instrument to which the Corporation is a party or by which it is bound, and which is used or contemplated for use in the consummation of the transactions contemplated therein and herein, or which would materially

adversely affect the transactions contemplated by the foregoing, or which would adversely affect the exclusion from gross income of the interest on the Bonds for federal income tax purposes;

- (d) (i) The Corporation is a private nonprofit corporation duly incorporated, validly organized and existing and qualified to do business and in good standing under the laws of the State of Louisiana; (ii) it is organized under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201 et seq.) and operated to support and benefit the educational, scientific, research and public service missions of University Facilities, Inc. (iii) it is not organized and operated for pecuniary profit; and (iv) it is organized and operated such that no part of its net earnings will inure to the benefit of any person, private stockholder or individual;
- (e) The Corporation has authorized all action necessary to be taken for the execution, delivery and due performance by Corporation under the Corporation Documents;
- (f) The execution and delivery of the Corporation Documents will not conflict with or constitute a breach of or default under any existing law, court order or administrative regulation, decree or order or any agreement, indenture, mortgage or other instrument to which the Corporation is subject or under which the Corporation or its properties is or may be bound;
- (g) The execution and delivery of the Corporation Documents will not conflict with or constitute a breach of or default under its Articles of Incorporation or By-Laws;
- (h) Since the date of the Official Statement, no material and adverse change has occurred in the financial position or results of operations of the Corporation;
- (i) The Corporation has not, since the end of its most recent fiscal year, incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Preliminary Official Statement;
- (j) No event affecting the Corporation has occurred since the date of the Preliminary Official Statement that should be disclosed in the Preliminary Official Statement for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein in light of the circumstances in which


they are made not misleading as of the Closing Date in any material respect; and

- (k) There has been no change or threatened change in the status of the Corporation as a nonprofit corporation exempt from federal income taxation under §501(a) of the Code or its liability for federal income taxes for any tax year ended before the Closing Date.

IN WITNESS WHEREOF, the undersigned has hereunto set his signature as of the 17th day of November, 2010.

UNIVERSITY FACILITIES, INC.

By:



Jack Gautier, Vice President/Vice Chairman

Acknowledgment and Signature Identification:

By:



Phil K. Livingston, President/Chairman

Exhibits:

- Exhibit A:** Certificate of Good Standing of the Corporation in the State of Louisiana issued by the Secretary of State of the State of Louisiana.
- Exhibit B:** Certified copy of the Articles of Incorporation of the Corporation, together with any amendments thereto, as in effect on the date hereof.
- Exhibit C:** True, correct and complete copy of the By-Laws of the Corporation, together with any amendments thereto, as in effect on the date hereof.
- Exhibit D:** True, correct and complete copy of a written determination from the Internal Revenue Service dated March 10, 1999, that the Corporation has been determined to be an organization that is exempt from federal income taxation.
- Exhibit E:** Copies of the resolution of the Corporation dated November 7, 2008.

End of Document



Jay Dardenne
 SECRETARY OF STATE

As Secretary of State of the State of Louisiana, I do hereby Certify that

UNIVERSITY FACILITIES, INC.

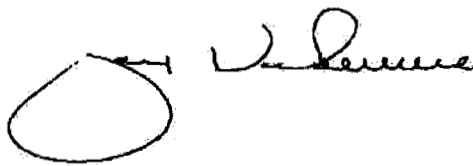
A corporation domiciled in HAMMOND, LOUISIANA,

Filed charter and qualified to do business in this State on November 10, 1997,

I further certify that the records of this Office indicate the corporation has paid all fees due the Secretary of State, and so far as the Office of the Secretary of State is concerned is in good standing and is authorized to do business in this State as a Non-Profit Corporation.

In testimony whereof, I have hereunto set my hand and caused the Seal of my Office to be affixed at the City of Baton Rouge on,

November 5, 2010



Secretary of State

AG 34576750N



Certificate ID: 10114389#KUL73

To validate this certificate, visit the following web site, go to **Commercial Division, Certificate Validation**, then follow the instructions displayed.
www.sos.louisiana.gov



Jay Bardenne
SECRETARY OF STATE

As Secretary of State of the State of Louisiana I do hereby Certify that

the attached document(s) of

UNIVERSITY FACILITIES, INC.

are true and correct and are filed in the Louisiana Secretary of State's Office.

34576750N	ORIGF	11/10/1997	7 page (s)
34610339	AMEND	2/5/1998	2 page (s)
34706277	AMEND	11/10/1998	2 page (s)
40035799	09 AR	10/26/2009	1 page (s)

In testimony whereof, I have hereunto set my hand and caused the Seal of my Office to be affixed at the City of Baton Rouge on,

November 5, 2010

Jay Bardenne

Secretary of State

AG 34576750N



Certificate ID: 10114390#JUL73
To validate this certificate, visit the following web site, go to **Commercial Division, Certificate Validation**, then follow the instructions displayed.
www.sos.louisiana.gov

**ARTICLES OF INCORPORATION OF
UNIVERSITY FACILITIES, INC.
A NONPROFIT CORPORATION**

**STATE OF LOUISIANA
PARISH OF TANGIPAHOA**

Before the undersigned Notary Public, duly commissioned and qualified, and in the presence of the undersigned competent witnesses, personally appeared:

Phil K. Livingston, a resident of the full age of majority of Tangipahoa Parish, Louisiana, with a mailing address of 1543 West Belleridge Drive, Hammond, Louisiana 70401;

who declared, in the presence of the undersigned notary public and in the presence of the undersigned competent witnesses, that, availing himself of the provisions of the Louisiana Nonprofit Corporation Law (Title 12, Chapter 2, Louisiana Revised Statutes 1950, as revised and codified by Acts 1968, No. 105, Legislature of Louisiana, and as thereafter amended), he does hereby organize a nonprofit corporation in pursuance of that law, under and in accordance with the following Articles of Incorporation:

ARTICLE 1

NAME

The name of this corporation is **UNIVERSITY FACILITIES, INC.**

ARTICLE 2

OBJECTS AND PURPOSES

The exclusive object and purpose for which this corporation is formed is to promote, assist and benefit the mission of Southeastern Louisiana University by engaging in any lawful activity in which a nonprofit corporation meeting the requirements of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("IRC" or "Code"), may engage, all in accordance with the directions received from its Board of Directors, specifically including, but not limited to, acquiring, constructing, developing, managing, leasing as lessor or lessee, mortgaging and/or conveying student housing and other facilities on the campus of Southeastern Louisiana University (the "University").

In carrying out this object and purpose, the corporation shall have and enjoy every power and authority granted by the Louisiana Nonprofit Corporation Law.

ARTICLE 3

DURATION

The duration of this corporation shall be in perpetuity, or such maximum period as may be authorized by the Louisiana Nonprofit Corporation Law.

ARTICLE 4

NONPROFIT CORPORATION

This corporation is a nonprofit corporation.

ARTICLE 5

REGISTERED OFFICE

The registered office of the corporation shall be located at:

8555 United Plaza Boulevard, 5th Floor
Baton Rouge, Louisiana 70809

ARTICLE 6

REGISTERED AGENT

The full name and address of the corporation's registered agent is:

Michael C. Herbert
8555 United Plaza Boulevard, 5th Floor
Baton Rouge, Louisiana 70809

ARTICLE 7

INCORPORATOR

The full name and address of the incorporator is:

Phil K. Livingston
1505 University Drive
Hammond, Louisiana 70401

ARTICLE 8

BOARD OF DIRECTORS

SECTION 1: Unless and until otherwise provided in the By-laws, all of the corporate powers of this corporation shall be vested in and all of the business and affairs of this corporation shall be managed by the Board of Directors.

SECTION 2: Subject to Article 8, Section 3 below which sets forth the initial Board of Directors, the number, qualifications, manner of election and removal from office, length of terms, meeting and voting procedures, powers and duties of the Board of Directors shall be prescribed in the By-laws of the corporation.

SECTION 3: The initial Board of Directors shall consist of three (3) members whose names, physical addresses and length of initial terms are as follows:

Name and Address	End of Term:
Phil K. Livingston 1505 University Drive Hammond, Louisiana 70401	6/30/2001
Stephen Smith 213 College Drive Hammond, Louisiana 70401	6/30/1999
Charles Redmond 1543 West Belleridge Drive Baton Rouge, Louisiana 70815	6/30/2000

ARTICLE 9

MEMBERSHIP

SECTION 1: This corporation is organized on a non-stock basis.

SECTION 2: The Board of Directors shall comprise the entire membership of the corporation.

ARTICLE 10

ASSETS OF THE CORPORATION

SECTION 1: All revenues collected by the corporation shall be used by it to carry out its objects and purposes.

SECTION 2: The corporation shall observe all local, state and federal laws which apply to nonprofit organizations meeting the requirements of IRC Section 501(c)(3). Upon the dissolution or final liquidation of the corporation, any assets and funds of the corporation which exceed its outstanding liabilities shall be transferred, paid, distributed and delivered to the University. In no event shall the directors, officers or members of this corporation receive any of the corporation's assets or funds upon its dissolution or final liquidation.

ARTICLE 11

CORPORATE ACTIVITIES

SECTION 1: No part of the net earnings or other funds of the corporation shall inure to the benefit of or be distributed to its directors, officers, or other persons, except that the corporation shall be authorized and empowered to pay reasonable expenses incurred for services actually rendered on its behalf and to make payments and distributions in furtherance of the objects and purposes of the corporation.

SECTION 2: No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended or (c) by a nonprofit corporation under the laws of the State of Louisiana, as amended.

SECTION 3: All actions taken by the corporation shall implement the mission, objects and purposes of the corporation and conform with applicable laws and regulations providing tax exempt status.

ARTICLE 12

AMENDMENTS AND DISSOLUTION

SECTION 1: These Articles of Incorporation may be amended by a two-thirds (2/3) vote of the Board of Directors in accordance with the notice requirements set out in the By-laws of the corporation.

SECTION 2: Authorization of the voluntary dissolution or liquidation of the corporation shall be taken only by a two-thirds (2/3) vote of the Board of Directors of the corporation and as is otherwise provided in the By-laws of the corporation.

ARTICLE 13

CORPORATE LIABILITY AND INDEMNIFICATION

SECTION 1: No incorporator, director, officer, employee, member or agent of this corporation shall ever be held liable or responsible for the contracts, debts or defaults of the corporation, nor shall any mere informality in organization have the effect of rendering these Articles of Incorporation null or of exposing the incorporator, director, officer, employee, member or agent to any liability whatsoever.

SECTION 2: The corporation shall indemnify and hold harmless each incorporator, director, officer, employee, member or agent now or hereafter serving the corporation in accordance with the terms and conditions set forth in the By-laws of the corporation.

THUS DONE AND PASSED at Hammond, Louisiana, on the 10th day of November, 1997,
in the presence of the undersigned Notary Public and competent witnesses.

WITNESSES:

Jane W. Notarise
Studia Dorman

INCORPORATOR:

Phil K. Livingston
Phil K. Livingston

Michael C. Herbert
NOTARY PUBLIC

MICHAEL C. HERBERT, NOTARY PUBLIC
MY COMMISSION EXPIRES AT DEATH

**AFFIDAVIT OF ACCEPTANCE OF APPOINTMENT
BY DESIGNATED REGISTERED AGENT**

To the Corporation Department of the Secretary of State,
State of Louisiana

**STATE OF LOUISIANA
PARISH OF TANGIPAHOA**

On this 10th day of November, 1997, before me, a Notary Public in and for the State and Parish aforesaid, personally came and appeared Michael C. Herbert, who is to me known to be the person, and who, being duly sworn, acknowledged to me that he does hereby accept appointment as the registered agent of **University Facilities, Inc.**, a nonprofit corporation authorized to transact business in the State of Louisiana pursuant to the provisions of the Louisiana Nonprofit Corporation Law (Title 12, Chapter 2, Louisiana Revised Statutes 1950, as revised and codified by Acts 1968, No. 105, Legislature of Louisiana).



Michael C. Herbert

SWORN TO AND SUBSCRIBED before me, this 10th day of November, 1997.



NOTARY PUBLIC

**CERTIFICATE OF CORRECTION TO
ARTICLES OF INCORPORATION OF
UNIVERSITY FACILITIES, INC.**

**STATE OF LOUISIANA
PARISH OF TANGIPAHOA**

BEFORE ME, the undersigned Notary Public in and for the State of Louisiana, and in the presence of the undersigned competent witnesses, personally appeared the persons whose names are hereunto subscribed, who declared that:

A. University Facilities, Inc. (the "Corporation") is a non-profit corporation organized under the laws of the State of Louisiana by and under Articles of Incorporation dated November 10, 1997, which have been filed of record in the Office of the Louisiana Secretary of State on November 10, 1997.

B. Certain errors in the Articles of Incorporation have been discovered and therefore the Corporation desires to correct its Articles of Incorporation as set forth below.

C. In accordance with the provisions of the Louisiana Non-Profit Corporation Law (Title 12, Chapter 2, Louisiana Revised Statute 1950, as revised and codified by Act 1968, No. 105, Legislature of Louisiana, and as thereafter amended), the Corporation hereby corrects its Articles of Incorporation as follows:

D. In order to correct the address of the incorporator of the corporation shown in the appearance clause on the first page of the Articles of Incorporation, said appearance clause is hereby deleted in its entirety and in lieu thereof is placed the following:

"Phil K. Livingston, a resident of the full age of majority of Tangipahoa Parish, Louisiana, with a mailing address of 1505 University Drive, Hammond, Louisiana 70401"

E. In order to correct the name of the third member of the Board of Directors listed in Article 8, Section 3 of the Articles of Incorporation at the bottom of page 3, the information relating to said member is hereby deleted in its entirety and in lieu thereof is placed the following:

"Charles Redman
1543 West Belleridge Drive
Baton Rouge, Louisiana 70815"

G. In all other respects the Articles of Incorporation of the Corporation are correct.

THUS DONE AND PASSED at Hammond, Louisiana, on the 23rd day of December, 1997, in the presence of the undersigned Notary Public and competent witnesses:

WITNESSES:

Stacy L. Knight

Stephen Smith
Stephen Smith, President and Chairperson

Charles J. Augmy

Nick J. Bruno
Nick J. Bruno, Secretary and Executive Director

Paul M. Regg
Notary Public

AMENDMENT TO THE
ARTICLES OF INCORPORATION
UNIVERSITY FACILITIES, INC.

UNITED STATES OF AMERICA
STATE OF LOUISIANA
PARISH OF TANGIPAHOA

BE IT KNOWN, that on the 27th day of October, 1998,

BEFORE ME, the undersigned authority, a Notary Public, duly commissioned and qualified in and for the aforesaid Parish and State, and in the presence of the undersigned competent witnesses, personally came and appeared:

STEPHEN SMITH AND NICK J. BRUNO

President and Secretary of the Corporation, who declared unto me, Notary, that they are the persons authorized and directed by a resolution of a special meeting of the Members and Directors of the Corporation held on October 6, 1998, to execute this Amendment to the Articles of Incorporation and that at said meeting, a majority of the Corporation's Directors were present and both Directors present did vote in favor of the resolutions adopted at said meeting.

Appararer further declared that in accordance with the resolutions adopted at said meeting Article 2 of the Articles of Incorporation is hereby amended to include the following language after the last sentence, to-wit:

The Corporation shall also have the express authority to enter into consulting agreements and provide consulting services to third parties, for a fee, to the extent that the receipt of such fees do not affect the exempt status of the Corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

Appararers further declared that in all other respects the Articles of Incorporation and all other amendments thereto shall remain in full force and effect.

THUS DONE AND SIGNED in multiple originals in my office in Hammond, Louisiana, on the day, month and year hereinabove first written, and in the presence of the undersigned

competent witnesses who hereunto sign their names with the said Appearer and me, Notary,
after due reading of the whole.

WITNESSES:

UNIVERSITY FACILITIES, INC.

Mary A. Costanza

BY:




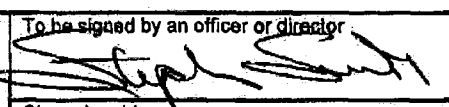
Stephen Smith
STEPHEN SMITH, PRESIDENT

Robert J. Supary

BY:

Nick J. Bruno
NICK J. BRUNO, SECRETARY

Patrick K. Ross
NOTARY PUBLIC

JAY DARDENNE Secretary of State 	DOMESTIC CORPORATION ANNUAL REPORT For Period Ending 11/10/2009	 34576750N  2009												
Mailing Address Only (INDICATE CHANGES TO THIS ADDRESS IN THIS BOX) 34576750 N UNIVERSITY FACILITIES, INC. C/O MR. STEPHEN SMITH BOX 746, SLU HAMMOND, LA 70402	(INDICATE CHANGES TO THIS ADDRESS IN THIS BOX) Registered Office Address in Louisiana (Do not use P. O. Box) 213 COLLEGE DR. HAMMOND, LA 70401 <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Federal Tax ID Number</td> <td style="width:40%;"></td> </tr> </table>		Federal Tax ID Number											
Federal Tax ID Number														
Our records indicate the following registered agents for the corporation. Indicate any changes or deletions below. All agents must have a Louisiana address. Do not use a P. O. Box. A NEW REGISTERED AGENT REQUIRES A NOTARIZED SIGNATURE. T. JAY SEALE, III 200 NORTH CATE ST. HAMMOND, LA 70401														
I hereby accept the appointment of registered agent(s).	Sworn to and subscribed before me on NOTARY NAME MUST BE TYPED OR PRINTED WITH NOTARY #													
New Registered Agent Signature	Notary Signature	Date												
This report reflects a maximum of three officers or directors from our records for this corporation. Indicate any changes or deletions below. Include a listing of all names along with each title held and their address. Do not use a P. O. Box. If additional space is needed attach an addendum.														
<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">PHIL K. LIVINGSTON</td> <td style="width:40%;">Director</td> </tr> <tr> <td>1505 UNIVERSITY DRIVE HAMMOND, LA 70401</td> <td></td> </tr> <tr> <td>STEPHEN SMITH</td> <td>Director</td> </tr> <tr> <td>20039 RIVER CREST DR. HAMMOND, LA 70403</td> <td></td> </tr> <tr> <td>JOHN W. GAUTIER</td> <td>Director</td> </tr> <tr> <td>1301 N. GENERAL PERSHING HAMMOND, LA 70401</td> <td></td> </tr> </table>			PHIL K. LIVINGSTON	Director	1505 UNIVERSITY DRIVE HAMMOND, LA 70401		STEPHEN SMITH	Director	20039 RIVER CREST DR. HAMMOND, LA 70403		JOHN W. GAUTIER	Director	1301 N. GENERAL PERSHING HAMMOND, LA 70401	
PHIL K. LIVINGSTON	Director													
1505 UNIVERSITY DRIVE HAMMOND, LA 70401														
STEPHEN SMITH	Director													
20039 RIVER CREST DR. HAMMOND, LA 70403														
JOHN W. GAUTIER	Director													
1301 N. GENERAL PERSHING HAMMOND, LA 70401														
SIGN → To be signed by an officer or director  Signee's address SLU 10709, Hammond, LA 70402	Title BO MGR Phone 985-589-2282	Date 10-15-09 (For Office Use Only)												
Email Address SSmith@selu.edu														
Enclose filing fee of \$5.00 Make remittance payable to Secretary of State Do Not Send Cash Do Not Staple web site: www.sos.louisiana.gov		Return by: 11/10/2009 To: Commercial Division P. O. Box 94125 Baton Rouge, LA 70804-9125 Phone (225) 925-4704												
DO NOT STAPLE		3												

BY-LAWS
OF
UNIVERSITY FACILITIES, INC.

PREAMBLE

University Facilities, Inc. (the "**Corporation**"), by its Board of Directors (collectively "**Board**"), does hereby adopt the following by-laws ("**By-laws**"):

ARTICLE I

GENERAL

SECTION 1: Name. This organization is a nonprofit corporation under the laws of the State of Louisiana, and shall be known as "University Facilities, Inc."

SECTION 2: Principal Office. The principal office of the Corporation shall be located at 213 College Drive, Hammond, Louisiana 70401. The registered office of the Corporation shall be located at 8555 United Plaza Boulevard, 5th Floor, Baton Rouge, Louisiana 70809. The Corporation may change the principal and/or registered office or have such additional offices as the Board, may, from time to time, determine to be in the best interest of the Corporation.

SECTION 3: Mission and Objectives.

(A) **Mission Statement.** The mission of the Corporation ("**Mission**") shall be to promote, assist and benefit the educational, scientific, research and public service mission of Southeastern Louisiana University (the "**University**").

(B) **Corporate Objectives.** The implementation of the Mission shall include the following, non-exclusive objectives (collectively "**Corporate Objectives**"):

1. To acquire, construct, develop, manage, lease as lessor or lessee, mortgage and/or convey student housing and other facilities on the campus of the University.
2. To provide financial assistance to the University and its students and to aid and facilitate the carrying on by the University of its mission.

3. To engage in any other lawful activity deemed by the Corporation necessary or advisable in order to support and assist the University in carrying out its mission and objectives.

SECTION 4: Limitation of Authority. The Corporation and its activities shall be nonpartisan, nonsectional and nonsectarian. It shall observe all local, state and federal laws which apply to nonprofit organizations as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("**IRC**"), or any subsequent provisions. No part of the Corporation's net earnings shall inure to the benefit of any Member or other person. The Corporation is not organized for profit and shall not engage in any activity ordinarily carried on for profit that is not in furtherance of its exempt purpose.

ARTICLE II

MEMBERSHIP

SECTION 1: Non-Stock Membership. The Corporation is organized on a membership and not a stock basis.

SECTION 2: Eligibility. The Board shall constitute the entire membership of the Corporation.

ARTICLE III

SELECTION OF BOARD

SECTION 1: Function. The complete direction and management of the affairs of the Corporation and the control and disposition of its properties and funds shall be vested in the Board. The duties of the Board shall include, but shall not be limited to, establishing policies and making decisions for the Corporation, electing subsequent members of the Board of Directors (the "**Directors**") and electing officers.

SECTION 2: Number. The number of Directors shall consist of either (3) or five (5) individuals, as determined from time to time by the Board.

SECTION 3: Composition. Every seat on the Board to be filled because of the expiration of the term of a Director shall be filled by the majority vote of the remaining Directors whose seats are not being filled as set forth herein. If there are three Directors, one of the seats on the Board (the "**University Seat**") shall be filled by persons nominated by the President of the University and the remaining two seats on the Board (the "**At Large Seats**") shall be filled by persons nominated by the remaining Director whose At Large Seat is not being filled. If there are five Directors, there shall be two University Seats filled by persons nominated by the President of the University and the remaining three seats shall be At Large Seats filled by persons nominated by the remaining Directors whose At Large Seats are not being filled. The procedure for the nomination and election of Directors shall be in accordance with Section 6 of this Article.

SECTION 4: Terms.

(A) **Five Year Terms.** The Directors shall serve five (5) year terms. No person who has served two (2) consecutive terms is eligible for election as a Director. A period of one (1) year must elapse before eligibility is restored.

(B) **Term for University Seats.** Directors holding University Seats shall serve for the term for which they were elected as determined in accordance with these By-laws; provided, however, that they shall vacate their seats on the Board in the event they no longer are employed by the University. Such vacancy shall be filled in accordance with Section 8 below.

SECTION 5: Staggered Terms.

(A) **First Initial Terms.** Notwithstanding the provisions of Section 4, during the initial year of the Corporation only, one of the initial Directors shall serve a three (3) year term, one of the initial Directors shall serve a four (4) year term, and one of the initial Directors shall serve a five (5) year term. After three years and for each year thereafter, one new director shall be elected for the normal five (5) year term at each annual meeting.

(B) **Exception - Term Limitation.** Notwithstanding the provisions of Section 4, the Director serving an initial one (1) year term shall have the right to serve, if properly re-elected, two (2) additional consecutive terms of five (5) years each.

SECTION 6: Director Nominations.

(A) **Procedure.** The President of the University shall nominate one or more candidates to fill each of the University Seats to be filled. Any Director whose At Large Seat is not being filled shall have the right to nominate one or more candidates to fill each of the At Large Seats to be filled.

(B) **Delivery of Nominations; Election of Directors.** At the annual meeting of the Corporation, all nominations shall be delivered to and voted upon by each of the Directors whose seats are not being filled (both those holding University Seats and those holding At Large Seats), and the remaining Directors shall by majority vote elect a Director to fill the Board seat from the nominees selected in accordance with Section 6(A) above, with the candidate receiving the greatest number of votes elected to the Board.

SECTION 7: Seating of New Directors and Officers. All new Directors shall serve effective the date of their election and be seated at such meeting. New Officers shall also commence their term effective as of such meeting.

SECTION 8: Vacancies. Vacancies among the Directors other than at the expiration of their term may be filled using the same procedure as for vacancies arising due to the expiration of the term of a Director, depending on which type of seat such Director held. Persons nominated in such manner to fill such a vacancy shall be elected by a majority vote of the Board for the unexpired term of the vacant directorship and shall serve effective as of the date of their election.

SECTION 9: Removal. Any Director may be removed at any time, with or without cause by a vote of two-thirds (2/3rds) of the Board.

SECTION 10: Resignation. Any Director may resign at any time by giving written notice to the Chairperson or Secretary. The resignation of any Director shall take effect at the time specified in such notice and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE IV

MEETINGS OF THE BOARD

SECTION 1: Voting. All Directors shall have an equal vote.

SECTION 2: Quorum. A quorum for a meeting of the Board shall consist of a majority of the Directors. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

SECTION 3: Annual Meeting. The annual meeting of the Board shall be held in each year during the period beginning one hundred twenty days prior to the close of the fiscal year. Notice of the time and place of the annual meeting of the Board shall be given to each Director at least seven (7) but not more than thirty (30) days before the date set for such meeting.

SECTION 4: Regular Meetings. Regular meetings of the Board shall be held at the principal office of the Corporation at such places and at such times as the Board may from time to time determine by resolution. Once established in writing by resolution, no notice of regular meetings of the Board need be given.

SECTION 5: Special Meetings. Special meetings of the Board shall be held whenever called by the Chairperson or by a majority of the Directors. Notice of each special meeting of the Board shall be given to each Director at least two (2) days before the day on which the special meeting is to be held. Every such notice shall state the time and place of the meeting and the purpose thereof. The business transacted at such special meeting shall be confined to the purposes stated in the notice.

SECTION 6: Place of Meeting. Except as otherwise provided, the Board may hold its meetings at such places within or without the State of Louisiana as shall be specified or fixed in the respective notice or waivers of notice thereof.

SECTION 7: Telephonic Meetings. Meetings of the Board may be held by means of telephone conference calls or similar communication provided all persons participating in the meeting can hear and communicate with each other. Participation in a Board meeting by such means of communication constitutes presence in person at the meeting except as to a person who participates in the meeting for the express purpose of objecting to the transacting of any business on the grounds that the meeting is not lawfully called or convened.

SECTION 8: Consent of Directors. Any action required by law to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the actions so taken, is signed by all of the Directors.

ARTICLE V

EXECUTIVE DIRECTOR

SECTION 1: Executive Director. The Corporation shall obtain the services of an Executive Director experienced in matters pertaining to university facilities.

SECTION 2: Election of Executive Director. The Executive Director shall be elected by the Board from among one or more candidates nominated for the post by the President of the University. The Executive Director may only be removed by the Board for cause. Upon the resignation or removal for cause of the Executive Director, a successor Executive Director shall be elected in the manner set forth in this Section 2.

SECTION 3: Duties and Responsibilities. The Executive Director shall consult with and advise the Board regarding its activities pertaining to the Corporation's construction, ownership, lease, operation and/or maintenance of any facilities of the Corporation on the campus of the University. In addition, the Executive Director shall conduct the official correspondence of the Corporation, preserve all of its books, documents, and communications and keep its books of account. It shall be the duty of the Executive Director to submit a financial statement and written report of the year's work at the close of each fiscal year.

SECTION 4: Reporting. The Executive Director shall report to the Board. The Executive Director shall not be a member of the Board of Directors.

SECTION 5: Compensation. The Executive Director shall not be compensated by the Corporation. In the event that the Executive Director is an employee of the University, the Corporation shall reimburse the University, either directly or through in-kind services, for the value of the services rendered by the Executive Director to the Corporation.

ARTICLE VI

OFFICERS

SECTION 1: Officers. The Officers shall be a Chairperson, a Vice Chairperson, a Secretary, a Treasurer, an Executive Director; and such assistants and subordinate officers as the Board shall deem necessary. Each of the foregoing officers, except the Executive Director, are collectively referred to as the "Elected Officers". The offices of Secretary and Treasurer may be combined if the Board so elects. The Chairperson shall also serve as and have the title of President of the Corporation.

All Elected Officers shall be elected by the Board from among the Directors at the time of their election, except for the Secretary and Treasurer. The Executive Director may be elected as the Secretary and/or Treasurer of the Corporation.

SECTION 2: Nominations. Each Director shall have the right to nominate one candidate for each Elected Officer post to be filled.

SECTION 3: Election of Officers. The Elected Officers shall be elected by a majority vote of the Directors at the annual meeting of the Board.

SECTION 4: Vacancies. Whenever any vacancies shall occur in any of the Offices of the Corporation, such office shall be filled by the Board, and any officer so designated shall hold office for the remainder of the unexpired term of office.

SECTION 5: Term of Office.

(A) **Term.** The term of office of each of the Elected Officers shall be for a period of one (1) year, or until their successors have been duly elected and qualified.

(B) **Removal.** Any Elected Officer may be removed from office at any time with or without cause by a majority vote of the Board.

(C) **Seating of Officers.** New officers shall take office at the close of the meeting at which they are elected.

SECTION 6: Chairperson of the Board. The Chairperson shall be the elected head of the Corporation and preside at all meetings of the Board, and shall perform all other duties incidental thereto. The Chairperson shall conduct the official correspondence of the Corporation, preserve all of its books, documents, and communications, keep its books of account, and maintain an accurate record of all of the proceedings of all committees. It shall be the duty of the Chairperson to submit a financial statement and written report of the year's work at the close of each fiscal year. The Chairperson shall serve as the chief spokesperson of the Corporation. The Chairperson shall, subject to the approval of the Directors, appoint all committees and committee chairpersons. The Chairperson shall be an ex-officio member of all committees.

SECTION 7: Vice Chairperson of the Board. In the event of the absence, disability, or termination of service for any reason of the Chairperson, the Vice Chairperson shall act in the Chairperson's stead with the same authority, duties, and responsibilities as the Chairperson.

SECTION 8: Secretary. The Secretary shall keep the minutes of the meetings of the Board. These minutes shall be kept in appropriate books. The Secretary shall attend to the giving of all notices on behalf of the Corporation and shall have charge of all of the books and records of the Corporation and the Secretary shall perform all other duties incidental to the Secretary's office. The Board may appoint an Assistant Secretary to aid the Secretary in the performance of the Secretary's duties.

SECTION 9: Treasurer. The Treasurer shall submit a report of the accounts and financial condition of the Corporation at any meeting of the Board as may be required by the Board. The

Treasurer shall assist in the keeping of any records in accordance with these functions. The Treasurer and the Chairman or either of them, shall, subject to restrictions by the Board, direct the disbursement of all monies and assets of the Corporation. The Board may, if it so desires, appoint an Assistant Treasurer to aid the Treasurer in the performance of the Treasurer's duties.

SECTION 10: Delegation of Duties and Authority. In the case of the absence of any Elected Officer, or for any other reason that the Board may deem sufficient as to any Elected Officer, the Board may delegate, for the time being, the powers or duties, or any of them, of such Elected Officer to any other Officers, or to any Director.

ARTICLE VII

COMMITTEES

SECTION 1: Appointment. The Chairperson shall appoint all committee members and the chairperson of each committee subject to the confirmation of the Board. The Chairperson may appoint as advisory members of any committee persons essential to the activity because of the nature of their work, interest or position.

Committees may be standing committees and/or ad hoc committees.

SECTION 2: Committee Functions. The Board shall establish the function and objectives of all committees. It shall be the function of each committee, within the limits of policy set by the Board, to make investigations, to conduct studies and hearings, to make recommendations to the Board concerning their assignments, and to carry on such activities as may be delegated to them by the Board.

SECTION 3: Limitation of Authority. No committee shall take or make public any formal action, or make public any resolution, or in any way commit the Corporation on a question of policy without first receiving the approval of the Board.

SECTION 4: Composition. All committees shall be chaired by a Director, and committee members may be drawn from the general public as desired by the Chairperson and as otherwise provided in these By-laws. Each committee may have a vice chairperson and a secretary.

The Chairperson shall each serve as ex-officio members of all committees.

SECTION 5: Ratification. Any and all acts of any and all committees must be ratified by the Board.

SECTION 6: Notice of Meetings. Written notice of the time and place for the meeting, accompanied by the agenda of items to be considered, shall be sent to each member of the committee at least seven (7) days prior to the meeting, except in the case of emergency meetings which may be called by the Chairperson at the Chairperson's discretion.

SECTION 7: Quorum. A simple majority of any committee shall constitute a quorum of that committee. Any act of the majority of a committee at which a quorum is present shall constitute an act of that committee.

ARTICLE VIII

FINANCES

SECTION 1: Corporation Funds. All money received by the Corporation will be placed in a general operating fund(s).

SECTION 2: Fiscal Year. The fiscal year of the Corporation shall begin on the first day of July and shall end on the 30th day of June.

SECTION 3: Annual Audit. An independent financial audit of the Corporation's revenues and expenditures shall be performed annually by a certified public accountant(s) licensed by the State of Louisiana and completed within sixty (60) days after the close of each fiscal year. A copy of such annual audit shall be furnished to the Legislative Auditor.

SECTION 4: Bonding. The Treasurer and all Officers and employees designated by the Board to handle money must be bonded in such amount as the Board shall deem necessary and the cost thereof shall be paid by the Corporation.

ARTICLE IX

PARLIAMENTARY PROCEDURE

The proceedings of the Corporation meetings shall be governed by and conducted according to the latest edition of Robert's Rules of Order.

ARTICLE X

NOTICE

SECTION 1: Written Notice. Whenever the provisions of a statute or the Articles of Incorporation, or any of these By-laws require or permit notice to be given to any Director or Officer, it shall not be construed to require personal notice, but any such notice may be given in writing by depositing the same in a post office or letter box in a prepaid, sealed wrapper, or by facsimile transmission by telephone ("Fax"), in either case addressed to such Director or Officer at his address as such address appears on the books of the Corporation. The time when the notice shall have been so mailed or delivered by Fax shall be deemed the time of the giving of such notice.

SECTION 2: Waivers. Any Director or Officer may waive, in writing or by Fax, any notice required or permitted to be given under any provisions of any statute or of the Articles of Incorporation or of these By-laws, either before, at, or after the meeting or other event of which notice is so provided. All Directors or Officers present at any meeting shall be deemed to have waived any and all notice thereof.

ARTICLE XI

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Corporation shall indemnify and hold harmless any person who was or is party or is threatened to be made party to any action, suit or proceeding, whether civil, criminal, administrative or investigative (including any action by or in the right of the Corporation) by reason of the fact that the person is or was:

- a) A Director, Officer, employee, incorporator or agent of the Corporation; and/or,
- b) Serving at the request of the Corporation as a Director, Officer, employee, incorporator or agent of another business, foreign or nonprofit corporation, partnership, joint venture or other enterprise,

(collectively "**Protected Group**") against expenses (including attorneys' fees), judgements, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit, or proceeding if the person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that their conduct was unlawful; provided that in case of actions by or in the right of the Corporation, the indemnity shall be limited to expenses (including attorneys' fees and amounts paid in settlement not exceeding, in the judgment of the Board, the estimated expense of litigating the action to conclusion) actually and reasonably incurred in connection with the defense or settlement of such action.

No indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of their duty to the Corporation unless and only to the extent that the court shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, they are fairly and reasonably entitled to indemnity for such expense which the court shall deem proper.

The termination of any action, suit or proceeding by judgment, order settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which they reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that their conduct was unlawful.

To the extent that a member of the Protected Group has been successful on the merits or otherwise in defense of any such action, suit or proceeding, or in defense of any claim, issue or matter

therein, they shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by them in connection therewith.

This indemnification (unless ordered by the court) shall be made by the Corporation only as authorized in a specific case upon a determination that the applicable standard of conduct has been met. Such determination shall be made by (a) the Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable or a quorum of disinterested Directors so directs, by independent legal counsel.

The expenses incurred in defending such an action, suit or proceeding shall be paid by the Corporation in advance of the final disposition thereof if authorized by the Board in the manner provided above, upon receipt of an undertaking by or on behalf of the member of the Protected Group to repay such amount unless it shall ultimately be determined that they are entitled to be indemnified by the Corporation as authorized hereunder.

The foregoing indemnification shall not be exclusive of other rights to which any member of the Protected Group may be entitled as a matter of law, and shall inure to the benefit of any member of the Protected Group's heirs and legal representatives.

The Corporation may procure insurance on behalf of any member of the Protected Group against any liability asserted against or incurred by the person in any such capacity, or arising out the person's status as such, whether or not the Corporation would have the power to indemnify the person against such liability under the laws of the State of Louisiana.

ARTICLE XII

SEAL

SECTION 1: Corporation Seal. The Corporation may use a seal of such design as may be adopted by the Board.

SECTION 2: Necessity of Seal. Failure to affix the seal shall not affect the validity of any instrument.

ARTICLE XIII

AMENDMENTS

These By-laws may be altered or amended or repealed by the affirmative vote of two-thirds (2/3rds) of the Board at any regular meeting or at any special meeting of the Board called for that purpose; provided, however, that no change of the time or place of the election of Directors shall be made within fifty (50) days preceding the day on which such election is to be held, and that in the case of any change of such time or place, notice thereof shall be given to each Director at least twenty (20) days before the election is held.

ARTICLE XIV

DISSOLUTION

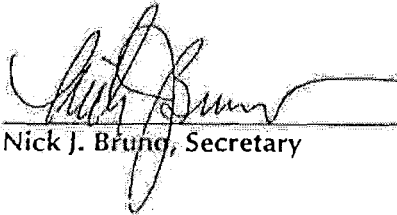
SECTION 1: Procedure. The Corporation shall use its funds only to accomplish the Mission and Corporate Objectives, and no part of the funds shall inure, or be distributed to any Director, Officer or other person. On dissolution of the Corporation, any funds remaining shall be distributed to the University.

ARTICLE XV

GENERAL LAWS OF LOUISIANA

SECTION 1: General Laws. Any matters not heretofore covered by these By-laws or the Articles of Incorporation shall be governed by the provisions of the laws of the State of Louisiana.

I certify that the foregoing By-laws were unanimously adopted by the members of the Board of Directors of the Corporation on the 12th day of December, 1997.



Nick J. Bruno, Secretary

**AMENDMENT TO THE
BY-LAWS OF UNIVERSITY FACILITIES, INC.**

October 26, 1998

Pursuant to Article XIII of the By-Laws of the Corporation dated December 12, 1997, the undersigned **NICK J. BRUNO** as Secretary of the Corporation declared that he is the person authorized and directed by a resolution of a special meeting of the Members and Directors of the Corporation held on October 6, 1998, to execute this Amendment to the By-Laws of the Corporation and that at said meeting, all of the Members and Directors did vote in favor of the resolutions adopted at said meeting.

In accordance with the resolutions adopted at said meeting Section 3(B) of the By-Laws is hereby amended to include the following language after the last sentence, to-wit:

The Corporation shall also have the express authority to enter into consulting agreements and provide consulting services to third parties, for a fee, to the extent that the receipt of such fees do not affect the exempt status of the Corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

In all other respects the By-Laws shall remain in full force and effect.

UNIVERSITY FACILITIES, INC.

BY:



NICK J. BRUNO, SECRETARY

RECEIVED MAR 15 1999
DEPARTMENT OF THE TREASURY

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
P. O. BOX 2508
CINCINNATI, OH 45201

Date: MAR 10 1999

UNIVERSITY FACILITIES INC
C/O NICK BRUNO
SLU BOX 746
HAMMOND, LA 70402-0746

Employer Identification Number:
72-1417328
DLN:
17053303017048
Contact Person:
D. A. DOWNING ID# 31505
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
JUNE 30
Form 990 Required:
YES
Addendum Applies:
YES

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(iv).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

UNIVERSITY FACILITIES INC

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so be sure your return is complete before you file it.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, any supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$20 per day for each day there is a failure to comply (up to a maximum of \$10,000 in the case of an annual return).

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

UNIVERSITY FACILITIES INC

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

As part of a continuing program, we periodically examine the operations of tax-exempt organizations. The purpose of this program is to determine whether the organizations are operating within the scope of the laws under which they are granted exemption. Therefore, you should keep information that would show that you are operating for section 501(c)(3) purposes. The information should include the training given to the child care providers, number of inspections, reports submitted to the state, and other pertinent information about your activities. You should also keep records of your income and your disbursements of funds.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should keep records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

If you are a wholly-owned instrumentality of a state or a political subdivision of a state, wages paid for services performed for you are not subject to unemployment taxes under the Federal Unemployment Tax Act (FUTA) or to any portion of the social security taxes under the Federal Insurance Contributions Act (FICA). Wages of your employees hired after March 31, 1986 are subject to only the medicare portion of the social security tax. If you want full social security coverage for your employees, it may be obtained only by an agreement under section 218 of the Social Security Act between the state and the Secretary of Health and Human Services.

Any questions you may have concerning your liability for FICA or FUTA taxes should be addressed to the Internal Revenue Service, Office of the Associate Chief Counsel (Employee Benefits and Exempt Organizations), CC:EBEO, Room 5213, P. O. Box 7604, Ben Franklin Station, Washington, D.C. 200044.

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

UNIVERSITY FACILITIES INC

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

District Director

Enclosure(s):
Addendum

UNIVERSITY FACILITIES INC

If your organization conducts fund-raising events such as benefit dinners, auctions, membership drives, etc., where something of value is received in return for contributions, you can help your donors avoid difficulties with their income tax returns by assisting them in determining the proper tax treatment of their contributions. To do this you should, in advance of the event, determine the fair market value of the benefit received and state it in your fund-raising materials such as solicitations, tickets, and receipts in such a way that your donors can determine how much is deductible and how much is not. To assist you in this, the Service has issued Publication 1391, *Deductibility of Payments Made to Charities Conducting Fund-Raising Events*. You may obtain copies of Publication 1391 from your local IRS Office. Guidelines for deductible amounts are also set forth in Revenue Ruling 67-246, 1967-2 C.B. 104 and Revenue Procedure 90-12, 1990-1 C.B. 471 and Revenue Procedure 92-49, 1992-26 I.R.B. 18.

The value of time or personal services contributed to your organization by volunteers is not deductible by those volunteers as a charitable contribution for Federal income tax purposes. You should advise your volunteers to this effect.

Guidelines under which private foundations may rely on this determination, for gifts, grants, and contributions made after March 13, 1989, were liberalized and published in Rev. Proc. 89-23, *Cumulative Bulletin 1989-1*, page 844.

**RESOLUTION SUBMITTED FOR ADOPTION
AT A MEETING OF THE BOARD OF DIRECTORS
OF UNIVERSITY FACILITIES, INC.
NOVEMBER 7, 2008**

WHEREAS, Southeastern Louisiana University (the "University") has requested University Facilities, Inc. (the "Corporation"), consider participating in a Student Union Renovation/Expansion project of which includes the demolition of certain existing facilities and the renovation, development and construction of a Student Union, Center for Student Excellence, food services areas, a bookstore and related facilities for students, faculty, staff and the general public, including all furnishings, fixtures and facilities incidental or necessary in connection therewith (the "Facilities"). The Facilities will contain some of the most important academic and non-academic services on campus. The four major components will include the Student Union, Center for Student Excellence, Food Service and the Bookstore. Cost and time saving are obtained in the construction of the Facilities through the use of a shared design team and general contractor and the combination of facilities and access for all of the components of the Facilities; and

WHEREAS, the Board members reviewed and considered the business plan for the project, which included the following information:

(a) The structure of the financing for the project which will be similar to past projects where the University leases a certain piece of ground to the Corporation. The Corporation will borrow money and construct the facilities as specified by the University, and the facilities will be leased back to the University.

(b) The following funding sources have been identified and will be committed to this project by the University. These funds are presented on an annual basis and are based on an enrollment of 14,700 students:

	<u>Years 1 & 2</u>	<u>Years 3-15</u>
Student Fees:		
Health Center Bond (\$6/ student)	\$ 180,000	\$ 180,000
Student Union Bond (\$10/student)	\$ 300,000	\$ 300,000
Building Use Fee (\$5/student)	\$ 150,000	\$ 150,000
Student Union Fee (\$44/student)	\$ 1,320,000	\$ 1,320,000
Food Services Revenue	<u>\$ 675,000</u>	<u>\$ 990,000</u>
Total:	\$ 2,625,000	\$ 2,940,000

Further, the University will make an initial lease payment of approximately \$5,000,000 and an additional \$1,500,000 in excess revenues from the current fiscal year after paying debt service. This will bring the total University equity contribution to \$6,500,000 in year one.

(c) The Corporation is currently working with Morgan Keegan & Company, Inc. ("Morgan Keegan"), and, based on the funds that will be available at the time construction begins, the Corporation will have to finance approximately \$30,630,879. A separate Auxiliary fee has already been established and approved to cover the operations of the facility.

(d) A preliminary budget of approximately \$35,770,000 has been established. This budget includes design fees, financing costs, debt service and construction. The construction portion of this project is estimated at approximately \$30,630,879.

(e) The Corporation has requested that the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") issue not to exceed \$35,000,000 aggregate principal amount of Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project), in one or more series, taxable or tax-exempt (the "Bonds").

(f) The proceeds of the sale of the Bonds will be loaned to the Corporation pursuant to a Loan and Assignment Agreement (the "Loan Agreement") for the purpose of (i) demolishing certain existing facilities and renovating, developing and constructing the Facilities, (ii) funding a deposit to the debt service reserve fund under the herein defined Indenture, (iii) paying Costs of Issuance (as defined in the Indenture) of the Bonds, including the premium for any bond insurance policy insuring the Bonds (the "Project"), if applicable.

(g) The Issuer has agreed to issue the Bonds pursuant to the terms and conditions of a Trust Indenture (the "Indenture") by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

(h) Pursuant to a Ground and Building Lease Agreement (the "Ground Lease") by and between the Board of Supervisors for the University of Louisiana System (the "Board") and the Corporation, the Board will lease the Land (as defined in the Ground Lease) upon which the Facilities shall be constructed to the Corporation.

(i) In consideration of the issuance of the Bonds by the Issuer, the Corporation will (a) assign its rights under an Agreement to Lease With Option to Purchase (the "Facilities Lease") pursuant to which the Corporation, as lessor, will lease the Facilities to the Board, as lessee, including the Corporation's right to all Base Rental (as defined in the Facilities Lease) received thereunder, to the Issuer, and (b) agree to make payments in an amount sufficient to make timely payments of principal, of premium, if any, and interest on the Bonds and to pay such other amounts as are required by the Loan Agreement.

(j) The Corporation intends to grant a Multiple Indebtedness Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement in favor of the Trustee for the benefit of the bondholders whereby the Corporation mortgages its leasehold interest in the Ground Lease (the "Mortgage").

(h) The Bonds will be underwritten by Morgan Keegan and offered pursuant to an Official Statement.

(i) In connection with the issuance of the Bonds, the Corporation desires to enter into (i) the Loan Agreement, (ii) the Ground Lease, (iii) the Facilities Lease, (iv) the Mortgage, (v) a Tax Regulatory Agreement and Arbitrage Certificate by and among the Issuer, the Corporation and the Trustee (the "Tax Regulatory Agreement") and (vi) a Bond Purchase Agreement by and among the Issuer, the Corporation and Morgan Keegan (the "Bond Purchase Agreement") and, together with the Loan Agreement, the Ground Lease, the Facilities Lease, the Mortgage, the Tax Regulatory Agreement and the other agreements, documents and instruments to be executed and delivered in connection therewith, the "Transaction Documents").

(j) This project was submitted to the Board of Regents as well as the Board of Supervisors for the University of Louisiana System for final approval at meetings held on October 23 and 24, 2008, respectively. The project has previously received preliminary approval by the Louisiana Community Development Authority, and will be submitted for its final approval at its November 13, 2008, meeting. The project will be submitted to the Louisiana State Bond Commission for approval at its November 20, 2008, meeting. Further, the project will be submitted to the Joint Legislative Committee on Budget for consideration at its November 21, 2008, meeting. The project will be submitted for Division of Administration approval during the month of November 2008.

NOW THEREFORE, BE IT RESOLVED that University Facilities, Inc., shall assist the University in the above-described project, which will include and not be limited to, assist in funding the design fees and any financing documents to facilitate the construction.

BE IT FURTHER RESOLVED that the transactions and documents described in the foregoing paragraphs are hereby approved.

BE IT FURTHER RESOLVED, that the Corporation is authorized and empowered, pursuant to the Mortgage, to pledge, mortgage, grant a security interest in or otherwise encumber all or substantially all of its assets to support its obligations under the Transaction Documents.

BE IT FURTHER RESOLVED, that each of Phil K. Livingston, Chairperson, and Joseph Morris, Executive Director, or any of them (each an "Authorized Officer") be, and hereby is, authorized and empowered in the name and on behalf of the Corporation to execute and deliver the Transaction Documents, with such changes therein as the Authorized Officer may deem necessary or advisable, and upon such terms and

conditions as the Authorized Officer may determine to be appropriate, and to file, on behalf of the Corporation, with any governmental board or entity having jurisdiction over the Project, such applications or requests for approval thereof as may be required by law, including an application to the State Bond Commission for approval of the financing.

BE IT FURTHER RESOLVED, that each Authorized Officer be, and hereby is, authorized and empowered in the name and on behalf of the Corporation to execute and deliver, or cause to be executed and delivered, any and all other documents, promissory notes, security agreements, credit agreements, instruments, mortgages, financing statements, powers of attorney, intercreditor agreements, collateral access agreements, subordination agreements or any other related agreements, including, without limitation, any amendments, restatements, supplements or modifications thereto, with such changes therein as the Authorized Officer may deem necessary or advisable, and upon such terms and conditions as the Authorized Officer may determine to be appropriate.

BE IT FURTHER RESOLVED, that any and all mortgages and security agreements hereby authorized may contain confessions of judgments, consent to executory process, *pacts de non aliendo*, waivers of notice and appraisal, and other customary security clauses.

BE IT FURTHER RESOLVED, that any and all actions heretofore taken on behalf of the Corporation by any Authorized Officer in relation to the transactions and documents described above are hereby confirmed, ratified, and approved as the acts and deeds of the Corporation in all respects.

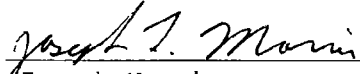
BE IT FURTHER RESOLVED, that any Authorized Officer is hereby authorized to certify and deliver, to any person to whom such certification and delivery may be deemed necessary or desirable in the opinion of any Authorized Officer a true copy of the foregoing resolutions.

CERTIFICATE

I, the undersigned Secretary of University Facilities, Inc. (the "Corporation"), do hereby certify that the above and foregoing constitutes a true and correct copy of resolutions adopted by the Corporation's Board of Directors at a meeting held on November 7, 2008, at which meeting all board members were present and voted in favor of the resolutions.

I further certify, represent, and warrant that the resolutions contained therein are in full force and effect as of this date and have not been amended, repealed, rescinded or changed in any way whatsoever.

In Testimony whereof, I have hereunto affixed my official signature as Secretary of University Facilities, Inc., on this 7th day of November, 2008.



Joseph Morris, Secretary

Attest:



PHIL K. LIVINGSTON, Chairperson

CERTIFICATE OF TRUSTEE

\$25,470,000**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY****TAX-EXEMPT REVENUE BONDS****(SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION/ UNIVERSITY FACILITIES, INC. PROJECT)
SERIES 2010A****\$5,785,000****LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY****TAXABLE REVENUE BONDS****(SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION/ UNIVERSITY FACILITIES, INC. PROJECT)
SERIES 2010B**

The undersigned, for and on behalf of Regions Bank, Baton Rouge, Louisiana (the "Bank"), acting as trustee (the "Trustee") pursuant to the Trust Indenture, dated as of November 1, 2010 (the "Indenture") between the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") and the Bank, hereby certifies with respect to the issuance of \$25,470,000 Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/ University Facilities, Inc. Project), Series 2010A (the "2010A Bonds") and \$5,785,000 Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/ University Facilities, Inc. Project), Series 2010B (the "Series 2010B Bonds" and, together with the Series 2010A Bonds, the "Bonds") issued pursuant to the Indenture, as follows:

1. Terms used herein with initial letter capitalized shall have the respective meanings assigned to them in the Indenture, and, in addition thereto, the Indenture and the Tax Regulatory Agreement are collectively referred to herein as the "Trustee Documents".
2. The Bank is a state banking corporation with fiduciary powers, duly organized, validly existing and in good standing under the laws of the State of Alabama, is duly qualified to do business and to exercise fiduciary powers in all jurisdictions where the nature of its operations as contemplated by the Trustee Documents legally requires such qualification, and has the corporate power to take all action requested or permitted of it under the Trustee Documents.
3. The execution, delivery and performance by the Bank of the Trustee Documents has been duly authorized by all necessary corporate action on the part of the Bank and under present law does not and will not contravene the Articles of Incorporation or Bylaws of the Bank or conflict with or constitute a breach of or default under any law, administrative regulation, consent decree or any agreement or instrument to which the Bank is subject.

4. All approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the performance by the Bank of its duties and obligations under the Trustee Documents have been obtained and are in full force and effect.

5. The Trustee Documents have been duly entered into and delivered by the Bank and constitute the legal, valid and binding obligations of the Bank, enforceable against the Bank in accordance with their respective terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally or by general equity principles.

6. The Bank has taken all action necessary for the acceptance of and does hereby accept the duties and obligations imposed on it as Trustee under the Indenture.

7. To the best of the knowledge of the undersigned officer, no litigation is pending or threatened which in any way contests or affects the existence or powers (including fiduciary powers) of the Bank or the Bank's ability to fulfill its duties and obligations under the Trustee Documents.

8. All conditions, including the receipt of all documents and moneys, required by the Indenture as conditions precedent to the authentication and delivery of the Bonds have been satisfied and it has deposited the proceeds of the Bonds as required by the Indenture.


9. It has examined the Bonds and finds them to be in the form required by the Indenture.

10. It has authenticated the Bonds by manually executing thereon a certificate in the form required therefor by the Indenture.

11. The Bonds are issued in the aggregate principal amount set forth in the caption above, the same being issued in the form of fully registered certificates without coupons, being in the denomination, bearing the numbers and bearing interest from the date thereof at the rate, and maturing on the date and in the principal amount as set forth in the Indenture.

12. Pursuant to the order of the Authority dated this date to authenticate the Bonds, the Bonds have been authenticated by the Bank, as Trustee, and have been accepted by the Bank as agent for The Depository Trust Company ("DTC") as depository pursuant to the Fast Automated Securities Transfer procedures to constitute delivery to the underwriter of the Bonds.

13. The Trustee Documents were executed on behalf of the Bank by John C. Shiroda, who was at the time of the execution of said documents and is now the duly elected, qualified and acting Vice President duly authorized to execute and deliver said documents, and the signature appearing below after his name is the true and correct specimen of his genuine signature:

<u>Name</u>	<u>Office</u>	<u>Signature</u>
John C. Shiroda	Vice President	

The person named above is an authorized officer of the Bank, and such person in accordance with the provisions of the Indenture is duly authorized and empowered to authenticate and did authenticate and deliver as of the date hereof, the Bonds. In addition, the Trustee Documents were executed in multiple counterparts on behalf of the Bank by the foregoing officer.

14. Our counsel, Gregory A. Pletsch & Associates (A Professional Law Corporation), is authorized to rely on the matters hereinabove set forth in connection with the delivery on even date herewith of its legal opinion on behalf of the Bank.

15. Attached hereto as Exhibit A is a Certification by an Assistant Secretary of the Bank, including therein an extract from the Bylaws of the Bank duly adopted by the Board of Directors of the Bank setting forth the authorized officers of the Bank who are authorized to execute the Trustee Documents and to execute other instruments or documents and which gives requisite authority to the person named in paragraph (13) above to execute the Trustee Documents and/or authenticate the Bonds and to otherwise act on behalf of the Bank. The copy attached hereto as Exhibit A is a true and correct copy of a portion of the Bylaws of the Bank, the original of which is on file at the principal corporate office of the Bank, and the same has not been amended or repealed and is in full force and effect.

IN WITNESS WHEREOF, the undersigned has caused this certificate to be executed by its duly authorized officer as of this 17th day of November, 2010.

REGIONS BANK

By: 

Jamie G. Lorio
Senior Vice President



CERTIFICATE

I, Jamie G. Lorio, a duly authorized Assistant Secretary of Regions Bank, an Alabama state-chartered banking corporation headquartered in Birmingham, Alabama, hereby certify as follows:

1. Following is a true and correct copy of Article IV, Sections 10 -11 and Article V, Sections 9 and 12 of the By-Laws of Regions Bank, as adopted by the Board of Directors at a duly convened meeting held on May 13, 2010, at which a quorum was present, and the same are in full force and effect on the date hereof:

"Article IV. Officers

Section 10. Officer in Charge of Trust Department.

The officer in charge of the Trust Department shall be designated as such by the Board of Directors and shall have the word "Trust" included in or appended to his or her title and shall exercise general supervision and management over the affairs of the Trust Department. That officer is hereby empowered to appoint all necessary agents or attorneys; also to make, execute and acknowledge all checks, bonds, certificates, deeds, mortgages, notes, releases, leases, agreements, contracts, bills of sale, assignments, transfers, powers of attorney or of substitution, proxies to vote stock, or any other instrument in writing that may be necessary in the purchase, sale, mortgage, lease, assignment, transfer, management or handling, in any way of any property of any description held or controlled by the Bank in any fiduciary capacity. Said officer shall have such other duties and powers as shall be designated by the Board of Directors.

Section 11. Other Officers in Trust Department.

The various other officers in the Trust Department shall each have the word "Trust" in their title and are empowered and authorized to make, execute, and acknowledge all checks, bonds, certificates, deeds, mortgages, notes, releases, leases, agreements, contracts, bills of sale, assignments, transfers, powers of attorney or substitution, proxies to vote stock or any other instrument in writing that may be necessary to the purchase, sale, mortgage, lease, assignments, transfer, management or handling in any way, of any property of any description held or controlled by the Bank in any fiduciary capacity.

Article V. Miscellaneous

Section 9. Checks, Drafts, Transfers, etc.

The Chief Executive Officer, the President, any Regional or Local President, any Vice President or Assistant Vice President, any Trust Officer or any Assistant Trust Officer, or Branch Manager or any other employee designated by the Board of Directors, is authorized and empowered on behalf of the Bank and in its name to sign and endorse checks and warrants, to draw drafts, to issue and sign cashier's checks, to guarantee signatures, to give receipts for money due and payable to the Bank, to sell, assign and transfer shares of capital stock, bonds, or other personal property or securities standing in the name of or held by the Bank, whether in its own right or in any fiduciary capacity, and to make or join in such consents, requests or commitments with respect to the same as may be appropriate or authorized as to the holder thereof, and to sign such other papers and do such other acts as are necessary in the performance of his or her duties. The authority conveyed to any employee designated by the Board may be limited by general or specific resolution of the Board.



Section 12. Execution of Instruments and Documents.

The Chief Executive Officer, or the President, or any Regional or Local President or any Vice President is authorized, in his or her discretion, to do and perform any and all corporate and official acts in carrying on the business of the Bank, including, but not limited to, the authority to make, execute, acknowledge, accept and deliver any and all deeds, mortgages, releases, bills of sale, assignments, transfers, leases (as lessor or lessee), powers of attorney or of substitution, servicing or sub-servicing agreements, vendor agreements, proxies to vote stock or any other instrument in writing that may be necessary in the purchase, sale, lease, assignment, transfer, discount, management or handling in any way of any property of any description held, controlled or used by Bank or to be held, controlled or used by Bank, either in its own or in its fiduciary capacity and including the authority from time to time to open bank accounts with the Bank or any other institution, to borrow money in such amounts for such lengths of time, at such rates of interest and upon such terms and conditions as any said officer may deem proper and to evidence the indebtedness thereby created by executing and delivering in the name of the Bank promissory notes or other appropriate evidences of indebtedness, and to guarantee the obligations of any subsidiary or affiliate of the Bank. The enumeration herein of particular powers shall not restrict in any way the general powers and authority of said officers.

By way of example and not limitation, such officers of the Bank are authorized to execute, accept, deliver and issue, on behalf of the Bank and as binding obligations of Bank, such agreements and instruments as may be within the officer's area of responsibility, including, as applicable, agreements and related documents (such as schedules, confirmations, transfers, assignments, acknowledgments, and other documents) relating to derivative transactions, loan or letter of credit transactions, syndications, participations, trades, purchase and sale or discount transactions, transfers and assignments, servicing and sub-servicing agreements, vendor agreements, securitizations, and transactions of whatever kind or description arising in the conduct of the Bank's business.

The authority to execute and deliver documents, instruments, and agreements may be limited by resolution of the Board of Directors, by a committee of the Board of Directors, by the Chief Executive Officer, or by the President, by reference to subject matter, category, amount, geographical location, or any other criteria, and may be made subject to such policies, procedures, and levels of approval as may be adopted or amended from time to time.

2. I further certify that the following individuals are duly elected and serving officers of Regions Bank holding the title shown by his or her name below and that such officers are assigned to the Trust Department of Regions Bank or otherwise shown on the records of Regions Bank as occupying a position in which he or she acts on behalf of Regions Bank in a trust capacity.

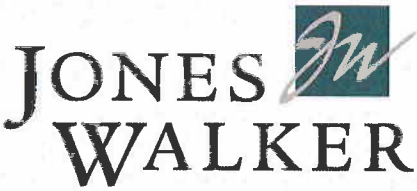
<u>Name</u>	<u>Title</u>
John C. Shiroda	Vice President

IN WITNESS WHEREOF, I have set my hand and affixed the seal of Regions Bank, an Alabama banking corporation, on this the 17th day of November, 2010.

Jamie G. Lorio


Assistant Secretary

SEAL



November 17, 2010

Louisiana Local Government Environmental Facilities
and Community Development Authority
Baton Rouge, Louisiana

\$25,470,000

Louisiana Local Government Environmental
Facilities and Community Development Authority
Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union /
University Facilities, Inc. Project)
Series 2010A

\$5,785,000

Louisiana Local Government Environmental
Facilities and Community Development Authority
Taxable Revenue Bonds
(Southeastern Louisiana University Student Union /
University Facilities, Inc. Project)
Series 2010B

We have acted as bond counsel to the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer"), a political subdivision of the State of Louisiana (the "State"), in connection with the issuance by the Issuer its \$25,470,000 Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010A (the "Series 2010A Bonds") and its \$5,785,000 Taxable Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010B (the "Series 2010B Bonds" and, together with the Series 2010A Bonds, the "Series 2010 Bonds") pursuant to Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 33:4548.16, inclusive) (the "Act").

The Series 2010 Bonds have been issued by the Issuer pursuant to the Act and other constitutional and statutory authority and a Trust Indenture dated as of November 1, 2010 (the "Indenture") between the Issuer and Regions Bank, as trustee (the "Trustee"). Capitalized terms used herein that are not otherwise defined have the meaning given them in the Indenture.

JONES, WALKER, WAECHTER, POITEVENT, CARRÈRE & DENÈGRE L.L.P.

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ALABAMA ARIZONA DISTRICT OF COLUMBIA FLORIDA LOUISIANA TEXAS

The Series 2010 Bonds are issuable as fully registered bonds, are dated, bear interest until paid at the rates per annum, mature in the principal amounts and on the dates, and are subject to redemption all as set forth in the Indenture and in the Series 2010 Bonds.

The Series 2010 Bonds are issued under and are secured as to principal and interest by the Indenture, which provides a description of the nature and extent of the security for the Series 2010 Bonds, a statement of the terms and conditions under which the Series 2010 Bonds are issued and secured, the rights, duties and obligations of the Issuer, the rights, duties and immunities of the Trustee and the rights of the owners of the Series 2010 Bonds.

The Series 2010 Bonds are issued in order to enable University Facilities, Inc., a Louisiana non-profit corporation (the "*Corporation*") to provide financing for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related facilities for students, faculty, staff, and the general public, including all furnishings, fixtures and facilities incidental or necessary in connection therewith, on the campus of Southeastern Louisiana University (the "*Facilities*").

The Corporation has leased the property upon which the Facilities will be located from the Board of Supervisors for the University of Louisiana System (the "*Board*") pursuant to a Ground and Buildings Lease Agreement dated as of January 1, 2010 (the "*Ground Lease*"). The Board will lease back the completed Facilities from the Corporation pursuant that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010, as supplemented and amended by that certain First Amendment to Agreement to Lease with Option to Purchase dated as of November 1, 2010 by and between the Board and the Corporation (the "*Facilities Lease*").

The Issuer and Corporation have entered into a Loan and Assignment Agreement dated as of November 1, 2010 (the "*Loan Agreement*"), pursuant to which the Issuer will loan the proceeds from the sale of the Series 2010 Bonds to the Corporation for the foregoing purposes. Pursuant to the Agreement, the Corporation has agreed to make loan payments (the "*Payments*") solely from the Rentals (as defined in the Facilities Lease) sufficient to pay the principal of and interest on the Series 2010 Bonds. The rights of the Issuer under the Loan Agreement (except for the rights of the Issuer relating to exculpation, indemnification and payment of expenses thereunder) have been pledged and assigned by the Issuer to the Trustee as security for the Series 2010 Bonds.

The Series 2010 Bonds are also entitled to the benefits of the Act of Leasehold Mortgage, Assignment of Leases and Security Agreement dated November 17, 2010 and effective as of

November 1, 2010 (the “*Mortgage*”) executed by the Corporation in favor of the Trustee, pursuant to which the Corporation has mortgaged its leasehold interest in and to the Land and the improvements located thereon, granted a security interest in certain movable property and assigned its rights to all leases and rents relating to the Facilities.

We have examined: (i) the constitution and statutes of the State, including the Act; (ii) a certified transcript of the proceedings of the Issuer authorizing the issuance of the Series 2010 Bonds; (iii) the Indenture, the Loan Agreement, the Tax Regulatory Agreement and Arbitrage Certificate among the Issuer and the Trustee, together with the Borrower Certificate attached thereto executed by the Corporation and the Board, both dated the date of delivery and payment for the Series 2010 Bonds (collectively, the “*Tax Regulatory Agreement*”); and (iv) such other documents, instruments, proofs and matters of law as we have deemed relevant to the issuance of the Series 2010 Bonds and necessary for the purpose of this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Board and the Corporation contained in the Indenture, the Loan Agreement and the Tax Regulatory Agreement, the certified proceedings and other certifications of public officials and others furnished to us, including certifications furnished to us by or on behalf of the Issuer, the Corporation and the Board, without undertaking to verify the same by independent investigation.

On the basis of the foregoing examinations, we are of the opinion, as of the date hereof and under existing law, that:

1. The Issuer is a validly existing political subdivision of the State and has the power and authority to enter into the Loan Agreement and the Indenture and to issue and sell the Series 2010 Bonds.

2. The Series 2010 Bonds are valid and binding special and limited obligations of the Issuer secured by and entitled to the benefits of the Indenture and are payable solely from the revenues and other amounts pledged and assigned under the Indenture.

3. The Loan Agreement and the Indenture have been duly authorized, executed and delivered by the Issuer and constitute valid and binding obligations of the Issuer, enforceable upon the Issuer in accordance with their terms, and all rights of the Issuer under the Loan Agreement have been validly assigned to the Trustee under the Indenture, with the

exception of certain rights of the Issuer relating to notice, exculpation, indemnification and payment of expenses.

4. The Series 2010 Bonds and interest thereon do not constitute an indebtedness or pledge of the general credit of the Issuer within the meaning of any State constitutional or statutory provision and will not constitute a general obligation or a charge against any other revenues of the Issuer.

5. Interest on the Series 2010A Bonds (including the amount of original issue discount properly allocable to the owner thereof) is excludable from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and will not be taken into account in determining a corporation's adjusted current earnings.

6. The Series 2010A Bonds are a "qualified tax-exempt obligation" under section 265(b)(3) of the Code, as amended by the American Recovery and Reinvestment Tax Act of 2009 of the United States Congress.

7. Under the Act, the Series 2010 Bonds, together with the interest thereof, income therefrom, and gain upon the sale thereof are exempt from all State taxes and local taxes.

In rendering the opinions expressed in paragraph 5 above, we have relied on representations of the Issuer, the Board and the Corporation with respect to matters solely within the knowledge of the Issuer, the Board and the Corporation, which we have not independently verified, and have assumed continuing compliance with the covenants in the Indenture, the Loan Agreement and the Tax Regulatory Agreement pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Series 2010 Bonds for federal income tax purposes. In the event that such representations are determined to be inaccurate or incomplete or the Issuer, the Board or the Corporation fails to comply with the foregoing covenants, interest on the Series 2010 Bonds could be includable in gross income for federal income tax purposes from the date of their original delivery, regardless of the date on which the event causing such inclusion occurs.

The accrual or receipt of interest on the Series 2010 Bonds may otherwise affect the federal income tax liability of certain recipients. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We

express no opinion regarding any such consequences and investors should consult their tax advisors regarding the tax consequences of purchasing or holding the Series 2010 Bonds.

It is to be understood that the rights of the owners of the Series 2010 Bonds and the enforceability of the Series 2010 Bonds, the Indenture, the Loan Agreement and the other documents enumerated above may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and that their enforcement may also be subject to the exercise of the sovereign police powers of the State or its governmental bodies and the exercise of judicial discretion in appropriate cases.

For purposes of this opinion, our services as bond counsel have not extended beyond the examinations and expressions of the conclusions referred to above. This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur. Except as stated above, no opinion is expressed as to any federal or state tax consequences resulting from the ownership of, receipt of interest on, or disposition of, the Series 2010 Bonds.

Respectfully submitted,

*Jones Walker Waechter
Poitevent Carriere & Donegan
LLP*



November 17, 2010

Louisiana Local Government Environmental
Facilities and Community Development Authority
Baton Rouge, Louisiana

Morgan Keegan & Company, Inc.
as Underwriter
Baton Rouge, Louisiana

Assured Guaranty Municipal Corp.
New York, New York

Regions Bank, as Trustee
Baton Rouge, Louisiana

University Facilities, Inc.
Hammond, Louisiana

\$25,470,000

Louisiana Local Government Environmental
Facilities And Community Development Authority
Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union /
University Facilities, Inc. Project)
Series 2010A

\$5,785,000

Louisiana Local Governmental Environmental
Facilities And Community Development Authority
Taxable Revenue Bonds
(Southeastern Louisiana University Student Union /
University Facilities, Inc. Project)
Series 2010B

We have acted as Bond Counsel in connection with the issuance and delivery of the \$25,470,000 Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010A (the "*Series 2010A Bonds*") and the \$5,785,000 Louisiana Local Governmental Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010B (the "*Series 2010B Bonds*" and, together with the Series 2010A Bonds, the "*Bonds*"). Reference is hereby made to our approving opinion of even date herewith (the "*Approving Opinion*") addressed to the Louisiana Local Government Environmental Facilities and Community Development Authority (the "*Issuer*") and delivered to you concurrently herewith. You may rely upon such Approving Opinion as if the same were addressed to you. Capitalized terms used herein and not defined herein shall have the meanings

JONES, WALKER, WAECHTER, POITEVENT, CARRÈRE & DENÈGRE L.L.P.

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ALABAMA

ARIZONA

DISTRICT OF COLUMBIA

FLORIDA

LOUISIANA

TEXAS

SLU - Supplemental Opinion

Louisiana Local Government Environmental Facilities
and Community Development Authority
Assured Guaranty Municipal Corp.
University Facilities, Inc.
Morgan Keegan & Company, Inc.
Regions Bank
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Page 2

ascribed thereto in the Trust Indenture dated as of November 1, 2010 by and between the Issuer and Regions Bank, as Trustee (the “*Indenture*”) pursuant to which the Bonds are being issued.

In connection with the issuance of the Bonds, we have examined the following:

- a. The Bond Purchase Agreement (the “*Bond Purchase Agreement*”) dated November 4, 2010, among the Issuer, University Facilities, Inc. (the “*Corporation*”), the Board of Supervisors for the University of Louisiana System (the “*Board*”) and Morgan Keegan & Company, Inc. (the “*Underwriter*”);
- b. The Official Statement (the “*Official Statement*”) dated November 4, 2010, relating to the Bonds;
- c. The Indenture;
- d. The Loan and Assignment Agreement dated as of November 1, 2010 by and between the Issuer and the Corporation (the “*Loan Agreement*”); and
- e. The Tax Regulatory Agreement and Arbitrage Certificate among the Issuer and the Trustee, together with the Company Certificate attached thereto executed by the Corporation and the Board, both dated the date of delivery and payment for the Series 2010 Bonds (collectively, the “*Tax Regulatory Agreement*”).

In all such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents presented to us as originals, and the conformity to original documents of all copies submitted to us as certified, conformed, or photographic copies. As to certificates, we have assumed the same to be properly given and to be accurate. With respect to matters of fact relevant to this opinion, we have relied, without independent verification of the accuracy or completeness of the matters set forth therein, on the representations and warranties of the parties thereto set forth in the Indenture, the Bond Purchase Agreement, the Loan Agreement and the Tax Regulatory Agreement, as well as certificates of officers of the Issuer and the Corporation and the other parties to the documents, delivered in connection with the issuance of the Bonds.

Based upon the foregoing, and subject to other assumptions and conditions as are hereinafter set forth, and having regard to applicable matters of law, we are of the opinion, as of the date hereof, as follows:

1. the Bond Purchase Agreement constitutes the legal, valid, and binding

Louisiana Local Government Environmental Facilities
and Community Development Authority
Assured Guaranty Municipal Corp.
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obligation of the Issuer, enforceable against the Issuer in accordance with its terms, except as enforcement thereof may be limited by laws relating to bankruptcy, reorganization, insolvency, or other similar laws affecting the enforcement of creditors' rights generally, by usual limitations on the availability of equitable remedies, or by the valid exercise of the sovereign police powers of the State of Louisiana and its governmental bodies and the constitutional powers of the United States of America and except as any indemnification provisions of the Bond Purchase Agreement may be limited by applicable securities laws or by public policy;

2. the Bonds are exempt securities within the meaning of §3(a)(2) of the Securities Act of 1933, as amended (the "*Securities Act*"), to the extent provided in such Act, and it is not necessary in connection with the offer and sale of the Bonds to the public to register the Bonds under the Securities Act;

3. pursuant to the Trust Indenture Act of 1939, as amended, and to the extent provided in such Act, it is not necessary to qualify the Trust Indenture under the Trust Indenture Act of 1939, as amended;

We have assumed that the Bond Purchase Agreement has been duly authorized, executed, and delivered by the Corporation, the Board and the Underwriter.

We have acted as Bond Counsel in connection with the issuance of the Bonds and, as such, have reviewed only those documents, opinions, certificates, and proceedings necessary to enable us to render our opinion to the Issuer of even date herewith as to the legality and validity of the Bonds and the tax-exempt status of the interest on the Bonds. This opinion speaks as of its date and we are under no obligation to provide any updates of this opinion. This opinion is given solely for the use and benefit of the addresses hereof, and only in connection with the issuance and delivery of the Bonds pursuant to the Bond Purchase Agreement, and may not be used or relied upon by any other person or in connection with any other transaction, except with express consent of this firm.

Respectfully submitted,

*Jones Walker Waechter Poitevent
Carter + Donoye, LLP*

November 17, 2010

Louisiana Local Government Environmental
Facilities and Community Development
Authority
Baton Rouge, Louisiana

University Facilities, Inc.
Baton Rouge, Louisiana

Regions Bank, as Trustee
Baton Rouge, Louisiana

Sisung Securities Corporation
New Orleans, Louisiana

Jones, Walker, Waechter, Poitevent,
Carrère & Denègre, L.L.P.
Baton Rouge, Louisiana

Assured Guaranty Municipal Corp.
New York, New York

Re: \$25,470,000 Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/University Facilities,
Inc. Project) Series 2010A

And

\$5,785,000 Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/University Facilities,
Inc. Project) Series 2010B

Ladies and Gentlemen:

We have acted as special Issuer's Counsel to the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") in connection with the issuance and delivery by the Issuer of the above captioned bonds (collectively, the "Series 2010 Bonds"). In such capacity, we have examined the Constitution and statutes of the State of Louisiana, including but not limited to Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), the Issuer's Amended and Restated By-Laws, as amended, and such other corporate records of the Issuer as we have deemed advisable for the rendition of this opinion. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Indenture. Insofar as we are delivering this opinion to the addressees above who are not our clients, such parties are specifically entitled to rely on this opinion.

In that connection and for purposes of this opinion we have examined:

- (i) the resolutions adopted by the Executive Committee of the Board of Directors of the Issuer on June 12, 2008, December 11, 2008 and November 10, 2010

authorizing the issuance, sale and delivery of the Bonds (collectively, the “Bond Resolution”);

- (ii) the Trust Indenture dated as of November 1, 2010 (the “Indenture”) by and between the Issuer and Regions Bank, Baton Rouge, Louisiana, as Trustee (the “Trustee”) securing the Bonds;
- (iii) the Loan Agreement dated as of November 1, 2010 by and between the Issuer and University Facilities, Inc. (the “Corporation”).
- (iv) the Bond Purchase Agreement dated November 4, 2010 (the “Bond Purchase Agreement”), by and among the Corporation, the Issuer and Morgan Keegan & Company, Inc. (the “Underwriter”);
- (v) the Tax Regulatory Agreement dated November 17, 2010 among the Issuer, Corporation and the Trustee;
- (vi) the Official Statement dated November 4, 2010; and
- (vii) and such other documents, instruments, papers and matters of law as we have considered necessary or appropriate for the purposes of rendering this opinion (documents referred to in (i) – (v) above, hereinafter collectively referred to as the “Issuer Documents”).

Based upon such examination, we are of the opinion that:

1. The Issuer is a political subdivision of the State of Louisiana (the “State”), duly organized and validly existing under the Act, Constitution and laws of the State, with full power to execute and perform its obligations under the Issuer Documents.
2. Each member and officer of the governing body of the Issuer has been duly appointed or elected pursuant to the Act, Constitution and the laws of the State and is qualified to serve as such.
3. The proceedings of the Executive Committee of the Issuer, including adoption of the Bond Resolution approving and authorizing the execution and delivery of the Issuer Documents by the Issuer, were duly adopted at meetings of the Executive Committee of the Issuer which were called and held pursuant to law and with public notice required by law at which a quorum was present and acting throughout, and comply in all respects with the procedural rules of the Issuer and the procedural requirements of State law and remain in full force and effect on the date hereof.
4. The Issuer Documents constitute valid and legally binding obligations of the Issuer, enforceable in accordance with their terms except as enforcement may be

limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws and equitable principles affecting the enforcement of creditors' rights heretofore or hereafter enacted, and that their enforceability may also be subject to the exercise of the sovereign police powers of the State, or its governmental bodies, and the exercise of judicial discretion in appropriate cases.

5. All approvals, consents, authorizations and orders of any governmental agency having jurisdiction in any matter which would constitute a condition precedent to performance by the Issuer of its obligations under the Issuer Documents have been obtained and are in full force and effect; provided that no opinion is expressed regarding the status of interest on the Bonds under federal or state tax law and no opinion is expressed regarding the qualification of the Bonds for an exemption under the federal securities laws or the qualification of the Bonds under the blue sky laws of any state.
6. To the best of our knowledge and based upon the certifications of the Issuer, the execution and delivery of, and compliance with the terms and provisions of the Issuer Documents will not conflict with, violate or constitute a breach of or default under any provision of the Issuer's By-Laws, or any indenture, contract, mortgage, deed of trust, agreement or other instrument to which the Issuer is a party or by which it or its properties are bound, or any applicable law or administrative rule or regulation of the State, any statute, rule, order, judgment or decree of any court, to which the Issuer is subject, or any rules, regulations, or ordinances of any government or governmental body having jurisdiction over the Issuer or any of its properties.
7. To the best of our knowledge and based upon the certifications of the Issuer, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to the best of our knowledge, threatened in any way affecting the existence or powers of the Issuer or its governing body or the titles of its officers to their respective offices, or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Indenture, or the collection or application of revenues, securities or investments of the Issuer pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof or of the proceeds of the Bonds, or in any way contesting or affecting the validity or enforceability of the Issuer Documents, or any action of the Issuer contemplated by any of said documents, the Issuer's proceedings, or contesting in any way the completeness or accuracy of the Official Statement or the powers of the Issuer to execute and deliver the Issuer Documents.
8. No information came to the attention of the attorneys in our firm rendering legal services in connection with the issuance of the Bonds which causes us to believe that information in the Official Statement under the captions "THE ISSUER" and "LITIGATION - The Issuer", as of the date hereof, contains any untrue statement of a material fact or omits to state any material fact necessary to make the

statements therein, in light of the circumstances under which they were made, not misleading. We express no view with respect to any other captions or information contained in the Official Statement and make no further expressions of opinion thereto.

In rendering the foregoing opinions, we have assumed the due authorization, execution, and delivery of the Issuer Documents by parties thereto other than the Issuer. In our examination, we have also assumed the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, the authenticity of the original of such latter documents and the accuracy of the statements contained in such certificates.

We render no opinion with respect to the exclusion of interest on the Bonds for federal income tax purposes and other federal tax consequences resulting from ownership and disposition of the Bonds. Such matters are addressed in the opinion of Bond Counsel delivered as of even date herewith.

The opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof. The legal opinions expressed herein are intended for the information solely for the addressees hereof and solely for the purpose of the contemplated transactions described herein, and are not to be relied upon by any other person, or entity, or for any other purpose, or quoted as a whole or in part, or otherwise referred to, in any document, or to be filed with any government or other administrative agency, or other person or entity for any other purpose without our prior written consent.

Respectfully submitted,

CASTEN & PEARCE, A.P.L.C.

Casten & Pearce, A.P.L.C.

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November 17, 2010

Louisiana Local Government Environmental Facilities and
Community Development Authority
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Regions Bank, as Trustee
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Baton Rouge, LA 70802

Board of Supervisors for the University of Louisiana System
1201 North 3rd Street, Suite 7300
Baton Rouge, LA 70802

University Facilities, Inc.
SLU Box 10746
Hammond, LA 70402

Morgan Keegan & Company, Inc.
150 4th Avenue North
Nashville, TN 37219-2434

Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P.
8555 United Plaza Blvd.
Baton Rouge, LA 70809

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York NY 10019

OPINION OF COUNSEL

- Re:** \$25,470,000 Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A (the "**Series 2010A Bonds**")
- and** \$5,785,000 Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B (the "**Series 2010B Bonds**")

Ladies and Gentlemen:

We are counsel for University Facilities, Inc. (the "**Corporation**"). In connection with the issuance and delivery of the above-captioned bonds (the "**Series 2010 Bonds**") and for the purpose of rendering this opinion, we have examined the following:

- (a) The Articles of Incorporation, the Bylaws, and the minute book of the Corporation.
- (b) The Trust Indenture (the "**Indenture**") dated as of November 1, 2010, by and between the Louisiana Local Government Environmental Facilities and Community Development Authority, as Issuer (the "**Authority**") and Regions Bank, as Trustee (in such capacity, the "**Trustee**").
- (c) The Loan and Assignment Agreement (the "**Loan Agreement**") dated as of November 1, 2010, by and between the Authority and the Corporation.
- (d) The Ground Lease Agreement dated as of January 1, 2010, by and between the Board of Supervisors for the University of Louisiana System (the "**Board**") on behalf of Southeastern Louisiana University (the "**University**"), and the Corporation (the "**Ground Lease**").
- (e) The Agreement to Lease with Option to Purchase dated as of January 1, 2010, by and between the Corporation and the Board on behalf of the University, as amended by the First Amendment to Agreement to Lease with Option to Purchase dated as of November 1, 2010, by and between the Corporation and the Board on behalf of the University (collectively, the "**Facilities Lease**").

- (f) The Act of Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement dated November 17, 2010 (the "**Mortgage**"), by the Corporation in favor of the Trustee.
- (g) The Tax Regulatory Agreement and Arbitrage Certificate (the "**Tax Agreement**") dated as of November 17, 2010, by and between the Authority and the Trustee, including the Company Certificate attached thereto as Exhibit A and executed by the Corporation and the Board.
- (h) The Bond Purchase Agreement (the "**Bond Purchase Agreement**") dated as of November 4, 2010, among the Authority, the Corporation, and Morgan Keegan & Company, Inc., as Underwriter (the "**Underwriter**").
- (i) The Official Statement (the "**Official Statement**") dated November 4, 2010, relating to the Series 2004 Bonds.

The Ground Lease, the Facilities Lease, the Loan Agreement, the Mortgage, the Tax Agreement, and the Bond Purchase Agreement, are hereinafter referred to collectively as the "**Corporation Documents.**"

On the basis of the foregoing and an examination of such other documents and consideration of such matters of law as we have deemed appropriate to enable us to render this opinion, we are of the opinion that:

(1) the Corporation has been duly organized, is validly existing as a nonprofit corporation under the laws of the State of no part of the net earnings of which inures to the benefit of any person, private stockholder, or individual;

(2) the Corporation has all requisite power and authority to execute and deliver, and perform its obligations under, each of the Corporation Documents and to own its properties and carry on its business, and the Corporation has all licenses and permits necessary to conduct the operation of the Facilities (as such term is defined in the Loan Agreement) to the extent contemplated in the Corporation Documents;

(3) the Corporation is authorized to conduct business in each jurisdiction in which the failure so to qualify would materially adversely affect its business including the State;

(4) the execution and delivery of the Corporation Documents and the performance by the Corporation of its obligations thereunder have been duly authorized by all necessary action on the part of the Corporation, and the Corporation Documents constitute legal, valid, and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms, except as enforcement thereof may be limited by laws relating to bankruptcy, reorganization, insolvency, or other similar laws affecting the enforcement of creditors' rights generally or by usual limitations on the availability of equitable remedies;

(5) the execution and delivery of the Corporation Documents by the Corporation and the performance by the Corporation of its obligations thereunder do not violate any provision of law or any regulation applicable to the Corporation or any applicable judgment, writ, decree, order, or regulation of any court or of any public or governmental agency or authority having jurisdiction over the Corporation or any of its activities or property and do not conflict with or result in any breach of, or constitute a default under, any of the provisions of the Articles of Incorporation or the Bylaws of the Corporation or, to the best of our knowledge after due inquiry, any agreement or instrument to which the Corporation a party or by which it is bound;

(6) neither the issuance and sale of the Series 2010 Bonds, nor the consummation of any other of the transactions contemplated in the Corporation Documents, nor the fulfillment of the terms thereof will result in the creation of any lien, pledge, charge, or encumbrance upon any of the assets of the Corporation other than those expressly contemplated by such documents;

(7) the Corporation has duly approved the Indenture and has duly approved, executed, and authorized the use of the Official Statement by the Underwriter in connection with the offering and sale of the Series 2010 Bonds;

(8) to the best of our knowledge after due inquiry, all consents, approvals, and authorizations, if any, of any governmental authority required in connection with the demolition of certain existing facilities and renovation, development and construction of the Student Union, the Center for Student Excellence, Student Health Center, Food Service Areas, the Bookstore and other related facilities on the campus of Southeastern Louisiana University as contemplated by the Corporation Documents, and the execution and delivery and the performance by the Corporation of its obligations under the Corporation Documents have been obtained;

(9) to the best of our knowledge after due inquiry, there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, or before or by any court, public board or body, or pending or threatened against or affecting the Corporation, wherein an unfavorable decision, ruling, or finding would adversely affect the validity of, or materially adversely affect (i) the transactions contemplated by, any of the Corporation Documents or (ii) the exclusion of the interest on the Series 2010A Bonds from the gross income of the registered owners thereof;

(10) the Corporation has a written determination from the Internal Revenue Service that it has been determined to be an organization that is exempt from federal income taxation under §501(a) of the Internal Revenue Code of 1986, as amended (the "**Code**"), by virtue of being an organization described in §501(c)(3) of the Code, the Corporation is not a "private Corporation," as defined in §509(a) of the Code, and its use of the Facilities does not constitute an "unrelated trade or business" as such term is defined in Section 513(a) of the Code) and, to the best of our knowledge after due inquiry, the Corporation has conducted its operations and has made all necessary filings so as to maintain its status as an exempt organization and has done nothing to impair its status as an exempt organization;

(11) nothing has come to our attention that leads us to believe that, as of the date thereof and as of the date hereof, the Official Statement contains any untrue statement of a material fact or

omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; we do not express any opinion or belief as to the financial statements and other financial and statistical information and data contained in the Official Statement or as to any information under the captions "**THE AUTHORITY**" or "**TAX EXEMPTION**" in the Official Statement; and

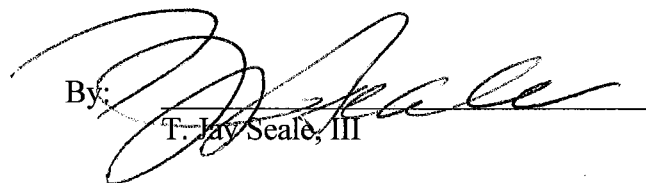
(12) the Corporation's payments payable from payments made by the Board from Student Fees (as defined in the Indenture) and Capital Funds (as defined in the Indenture) have been validly pledged and assigned to the Trustee for the benefit of the holders of the Series 2010 Bonds; the Corporation has made a valid and binding grant of the Mortgage to the Trustee, mortgaging the Corporation's leasehold interest in the real property subject to the Ground Lease together with the Facilities; the Series 2010 Bonds are payable from and secured by such valid liens and pledges, together with a lien on and pledge of other funds and accounts held under the Indenture (collectively, the "*Trust Estate*"), in the manner and to the extent provided in the Indenture; and the Corporation is duly obligated to pledge such Trust Estate, and no further action on the part of the Corporation or any other party is required to perfect the same or the interest of the holders of the Series 2010 Bonds therein.

Only the addressees (the "*Opinion Recipients*") are entitled to rely upon or to assert any legal rights created by this opinion letter and the Opinion Recipients' reliance on the opinions expressed herein shall be only for the purpose contemplated by the Corporation Documents. This opinion letter may not be used or relied upon by any other person for any purpose whatsoever, other than in connection with regulatory requirements or in response to court order, without our prior written consent.

Sincerely,

SEALE & ROSS, A PROFESSIONAL LAW CORP.

By:



T. Jay Seale, III

DeCUIR, CLARK & ADAMS L.L.P.

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November 17, 2010

Louisiana Local Government Environmental
 Facilities and Community Development Authority
 Baton Rouge, Louisiana

Morgan Keegan & Company, Inc.
 Nashville, Tennessee

Regions Bank,
 as Trustee
 Baton Rouge, Louisiana

Jones, Walker, Waechter, Poitevent,
 Carrère & Denégre, L.L.P.
 Baton Rouge, Louisiana

Board of Supervisors for the University of
 Louisiana System
 Baton Rouge, Louisiana

Assured Guaranty Municipal Corporation
 New York, New York

University Facilities, Inc.
 Hammond, Louisiana

McGlinchey Stafford, PLLC
 Baton Rouge, Louisiana

Re: \$25,470,000 Louisiana Local Government Environmental Facilities and
 Community Development Authority Tax-Exempt Revenue Bonds
 (Southeastern Louisiana University Student Union/University Facilities,
 Inc. Project) Series 2010A (the "Series 2010A Bonds")

and \$5,785,000 Louisiana Local Government Environmental Facilities and
 Community Development Authority Taxable Revenue Bonds
 (Southeastern Louisiana University Student Union/University Facilities,
 Inc. Series 2010B (the "Series 2010B Bonds"))

Ladies and Gentlemen:

We have acted as counsel for the Board of Supervisors for the University of Louisiana System, formerly known as the Board of Trustees for State Colleges and Universities, a public constitutional corporation duly created and existing under the constitution and laws of the State of Louisiana (the "Board"), in connection with the entering into and execution by the Board, on

behalf of Southeastern Louisiana University (the "University"), of the Ground Lease Agreement (the "Ground Lease"), dated as of January 1, 2010, by and between the Board, as lessor, and University Facilities, Inc., a Louisiana private non-profit corporation (the "Corporation"), as lessee, pursuant to which the Board has leased to the Corporation property located on the campus of Southeastern Louisiana University (the "Land"), and the entering into and execution of the Agreement to Lease with Option to Purchase dated as of January 1, 2010, as amended by the First Amendment to Agreement to Lease with Option to Purchase dated November 1, 2010, (collectively, the "Facilities Lease") by and between the Corporation, as lessor, and the Board, as lessee, pursuant to which the Corporation will demolish certain existing facilities and renovate, develop and construct the Student Union, the Center for Student Excellence, the Student Health Center, the Food Service Areas, the Bookstore and other related facilities on the campus of the University financed by issuance of the above referenced bonds (the "Bonds") of the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Authority") and leased back to the Board pursuant to the Facilities Lease.

In that connection, we have examined the Board's current Bylaws and Regulations, the actions and Resolutions adopted by the Board on October 24, 2008 approving the award and the financing and authorizing Dr. Crain to execute any and all documents necessary with respect to the project and the financing thereof (the "Resolutions"), the approval by the Board of Regents on October 23, 2008, the Ground Lease dated January 1, 2010, the Facilities Lease dated January 1, 2010 and November 1, 2010, the Bond Purchase Agreement dated November 4, 2010 (the "Bond Purchase Agreement"), the Continuing Disclosure Certificate of the Board (the "Continuing Disclosure Certificate") dated November 17, 2010 and such other documents and records of the Board (collectively, the "Additional Documents") as deemed necessary to enable us to render this opinion. All capitalized terms used and not otherwise defined herein shall have the same meanings ascribed to such terms in the hereinafter defined Board Documents unless the context shall clearly indicate otherwise.

Based on the foregoing, it is our opinion that:

1. The Board is a public constitutional corporation duly created and validly existing under the laws of the State of Louisiana with full power and authority to own its own properties and to conduct its business and affairs, particularly, to adopt the Resolution authorizing the Ground Lease and the Facilities Lease, to execute, deliver and perform its obligations under the Ground Lease and Facilities Lease, to acknowledge and approve the entering into and execution of the Management Agreement by the Corporation and to conduct the business now being conducted by it having taken all requisite action required to authorize the execution and delivery thereof and consummation of the transactions contemplated thereby.

2. The Ground Lease, the Facilities Lease and the Continuing Disclosure Certificate delivered in connection with the issuance of the Bonds (referred herein collectively as the "Board Documents") have been duly authorized, executed and delivered by the Board and constitute legal, valid and binding obligations of the Board enforceable in accordance with their respective terms except insofar as the enforcement thereof may be limited by applicable bankruptcy, reorganization, moratorium, insolvency, liquidation or other laws affecting creditors'

rights generally, by general principles of equity and as otherwise set forth herein.

3. To the best of our knowledge and after reasonable inquiry, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court, public board or body, pending or, to our knowledge, threatened, against or affecting the Board, other than that previously listed and disclosed wherein an unfavorable decision, ruling or finding would adversely affect its financial condition, the results of its operation or the transactions contemplated by the Board Documents, or the validity of the Board Documents. Please be advised that while there may be lawsuits pending involving the Board itself, it is not possible for us to confer with every attorney handling such matters. Furthermore, it would be impossible to predict outcomes of such cases. However, to the extent that there are adverse judgments in excess of any Board insurance policy limit, such judgments could be satisfied only through an appropriation by the Louisiana Legislature because Board assets are not available to satisfy such judgments.

4. To the best of our knowledge, after due and reasonable inquiry and based upon certifications and representations of officials of the Board, the adoption of the Resolution and the execution and delivery of the Board Documents and compliance with the provisions thereof under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Board a material breach of or material default under any material indenture, mortgage, agreement or other instrument to which the Board is a party by which it is bound or any existing law, regulation, court order or consent decree to which the Board is subject.

5. No approval or other action by any governmental authority or agency, other than approvals or actions already obtained, is required in connection with the execution or performance by the Board of the Board Documents.

6. Based upon our participation in the preparation of the Official Statement regarding this transaction, and without having undertaken to determine independently the accuracy or the completeness of the statements contained therein, we have no reason to believe that the statements with respect to the Board or the University contained in the Official Statement under the heading entitled "SUMMARY STATEMENT", "INTRODUCTORY STATEMENT", "THE FACILITIES", "THE BOARD", "THE UNIVERSITY", "BONDHOLDER RISKS", "THE GROUND LEASE", "THE FACILITIES LEASE", "CONFLICTS OF INTEREST; RELATIONSHIPS", "CONTINUING DISCLOSURE", "FINANCIAL ADVISOR TO THE UNIVERSITY", and "MISCELLANEOUS" contain any untrue statement of a material fact or fail to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

This opinion is rendered solely to the addressees hereof in connection with the captioned transaction and may not be relied upon by any person for any other purpose without out prior written consent. Further, copies of this letter may not be circulated or furnished to any party, and neither this letter nor the opinions set forth herein may be quoted or referred to in any report or

document furnished to any other party without our prior written consent. The opinions set forth herein are subject to the following qualifications and limitations.

(a) The opinions set forth in this letter are given as of the date hereof and we do not undertake to report or advise you or any other person of any changes in law, statutes or jurisprudence in any matter set forth herein. The opinion is limited to the matters expressly stated herein and no opinion may be inferred or implied beyond the matters expressly stated herein.

(b) We are qualified to practice law in the State of Louisiana and the foregoing opinions are limited exclusively to the presently effective laws of the State and the Federal Laws of the United States of America in effect on and as of the date hereof and no opinion is expressed herein as to any matter governed by the laws of other jurisdictions.

(c) We have assumed the accuracy of and compliance with representations, warranties and covenants of the Board, its officers, representatives or agents, contained in the documents or made in connection with the entering into of this Ground Lease and Facilities Lease and other Board Documents delivered in this transaction. We have also relied upon the opinions of Gregory A. Pletsch and Associates, counsel to the Trustee, with respect to the corporate power of the Trustee to enter into and the due authorization, execution and delivery by the Trustee of the documents described above to which it is a party and the binding effect thereof on the Trustee, on the opinion of Casten & Pearce, A.P.L.C. of Shreveport, Louisiana, counsel to the Authority, with respect to the due organization and good standing of the Authority as a political subdivision of the State of Louisiana with the corporate authority to enter into and the due authorization, execution and delivery of the documents described herein to which it is a party and on the opinion of Seale & Ross, P.L.C. of Hammond, Louisiana, counsel to the Corporation, with respect to the due organization and good standing of the Corporation with the corporate authority to enter into and the due authorization, execution and delivery of the documents described herein to which it is a party. We have additionally relied on the opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denégre, L.L.P., Baton Rouge, Louisiana bond counsel, with respect to due authorization, execution and delivery by the parties identified herein in the pursuance of and execution of bond agreements and certain tax matters addressed herein. We have additionally relied on McGlinchey Stafford, PLLC counsel to the Underwriter, with

respect to the due organization and good standing of the Underwriter with the corporate authority to enter into and the due authorization, execution and delivery of the documents described herein to which it is a party.

- (d) We have assumed the accuracy of and compliance with representations, warranties and covenants of the Board, the Authority, the Corporation, or their officers, representatives or agents, contained in the documents or made in connection with the entering into of this Agreement, specifically, the Board Documents delivered in this transaction. We have also relied upon Sisung Securities Corporation, financial advisor to the University, as to certain financial matters.

For the purpose of this opinion, our services as counsel to the Board have not extended beyond the examinations and expressions of the conclusions referred to herein. In addition in rendering the foregoing opinion with respect to enforceability of the various agreements to which the Board is a party, we have assumed that such agreements are enforceable against the parties thereto other than the Board. This opinion is not offered nor shall it be construed as a guarantee or warranty nor has the firm of DeCuir, Clark & Adams, L.L.P. performed or been asked to perform any title examinations with respect to the property leased to the Corporation pursuant to the Ground Lease incorporated herein nor has the undersigned expressed or issued an opinion as to the title herein or otherwise.

In addition, in rendering the foregoing opinions with respect to enforceability of the various agreements to which the Board is a party, we have assumed such agreements are enforceable against the parties thereto other than the Board. This opinion is not offered, nor shall it be construed, as a guaranty or warranty.

Sincerely yours,

DECUIR, CLARK & ADAMS, L.L.P.



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JASON M. DECUIR

GREGORY A. PLETSCH & ASSOCIATES

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November 17, 2010

Louisiana Local Government Environmental Morgan Keegan & Company, Inc.
Facilities and Community Development Authority New Orleans, Louisiana
Baton Rouge, Louisiana

Assured Guaranty Municipal Corporation

Board of Supervisors for the University of New York, New York
Louisiana System
Baton Rouge, Louisiana

Southeastern Louisiana University
Hammond, Louisiana

Regions Bank, as Trustee
Baton Rouge, Louisiana

University Facilities, Inc.
Hammond, Louisiana

Jones, Walker, Waechter, Poitevent, Carrère &
Denègre, L.L.P
Baton Rouge, Louisiana

\$25,470,000

**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY**

TAX-EXEMPT REVENUE BONDS

(SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION/ UNIVERSITY FACILITIES, INC. PROJECT)

SERIES 2010A

\$5,785,000

**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY**

TAXABLE REVENUE BONDS

(SOUTHEASTERN LOUISIANA UNIVERSITY STUDENT UNION/ UNIVERSITY FACILITIES, INC. PROJECT)

SERIES 2010B

Ladies and Gentlemen:

We have acted as counsel for Regions Bank, Baton Rouge, Louisiana (the "Bank"), acting as trustee (the "Trustee") pursuant to the Trust Indenture dated as of November 1, 2010 (the "Indenture") by and between the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer"), and the Bank with respect to the issuance by the Issuer of \$25,470,000 Louisiana Local Government Environmental Facilities and Community

November 17, 2010

Page 2

Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/ University Facilities, Inc. Project), Series 2010A (the "Series 2010A Bonds") and \$5,785,000 Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds ((Southeastern Louisiana University Student Union/ University Facilities, Inc. Project), Series 2010B (the "Series 2010B Bonds" and together with the Series 2010A Bonds, the "Bonds") issued pursuant to the Indenture. Unless otherwise expressly provided herein, capitalized terms used herein have the respective meanings assigned to them in the Indenture, and, in addition thereto, the Indenture and the Tax Regulatory Agreement are collectively referred to herein as the "Trustee Documents".

In our capacity as counsel to the Bank, we have examined originals or copies, certified or otherwise, identified to our satisfaction, of: (1) the Articles of Incorporation and Bylaws of the Bank, which have been certified to us by a responsible officer of the Bank to be true and correct; (2) the Trustee Documents; and (3) such other documents and matters of law as we have deemed necessary in order to render the following opinions.

Based upon the foregoing, and subject to the qualifications and exclusions otherwise stated herein, we are of the opinion that:

1. the Bank is a state banking corporation with fiduciary powers, duly organized, validly existing and in good standing under the laws of the State of Alabama and authorized to serve as a corporate trustee in the State of Louisiana;
2. the Trustee Documents have been duly authorized, executed and delivered by the Bank and constitute the valid, legal and binding obligations of the Bank, enforceable against the Bank in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws affecting the enforcement of creditors' rights in general;
3. the Bank has all necessary fiduciary powers required to carry out the duties of the Bank provided under the Trustee Documents;
4. the acceptance by the Bank of its duties and obligations under the Trustee Documents and compliance with provisions thereof does not conflict with or constitute a breach of or default under any law, administrative regulation, consent decree or any agreement or other instrument to which the Bank is subject;
5. all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter, which would constitute a condition precedent to the performance by the Bank of its duties and obligations under the Trustee Documents

have been obtained and are in full force and effect;

6. to the best of our knowledge, no litigation is pending or threatened, which in any way contests or affects the existence or powers (including fiduciary powers) of the Bank or the Bank's ability to fulfill its duties and obligations under the Trustee Documents; and
7. the Bonds have been duly authenticated and delivered by an authorized officer of the Bank.

In rendering the opinions expressed herein, with your permission and without further investigation, we have relied, to the extent that we deem such reliance proper, upon the Certificate of Trustee of even date herewith of an officer of the Bank with respect to the accuracy of the material factual matters which were contained in such certificates and not independently established by us. In addition, we have also assumed the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies, the authenticity and genuineness of all signatures (other than representatives of the Bank) on executed documents, the power to enter into and perform all of their respective obligations thereunder (by the respective parties thereto other than the Bank) and the due authorization, execution and delivery of the Trustee Documents by the respective parties thereto other than the Bank.

In basing the opinions and other matters set forth herein on "our knowledge", the words "our knowledge" signify that, in the course of our representation of the Bank in matters with respect to which we have been engaged by it, no information has come to our attention that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate or that any of the foregoing documents, certificates, reports and information on which we have relied are not accurate and complete.

We have not made an inquiry or investigation with respect to compliance with applicable federal and state securities laws and regulations. No opinion is extended and we specifically disclaim any opinion, as to the following: (i) the excludability of interest on the Bonds from federal or state income taxes; (ii) the applicability or compliance with federal or state securities or "Blue Sky" laws; (iii) the enforceability of any provisions of the Trustee Documents or other document referred to herein, if any, which purports to grant extra judicial remedies; (iv) the legality or enforceability of indemnification provisions; (v) the legality or enforceability of the waiver of any rights or remedies by the Bank under the Trustee Documents; (vi) the creation, validity, priority, perfection or enforceability of any lien or security interest purported to be created pursuant to the Trustee Documents; and (vii) the authority of the Bank to perform any duties or obligations on its part under the Trustee Documents, other than those that can be performed in the State of Louisiana.

December 8, 2009

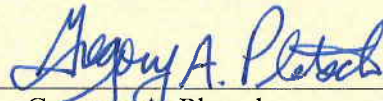
Page 3

The opinions expressed hereinabove are expressed only insofar as the substantive laws of the State of Louisiana (without reference to its conflicts of laws rules) and the federal laws of the United States of America governing the banking and fiduciary powers of the Bank which are in effect on the date hereof may be applicable and are qualified to the extent that (i) certain equitable remedies including specific performance may be unavailable, and (ii) any indemnification provisions contained therein may be limited by applicable laws and public policy. This opinion is furnished solely for the benefit of the addressees and is not to be used, circulated, quoted, relied upon or otherwise referred to for any other purpose without our prior written approval. In addition, this opinion is given as of the date hereof and nothing shall require us to advise you of any facts arising after the date hereof that would invalidate or otherwise alter any matter opined to herein.

Respectfully submitted,

Gregory A. Pletsch & Associates
(A Professional Law Corporation)

By: _____


Gregory A. Pletsch

GAP/cph

November 17, 2010

Morgan Keegan & Company, Inc.
New Orleans, Louisiana

RE: \$25,470,000 Louisiana Local Government Environmental Facilities
and Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project) Series 2010A
and
\$5,785,000 Louisiana Local Government Environmental Facilities
and Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project) Series 2010B

Ladies and Gentlemen:

This letter is being delivered to you pursuant to the Bond Purchase Agreement dated November 4, 2010 (the "Bond Purchase Agreement") by and between Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer"), University Facilities, Inc., a Louisiana non-profit corporation (the "Corporation") and you, as the underwriter (the "Underwriter"), relating to the purchase by the Underwriter of the Issuer's (i) \$25,470,000 Tax-Exempt Revenue Bonds, Series 2010A and (ii) \$5,785,000 Taxable Revenue Bonds, Series 2010B (collectively the "Bonds") on this date. For purposes of this letter, capitalized terms used, but not defined, herein will have the same meanings that are assigned to them in the Bond Purchase Agreement or in the hereinafter defined Official Statement.

In our capacity as counsel to the Underwriter, we have participated with you and other parties in the preparation of the Issuer's Official Statement dated November 4, 2010 (the "Official Statement") used in connection with the initial issuance and sale of the Bonds. In the course of such participation, we have reviewed information furnished to us by, and have participated in conferences with, among others, your representatives; representatives of the Issuer and its counsel; representatives of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Bond Counsel; representatives of Casten & Pearce, A.P.L.C., counsel to the Issuer; representatives of Regions Bank, as Trustee; and representatives of Assured Guaranty Municipal Corp., as bond insurer for the Bonds. We have also reviewed the documents, certificates and opinions delivered to the Underwriter pursuant to the Bond Purchase Agreement, other documents and records relating to the issuance and sale of the Bonds and certain other files, records and documents of the Issuer. In addition, we have relied upon, and have assumed the correctness of, certificates and opinions of various of the parties identified above.

367685.1

Based solely on and subject to the foregoing, we advise you that, although we have made no independent investigation or verification of the accuracy, fairness or completeness of, and do not pass upon or assume any responsibility for, the statements included in the Official Statement, during the course of the activities described in the preceding paragraph, no information came to the attention of the attorneys in our firm rendering legal services in connection with the issuance of the Bonds which causes us to believe that the Official Statement (except as provided hereinafter), as of the date of this letter, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, we express no view as to financial statements, or financial, statistical and numerical information, or forecasts, estimates, assumptions or expressions of opinion included in the Official Statement, including, without limitation, the information set forth under the captions "SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS-Student Fees," "SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS-Proforma Debt Service Coverage," "THE SERIES 2010 BONDS-Book-Entry Only System," "MUNICIPAL BOND INSURANCE" and the information set forth in EXHIBITS A, B, C, D and E.

This letter is issued to and for the sole benefit of the addressee stated above and is issued for the sole purpose of the transaction specifically referred to herein. No persons other than the above addressee may rely upon this letter without our express prior written consent. This letter may not be utilized by you for any other purpose whatsoever and may not be quoted or distributed by you without our express prior written consent. We assume no obligation to review or supplement this letter subsequent to its date, whether by reason of a change in the current laws, by legislative or regulatory action, by judicial decision or for any other reason, or to monitor disclosure matters subsequent to the date of this letter.

Respectfully submitted,

McGlinchey Stafford PLLC

McGlinchey Stafford PLLC



November 17, 2010

Municipal Bond Insurance Policy No. 212858-N With Respect to \$31,255,000 In Aggregate Principal Amount of Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project), Series 2010A and Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project), Series 2010B

Ladies and Gentlemen:

I am Counsel of Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), a New York stock insurance company ("AGM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by AGM of its above-referenced policy (the "Policy"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. AGM is a stock insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.
2. The Policy has been duly authorized, executed and delivered by AGM.
3. The Policy constitutes the valid and binding obligation of AGM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of AGM and to the application of general principles of equity.

In addition, please be advised that I have reviewed the description of the Policy under the caption "MUNICIPAL BOND INSURANCE - The Bond Insurance Policy" in the official statement relating to the above-referenced Bonds dated November 4, 2010 (the "Official Statement"). There has not come to my attention any information which would cause me to believe that the description of the Policy referred to above, as of the date of the Official Statement or as of the date of this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that I express no opinion with respect to any information contained in, or omitted from, the caption "MUNICIPAL BOND INSURANCE - The Bond Insurer".

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

Very truly yours,

Counsel

Louisiana Local Government Environmental
Facilities and Community Development Authority,
8712 Jefferson Highway, Suite A,
Baton Rouge, Louisiana 70809-2233

Morgan Keegan & Company,
as Representative of the Underwriters,
11 City Plaza, 400 Convention Street, Suite 300,
Baton Rouge, Louisiana 70802
Assured Guaranty Municipal Corp.

31 West 52 nd Street New York, NY 10019	main 1 212 826 0100 fax 1 212 688 3101	info@assuredguaranty.com	www.assuredguaranty.com
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MUNICIPAL BOND INSURANCE POLICY

ISSUER: Louisiana Local Government Environmental Facilities and Community Development Authority

Policy No.: 212858-N

Effective Date: November 17, 2010

BONDS: \$31,255,000 in aggregate principal amount of Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project), Series 2010A and Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project), Series 2010B

Premium: \$496,159.66

ASSURED GUARANTY MUNICIPAL CORP. (FORMERLY KNOWN AS FINANCIAL SECURITY ASSURANCE INC.) ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

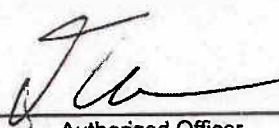
AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. (FORMERLY KNOWN AS FINANCIAL SECURITY ASSURANCE INC.) has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.
(FORMERLY KNOWN AS FINANCIAL
SECURITY ASSURANCE INC.)

By  _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
31 West 52nd Street, New York, N.Y. 10019

(212) 826-0100

NOTICE OF CLAIM AND CERTIFICATE

Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) 31 West 52nd Street
New York, NY 10019

The undersigned, a duly authorized officer of [FULL NAME OF TRUSTEE or PAYING AGENT] (the "Trustee/Paying Agent"), hereby certifies to Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) ("AGM"), with reference to Municipal Bond Insurance Policy No. 212858-N dated November 17, 2010 (the "Policy") issued by AGM in respect of the Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project), Series 2010A and Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project), Series 2010B (the "Bonds"), that:

(i) The Trustee/Paying Agent is the Trustee/Paying Agent under the document authorizing the issuance of the Bonds (the "Trust Indenture") for the Holders.

(ii) The sum of all amounts on deposit (or scheduled to be on deposit) in the [RELEVANT ACCOUNTS] and available for distribution to the Holders pursuant to the Trust Indenture will be \$ _____ (the "Shortfall") less than the aggregate amount of principal and interest Due for Payment on _____ ("Scheduled Payments").

(iii) The Trustee/Paying Agent is making a claim under the Policy for the Shortfall to be applied to the payment of Scheduled Payments.

(iv) The Trustee/Paying Agent agrees that, following receipt of funds from AGM, it shall (a) hold such amounts in trust and apply the same directly to the payment of Scheduled Payments on the Bonds when due; (b) not apply such funds for any other purpose; (c) not commingle such funds with other funds held by the Trustee/Paying Agent and (d) maintain an accurate record of such payments with respect to each Bond and the corresponding claim on the Policy and proceeds thereof, and, if the Bond is required to be [SURRENDERED/PRESENTED] for such payment, shall stamp on each such Bond the legend "\$[insert applicable amount] paid by AGM and the balance hereof has been canceled and reissued" and then shall deliver such Bond to AGM.

(v) The Trustee/Paying Agent, on behalf of the Holders, hereby assigns to AGM the rights of the Holders with respect to the Bonds to the extent of any payments under the Policy, including, without limitation, any amounts due to the Holders in respect of securities law violations arising from the offer and sale of the Bonds. The foregoing assignment is in addition to, and not in limitation of, rights of subrogation otherwise available to AGM in respect of such payments. Payments to AGM in respect of the foregoing assignment shall in all cases be subject to and subordinate to the rights of the Holders to receive all Scheduled Payments in respect of the Bonds. The Trustee/Paying Agent shall take such action and deliver such instruments as may be reasonably requested or required by AGM to effectuate the purpose or provisions of this clause (v).

(vi) The Trustee/Paying Agent, on its behalf and on behalf of the Holders, hereby appoints AGM as agent and attorney-in-fact for the Trustee/Paying Agent and each such Holder in any legal proceeding with respect to the Bonds. The Trustee/Paying Agent hereby agrees that, so long as AGM shall not be in default in its payment obligations under the Policy, AGM may at any time during the continuation of any proceeding by or against the Issuer under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding,

including without limitation, (A) all matters relating to any claim in connection with an Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment made with respect to the Bonds (a "Preference Claim"), (B) the direction of any appeal of any order relating to any Preference Claim at the expense of AGM but subject to reimbursement as provided in the Trust Indenture and (C) the posting of any surety, supersedeas or performance bond pending any such appeal. In addition, the Trustee/Paying Agent hereby agrees that AGM shall be subrogated to, and the Trustee/Paying Agent on its behalf and on behalf of each Holder, hereby delegates and assigns, to the fullest extent permitted by law, the rights of the Trustee/Paying Agent and each Holder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

(vii) Payment should be made by wire transfer directed to [SPECIFY INSURANCE ACCOUNT].

Unless the context otherwise requires, capitalized terms used in this Notice of Claim and Certificate and not defined herein shall have the meanings provided in the Policy.

IN WITNESS WHEREOF, the Trustee/Paying Agent has executed and delivered this Notice of Claim and Certificate as of the _____ day of _____, _____.

By _____

Title _____

For AGM or
Fiscal Agent Use Only
Wire transfer sent on _____ By _____
Confirmation Number _____

RECEIPT FOR FINANCIAL GUARANTY INSURANCE POLICY BY
REGIONS BANK.,
AS TRUSTEE

\$25,470,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

\$5,785,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

The undersigned, for and on behalf of Regions Bank, Baton Rouge, Louisiana, acting as Trustee (the "Trustee") pursuant to the Indenture entered into between the Louisiana Local Government Environmental Facilities and Community Development Authority and the Trustee, hereby acknowledges receipt from Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) of its Municipal Bond Insurance Policy Number 212858-N.

IN WITNESS WHEREOF, the undersigned has caused this receipt to be executed by its duly authorized officer and its corporate seal to be hereunder affixed as to the 17th day of November, 2010.

REGIONS BANK

By: 

John C. Shiroda, Vice President

Unless this Series 2010A Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”) to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010A Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010A Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

No. RA- 1 \$670,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
3.500%	October 1, 2020	November 17, 2010	November 17, 2010	546282FG4

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: SIX HUNDRED SEVENTY THOUSAND AND 00/100 DOLLARS

SPECIMEN

Unless this Series 2010A Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010A Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010A Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

No. RA- 2 \$795,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
3.625%	October 1, 2021	November 17, 2010	November 17, 2010	546282FH2

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: SEVEN HUNDRED NINTY-FIVE THOUSAND AND 00/100 DOLLARS

SPECIMEN

Unless this Series 2010A Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010A Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010A Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

No. RA- 3 \$825,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
3.750%	October 1, 2022	November 17, 2010	November 17, 2010	546282FJ8

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: EIGHT HUNDRED TWENTY-FIVE THOUSAND AND 00/100 DOLLARS

SPECIMEN

Unless this Series 2010A Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010A Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010A Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

No. RA- 4 \$855,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
4.000%	October 1, 2023	November 17, 2010	November 17, 2010	546282FK5

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: EIGHT HUNDRED FIFTY-FIVE THOUSAND AND 00/100 DOLLARS

SPECIMEN

Unless this Series 2010A Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010A Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010A Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

No. RA- 5

\$890,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
4.000%	October 1, 2024	November 17, 2010	November 17, 2010	546282FL3

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: EIGHT HUNDRED NINETY THOUSAND AND 00/100 DOLLARS

SPECIMEN

Unless this Series 2010A Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010A Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010A Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

No. RA- 6 \$930,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
4.000%	October 1, 2025	November 17, 2010	November 17, 2010	546282FM1

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: NINE HUNDRED THIRTY THOUSAND AND 00/100 DOLLARS

SPECIMEN

Unless this Series 2010A Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010A Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010A Bond may be transferred in whole but not in part, only to a nominee of DTC or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

No. RA- 7 \$965,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
4.000%	October 1, 2026	November 17, 2010	November 17, 2010	546282FN9

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: NINE HUNDRED SIXTY-FIVE THOUSAND AND 00/100 DOLLARS

SPECIMEN

Unless this Series 2010A Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010A Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010A Bond may be transferred in whole but not in part, only to a nominee of DTC or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

No. RA- 8 \$5,520,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
4.500%	October 1, 2031	November 17, 2010	November 17, 2010	546282FP4

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: FIVE MILLION FIVE HUNDRED TWENTY THOUSAND AND 00/100
DOLLARS

SPECIMEN

Unless this Series 2010A Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010A Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010A Bond may be transferred in whole but not in part, only to a nominee of DTC or by a nominee of DTC to DTC or a nominee of DTC or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

No. RA- 9 \$14,020,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
5.000%	October 1, 2040	November 17, 2010	November 17, 2010	546282FQ2

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: FOURTEEN MILLION TWENTY THOUSAND AND 00/100 DOLLARS

SPECIMEN

The Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer"), a political subdivision organized and existing under and by virtue of the constitution and the laws of the State of Louisiana (the "State"), for value received, hereby promises to pay (but only out of the Trust Estate, as defined in the hereinafter described Indenture, and therefrom only to the extent provided for in the Indenture) to the Registered Owner (named above) or registered assigns, on the Maturity Date (stated above), the Principal Amount (stated above) subject to the rights of prior redemption as provided hereinafter, and interest on said Principal Amount from the Dated Date specified above or from the most recent Interest Payment Date (as hereinafter defined) on which interest has been paid or duly provided for, until payment of said Principal Amount has been made or duly provided for, at the Interest Rate specified above (using a year of 360 days comprised of twelve 30 day months) and on the dates set forth herein. The principal of and interest on this Series 2010A Bond are payable in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts. The principal of this Series 2010A Bond shall be payable to the registered owner hereof or his assigns upon surrender hereof at the Corporate Trust Office of Regions Bank, as trustee (the "Trustee"). Interest on this Series 2010A Bond when due and payable, shall be paid by check or draft mailed by the Trustee on the interest payment date to the person in whose name this Series 2010A Bond is registered, at the address as it appears on the Bond Register maintained by the Trustee at the close of business on March 15 or September 15, as the case may be next preceding such interest payment date, or if such day shall not be a Business Day, the next preceding Business Day (the "Record Date") irrespective of any transfer or exchange of this Series 2010A Bond subsequent to such Record Date and prior to such interest payment date, unless the Issuer shall default in payment of interest due on such interest payment date, provided that an owner of \$1,000,000 or more in aggregate principal amount of Series 2010A Bonds may request payment by wire transfer if such owner has requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of a default, such defaulted interest shall be payable on a payment date established by the Trustee to the person in whose name this Series 2010A Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owner of this Series 2010A Bond not fewer than fifteen (15) days preceding such special record date.

This Series 2010A Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by a duly authorized representative of the Trustee.

This Series 2010A Bond is one of the duly authorized issue of the Issuer's Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A (the "Series 2010A Bonds"), issued under and secured by the Indenture (hereinafter defined) pursuant to which the Issuer is issuing \$25,470,000 aggregate principal amount of said revenue bonds on behalf of University Facilities, Inc., a Louisiana nonprofit corporation (the "Corporation") for the purpose of: (a) demolishing certain existing facilities and renovating, developing and constructing the Series 2010A Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance of the Series 2010A Bonds, including the premium for any bond insurance policy insuring the Series 2010A Bonds.

Simultaneously with the issuance of the Series 2010A Bonds, the Issuer will issue \$5,785,000 of revenue bonds designated "Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B" (the "*Series 2010B Bonds*") and together with the Series 2010A Bonds, the "*Series 2010 Bonds*", authorized to be issued on behalf of the Corporation for the purpose of: (a) demolishing certain existing facilities and renovating, developing and constructing the Series 2010B Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance of the Series 2010B Bonds, including the premium for any bond insurance policy insuring the Series 2010B Bonds.

The proceeds of the Series 2010A Bonds have been loaned to the Corporation pursuant to a Loan and Assignment Agreement dated as of November 1, 2010, between the Issuer and the Corporation (together with all amendments and supplements thereto the "*Agreement*") for the foregoing purposes. The Board of Supervisors for the University of Louisiana System (the "*Board*"), acting on behalf of Southeastern Louisiana University (the "*University*"), has leased the land upon which the Facilities are and will be located on the campus of the University (the "*Land*") and the Facilities to the Corporation pursuant to the Ground and Building Lease Agreement, and will lease the Facilities from the Corporation pursuant to the Facilities Lease.

The Series 2010A Bonds are issued pursuant to the laws of the State, particularly Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 4548.16, inclusive) (the "*Act*"), and pursuant to a Trust Indenture dated as of November 1, 2010, between the Issuer and the Trustee (together with all amendments and supplements thereto called the "*Indenture*"), a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, and to which Indenture reference is hereby made for a more complete description of the assigned revenues constituting the Trust Estate, the nature and extent of the security, the terms and conditions under which the Series 2010A Bonds are issued and secured, the terms and conditions under which Completion Bonds may be issued and secured, the rights, duties and immunities of the Trustee and the rights of the registered owners of the Series 2010A Bonds. The registered owner of this Series 2010A Bond shall have no rights to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture, and by acceptance of this Series 2010A Bond, the owner hereof assents to all of the provisions of the Indenture. All terms not defined herein shall have the meanings assigned thereto in the Indenture.

The Series 2010A Bonds are on a parity with the Series 2010B Bonds under the Indenture.

THE INSURANCE POLICY

Simultaneously with the delivery of the Series 2010A Bonds, in order to provide the registered Owners of the Series 2010A Bonds additional security, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (the "*Insurer*") will issue and deliver on the date of delivery of the Series 2010A Bonds its unconditional and irrevocable

municipal bond insurance policy pursuant to which the Insurer will agree to pay the principal of and interest on the Series 2010A Bonds when due if such principal and interest are not paid from funds available under the Indenture, all as more particularly set forth in the Statement of Insurance attached hereto.

The Series 2010A Bonds are issuable as fully registered bonds without coupons in Authorized Denominations, and shall be numbered from No. RA-1 upwards. The Series 2010A Bonds are limited and special revenue obligations of the Issuer and are payable solely from (i) payments received by the Issuer from the Corporation pursuant to the Agreement (except however, the Issuer's rights to exculpation, indemnification and payment of expenses by the Corporation under the Agreement) and (ii) all funds held by the Trustee under the Indenture and available for such payment, said payments and funds being herein referred to as the "Trust Estate". The Agreement, a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, provides that the Corporation is unconditionally obligated to make payments, but solely from the Payments (as defined in the Agreement) in an aggregate amount sufficient, for the payment in full of the principal and interest of all Series 2010A Bonds issued and outstanding under the Indenture, to the date of payment thereof, and certain costs, expenses and charges of the Issuer and the Trustee. The Agreement imposes upon the Corporation certain obligations respecting the use and operation of its Facilities and the maintenance and repair of said Facilities.

THE SERIES 2010A BONDS AND THE INTEREST THEREON ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. THE SERIES 2010A BONDS DO NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OF THE ISSUER OR THE CORPORATION AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE STATE, THE BOARD, THE UNIVERSITY, THE ISSUER OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BOARD HAS AGREED, PURSUANT TO THE FACILITIES LEASE, TO MAKE PAYMENTS OF RENTAL TO THE CORPORATION ON BEHALF OF THE UNIVERSITY, UNDER THE TERMS AND CONDITIONS SET FORTH IN THE FACILITIES LEASE. THE PAYMENTS TO BE RECEIVED BY THE ISSUER FROM THE CORPORATION UNDER THE AGREEMENT ARE LIMITED TO THE AMOUNT OF RENTAL RECEIVED BY THE CORPORATION FROM THE BOARD. THE ISSUANCE OF THE SERIES 2010A BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF LOUISIANA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAXES OR TO MAKE ANY APPROPRIATION OF THEIR PAYMENT. THE ISSUER HAS NO POWER TO TAX.

As long as any of the Series 2010A Bonds remain outstanding, there shall be permitted the exchange of Series 2010A Bonds at the principal corporate trust office of the Trustee. Any Series 2010A Bond or Series 2010A Bonds upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in Authorized Denominations.

For every such exchange or transfer of Series 2010A Bonds, the Issuer or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Trustee shall not be required to register the transfer or exchange of (a) any Series 2010A Bonds during the fifteen (15) day period next preceding the selection of Series 2010A Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Series 2010A Bonds selected for redemption, or (b) any Series 2010A Bonds selected, called or being called for redemption in whole or in part, except in the case of any Series 2010A Bond to be redeemed in part, the portion thereof not so to be redeemed.

REDEMPTION PROVISIONS

Optional Redemption

The Series 2010A Bonds maturing October 1, 2021 and thereafter are subject to redemption prior to maturity at the option of the Corporation, upon written direction to the Issuer, on or after October 1, 2020 as a whole at any time, or in part on any Interest Payment Date, the maturity of said Series 2010A Bonds to be redeemed to be designated by the Corporation and selected within a maturity by the Trustee in such manner as the Trustee may determine, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

Mandatory Redemption

The Series 2010A Bonds shall be redeemed as a whole on the Interest Payment Date on or after October 1, 2020, on or after which the Board exercises its option to purchase the Corporation's interest in the Facilities pursuant to Section 23 of the Facilities Lease, at a price equal to the then Outstanding principal amount of the Series 2010A Bonds plus accrued and unpaid interest to the date of redemption.

Extraordinary Redemption

The Series 2010 Bonds are subject to redemption in part at the option of the Corporation, upon written direction to the Issuer, on any Interest Payment Date from amounts transferred by the Trustee from the Project Fund to the appropriate account of the Debt Service Fund upon completion of construction of the Facilities in accordance with the Indenture. The Series 2010 Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine, at a price equal to the principal of the Series 2010 Bonds so redeemed plus accrued and unpaid interest to the date of redemption.

Bonds shall be redeemed as a whole or in part (in an integral multiple of \$5,000) on the first Interest Payment Date at least thirty (30) days after the Trustee receives notice from the Corporation that any insurance proceeds, condemnation award or payment in lieu of condemnation with respect to the Facilities will not be applied to the restoration, repair or reconstruction of the Facilities, and subject to the prior written consent of the Bond Insurer, at a

price equal to the principal amount of the Series 2010 Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not used for restoration, repair or reconstruction. If in part, the Series 2010 Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine. If the amount of any insurance proceeds, condemnation award or payment in lieu of condemnation to be applied in redemption of the Series 2010 Bonds is not an integral multiple of \$5,000, the principal amount of Series 2010 Bonds to be redeemed pursuant to this paragraph shall be decreased to the next lower multiple of \$5,000.

Mandatory Sinking Fund Redemption

Those Series 2010A Bonds maturing on the dates set forth below, shall be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

Series 2010A Bonds
due October 1, 2031

<u>Redemption Date</u>	<u>Principal Amount</u>
2027	\$1,005,000
2028	1,055,000
2029	1,100,000
2030	1,155,000
2031	1,205,000

Series 2010A Bonds
due October 1, 2040

<u>Redemption Date</u>	<u>Principal Amount</u>
2032	\$1,265,000
2033	1,330,000
2034	1,400,000
2035	1,470,000
2036	1,545,000
2037	1,625,000
2038	1,705,000
2039	1,795,000
2040	1,885,000

If on any occasion less than all of the Series 2010A Bonds then outstanding shall be redeemed pursuant to the optional or mandatory redemption provisions described in the Indenture, then the principal amount of the Series 2010A Bonds so redeemed shall be considered to have satisfied a portion of the mandatory sinking fund redemptions required by the above tables. The principal amounts required by the tables above shall be adjusted downward in the amount of principal redeemed in chronological order beginning on the mandatory sinking fund redemption date immediately succeeding the date of such optional redemption.

Unless otherwise specified above, if less than all of the Series 2010A Bonds shall be called for redemption, the maturity of the Series 2010A Bonds to be redeemed shall be designated by the Corporation, on behalf of the Board, and selected by the Trustee within a maturity in such manner as the Trustee may determine; provided, however, that the portion of any Series 2010A Bond to be redeemed shall be in the principal amount of an Authorized Denomination. If a portion of any Series 2010A Bond shall be called for redemption, a new Series 2010A Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

At least thirty (30) days before the redemption date of any Series 2010A Bonds redeemed other than by mandatory sinking fund redemption, the Trustee shall cause a notice of any such redemption, signed by an authorized officer of the Trustee to be mailed, postage prepaid, to all Bondholders of record owning Series 2010A Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Series 2010A Bonds then outstanding shall be called for redemption, the numbers of such Series 2010A Bonds to be redeemed and, in the case of Series 2010A Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Series 2010A Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Series 2010A Bond, a new Series 2010A Bond in principal amount equal to the unredeemed portion of such Series 2010A Bond will be issued.

Modifications or alterations of the Indenture or any agreement supplemental thereto or of the Agreement or any agreement supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture and the Agreement. So long as no event of nonperformance under the Agreement has occurred and is continuing, no such supplement shall become effective unless the Corporation, on behalf of the Board, shall have given its prior written approval.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2010A Bond, do exist, have happened and have been performed in regular and due form as required by law.

The insurance policy does not cover any accelerated payments, increased rate of interest or premium, if any, due to optional redemption or extraordinary redemption of the Series 2010A Bonds even if such optional or extraordinary redemption occurs with the consent of the Insurer.

IN WITNESS WHEREOF, the Louisiana Local Government Environmental Facilities and Community Development Authority has caused this Series 2010A Bond to be executed with the manual or facsimile signature of its Chairman, and its corporate seal or a facsimile thereof to be hereto affixed or printed, and attested by the manual or facsimile signature of its Executive Director on November 17, 2010.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

By: 

Julian E. Dufreche, Chairman

ATTEST:

By: 

Steve A. Dicharry, Executive Director

SEAL

CERTIFICATE OF AUTHENTICATION

This Series 2010A Bond is one of the Series 2010A Bonds described in the within mentioned Indenture.

Date of Authentication:
November 17, 2010

REGIONS BANK, as Trustee

By: 

John C. Shiroda, Vice President

SPECIMEN

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to Regions Bank, Baton Rouge, Louisiana, or its successor, as paying agent for the Bonds (the "Trustee"). Said Policy is on file and available for inspection at the corporate trust office of the Trustee and a copy thereof may be obtained from AGM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

SPECIMEN

SPECIMEN

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address,
including Zip Code, and Federal Taxpayer Identification
or Social Security Number of Assignee)

the within Series 2010A Bond and all rights thereunder, and hereby irrevocably constitutes and
appoints

Attorney to register the transfer of the within Series 2010A Bond on the books kept for
registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed by: _____

NOTICE: Signature must be guaranteed by a
Participant in the Securities Transfer Agent
Medallion Program.

NOTICE: The signature to this assignment
must correspond with the name as it appears
on the face of the within Series 2010A Bond
in every particular, without alteration,
enlargement or any change whatever.

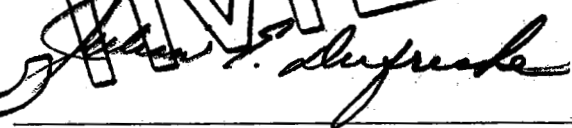
TRANSFER FEE MAY BE REQUIRED

SPECIMEN

LEGAL OPINION CERTIFICATE

I, the undersigned Chairman of the Louisiana Local Government Environmental Facilities and Community Development Authority, do hereby certify that attached hereto are true copies of the complete legal opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Baton Rouge, Louisiana, Bond Counsel, the originals of which were manually executed, dated and issued as of the date of payment for and delivery of the original bonds of the issue described therein and were delivered to the original purchaser thereof. I further certify that executed copies of the above-referenced legal opinions are on file in my office and that executed copies thereof have been furnished to the Trustee for these Series 2010A Bonds.

SPECIMEN

By: 
Julian E. Dufreche, Chairman

SPECIMEN



November 17, 2010

Louisiana Local Government Environmental Facilities
and Community Development Authority
Baton Rouge, Louisiana

SPECIMEN

\$25,470,000

Louisiana Local Government Environmental
Facilities and Community Development Authority
Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union /
University Facilities, Inc. Project)
Series 2010A

\$5,785,000

Louisiana Local Government Environmental
Facilities and Community Development Authority
Taxable Revenue Bonds
(Southeastern Louisiana University Student Union /
University Facilities, Inc. Project)
Series 2010B

We have acted as bond counsel to the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer"), a political subdivision of the State of Louisiana (the "State"), in connection with the issuance by the Issuer its \$25,470,000 Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010A (the "Series 2010A Bonds") and its \$5,785,000 Taxable Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010B (the "Series 2010B Bonds" and, together with the Series 2010A Bonds, the "Series 2010 Bonds") pursuant to Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 33:4548.16, inclusive) (the "Act").

The Series 2010 Bonds have been issued by the Issuer pursuant to the Act and other constitutional and statutory authority and a Trust Indenture dated as of November 1, 2010 (the "Indenture") between the Issuer and Regions Bank as trustee (the "Trustee"). Capitalized terms used herein that are not otherwise defined have the meaning given them in the Indenture.

JONES, WALKER, WAECHTER, POITEVENT, CARRERE & DENEGRE L.L.P.

8555 UNITED PLAZA BOULEVARD • BATON ROUGE, LOUISIANA 70809-7000 • 225-248-2000 • FAX 225-248-2010 • E-MAIL info@joneswalker.com • www.joneswalker.com

ALABAMA ARIZONA DISTRICT OF COLUMBIA FLORIDA LOUISIANA TEXAS

The Series 2010 Bonds are issuable as fully registered bonds, are dated, bear interest until paid at the rates per annum, mature in the principal amounts and on the dates, and are subject to redemption all as set forth in the Indenture and in the Series 2010 Bonds.

The Series 2010 Bonds are issued under and are secured as to principal and interest by the Indenture, which provides a description of the nature and extent of the security for the Series 2010 Bonds, a statement of the terms and conditions under which the Series 2010 Bonds are issued and secured, the rights, duties and obligations of the Issuer, the rights, duties and immunities of the Trustee and the rights of the owners of the Series 2010 Bonds.

The Series 2010 Bonds are issued in order to enable University Facilities, Inc., a Louisiana non-profit corporation (the "*Corporation*") to provide financing for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related facilities for students, faculty, staff, and the general public, including all furnishings, fixtures and facilities incidental or necessary in connection therewith, on the campus of Southeastern Louisiana University (the "*Facilities*").

The Corporation has leased the property upon which the Facilities will be located from the Board of Supervisors for the University of Louisiana System (the "*Board*") pursuant to a Ground and Buildings Lease Agreement dated as of January 1, 2010 (the "*Ground Lease*"). The Board will lease back the completed Facilities from the Corporation pursuant that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010, as supplemented and amended by that certain First Amcndment to Agreement to Lease with Option to Purchase dated as of November 1, 2010 by and between the Board and the Corporation (the "*Facilities Lease*").

The Issuer and Corporation have entered into a Loan and Assignment Agreement dated as of November 1, 2010 (the "*Loan Agreement*"), pursuant to which the Issuer will loan the proceeds from the sale of the Series 2010 Bonds to the Corporation for the foregoing purposes. Pursuant to the Agreement, the Corporation has agreed to make loan payments (the "*Payments*") solely from the Rentals (as defined in the *Facilities Lease*) sufficient to pay the principal of and interest on the Series 2010 Bonds. The rights of the Issuer under the Loan Agreement (except for the rights of the Issuer relating to occupation, indemnification and payment of expenses thereunder) have been pledged and assigned by the Issuer to the Trustee as security for the Series 2010 Bonds.

The Series 2010 Bonds are also entitled to the benefits of the Act of Leasehold Mortgage, Assignment of Leases and Security Agreement dated November 17, 2010 and effective as of

November 1, 2010 (the "*Mortgage*") executed by the Corporation in favor of the Trustee, pursuant to which the Corporation has mortgaged its leasehold interest in and to the Land and the improvements located thereon, granted a security interest in certain movable property and assigned its rights to all leases and rents relating to the Facilities.

We have examined: (i) the constitution and statutes of the State, including the Act; (ii) a certified transcript of the proceedings of the Issuer authorizing the issuance of the Series 2010 Bonds; (iii) the Indenture, the Loan Agreement, the Tax Regulatory Agreement and Arbitrage Certificate among the Issuer and the Trustee, together with the Borrower Certificate attached thereto executed by the Corporation and the Board, both dated the date of delivery and payment for the Series 2010 Bonds (collectively, the "*Tax Regulatory Agreement*"); and (iv) such other documents, instruments, proofs and matters of law as we have deemed relevant to the issuance of the Series 2010 Bonds and necessary for the purpose of this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Board and the Corporation contained in the Indenture, the Loan Agreement and the Tax Regulatory Agreement, the certified proceedings and other certifications of public officials and others furnished to us, including certifications furnished to us by or on behalf of the Issuer, the Corporation and the Board, without undertaking to verify the same by independent investigation.

On the basis of the foregoing examinations, we are of the opinion, as of the date hereof and under existing law, that:

1. The Issuer is a validly existing political subdivision of the State and has the power and authority to enter into the Loan Agreement and the Indenture and to issue and sell the Series 2010 Bonds.

2. The Series 2010 Bonds are valid and binding special and limited obligations of the Issuer secured by and entitled to the benefits of the Indenture and are payable solely from the revenues and other amounts pledged and assigned under the Indenture.

3. The Loan Agreement and the Indenture have been duly authorized, executed and delivered by the Issuer and constitute valid and binding obligations of the Issuer, enforceable upon the Issuer in accordance with their terms, and all rights of the Issuer under the Loan Agreement have been validly assigned to the Trustee under the Indenture, with the

exception of certain rights of the Issuer relating to notice, exculpation, indemnification and payment of expenses.

4. The Series 2010 Bonds and interest thereon do not constitute an indebtedness or pledge of the general credit of the Issuer within the meaning of any State constitutional or statutory provision and will not constitute a general obligation or a charge against any other revenues of the Issuer.

5. Interest on the Series 2010A Bonds (including the amount of original issue discount properly allocable to the owner thereof) is excludable from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and will not be taken into account in determining a corporation's adjusted current earnings.

6. The Series 2010A Bonds are a "qualified tax-exempt obligation" under section 265(b)(3) of the Code, as amended by the American Recovery and Reinvestment Tax Act of 2009 of the United States Congress.

7. Under the Act, the Series 2010 Bonds, together with the interest thereof, income therefrom, and gain upon the sale thereof are exempt from all State taxes and local taxes.

In rendering the opinions expressed in paragraph 5 above, we have relied on representations of the Issuer, the Board and the Corporation with respect to matters solely within the knowledge of the Issuer, the Board and the Corporation, which we have not independently verified, and have assumed continuing compliance with the covenants in the Indenture, the Loan Agreement and the Tax Regulatory Agreement pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Series 2010 Bonds for federal income tax purposes. In the event that such representations are determined to be inaccurate or incomplete or the Issuer, the Board or the Corporation fails to comply with the foregoing covenants, interest on the Series 2010 Bonds could be includable in gross income for federal income tax purposes from the date of their original delivery, regardless of the date on which the event causing such inclusion occurs.

The accrual or receipt of interest on the Series 2010 Bonds may otherwise affect the federal income tax liability of certain recipients. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We

express no opinion regarding any such consequences and investors should consult their tax advisors regarding the tax consequences of purchasing or holding the Series 2010 Bonds.

It is to be understood that the rights of the owners of the Series 2010 Bonds and the enforceability of the Series 2010 Bonds, the Indenture, the Loan Agreement and the other documents enumerated above may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and that their enforcement may also be subject to the exercise of the sovereign police powers of the State or its governmental bodies and the exercise of judicial discretion in appropriate cases.

For purposes of this opinion, our services as bond counsel have not extended beyond the examinations and expressions of the conclusions referred to above. This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur. Except as stated above, no opinion is expressed as to any federal or state tax consequences resulting from the ownership of, receipt of interest on, or disposition of, the Series 2010 Bonds.

Respectfully submitted,

*Jones Walker Waechter
Poitevent Carriere & Donegan
LLP*

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

PHYSICS 351

LECTURE 10

STATISTICAL MECHANICS

PROFESSOR [Name]

LECTURER [Name]

DATE [Date]

TOPIC [Topic]

OBJECTIVES

1. [Objective 1]

2. [Objective 2]

3. [Objective 3]

4. [Objective 4]

5. [Objective 5]

6. [Objective 6]

7. [Objective 7]

8. [Objective 8]

Unless this Series 2010B Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010B Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010B Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

No. RB- 1

\$440,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
0.800%	October 1, 2011	November 17, 2010	November 17, 2010	546282FR0

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: FOUR HUNDRED FORTY THOUSAND AND 00/100 DOLLARS

SPECIMEN

Unless this Series 2010B Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010B Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010B Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

No. RB- 2 \$600,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
1.400%	October 1, 2012	November 17, 2010	November 17, 2010	546282FS8

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: SIX HUNDRED THOUSAND AND 00/100 DOLLARS

SPECIMEN

Unless this Series 2010B Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010B Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010B Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

NO. RB-3 \$610,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
1.600%	October 1, 2013	November 17, 2010	November 17, 2010	546282FT6

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: SIX HUNDRED TEN THOUSAND AND 00/100 DOLLARS

SPECIMEN

Unless this Series 2010B Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010B Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010B Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

NO. RB-4 \$625,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
2.200%	October 1, 2014	November 17, 2010	November 17, 2010	546282FU3

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: SIX HUNDRED TWENTY-FIVE THOUSAND AND 00/100 DOLLARS

SPECIMEN

Unless this Series 2010B Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010B Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010B Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

NO. RB-5 \$640,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
2.600%	October 1, 2015	November 17, 2010	November 17, 2010	546282FV1

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: SIX HUNDRED FORTY THOUSAND AND 00/100 DOLLARS

SPECIMEN

Unless this Series 2010B Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010B Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010B Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

NO. RB-6 \$655,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
3.150%	October 1, 2016	November 17, 2010	November 17, 2010	546282FW9

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: SIX HUNDRED FIFTY-FIVE THOUSAND AND 00/100 DOLLARS

SPECIMEN

Unless this Series 2010B Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010B Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010B Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

NO. RB-7 \$680,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
3.550%	October 1, 2017	November 17, 2010	November 17, 2010	546282FX7

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: SIX HUNDRED EIGHTY THOUSAND AND 00/100 DOLLARS

SPECIMEN

Unless this Series 2010B Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010B Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010B Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

NO. RB-8 \$705,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
4.100%	October 1, 2018	November 17, 2010	November 17, 2010	546282FY5

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: SEVEN HUNDRED FIVE THOUSAND AND 00/100 DOLLARS

SPECIMEN

Unless this Series 2010B Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010B Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010B Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

NO. RB-9

\$735,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
4.400%	October 1, 2019	November 17, 2010	November 17, 2010	546282FZ2

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: SEVEN HUNDRED THIRTY-FIVE THOUSAND AND 00/100 DOLLARS

SPECIMEN

Unless this Series 2010B Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any Series 2010B Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Series 2010B Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

SPECIMEN

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

No. RB-10 \$95,000.00

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Date of Authentication</u>	<u>CUSIP</u>
4.600%	October 1, 2020	November 17, 2010	November 17, 2010	546282GA6

Registered Owner: Cede & Co.
EIN 13-2555119

Principal Amount: NINETY-FIVE THOUSAND AND 00/100 DOLLARS

SPECIMEN

The Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer"), a political subdivision organized and existing under and by virtue of the constitution and the laws of the State of Louisiana (the "State"), for value received, hereby promises to pay (but only out of the Trust Estate, as defined in the hereinafter described Indenture, and therefrom only to the extent provided for in the Indenture) to the Registered Owner (named above) or registered assigns, on the Maturity Date (stated above), the Principal Amount (stated above) subject to the rights of prior redemption as provided hereinafter, and interest on said Principal Amount from the Dated Date specified above or from the most recent Interest Payment Date (as hereinafter defined) on which interest has been paid or duly provided for, until payment of said Principal Amount has been made or duly provided for, at the Interest Rate specified above (using a year of 360 days comprised of twelve 30 day months) and on the dates set forth herein. The principal of and interest on this Series 2010B Bond are payable in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts. The principal of this Series 2010B Bond shall be payable to the registered owner hereof or his assigns upon surrender hereof at the Corporate Trust Office of Regions Bank, as trustee (the "Trustee"). Interest on this Series 2010B Bond, when due and payable, shall be paid by check or draft mailed by the Trustee on the interest payment date to the person in whose name this Series 2010B Bond is registered, at the address as it appears on the Bond Register maintained by the Trustee at the close of business on March 15 or September 15, as the case may be next preceding such interest payment date, or if such day shall not be a Business Day, the next preceding Business Day (the "Record Date") irrespective of any transfer or exchange of this Series 2010B Bond subsequent to such Record Date and prior to such interest payment date, unless the Issuer shall default in payment of interest due on such interest payment date, provided that an owner of \$1,000,000 or more in aggregate principal amount of Series 2010B Bonds may request payment by wire transfer if such owner has requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of a default, such defaulted interest shall be payable on a payment date established by the Trustee to the person in whose name this Series 2010B Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owner of this Series 2010B Bond not fewer than fifteen (15) days preceding such special record date.

This Series 2010B Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by a duly authorized representative of the Trustee.

This Series 2010B Bond is one of the duly authorized issue of the Issuer's Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B (the "Series 2010B Bonds"), issued under and secured by the Indenture (hereinafter defined) pursuant to which the Issuer is issuing \$5,385,000 aggregate principal amount of said revenue bonds on behalf of University Facilities, Inc., a Louisiana nonprofit corporation (the "Corporation") for the purpose of: (a) demolishing certain existing facilities and renovating, developing and constructing the Series 2010B Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance of the Series 2010B Bonds, including the premium for any bond insurance policy insuring the Series 2010B Bonds.

Simultaneously with the issuance of the Series 2010B Bonds, the Issuer will issue \$25,470,000 of revenue bonds designated "Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B" (the "Series 2010A Bonds" and together with the Series 2010B Bonds, the "Series 2010 Bonds"), authorized to be issued on behalf of the Corporation for the purpose of: (a) demolishing certain existing facilities and renovating, developing and constructing the Series 2010A Facilities, (b) funding a deposit to the herein defined Debt Service Reserve Fund and (c) paying Costs of Issuance of the Series 2010A Bonds, including the premium for any bond insurance policy insuring the Series 2010A Bonds.

The proceeds of the Series 2010B Bonds have been loaned to the Corporation pursuant to a Loan and Assignment Agreement dated as of November 1, 2010, between the Issuer and the Corporation (together with all amendments and supplements thereto the "Agreement") for the foregoing purposes. The Board of Supervisors for the University of Louisiana System (the "Board"), acting on behalf of Southeastern Louisiana University (the "University"), has leased the land upon which the Facilities are and will be located on the campus of the University (the "Land") and the Facilities to the Corporation pursuant to the Ground and Building Lease Agreement, and will lease the Facilities from the Corporation pursuant to the Facilities Lease.

The Series 2010B Bonds are issued pursuant to the laws of the State, particularly Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 4548.16, inclusive) (the "Act"), and pursuant to a Trust Indenture dated as of November 1, 2010, between the Issuer and the Trustee (together with all amendments and supplements thereto called the "Indenture"), a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, and to which Indenture reference is hereby made for a more complete description of the assigned revenues constituting the Trust Estate, the nature and extent of the security, the terms and conditions under which the Series 2010B Bonds are issued and secured, the terms and conditions under which Completion Bonds may be issued and secured, the rights, duties and immunities of the Trustee and the rights of the registered owners of the Series 2010B Bonds. The registered owner of this Series 2010B Bond shall have no rights to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture, and by acceptance of this Series 2010B Bond, the owner hereof assents to all of the provisions of the Indenture. All terms not defined herein shall have the meanings assigned thereto in the Indenture.

The Series 2010A Bonds are on a parity with the Series 2010B Bonds under the Indenture.

THE INSURANCE POLICY

Simultaneously with the delivery of the Series 2010B Bonds, in order to provide the registered Owners of the Series 2010B Bonds additional security, Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (the "Insurer") will issue and deliver on the date of delivery of the Series 2010B Bonds its unconditional and irrevocable

municipal bond insurance policy pursuant to which the Insurer will agree to pay the principal of and interest on the Series 2010B Bonds when due if such principal and interest are not paid from funds available under the Indenture, all as more particularly set forth in the Statement of Insurance attached hereto.

The Series 2010B Bonds are issuable as fully registered bonds without coupons, in Authorized Denominations, and shall be numbered from No. RB-1 upwards. The Series 2010B Bonds are limited and special revenue obligations of the Issuer and are payable solely from (i) payments received by the Issuer from the Corporation pursuant to the Agreement (except however, the Issuer's rights to exculpation, indemnification and payment of expenses by the Corporation under the Agreement) and (ii) all funds held by the Trustee under the Indenture and available for such payment, said payments and funds being herein referred to as the "Trust Estate". The Agreement, a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, provides that the Corporation is unconditionally obligated to make payments, but solely from the Payments (as defined in the Agreement) in an aggregate amount sufficient, for the payment in full of the principal and interest of all Series 2010B Bonds issued and outstanding under the Indenture, to the date of payment thereof, and certain costs, expenses and charges of the Issuer and the Trustee. The Agreement imposes upon the Corporation certain obligations respecting the use and operation of its Facilities and the maintenance and repair of said Facilities.

THE SERIES 2010B BONDS AND THE INTEREST THEREON ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. THE SERIES 2010B BONDS DO NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OF THE ISSUER OR THE CORPORATION AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE STATE, THE BOARD, THE UNIVERSITY, THE ISSUER OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BOARD HAS AGREED, PURSUANT TO THE FACILITIES LEASE, TO MAKE PAYMENTS OF RENTAL TO THE CORPORATION ON BEHALF OF THE UNIVERSITY, UNDER THE TERMS AND CONDITIONS SET FORTH IN THE FACILITIES LEASE. THE PAYMENTS TO BE RECEIVED BY THE ISSUER FROM THE CORPORATION UNDER THE AGREEMENT ARE LIMITED TO THE AMOUNT OF RENTAL RECEIVED BY THE CORPORATION FROM THE BOARD. THE ISSUANCE OF THE SERIES 2010B BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF LOUISIANA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAXES OR TO MAKE ANY APPROPRIATION OF THEIR PAYMENT. THE ISSUER HAS NO POWER TO TAX.

As long as any of the Series 2010B Bonds remain outstanding, there shall be permitted the exchange of Series 2010B Bonds at the principal corporate trust office of the Trustee. Any Series 2010B Bond or Series 2010B Bonds upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in Authorized Denominations.

For every such exchange or transfer of Series 2010B Bonds, the Issuer or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Trustee shall not be required to register the transfer or exchange of (a) any Series 2010B Bonds during the fifteen (15) day period next preceding the selection of Series 2010B Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Series 2010B Bonds selected for redemption, or (b) any Series 2010B Bonds selected, called or being called for redemption in whole or in part, except in the case of any Series 2010B Bond to be redeemed in part, the portion thereof not so to be redeemed.

REDEMPTION PROVISIONS

Optional Redemption

The Series 2010B Bonds are not subject to optional redemption prior to maturity.

Mandatory Redemption

The Series 2010B Bonds are not subject to mandatory redemption prior to maturity.

Extraordinary Redemption

The Series 2010 Bonds are subject to redemption in part at the option of the Corporation, upon written direction to the Issuer, on any Interest Payment Date from amounts transferred by the Trustee from the Project Fund to the appropriate account of the Debt Service Fund upon completion of construction of the Facilities in accordance with the Indenture. The Series 2010 Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine, at a price equal to the principal of the Series 2010 Bonds so redeemed plus accrued and unpaid interest to the date of redemption.

Bonds shall be redeemed as a whole or in part (in an integral multiple of \$5,000) on the first Interest Payment Date at least thirty (30) days after the Trustee receives notice from the Corporation that any insurance proceeds, condemnation award or payment in lieu of condemnation with respect to the Facilities will not be applied to the restoration, repair or reconstruction of the Facilities, and subject to the prior written consent of the Bond Insurer at a price equal to the principal amount of the Series 2010 Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not used for restoration, repair or reconstruction. If in part, the Series 2010 Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine. If the amount of any insurance proceeds, condemnation award or payment in lieu of condemnation to be applied in redemption of the Series 2010 Bonds is not an integral multiple of \$5,000, the principal amount of Series 2010 Bonds to be redeemed pursuant to this paragraph shall be decreased to the next lower multiple of \$5,000.

Unless otherwise specified above, if less than all of the Series 2010B Bonds shall be called for redemption, the maturity of the Series 2010B Bonds to be redeemed shall be designated by the Corporation, on behalf of the Board, and selected by the Trustee within a maturity in such manner as the Trustee may determine; provided, however, that the portion of any Series 2010B Bond to be redeemed shall be in the principal amount of an Authorized Denomination. If a portion of any Series 2010B Bond shall be called for redemption, a new Series 2010B Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

At least thirty (30) days before the redemption date of any Series 2010B Bonds redeemed, the Trustee shall cause a notice of any such redemption, signed by an authorized officer of the Trustee to be mailed, postage prepaid, to all Bondholders of record owning Series 2010B Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Series 2010B Bonds then outstanding shall be called for redemption, the numbers of such Series 2010B Bonds to be redeemed and, in the case of Series 2010B Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Series 2010B Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Series 2010B Bond, a new Series 2010B Bond in principal amount equal to the unredeemed portion of such Series 2010B Bond will be issued.

Modifications or alterations of the Indenture or any agreement supplemental thereto or of the Agreement or any agreement supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture and the Agreement. So long as no event of nonperformance under the Agreement has occurred and is continuing, no such supplement shall become effective unless the Corporation, on behalf of the Board, shall have given its prior written approval.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2010B Bond, do exist, have happened and have been performed in regular and due form as required by law.

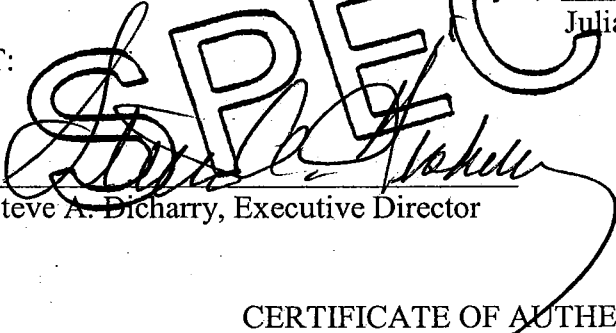
The insurance policy does not cover any accelerated payments, increased rate of interest or premium, if any, due to extraordinary redemption of the Series 2010B Bonds even if such optional or extraordinary redemption occurs with the consent of the Insurer.

IN WITNESS WHEREOF, the Louisiana Local Government Environmental Facilities and Community Development Authority has caused this Series 2010B Bond to be executed with the manual or facsimile signature of its Chairman, and its corporate seal or a facsimile thereof to be hereto affixed or printed, and attested by the manual or facsimile signature of its Executive Director on November 17, 2010.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

ATTEST:

By:


Steve A. Dicharry, Executive Director

By:


Julian E. Dufreche, Chairman

SEAL


CERTIFICATE OF AUTHENTICATION

This Series 2010B Bond is one of the Series 2010B Bonds described in the within mentioned Indenture.

Date of Authentication:
November 17, 2010

REGIONS BANK, as Trustee

By:


John C. Shiroda, Vice President

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STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to Regions Bank, Baton Rouge, Louisiana, or its successor, as paying agent for the Bonds (the "Trustee"). Said Policy is on file and available for inspection at the corporate trust office of the Trustee and a copy thereof may be obtained from AGM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

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ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address,
including Zip Code, and Federal Taxpayer Identification
or Social Security Number of Assignee)

the within Series 2010B Bond and all rights thereunder, and hereby irrevocably constitutes and
appoints

Attorney to register the transfer of the within Series 2010B Bond on the books kept for
registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed by: _____

NOTICE: Signature must be guaranteed by a
Participant in the Securities Transfer Agent
Medallion Program.

NOTICE: The signature to this assignment
must correspond with the name as it appears
on the face of the within Series 2010B Bond
in every particular, without alteration,
enlargement or any change whatever.

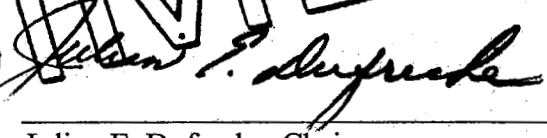
TRANSFER FEE MAY BE REQUIRED

SPECIMEN

LEGAL OPINION CERTIFICATE

I, the undersigned Executive Director of the Louisiana Local Government Environmental Facilities and Community Development Authority, do hereby certify that attached hereto are true copies of the complete legal opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Baton Rouge, Louisiana, Bond Counsel, the originals of which were manually executed, dated and issued as of the date of payment for and delivery of the original bonds of the issue described therein and were delivered to the original purchaser thereof. I further certify that executed copies of the above-referenced legal opinions are on file in my office and that executed copies thereof have been furnished to the Trustee for these Series 2010B Bonds.

SPECIMEN

By: 

Julian E. Dufreche, Chairman

SPECIMEN



November 17, 2010

Louisiana Local Government Environmental Facilities
and Community Development Authority
Baton Rouge, Louisiana

SPECIMEN

\$25,470,000

Louisiana Local Government Environmental
Facilities and Community Development Authority
Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union /
University Facilities, Inc. Project)
Series 2010A

\$5,785,000

Louisiana Local Government Environmental
Facilities and Community Development Authority
Taxable Revenue Bonds
(Southeastern Louisiana University Student Union /
University Facilities, Inc. Project)
Series 2010B

We have acted as bond counsel to the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer"), a political subdivision of the State of Louisiana (the "State"), in connection with the issuance by the Issuer its \$25,470,000 Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010A (the "Series 2010A Bonds") and its \$5,785,000 Taxable Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010B (the "Series 2010B Bonds" and, together with the Series 2010A Bonds, the "Series 2010 Bonds") pursuant to Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 33:4548.16, inclusive) (the "Act").

The Series 2010 Bonds have been issued by the Issuer pursuant to the Act and other constitutional and statutory authority and a Trust Indenture dated as of November 1, 2010 (the "Indenture") between the Issuer and Regions Bank as trustee (the "Trustee"). Capitalized terms used herein that are not otherwise defined have the meaning given them in the Indenture.

JONES, WALKER, WAECHTER, POITEVENT, CARRERE & DENEGRE L.L.P.

8555 UNITED PLAZA BOULEVARD • BATON ROUGE, LOUISIANA 70809-7000 • 225-248-2000 • FAX 225-248-2010 • E-MAIL info@joneswalker.com • www.joneswalker.com

ALABAMA ARIZONA DISTRICT OF COLUMBIA FLORIDA LOUISIANA TEXAS

The Series 2010 Bonds are issuable as fully registered bonds, are dated, bear interest until paid at the rates per annum, mature in the principal amounts and on the dates, and are subject to redemption all as set forth in the Indenture and in the Series 2010 Bonds.

The Series 2010 Bonds are issued under and are secured as to principal and interest by the Indenture, which provides a description of the nature and extent of the security for the Series 2010 Bonds, a statement of the terms and conditions under which the Series 2010 Bonds are issued and secured, the rights, duties and obligations of the Issuer, the rights, duties and immunities of the Trustee and the rights of the owners of the Series 2010 Bonds.

The Series 2010 Bonds are issued in order to enable University Facilities, Inc., a Louisiana non-profit corporation (the "*Corporation*") to provide financing for the demolition of certain existing facilities and for the renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related facilities for students, faculty, staff, and the general public, including all furnishings, fixtures and facilities incidental or necessary in connection therewith, on the campus of Southeastern Louisiana University (the "*Facilities*").

The Corporation has leased the property upon which the Facilities will be located from the Board of Supervisors for the University of Louisiana System (the "*Board*") pursuant to a Ground and Buildings Lease Agreement dated as of January 1, 2010 (the "*Ground Lease*"). The Board will lease back the completed Facilities from the Corporation pursuant that certain Agreement to Lease with Option to Purchase dated as of January 1, 2010, as supplemented and amended by that certain First Amcndment to Agreement to Lease with Option to Purchase dated as of November 1, 2010 by and between the Board and the Corporation (the "*Facilities Lease*").

The Issuer and Corporation have entered into a Loan and Assignment Agreement dated as of November 1, 2010 (the "*Loan Agreement*"), pursuant to which the Issuer will loan the proceeds from the sale of the Series 2010 Bonds to the Corporation for the foregoing purposes. Pursuant to the Agreement, the Corporation has agreed to make loan payments (the "*Payments*") solely from the Rentals (as defined in the *Facilities Lease*) sufficient to pay the principal of and interest on the Series 2010 Bonds. The rights of the Issuer under the Loan Agreement (except for the rights of the Issuer relating to occupation, indemnification and payment of expenses thereunder) have been pledged and assigned by the Issuer to the Trustee as security for the Series 2010 Bonds.

The Series 2010 Bonds are also entitled to the benefits of the Act of Leasehold Mortgage, Assignment of Leases and Security Agreement dated November 17, 2010 and effective as of

November 1, 2010 (the "*Mortgage*") executed by the Corporation in favor of the Trustee, pursuant to which the Corporation has mortgaged its leasehold interest in and to the Land and the improvements located thereon, granted a security interest in certain movable property and assigned its rights to all leases and rents relating to the Facilities.

We have examined: (i) the constitution and statutes of the State, including the Act; (ii) a certified transcript of the proceedings of the Issuer authorizing the issuance of the Series 2010 Bonds; (iii) the Indenture, the Loan Agreement, the Tax Regulatory Agreement and Arbitrage Certificate among the Issuer and the Trustee, together with the Borrower Certificate attached thereto executed by the Corporation and the Board, both dated the date of delivery and payment for the Series 2010 Bonds (collectively, the "*Tax Regulatory Agreement*"); and (iv) such other documents, instruments, proofs and matters of law as we have deemed relevant to the issuance of the Series 2010 Bonds and necessary for the purpose of this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Board and the Corporation contained in the Indenture, the Loan Agreement and the Tax Regulatory Agreement, the certified proceedings and other certifications of public officials and others furnished to us, including certifications furnished to us by or on behalf of the Issuer, the Corporation and the Board, without undertaking to verify the same by independent investigation.

On the basis of the foregoing examinations, we are of the opinion, as of the date hereof and under existing law, that:

1. The Issuer is a validly existing political subdivision of the State and has the power and authority to enter into the Loan Agreement and the Indenture and to issue and sell the Series 2010 Bonds.

2. The Series 2010 Bonds are valid and binding special and limited obligations of the Issuer secured by and entitled to the benefits of the Indenture and are payable solely from the revenues and other amounts pledged and assigned under the Indenture.

3. The Loan Agreement and the Indenture have been duly authorized, executed and delivered by the Issuer and constitute valid and binding obligations of the Issuer, enforceable upon the Issuer in accordance with their terms, and all rights of the Issuer under the Loan Agreement have been validly assigned to the Trustee under the Indenture, with the

exception of certain rights of the Issuer relating to notice, exculpation, indemnification and payment of expenses.

4. The Series 2010 Bonds and interest thereon do not constitute an indebtedness or pledge of the general credit of the Issuer within the meaning of any State constitutional or statutory provision and will not constitute a general obligation or a charge against any other revenues of the Issuer.

5. Interest on the Series 2010A Bonds (including the amount of original issue discount properly allocable to the owner thereof) is excludable from gross income for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and will not be taken into account in determining a corporation's adjusted current earnings.

6. The Series 2010A Bonds are a "qualified tax-exempt obligation" under section 265(b)(3) of the Code, as amended by the American Recovery and Reinvestment Tax Act of 2009 of the United States Congress.

7. Under the Act, the Series 2010 Bonds, together with the interest thereof, income therefrom, and gain upon the sale thereof are exempt from all State taxes and local taxes.

In rendering the opinions expressed in paragraph 5 above, we have relied on representations of the Issuer, the Board and the Corporation with respect to matters solely within the knowledge of the Issuer, the Board and the Corporation, which we have not independently verified, and have assumed continuing compliance with the covenants in the Indenture, the Loan Agreement and the Tax Regulatory Agreement pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Series 2010 Bonds for federal income tax purposes. In the event that such representations are determined to be inaccurate or incomplete or the Issuer, the Board or the Corporation fails to comply with the foregoing covenants, interest on the Series 2010 Bonds could be includable in gross income for federal income tax purposes from the date of their original delivery, regardless of the date on which the event causing such inclusion occurs.

The accrual or receipt of interest on the Series 2010 Bonds may otherwise affect the federal income tax liability of certain recipients. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We

express no opinion regarding any such consequences and investors should consult their tax advisors regarding the tax consequences of purchasing or holding the Series 2010 Bonds.

It is to be understood that the rights of the owners of the Series 2010 Bonds and the enforceability of the Series 2010 Bonds, the Indenture, the Loan Agreement and the other documents enumerated above may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and that their enforcement may also be subject to the exercise of the sovereign police powers of the State or its governmental bodies and the exercise of judicial discretion in appropriate cases.

For purposes of this opinion, our services as bond counsel have not extended beyond the examinations and expressions of the conclusions referred to above. This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur. Except as stated above, no opinion is expressed as to any federal or state tax consequences resulting from the ownership of, receipt of interest on, or disposition of, the Series 2010 Bonds.

Respectfully submitted,

*Jones Walker Waechter
Poitevent Carrere + Donoghue
LLP*

SPECIMEN



Blanket Issuer Letter of Representations
(To be Completed by Issuer)

**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES
AND COMMUNITY DEVELOPMENT AUTHORITY**
(Name of Issuer)

November 17, 1998
(Date)

Attention: Underwriting Department — Eligibility
The Depository Trust Company
55 Water Street, 50th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL
FACILITIES AND COMMUNITY DEVELOPMENT
AUTHORITY

By: John A. Berthelot
(Authorized Officer's Signature)

John A. Berthelot, Chairman
(Type/print Name & Title)

700 North Tenth Street, 4th Floor
(Street Address)

Baton Rouge, Louisiana 70802
(City) (State) (Zip)

(225) 344-5001
(Phone Number)

Received and Accepted:

~~THE DEPOSITORY TRUST COMPANY~~
By: [Signature]

SCHEDULE A

SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$200 million, one certificate will be issued with respect to each \$200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

[6. Redemption notices shall be sent to Cede & Co. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records.]

10. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Issuer or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

36a

MOODY'S
INVESTORS SERVICE

7 World Trade Center
at 250 Greenwich Street
New York, New York 10007
(212) 553-2948 tel
www.moody's.com

November 16, 2010

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, NY 10019

To Whom It May Concern:

Moody's Investors Service has assigned the rating of Aa3 to the \$31,255,000.00, Louisiana Local Government Environmental Facilities and Community Development Authority - Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project), Series 2010A and Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities Inc. Project), Series 2010B, dated November 4, 2010 which sold through negotiation on November 4, 2010, insured by Assured Guaranty Municipal Corp. (Policy No. 212858-N). The rating is the highest of (i) the guarantor's financial strength rating, (ii) any published underlying rating on the security, or (iii) any published enhanced rating based on a state credit enhancement program.

Should you have any questions regarding the above, please do not hesitate to contact Vincent Guadagno Jr. at (212) 553-2948.

Sincerely yours,



Joann Hempel
Vice President / Senior Credit Officer

JH / TM

36 b

Moody's
INVESTORS SERVICE

New Issue: MOODY'S ASSIGNS A3 RATINGS TO SOUTHEASTERN LOUISIANA UNIVERSITY'S \$32 MILLION OF UNIVERSITY FACILITIES, INC. REVENUE BONDS, SERIES 2010A (TAX-EXEMPT) AND 2010B (TAXABLE); OUTLOOK REMAINS STABLE

Global Credit Research - 25 Oct 2010

UNIVERSITY WILL HAVE APPROXIMATELY \$111 MILLION OF RATED DEBT OUTSTANDING, INCLUDING CURRENT OFFERING

Louisiana Loc. Govt. Env. Fac. & Comm. Dev. Auth
Higher Education
LA

Moody's Rating	RATING
ISSUE	
University Facilities, Inc. Revenue Bonds, Series 2010A (Tax-Exempt)	A3
Sale Amount	\$25,900,000
Expected Sale Date	11/03/10
Rating Description	Public University Revenue Bonds
University Facilities, Inc. Revenue Bonds, Series 2010B (Taxable)	A3
Sale Amount	\$5,250,000
Expected Sale Date	11/03/10
Rating Description	Public University Revenue Bonds

Moody's Outlook Stable

Opinion

NEW YORK, Oct 25, 2010 -- Moody's has assigned an A3 rating on Southeastern Louisiana University's \$32 million of University Facilities, Inc. Revenue Bonds, Series 2010A (Tax-exempt) and 2010B (Taxable). The bonds are to be issued through the Louisiana Local Government Environmental Facilities and Community Development Authority. The outlook remains stable.

RATINGS RATIONALE:

PURPOSE: Bond proceeds will finance the construction and renovation of a student union, fund a debt service reserve fund, and pay costs of issuance. The University will contribute \$6.5 million toward the capital projects.

LEGAL SECURITY:

The Series 2010 bonds are payable from lease payments from the Board of Supervisors for the University of Louisiana System (Board) to the University Facilities, Inc. Lease payments are payable from mandatory student fees and funds from the University's food service provider contract which extends through June 30, 2023. If the food service contract were terminated and another contract were not able to be secured, the Board agrees to make up any shortfall from auxiliary revenues of the University after payment of annual debt service on the University's Series 2004 and 2007 bonds. Moody's notes that under the Agreement to Lease with Option to Purchase, the Facilities Lease will automatically terminate in the event that funds are not designated in sufficient amount to make rental/debt service payments. Given the location of the project on campus and importance of the student union to the student life experience, we believe that the likelihood of the Board not designating funds for payment is remote. Additional debt cannot be secured by this legal pledge, without the prior permission of the bond insurer unless additional bonds tests are met. The bonds are secured by a cash funded debt service reserve fund equal to maximum annual debt service and a first mortgage lien on its leasehold interest in the Facilities. The Board is required to maintain a debt service coverage ratio of 1.2 times. If the debt service coverage falls below 1.2 times for two full semesters, the Board has covenanted to hire a consultant. If the Board is working with a consultant to improve debt service coverage, failure to maintain 1.2 times coverage would not be considered an event of default. Management projects debt service coverage will be approximately 1.6 times, assuming no growth associated revenues.

The Series 2007 bonds are payable from lease payments from the Board of Supervisors for the University of Louisiana System (Board) to the University Facilities, Inc. Lease payments are payable from Lawfully Available Funds of the University, which includes a net revenue pledge of all auxiliary revenues and student fees appropriated by the Board for payment. Pledged revenues include a mandatory student parking fee assessed to all University students initially implemented at \$20 per semester and \$10 each summer semester. While the parking fee revenues are expected to be the primary source of debt repayment, the lease payments are effectively payable from a broader pool of auxiliary and fee revenue. Additional debt cannot be secured by this legal pledge, except as additional Phase Four bonds without the prior permission of the bond insurer. The bonds are secured by a cash funded debt service reserve fund equal to maximum annual debt service. The Board is required to maintain a debt service coverage ratio of 1.25 times. Based on preliminary fiscal 2010 data, debt service coverage from the student parking fee was estimated at 2.6 times.

The Series 2004 bonds are payable from lease payments from the Board of Supervisors of the University of Louisiana System to the University Facilities, Inc. The bonds are secured by a debt service reserve fund equal to maximum annual debt service. Lease payments are payable from

Lawfully Available Funds of the University, which includes all unrestricted funds available to the University and appropriated by the Board to make payments. As a result, while housing system revenues at the University are expected to be the primary source of debt repayment, the lease payments are effectively payable from all Lawfully Available Funds and the rating is based on this broader revenue access. In addition, the bonds are secured by a first mortgage lien on its leasehold interest in the Facilities. The Board is required to maintain a debt service coverage ratio of 1.1 times on the facilities financed by the Series 2004 bonds. Based on FY 2010 data, debt service coverage from net revenues of the housing system only is estimated to be 1.67 times.

The lease for the Series 2004, 2007, and 2010 bonds is not subject to cancellation in the event of damage or destruction of the facilities. The University will maintain property insurance for 100% of the repair or replacement cost of the facilities, without deduction for depreciation. The terms of the lease extends through the maturities of the bonds.

INTEREST RATE DERIVATIVES: None

STRENGTHS:

*Solid regional market position, with stable enrollment and solid demand statistics. Southeastern has benefited from the demographic shifts that have occurred in the State post-Hurricane Katrina, with population increases in the primary area from which the University attracts students. Increases in first-time freshmen have occurred despite increased admissions standards that were implemented in fall 2005. In fall 2010, the University accepted 49% of first-time freshmen applicants, of whom, 85% enrolled.

*Improved financial flexibility related to tuition setting with the adoption of the LA Grad Act. The new legislation, adopted in the summer of 2010, allows public universities in the State to increase tuition and fees by up to 10% annually until they reach a regional peer average if they agree to meet certain performance measures. Public universities had been granted the ability to increase tuition and fees by up to 5% annually through fiscal 2012, with the approval of the Joint Legislative Committee on the Budget. Previously, tuition and fee increases for public higher education in Louisiana required a supermajority vote of the legislature.

*Favorable operating performance, after adjusting for \$11.2 million of other post employment benefits (OPEB) expenses (the annual required contributions less the University's payment for the year). In FY 2010, the University's operating cash flow margin of 8.7% provided 1.7 times coverage of consolidated debt service coverage.

CHALLENGES:

*Highly reliant on state appropriations, which represented nearly half of Moody's adjusted operating revenue in FY 2010. Economic challenges in the State of Louisiana (General Obligation rating of Aa2 with a stable outlook) will likely place pressure on the University's ability to grow revenues. State funding, including federal stimulus funding, declined by 16% in FY 2010 over the prior year. While funding is budgeted to be flat in FY 2011, including stimulus funds, management anticipates additional cuts within a year.

*Large other post-employment benefit liability (OPEB) depresses net assets, resulting in increasingly negative unrestricted net assets. In FY 2010, the University's unrestricted net assets were negative \$36 million due to a \$46 million OPEB liability. The unfunded actuarial accrued liability was \$165.8 million as of June 30, 2010 actuarial valuation date and will be recognized on the University's balance sheet over a 30 year timeframe. The University does not have the ability to amend the eligibility or benefits associated with the plan.

MARKET POSITION/COMPETITIVE STRATEGY: STRONG REGIONAL MARKET POSITION LEADING TO STABLE ENROLLMENT

Moody's anticipates that student demand will remain stable at Southeastern Louisiana University, which is located in an area of Louisiana which has enjoyed population growth over recent years, especially following Hurricane Katrina. While the demographic projections for the State are weak, the City of Hammond has seen rapid growth. In fall 2010, the University enrolled 13,406 full-time equivalent students. The University's student market position continues to strengthen with selectivity improving to 48% in fall 2010 from 90.4% in 1998. A strong yield of 85% on admitted students indicates a high degree of self selection within Southeastern's applicant pool. Despite increased admissions standards, the University has been able to grow its entering freshmen class to more than 3,600 students in fall 2010 from over 2,500 students in fall 2004. The stability of student enrollment is an important credit factor as mandatory student fees and auxiliary revenue is pledged to support the University's debt and is becoming an increasingly large portion of operating revenue.

OPERATING PERFORMANCE: IMPROVED TUITION PRICING FLEXIBILITY COMBINED WITH EXPENSE REDUCTIONS HELP OFFSET REDUCTIONS IN STATE SUPPORT

Moody's anticipates that the University will continue to generate favorable operating performance, providing good coverage of debt service on a consolidated basis due to increased tuition pricing flexibility and management's focus on expense reductions. Moody's calculation of operating performance has weakened in recent years due to the significant annual expense growth associated with the recognition of a large annual other post-employment benefits liability (discussed in detail in the BALANCE SHEET section below). In FY 2010, Moody's calculated an annual operating deficit of 7.1%. Excluding the non-cash piece of the OPEB expense, operating cash flow remained relatively healthy at 8.7% which provided 1.7 times annual debt service coverage.

The adoption of the LA Grad Act in the summer of 2010 improved the University's financial flexibility by allowing public universities to increase tuition and fees with reduced governmental oversight. This is an important credit factor as student charges (tuition, fees, and auxiliary revenue) comprised nearly 40% of operating revenue in FY 2010. The new legislation allows public universities in the State to increase tuition and fees up to 10% annually until they reach a regional peer average, if they agree to meet certain performance measures. Public universities had been granted the ability to increase tuition and fees by up to 5% annually through fiscal 2012, with the annual approval of the Joint Legislative Committee on the Budget. Previously, tuition and fee increases for public higher education in Louisiana required a supermajority vote of the legislature. Moody's notes that the University, through its Board, is able to increase rates associated with auxiliary services, such as housing and dining, without State oversight. Southeastern Louisiana University implemented a 10% increase in fall 2010 over the prior year. The State's merit-based scholarship program, TOPS, is expected to cover the increased tuition costs. Management reports that 29% of students received TOPS in fall 2010 and 55% of the entering freshmen class. According to management, the University is relatively well-positioned to meet the State's performance goals, having introduced increased admissions standards before other universities, with another planned increase in fall 2012.

The University remains heavily reliant on state operating support, which accounted for nearly 46% of Moody's adjusted operating revenue in FY 2010. The State of Louisiana has made significant cuts in funding of public higher education, with the University experiencing a 16% reduction in FY 2010, including federal stimulus funding. While the budget for state funding in FY 2011 is relatively flat compared to the prior year,

management anticipates that there will likely be an additional reduction in the next year or two. In FY 2011, the University will receive \$16.3 million in stimulus funding to help offset declines in state support. However, these stabilization funds will not be available after FY 2011. Moody's notes management's willingness and ability to react to state funding cuts by reducing expenses by more than 9% in FY 2010, with plans in place for additional reductions. In addition, management reports that higher than budgeted enrollment and associated revenue provides a cushion to potential mid-year reductions.

Moody's maintains a general obligation rating of Aa2 rating with a stable outlook on the State of Louisiana. Louisiana's rating and outlook reflect its strong financial position and healthy liquidity in recent years, primarily due to large amounts of federal money flowing into the state for post-hurricane rebuilding and federal stimulus aid and, to a lesser degree, from the run-up in oil and gas prices during 2008; the state's speedy responses to downward revenue projections; healthy economic measures relative to the nation; an improved business environment and active economic development plans, and debt policies that have lowered the state's debt ratios over time. The rating also reflects the finite nature of the federal and insurance money the state has received and is still receiving, and the potential for deterioration in the state's financial and liquidity position when the federal money dwindles and the post-Katrina rebuilding is completed. It also reflects the uncertainty around the economic recovery after Katrina and the uncertainty around the impact of the Deepwater Horizon oil leak and subsequent oil drilling moratorium. For more information about the general obligation rating, please see our report dated September 28, 2010.

BALANCE SHEET POSITION: FINANCIAL RESOURCES DEPRESSED BY RECOGNITION OF LARGE POST-EMPLOYMENT HEALTH LIABILITY

Moody's calculation of financial resources continue to decline as a result of the University's recognition of a large and growing other postemployment benefits (OPEB) liability. In FY 2010, the University's unrestricted net assets were negative \$36 million due to a \$46 million OPEB liability. The unfunded actuarial accrued liability was \$165.8 million as of June 30, 2010 actuarial valuation date and will be recognized on the University's balance sheet over a 30 year timeframe per GASB 45 (Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions). The University is funding its OPEB obligations on a pay-as-you-go basis and does not plan to fund the actuarial liability. While the University does not have the ability to adjust benefits or eligibility, management notes that these issues will be reviewed by the State legislature in 2011. In FY 2010, total cash and investments of \$68.2 million covered pro-forma debt of \$115.7 million 0.6 times and operating expenses by 0.5 times.

Moody's expects leverage to remain manageable at the current rating level, with management reporting no definite borrowing plans. According to management, the University is assessing its student housing needs but has no near-term plans. The current borrowing will finance the construction and renovation of a student union. The project will be funded with the Series 2010 bond proceeds and a \$6.5 million equity contribution. The University has made a significant investment in capital facilities in recent years which has contributed to a relatively low age of plant, less than 14 years in FY 2010 (accumulated depreciation divided by annual depreciation expense). Future debt capacity is dependent on growth of revenues and financial reserves and will be assessed at the time of issuance.

Moody's calculations of financial resources include the University's primary fundraising foundation, the Southeastern Development Foundation. At the time of publication, the Foundation's FY 2010 audited financial statements were not available. In FY 2009, the Foundation's assets contributed \$23 million to Moody's calculation of total financial resources of \$23.8 million. The Foundation manages the University's long-term endowment. As of June 30, 2010, the endowment was invested in 36% domestic equities, 7% international equities, 32% fixed income, 14% real estate, and 11.5% cash. The Foundation reported a 9% investment return for FY 2010. Excluding the resources of the Foundation, the University maintains relatively good liquidity. As of June 30, 2010, the University held \$37.3 million in unrestricted cash and investments that could be liquidated within a month which would cover 104 days of operating expenses. A majority of the University's debt is issued in a fixed rate mode (87% of pro-forma debt), with \$15 million of Series 2004B bonds issued in an auction rate mode. According to management, the University does not have near-term plans to refund or convert these bonds to another mode. The University has no debt-related interest rate derivatives.

Outlook

The stable outlook is based on Moody's expectation of stable to modestly increasing enrollments, near balanced operating performance, and no near term borrowing plans.

What Could Change the Rating - UP

Strengthening market position as demonstrated by growth of enrollment and net tuition revenue, significant growth of financial resource base, improved support and credit quality of the State of Louisiana

What Could Change the Rating - DOWN

Stagnant or declining student generated revenue, insufficient debt service coverage from pledge revenues, deterioration in the credit quality of the State of Louisiana without offsetting strengthening of fundamental credit factors

KEY INDICATORS (Fall 2010 enrollment data, FY 2010 financial data):

Total Full-Time Equivalent (FTE) enrollment: 13,406 students

Total Cash and Investments: \$68.2 million

Monthly Liquidity: \$37.3 million

Total Pro-Forma Direct Debt: \$115.7 million

Total Cash and Investments to Pro-Forma Debt: 0.6 times

Total Cash and Investments to Operations: 0.5 times

Operating Cash Flow Margin: 8.7%

Three-Year Average Debt Service Coverage:

Monthly Days Cash on Hand: 104 days

Reliance on Student Charges (% of Operating Revenue): 39.6%
Reliance on State Appropriations (% of Operating Revenue): 45.8%
State of Louisiana General Obligation Rating: Aa2, stable

RATED DEBT

Revenue Bonds, Series 2004A, 2004B, 2007A, and 2007B: A3; insured by National Public Finance Guarantee Corporation, formerly MBIA (current financial strength rating of Baa1 with a developing outlook)

Revenue Bonds, Series 2010A and 2010B: A3

CONTACTS:

University: Stephen Smith, Vice President for Administration and Finance, 985-549-2282

Underwriter: John Poche, Morgan Keegan & Company, Inc., 225-388-2644

METHODOLOGY AND LAST RATING ACTION

The principal methodology used in rating Southeastern Louisiana University was Moody's Rating Methodology for Public Colleges and Universities published in November 2006 and available on www.moody's.com in the Rating Methodologies sub-directory under the Research & Ratings tab. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Rating Methodologies sub-directory on Moody's website.

The last rating action with respect to Southeastern Louisiana University was on June 16, 2009 when a municipal finance scale rating of Baa1 with a stable outlook was affirmed. That rating was subsequently recalibrated to A3 with a stable outlook on May 7, 2010.

REGULATORY DISCLOSURES

Information source used to prepare the credit rating are the following: parties involved in the ratings and public information.

Moody's Investors Service considers the quality of information available on the credit satisfactory for the purposes of assigning a credit rating.

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Please see ratings tab on the issuer/entity page on Moody's.com for the last rating action and the rating history.

The date on which some Credit Ratings were first released goes back to a time before Moody's Investors Service's Credit Ratings were fully digitized and accurate data may not be available. Consequently, Moody's Investors Service provides a date that it believes is the most reliable and accurate based on the information that is available to it. Please see the ratings disclosure page on our website www.moody's.com for further information.

Please see the Credit Policy page on Moody's.com for the methodologies used in determining ratings, further information on the meaning of each rating category and the definition of default and recovery.

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MOODY'S
INVESTORS SERVICE

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This credit rating is an opinion as to the creditworthiness or a debt obligation of the issuer, not on the equity securities

of the issuer or any form of security that is available to retail investors. It would be dangerous for retail investors to make any investment decision based on this credit rating. If in doubt you should contact your financial or other professional adviser.

STATE OF LOUISIANA
UNIFORM COMMERCIAL CODE - FINANCING STATEMENT
UCC-1

Important - Read Instructions before filling out form.

Follow instructions carefully.

1. Debtor's exact full legal name - insert only one debtor name (1a or 1b) - do not abbreviate or combine names.

1a Organization's Name University Facilities Inc.						
OR		1b Individual's Last Name (and Title of Lineage (e.g. Jr., Sr., III, if applicable))			First Name	Middle Name
1c Mailing Address SLU Box 10709		City Hammond		State LA	Postal Code 70402	Country USA
1d Tax ID #: SSN or EIN 72-1417328		Add'l info re Organization Debtor:	1e Type of Organization Non-profit corporation	1f Jurisdiction of Organization Louisiana	1g Organizational ID # if any 34576750 N <input type="checkbox"/> None	

2. Additional debtor's exact full legal name - insert only one debtor name (2a or 2b) - do not abbreviate or combine names.

2a Organization's Name						
OR		2b Individual's Last Name (and Title of Lineage (e.g. Jr., Sr., III, if applicable))			First Name	Middle Name
2c Mailing Address		City		State	Postal Code	Country
2d Tax ID #: SSN or EIN		Add'l info re Organization Debtor:	2e Type of Organization	2f Jurisdiction of Organization	2g Organizational ID #, if any <input type="checkbox"/> None	

3. Secured Party's Name (or Name of Total Assignee of Assignor S/P) - insert only one secured party name (3a or 3b)

3a Organization's Name Regions Bank						
OR		3b Individual's Last Name (and Title of Lineage (e.g. Jr., Sr., III, if applicable))			First Name	Middle Name
3c Mailing Address 400 Convention Street, 3rd Floor		City Baton Rouge		State LA	Postal Code 70802	Country USA

4. This FINANCING STATEMENT covers the following collateral:

See attached Addendum

5a Check if applicable and attach legal description of real property: Fixture filing As-extracted collateral Standing timber constituting goods
 The debtor(s) do not have an interest of record in the real property (Enter name of an owner of record in 5b)

5b Owner of real property (if other than named debtor) **Board of Supervisors for the University of Louisiana System**

6a Check only if applicable and check only one box
 Debtor is a Transmitting Utility. Filing is Effective Until Terminated
 Filed in connection with a public finance transaction. Filing is effective for 30 years

6b Check only if applicable and check only one box
 Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

7. ALTERNATIVE DESIGNATION (if applicable):
 CONSIGNEE/CONSIGNOR LESSEE/LESSOR
 SELLER/BUYER AG. LIEN BAILEE/BAILOR
 NON-UCC-FILING

8. Name and Phone Number to contact filer
Fred L. Chevalier, Esq. (225) 248-2000

9. Send Acknowledgment To: (Name and Address)
**Fred L. Chevalier, Esq.
Jones, Walker, Waechter, Poitevent, Carrère & Denégre, LP
8555 United Plaza Blvd., 5th Floor
Baton Rouge, LA 70809**

10. The space below is for Filing Office Use Only

2010 NOV 18 PM 2:21
CLERK OF COURT
Mary Ann Kennedy

53-60730

11. CHECK TO REQUEST SEARCH REPORT(S) ON DEBTOR(S) (ADDITIONAL FEE REQUIRED) ALL DEBTORS DEBTOR1 DEBTOR2

Debtor: University Facilities, Inc.
Secured Party: Regions Bank

EXHIBIT "A" TO UCC-1 FINANCING STATEMENT

The UCC-1 Financing Statement attached hereto covers the following collateral:

I. Certain defined words and terms shall have the meaning given them in the Act of Mortgage, Assignment of Leases and Security Agreement dated November 17, 2010 (the "*Leasehold Mortgage*") and effective as of November 1, 2010 by University Facilities Inc. (the "*Mortgagor*").

(a) (i) all Accounts and all purchase orders for goods, services or other property and other documents, and all returned, rejected or repossessed goods, the sale or lease of which gave rise to an Account;

(b) all Inventory;

(c) all Equipment;

(d) all General Intangibles;

(e) all Revenues;

(f) other moneys and property of any kind of the Mortgagor in the possession or under the control of the Mortgagor derived from the operation of the Facilities;

(g) all rights of the Mortgagor now or hereafter existing in and to all security agreements, guaranties, leases and other contracts securing or otherwise relating to the Collateral;

(h) all agreements, including vendor warranties, running to Mortgagor or assigned to Mortgagor, to which Mortgagor may be or become a party to relating to the construction or operation of the Facilities or any part thereof, or relating to the maintenance, improvement, operation or acquisition of the Facilities or any part thereof, or transport of material, equipment and other parts of the Facilities or any part thereof or any other lease or sublease agreements or easement agreements relating to the Facilities or any part thereof or any ancillary facilities to which Mortgagor is or becomes a party, and all amendments, supplements, substitutions and renewals to any of the foregoing (each an "*Assigned Agreement*" and collectively, the "*Assigned Agreements*");

(i) all permits relating to the Facilities, but excluding any permits which by their terms or by operation of law prohibit or do not allow assignment or which would become void solely by virtue of a security interest being granted therein;

(j) all other personal property and fixtures of Mortgagor relating to the Facilities, whether now owned or existing or hereafter acquired or arising, or in which Mortgagor may have an interest, and wheresoever located, whether or not of a type which may be subject to a security interest under the Commercial Laws, including without limitation all machinery, tools, generators, transformers, pumps, filters, membranes, water storage tanks, control equipment, appliances, mechanical and electrical systems, elevators, lighting, alarm systems, fire control systems, furnishings, furniture, as-extracted collateral, equipment, service equipment, motor vehicles, building or maintenance equipment, building or maintenance materials, pipes, pipelines and pipeline supplies (including valves and fittings), goods and property covered by any warehouse receipts or bills of lading or other such documents, spare parts, maps, plans, specifications, architectural, engineering, construction or shop drawings, manuals or similar documents, copyrights, trademarks and trade names, and any replacements, renewals or substitutions for

Debtor: University Facilities, Inc.
Secured Party: Regions Bank

EXHIBIT "A" TO UCC-1 FINANCING STATEMENT

any of the foregoing or additional tangible or intangible personal property hereafter acquired by Mortgagor;

(k) all goods, investment securities, investment property, contracts (including the Loan Documents), commercial tort claims, letters of credit, letter of credit rights, payment intangibles, software, intellectual property rights supporting obligations, documents, deposit accounts, chattel paper (including tangible and electronic chattel paper) and as-extracted Collateral relating to the Facilities;

(l) all books and records (including, without limitation, customer lists, credit files, computer programs, tapes, disks, punch cards, data processing software, transaction files, master files, printouts and other computer materials and records) of the Mortgagor pertaining to any of the foregoing; and

(m) all Proceeds and products of all or any of the Collateral described in clauses (a) through (l) hereof.

The term "*Collateral*" shall mean each and all of the items and property rights described in clauses (a)-(m) above, together with the Mortgaged Property, the Loss Proceeds, the Leases, the Rentals and the items and property rights described in Sections 3.1 and 3.2 of the Leasehold Mortgage.

Debtor: University Facilities, Inc.
Secured Party: Regions Bank

EXHIBIT "B" TO UCC-1 FINANCING STATEMENT

DESCRIPTION OF PROPERTY

War Memorial Student Union Bond Lease Parcel

A certain tract or parcel of ground, designated as "WAR MEMORIAL STUDENT UNION BOND LEASE PARCEL", being a portion of Southeastern Louisiana University, located in Section 23, Township 6, South, Range 7 East, Greensburg Land District, Tangipahoa Parish, Louisiana, limits of said Lease Parcel being more particularly described as follows:

Beginning at a point located at N. 3276.84, E. 11096.39, of the Southeastern Louisiana University Coordinate System; thence N 75°30'00" E a distance of 440.00 feet to a point and turn; thence S 14°30'00" E a distance of 165.00 feet to a point and turn; thence N 75°30'00" E a distance of 160.00 feet to a point and turn; thence S 14°30'00" E a distance of 205.00 feet to a point and turn; thence S 75°30'00" W a distance of 150.00 feet to a point and turn; thence S 14°30'00" E a distance of 140.00 feet to a point and turn; thence S 75°30'00" W a distance of 155.00 feet to a point and turn; thence N 14°30'00" W a distance of 265.00 feet to a point and turn; thence S 75°30'00" W a distance of 85.00 feet to a point and turn; thence N 38°27'45" W a distance of 49.24 feet to a point and turn; thence S 75°30'00" W a distance of 190.00 feet to a point and turn; thence N 14°30'00" W a distance of 200.00 feet to a POINT OF BEGINNING, containing 3.94 acres or 171,425 square feet.

LOUISIANA SECRETARY OF STATE
OFFICE OF UNIFORM COMMERCIAL CODE/CENTRAL REGISTRY
CONFIRMATION OF FILING

FRED L. CHEVALIER, ESQ.
JONES, WALKER, WAECHTER, POITEVENT, CARRERE & DENEGRE, LP
8555 UNITED PLAZA BLVD., 5TH FLOOR
BATON ROUGE, LA 70809

Pursuant to La.R.S.10:9-523(g), this is a confirmation that the following information has been received and included within the Secretary of State's master index of Uniform Commercial Code filings. Note that this confirmation does not constitute a determination of the legal sufficiency of the filing.

This filing will lapse on 11-19-2040 unless continued or terminated. We encourage filers to take full advantage of the six month window of opportunity in which to file UCC-3 continuations. Submission of your documents at the onset of the six month window will allow ample time to rectify potential filing errors and help to assure timely recording of your filing.

Any questions regarding the filing information contained herein should be directed to the filing officer which accepted and recorded the filing. General UCC assistance may be obtained by contacting our UCC Division at 225.922.1193.

Tom Schedler
Secretary of State

=====

ORIGINAL FILE NUMBER 53-60730	FILED 11/18/10 12:21 PM PUBLIC FINANCING STATEMENT
	PARISH IN WHICH FILED: TANGIPAHOA

<u>DEBTOR(S)</u> UNIVERSITY FACILITIES, INC. SLU BOX 10709 HAMMOND, LA 70402	#####7328
---	-----------

<u>ORIGINAL SECURED PARTY</u> REGIONS BANK 400 CONVENTION STREET, 3RD FLOOR BATON ROUGE, LA 70802	#####0000
--	-----------

<u>PROPERTY</u> SEE ATTACHED ADDENDUM	
--	--

United States District Court
FOR THE
MIDDLE DISTRICT OF LOUISIANA

November 17, 2010

I, **Nick J. Lorio**, Clerk of the United States District Court for the Middle District of Louisiana, do hereby certify that after diligent search of the records of this court, I find no pending civil actions, closed civil actions, pending criminal actions, or closed criminal actions against the following-named persons, from the 1st day of January, 2008 up to and including the 16th day of November, 2010 A.D., namely,

**LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL
FACILITIES AND COMMUNITY DEVELOPMENT**

Witness my official signature and seal of said
Court, at Baton Rouge in said district, this
17th day of November, 2010 A.D. at 9:00 a.m.

NICK J. LORIO
Clerk, United States District Court

Fee: \$26.00

By: *Janine LeBlanc*
Deputy Clerk

United States District Court
FOR THE
MIDDLE DISTRICT OF LOUISIANA

November 17, 2010

I, **Nick J. Lorio**, Clerk of the United States District Court for the Middle District of Louisiana, do hereby certify that after diligent search of the records of this court, I find no pending civil actions, closed civil actions, pending criminal actions, or closed criminal actions against the following-named persons, from the 1st day of January, 2008 up to and including the 16th day of November, 2010 A.D., namely,

**BOARD OF SUPERVISORS FOR
THE UNIVERSITY OF LOUISIANA SYSTEM**

Witness my official signature and seal of said
Court, at Baton Rouge in said district, this
17th day of November, 2010 A.D. at 9:00 a.m.

NICK J. LORIO
Clerk, United States District Court

Fee: **\$26.00**

By: 
Deputy Clerk

UNITED STATES OF AMERICA
DISTRICT COURT OF THE UNITED STATES
EASTERN DISTRICT OF LOUISIANA

CERTIFICATE

I hereby certify that I have examined the Records of the United States District Court for the Eastern District of Louisiana (New Orleans, Louisiana) from January 1, 2008- November 16, 2010 and find the following pending litigation involving:

UNIVERSITY FACILITIES, INC.

except as listed below:

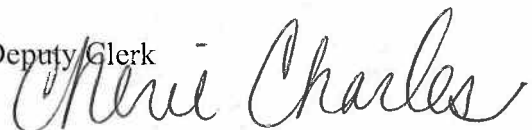
2:10-cv-01682-SSV-KWR Travelers Casualty and Surety Company of America v. University Facilities, Inc. et al filed 06/08/10

2:10-cv-02082-SSV-KWR State Farm Fire and Casualty Company v. Stanley Smith Drywall, Inc. et al filed 07/26/10

Witness my hand and the seal of said Court, this 17th day of November, 2010 at New Orleans, Louisiana.

LORETTA G. WHYTE, CLERK

Deputy Clerk



39 a



DOUG WELBORN
CLERK OF COURT

19TH JUDICIAL DISTRICT
PARISH OF EAST BATON ROUGE

P. O. Box 1991
Baton Rouge, LA 70821-1991
Telephone: (225) 389-3950
Fax: (225)389-7835
www.ebrclerkofcourt.org

DATE: NOVEMBER 18, 2010

TO: ALICIA ELKINS
5TH FLOOR, FOUR UNITED PLAZA
8555 UNITED PLAZA BLVD.
BATON ROUGE, LA. 70809

FROM: **PUBLIC SERVICE DEPARTMENT**

RE: LA LOCAL GOVERNMENT ENVIRONMENTAL

Enclosed is the information you recently requested. If our office can be of further assistance to you, please contact us at (225)389-3950.


Deputy Clerk of Court for
Doug Welborn, Clerk of Court

STATE OF LOUISIANA - PARISH OF EAST BATON ROUGE
CERTIFICATE OF SEARCH

I, DOUG WELBORN, CLERK OF COURT FOR THE PARISH OF EAST BATON ROUGE, CERTIFY THAT THIS CERTIFICATE HAS BEEN RUN EXCLUSIVELY IN THE EXACT NAME OR NAMES HEREUNDER SET FORTH AND NOT IN ANY VARIATIONS OF SAID NAME OR NAMES.

WHERE NO MIDDLE INITIALS HAVE BEEN FURNISHED, IDENTICAL NAMES WITH MIDDLE INITIALS HAVE NOT BEEN RUN AND WILL NOT BE UNLESS SPECIFICALLY REQUESTED.

I HEREBY CERTIFY THAT THERE ARE NO TRANSACTIONS OF RECORD IN THE CIVIL
RECORDS OF THIS OFFICE FROM JANUARY 1, 2008 IN THE EXACT NAME OR NAMES OF:

AS DEFENDANT:

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL
FACILITIES AND COMMUNITY DEVELOPMENT
AUTHORITY

BOARD OF SUPERVISORS FOR THE UNIVERSITY OF
LOUISIANA SYSTEM

RE: \$25,470,000 Louisiana Local Government
Environmental Facilities and Community
Development Authority Tax-Exempt Revenue
Bonds (Southeastern Louisiana University
Student Union/University Facilities Inc. Project)
Series 2010A

\$5,785,000 Louisiana Local Government
Environmental Facilities and Community
Development Authority Taxable Revenue
Bonds (Southeastern Louisiana University
Student Union/University Facilities Inc.
Project) Series 2010B

Given under my hand and seal of office, this 16th day of NOVEMBER, 20 10 at 7:30 a.m.

DOUG WELBORN, CLERK OF COURT

By Doris Ike
Deputy Clerk and Recorder

Print: DORIS IKE

Deputy Clerk and Recorder
East Baton Rouge Parish
Notary ID Number: 70205

T. JAY SEALE, III
KENNETH L. ROSS
RUSSELL W. RUDOLPH
PATRICK K. RESO^{1,2}
KEVIN P. LANDRENEAU⁴
GLEN R. GALBRAITH
STEVEN L. MCKNEELY, LL.M.^{1,3}
LESLI S. BOLNER
CARL S. GOODE, LL.M.^{1,2,3,5}
ASHLEY CULBERTSON ATCHISON
NICOLE ROBERTS DILLON
RICHARD L. TRAINA
JOHANNA R. LANDRENEAU
WILLIAM M. STEPHENS^{4,6}
AMY LAWLER GONZALES⁴
FRANK J. DIVITTORIO
DOUGLAS C. DRIGGERS⁶, CPA
VICTORIA L. STEPHENS
ELSBET C. SMITH
MICHELLE ALT HAZLETT


SEALE & ROSS

A PROFESSIONAL LAW CORPORATION
HAMMOND • BATON ROUGE • MADISONVILLE

www.sealross.com

November 17, 2010

Louisiana Local Government Environmental Facilities and
Community Development Authority
8712 Jefferson Highway, Suite A
Baton Rouge, LA 70809

Regions Bank, as Trustee
400 Convention Street, 3rd Floor
Baton Rouge, LA 70802

Board of Supervisors for the University of Louisiana System
1201 North 3rd Street, Suite 7300
Baton Rouge, LA 70802

University Facilities, Inc.
SLU Box 10746
Hammond, LA 70402

Morgan Keegan & Company, Inc.
150 4th Avenue North
Nashville, TN 37219-2434

Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P.
8555 United Plaza Blvd.
Baton Rouge, LA 70809

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York NY 10019

396

REPLY TO:
POST OFFICE DRAWER 699
HAMMOND, LOUISIANA 70404

PHYSICAL ADDRESS:
200 NORTH CATE STREET
HAMMOND, LA 70401

TELEPHONE (985) 542.8500
FACSIMILE (985) 542.4111

BOARD CERTIFIED ESTATE PLANNING
AND ADMINISTRATION SPECIALIST¹
BOARD CERTIFIED
TAX LAW SPECIALIST²



IN TAXATION³
ADMITTED IN TEXAS⁴
ADMITTED IN MISSOURI⁵
ADMITTED IN MISSISSIPPI⁶

OPINION OF COUNSEL

- Re:** \$25,470,000 Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A (the "**Series 2010A Bonds**")
- and** \$5,785,000 Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B (the "**Series 2010B Bonds**")

Ladies and Gentlemen:

We are counsel for University Facilities, Inc. (the "**Corporation**"). In connection with the issuance and delivery of the above-captioned bonds (the "**Series 2010 Bonds**") and for the purpose of rendering this supplemental opinion, we have examined the attached pages reflecting matters recorded in the records of the Tangipahoa Parish Clerk of Court's office pertaining to the Corporation.

On the basis of the foregoing and an examination of such other documents and consideration of such matters of law as we have deemed appropriate to enable us to render this opinion, we are of the opinion that there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, or before or by any court, public board or body, or pending against or affecting the Corporation, wherein an unfavorable decision, ruling, or finding would adversely affect the validity or the issuance of the Series 2010 Bonds.

Only the addressees (the "**Opinion Recipients**") are entitled to rely upon or to assert any legal rights created by this opinion letter and the Opinion Recipients' reliance on the opinions expressed herein shall be only for the purpose contemplated by the Corporation Documents. This opinion letter may not be used or relied upon by any other person for any purpose whatsoever, other than in connection with regulatory requirements or in response to court order, without our prior written consent.

Sincerely,

SEALE & ROSS, A PROFESSIONAL LAW CORP.

By:


T. Jay Seale, III

Attachment



Patti Dunbar
 Public Finance Paralegal
 Direct Dial 225-248-3447
 Direct Fax 225-248-3047
 pdunbar@joneswalker.com

November 12, 2010

Clerk of Court, 21st JDC
 Parish of Tangipahoa
 P.O. Box 667
 Amite, LA 70422-0667
 Attention: CIVIL RECORDS

Re: Request for Certificate of Search

ONE NAME: University Facilities Inc.

\$25,470,000 Louisiana Local Government Environmental Facilities and
 Community Development Authority Tax-Exempt Revenue Bonds (Southeastern
 Louisiana University Student Union/University Facilities Inc. Project) Series
 2010A

\$5,785,000 Louisiana Local Government Environmental Facilities and
 Community Development Authority Taxable Revenue Bonds (Southeastern
 Louisiana University Student Union/University Facilities Inc. Project) Series
 2010B

Dear Sir or Madam:

In connection with a matter that we are handling for the Louisiana Local Government Environmental Facilities and Community Development Authority, we will be closing the above-captioned transaction on Wednesday, November 17, 2010 at 9:00 a.m. We need to obtain from your office a certificate of search with respect to any suits pending against the above party relating to the bond issue. Please run the search for the period beginning January 1, 2008 through noon on Tuesday, November 16, 2010. Enclosed please find our check in the amount of \$10.00 to cover the cost of this search.

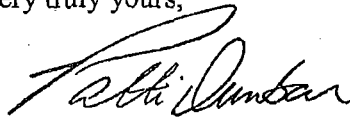
JONES, WALKER, WAECHTER, POITEVENT, CARRERE & DENÈGRE L.L.P.

8555 UNITED PLAZA BOULEVARD • BATON ROUGE, LOUISIANA 70809-7000 • 225-248-2000 • FAX 225-248-2010 • E-MAIL info@joneswalker.com • www.joneswalker.com
 ALABAMA ARIZONA DISTRICT OF COLUMBIA FLORIDA LOUISIANA TEXAS

Enclosed is a self-addressed envelope for return of the completed Certificate of Search; however, I will telephone you on Wednesday, November 17, 2010 to obtain verbal confirmation that no litigation is pending against the University Facilities, Inc. that would affect this transaction.

Please contact me immediately should you have any questions regarding this request. Thank you for your assistance.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Patti Dunbar".

Patti Dunbar

Enclosures



Tangipahoa Parish, Louisiana
Julian Duffreche, Clerk of Court

Indexing Name Search - Indexed Entries [Print Page](#)

Search criteria: Name(s) Selected 1)UNIVERSITY FACILITES INC 2)UNIVERSITY FACILITES INCORPORATED (O) 3)UNIVERSITY FACILITES LOUISIANA STATE OF 4) UNIVERSITY FACILITIES 5)UNIVERSITY FACILITIES (O) 6)UNIVERSITY FACILITIES INC 7)UNIVERSITY FACILITIES INC (O) 8)UNIVERSITY FACILITIES INCORPORATED (O) For ALL INDEX TYPES For ALL PARTY TYPES For All Groups For All Kinds on Tuesday, November 16, 2010 9:14:05 AM

Select	Image	Party Code	Index Type	Date	Kind	Description	Book	Page	File Number	Orig Index	OrigBook	OrigPage	OrigFile #	Amount
<input type="checkbox"/>		1	MIS	05/04/1998		ARTICLES OF INCORPORATION & CORRECT ARTICLES OF INC	83	804	522013					
Count: 1 SEARCH NAME: UNIVERSITY FACILITIES INC														
Count: 1 FIRST: ----														
<input type="checkbox"/>	View Image	2	CON	05/06/1998	LEASE	SEC 14-6-7 MAP	855	708	522174					
Count: 1 SEARCH NAME: UNIVERSITY FACILITIES INC														
Count: 1 FIRST VENDOR: BOARD OF TRUSTEES FOR STATE COLLEGES & UNIVERSITIES														
<input type="checkbox"/>	View Image	1	CON	05/06/1998	ASSIGN	LEASES & RENTS SEC 14-6-7 MAP	856	714	522176					
Count: 1 SEARCH NAME: UNIVERSITY FACILITIES INC														
Count: 2 FIRST VENDEE: BANK OF NEW YORK TRUSTEE														
<input type="checkbox"/>	View Image	1	CON	05/06/1998	HOMESTED	IN RE SEPARATE PROPERTY	855	732	522176					
Count: 2 SEARCH NAME: UNIVERSITY FACILITIES INC														
Count: 1 FIRST VENDEE: ----														
<input type="checkbox"/>	View Image	2	CON	06/06/1998	HOMESTED	IN RE SEPARATE PROPERTY	865	732	522176					
Count: 2 SEARCH NAME: UNIVERSITY FACILITIES INC														
Count: 1 FIRST VENDOR: ----														
<input type="checkbox"/>		1	MIS	07/28/1998		NOTICE CHANGE OF REGISTERED AGENT & OFFICE	84	310	522044					
Count: 1 SEARCH NAME: UNIVERSITY FACILITIES INC														
Count: 1 FIRST: ----														
<input type="checkbox"/>	View Image	1	MTG	07/30/1998	AFF-ACT	NO WORK SEC 14-6-7 HAM	783	627	527181					
Count: 1 SEARCH NAME: UNIVERSITY FACILITIES INC														
Count: 1 FIRST MORTGAGEE: ----														
<input type="checkbox"/>	View Image	1	MTG	07/30/1998	CONTRACT	STUDENT HOUSING SLU	783	636	527184					
Count: 2 SEARCH NAME: UNIVERSITY FACILITIES (O)														
Count: 1 FIRST MORTGAGEE: ----														
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Count: 1 FIRST: ----														
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Count: 1 FIRST MORTGAGEE: ----														
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Count: 2 FIRST MORTGAGEE: B & D PLUMBING CO INC														
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Count: 2 SEARCH NAME: UNIVERSITY FACILITIES INC														
Count: 1 FIRST MORTGAGEE: ARCO ELECTRIC COMPANY INC														
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Count: 1 FIRST MORTGAGEE: TEXAS STAIRS & RAILS INC														
<input type="checkbox"/>	View Image	1	MTG	05/11/1999 Cancelled	LIEN	MATERIALS & LABOR SEC 14-6-7	838	692	542888					\$21,938.78
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Count: 2 FIRST MORTGAGEE: AIR COOL LLC														
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Count: 1 FIRST MORTGAGEE: ----														
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Count: 1 FIRST MORTGAGEE: ----														

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Count: 2 SEARCH NAME: UNIVERSITY FACILITIES INCORPORATED (O)																				
Count: 1 FIRST MORTGAGEE: ----																				
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Count: 6 SEARCH NAME: UNIVERSITY FACILITIES INC (O)																				
Count: 1 FIRST MORTGAGEE: ----																				
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Count: 1 FIRST MORTGAGEE: ARCO ELECTRIC COMPANY INC																				
<input type="checkbox"/>	View Image	2	CON	06/23/2000		DECREE	LEASE COB 855-708 SEC 14-6-7 MAP	900	204	565403										
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Count: 1 FIRST VENDOR: BOARD OF TRUSTEES STATE COLLEGES & UNIVERSITIES																				
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Count: 1 SEARCH NAME: UNIVERSITY FACILITIES INC																				
Count: 2 FIRST VENDEE: BANK OF NEW YORK																				
<input type="checkbox"/>	View Image	2	CON	06/23/2000		DECREE	ASSIGNMENT COB 855-714 SEC 14-6-7 MAP	900	204	565403										
Count: 1 SEARCH NAME: UNIVERSITY FACILITIES INC																				
Count: 2 FIRST VENDOR: BANK OF NEW YORK																				
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Count: 1 FIRST VENDEE: BOARD OF TRUSTEES STATE COLLEGES & UNIVERSITIES																				
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Count: 1 FIRST VENDOR: BOARD OF TRUSTEES STATE COLLEGES & UNIVERSITIES																				
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Count: 1 FIRST VENDOR: BOARD OF SUPERVISORS UNIVERSITY OF LOUISIANA SYSTEM																				
<input type="checkbox"/>	View Image	1	CON	07/31/2000		LEASE	SEC 14-6-7 HAM	902	303	567832										
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Count: 1 FIRST VENDEE: BOARD OF SUPERVISORS UNIVERSITY OF LOUISIANA SYSTEM																				
<input type="checkbox"/>	View Image	1	CON	07/31/2000		ASSIGN	LEASES & RENTS SEC 14-6-7 HAM	902	308	567833										
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Count: 2 FIRST VENDEE: HIBERNIA NATIONAL BANK																				
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Count: 2 SEARCH NAME: UNIVERSITY FACILITIES INC																				
Count: 2 FIRST MORTGAGEE: AIR COOL																				
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Count: 3 SEARCH NAME: UNIVERSITY FACILITIES INC (O)																				
Count: 1 FIRST MORTGAGEE: ----																				
<input type="checkbox"/>	View Image	1	MTG	02/22/2001		ACCEPT	CONTRACT DATED 10-19-99 RENOV WAR MEMORIAL STU UNION	926	852	578778										
Count: 3 SEARCH NAME: UNIVERSITY FACILITIES INC (O)																				
Count: 1 FIRST MORTGAGEE: ----																				
<input type="checkbox"/>	View Image	1	MTG	05/25/2001		ACCEPT	CONTRAT DATED 6-8-00 SLU RESIDENTIAL FACILITY PH II	945	733	584540										
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Count: 1 FIRST MORTGAGEE: ----																				
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Count: 1 SEARCH NAME: UNIVERSITY FACILITIES INC																				
Count: 1 FIRST VENDEE: BANK OF NEW YORK THE																				
: 6 Range:																				

<input type="checkbox"/>	View Image	2	CON	08/13/2004	08/12/2004	LEASE	7 Section: 14 MEMORANDUM OF GROUND LEASE SECS 14 & 23-6-7 more...	884	32	872189									\$0.00
Count: 1 SEARCH NAME: UNIVERSITY FACILITIES INC																			
Count: 1 FIRST VENDOR: BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM																			
<input type="checkbox"/>	View Image	1	MTG	08/13/2004	08/13/2004	MORTGAGE	Township: 6 Range: 7 Section: 14 SECS 14 & 23-6-7 HAMMOND more...	1269	116	672172									\$500,000,000.00
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Count: 1 FIRST MORTGAGEE: BANK OF NEW YORK TRUST COMPANY THE																			
<input type="checkbox"/>	View Image	1	MTG	08/13/2004	08/12/2004	CANCEL	BY PRESCRIPTION	1269	159	672172	MTG	827	368	539220					\$99,530.16
Count: 3 SEARCH NAME: UNIVERSITY FACILITIES LOUISIANA STATE OF																			
Count: 1 FIRST MORTGAGEE: TO THE PUBLIC																			
<input type="checkbox"/>	View Image	1	CON	08/18/2004	08/13/2004	ASSIGN	: 6 Range: 7 Section: 23 LEASES & RENTS SEC 23-6-7 HAMMOND	884	345	872511									\$0.00
Count: 1 SEARCH NAME: UNIVERSITY FACILITIES INC																			
Count: 1 FIRST VENDEE: BANK OF NEW YORK TRUST CO THE																			
<input type="checkbox"/>	View Image	1	CON	09/22/2004	09/15/2004	REL	ASSIGNMENT OF LEASES & RENTS	997	81	874908	CON	802	308						\$0.00
Count: 1 SEARCH NAME: UNIVERSITY FACILITIES INC																			
Count: 1 FIRST VENDEE: HIBERNIA NATIONAL BANK																			
<input type="checkbox"/>	View Image	1	MTG	02/22/2005	02/17/2005	CANCEL	MATERIAL LIEN	1326	412	885589	MTG	1313	274						\$51,872.57
Count: 4 SEARCH NAME: UNIVERSITY FACILITIES INC																			
Count: 1 FIRST MORTGAGEE: HAGEMEYER NORTH AMERICA INC																			
<input type="checkbox"/>	View Image	2	CON	03/01/2005	02/23/2005	TERMINAT	LEASES & 900-204 & 902-298 & 902-303	1011	21	888182	CON	855	708						\$0.00
Count: 1 SEARCH NAME: UNIVERSITY FACILITIES INC																			
Count: 1 FIRST VENDOR: BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM THE																			
<input type="checkbox"/>	View Image	2	CON	03/14/2007	03/13/2007	LEASE	: 6 Range: 7 Section: 14 SECS 14 & 23-6-7 HAMMOND more...	1081	480	745731									\$0.00
Count: 1 SEARCH NAME: UNIVERSITY FACILITIES INC																			
Count: 1 FIRST VENDOR: BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM																			
<input type="checkbox"/>	View Image	1	CON	03/14/2007	03/01/2007	ASSIGN	: 6 Range: 8 Section: 23 AGREEMENTS & DOCUMENTS SEC 23-6-7	1081	486	745732									\$0.00
Count: 1 SEARCH NAME: UNIVERSITY FACILITIES INC																			
Count: 2 FIRST VENDEE: THE BANK OF NEW YORK TRUST CO																			
<input type="checkbox"/>	View Image	1	MTG	04/05/2007	04/04/2007	CONTRACT	SOUTHEASTERN LOUISIANA UNIVERSITY PARKING GARAGE & STADIUM RENOVATIONS HAM	1601	812	747700									\$0.00
Count: 3 SEARCH NAME: UNIVERSITY FACILITIES INC (O)																			
Count: 1 FIRST MORTGAGEE: TO THE PUBLIC																			
<input type="checkbox"/>	View Image	1	MTG	07/01/2008		CONTRACT	SLU - A NEW WEIGHT ROOM ADDITION TO THE EXISTING DUGAS ATHLETIC BUILDING	1758	135	785339									\$0.00
Count: 2 SEARCH NAME: UNIVERSITY FACILITIES INC (O)																			
Count: 1 FIRST MORTGAGEE: TO THE PUBLIC																			
<input type="checkbox"/>	View Image	1	MTG	10/03/2008	09/25/2008	ACCEPT	CONTRACT DATED 4-4-07 PARKING GARAGE & STADIUM RENOVATIONS- 6386	1783	405	781777									\$0.00
Count: 2 SEARCH NAME: UNIVERSITY FACILITIES INC (O)																			
Count: 1 FIRST MORTGAGEE: TO THE PUBLIC																			
<input type="checkbox"/>	View Image	1	MTG	02/04/2009	01/07/2009	CONTRACT	CONCRETE PAVING OVERHEAD & PROFIT NEW PARKING	1810	381	788817									\$0.00
Count: 2 SEARCH NAME: UNIVERSITY FACILITIES INC (O)																			
Count: 1 FIRST MORTGAGEE: TO THE PUBLIC																			
<input type="checkbox"/>	View Image	1	MTG	02/04/2009	01/21/2009	ACCEPT	CONTRACT DATED 1/7/09 PARKING GARAGE- PARKING LOT REPAIRS	1810	384	788818									\$0.00

Count: 2 SEARCH NAME: UNIVERSITY FACILITIES INC (O)												
Count: 1 FIRST MORTGAGEE: TO THE PUBLIC												
<input type="checkbox"/>	View Image	1	MTG	03/02/2009	02/28/2009	ACCEPT	SLU-A NEW WEIGHT ROOM ADDITION TO THE EXISTING DUGAS ATHLETIC BUILDING SLU CAM Note...	1818	431	800921		\$0.00
Count: 2 SEARCH NAME: UNIVERSITY FACILITIES INC (O)												
Count: 1 FIRST MORTGAGEE: TO THE PUBLIC												
<input type="checkbox"/>		1	CIV	05/19/2009		PETITION			2009-0001783			
Count: 1 SEARCH NAME: UNIVERSITY FACILITIES INC												
Count: 2 FIRST DEFENDANT: CAPSTONE DEVELOPMENT CORP												
<input type="checkbox"/>	View Image	2	CON	03/02/2010	01/23/2010	LEASE	: 6 Range: 7 Section: 23 SEC 23-6-7	1204	500	825085		\$0.00
Count: 1 SEARCH NAME: UNIVERSITY FACILITIES INC												
Count: 1 FIRST VENDOR: BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM												

This page should be printed in landscape mode.
 Click on Display to display indexed instrument for the selected entries.



50 Record(s) Found
 Records 1 thru 50



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BOBBY JINDAL
GOVERNOR

PAUL W. RAINWATER
COMMISSIONER OF ADMINISTRATION

State of Louisiana
Division of Administration
Office of Risk Management

November 12, 2010

Ms. Patti Dunbar
JONES WALKER
8555 United Plaza Blvd, 5th Floor
Baton Rouge, LA 70809

Dear Ms. Dunbar:

RE: Certificate of Insurance and
Evidence of Property Insurance Form for
Commercial General Liability
Automobile Liability
Workers' Compensation Liability
Blanket Property
Boiler and Machinery
5220 Southeastern Louisiana University

Attached is an original certificate of insurance and an evidence of property form showing proof of coverage for The Bank of New York Mellon Trust Company. Please forward the original certificates to the certificate holder and make copies for your files and records.

If you have any questions, please call me at (225) 342-8470 or send a fax to (225) 342-3845.

Sincerely,

Kristy Breaux, CISR
State Risk Underwriter

Attachments

CERTIFICATE OF INSURANCE

Issue Date
November 12, 2010

PRODUCER Office of Risk Management – DOA Post Office Box 91106 Baton Rouge, Louisiana 70821-9106	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION AND MAY CONFER RIGHTS UPON THE CERTIFICATE HOLDER BY AMENDING OR EXTENDING THE COVERAGE AFFORDED BY THE POLICIES BELOW AS STATED IN THE DESCRIPTION OF OPERATIONS SECTION.
INSURED State of Louisiana Southeastern Louisiana University SLU Box 10691 Hammond, LA 70402	<p align="center">COMPANY AFFORDING COVERAGE</p> <p align="center">Louisiana Self-Insurance Fund</p>
CORP. NO: 5220	

COVERAGES
 THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE	POLICY EXPIRATION	LIABILITY LIMITS		
						EACH OCCURRENCE	AGGREGATE
	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCURRENCE <input checked="" type="checkbox"/> PERSONAL & ADVERTISING INJURY <input checked="" type="checkbox"/> CONTRACTUAL LIABILITY <input checked="" type="checkbox"/> PROFESSIONAL LIABILITY <input checked="" type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS <input checked="" type="checkbox"/> FIRE DAMAGE (Any one fire) <input type="checkbox"/> MEDICAL EXPENSES	CGL20102011	07-01-2010	07-01-2011	BODILY INJURY		
					PROPERTY DAMAGE		
					BI & PD COMBINED	\$ 5,000,000	
	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED <input type="checkbox"/> NON-OWNED <input type="checkbox"/> HIRED AUTOMOBILE PHYSICAL DAMAGE <input type="checkbox"/> OWNED <input type="checkbox"/> SPECIFICALLY DESCRIBED <input type="checkbox"/> HIRED	ALPD20102011	07-01-2010	07-01-2011	BODILY INJURY		
					PROPERTY DAMAGE		
					BI & PD COMBINED	\$ 5,000,000	
	<input checked="" type="checkbox"/> WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY	WC20102011	07-01-2010	07-01-2011	STATUTORY		
					\$ 5,000,000	(EACH ACCIDENT)	
					\$ 5,000,000	(DISEASE-POLICY LIMIT)	
					\$ 5,000,000	(DISEASE-EACH EMPLOYEE)	
	<input type="checkbox"/> MEDICAL MALPRACTICE LIABILITY						

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
 The Bank of New York Mellon Trust Company and University Facilities, Inc. are added as additional insureds as regards the sole negligence of Southeastern Louisiana University for \$25,470,000 Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A and \$5,785,000 Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B.

CANCELLATION
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICES SHALL IMPOSE NO OBLIGATIONS OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

CERTIFICATE HOLDER The Bank of New York Mellon Trust Company 302 Main Street, Suite 1510 Baton Rouge, LA 70825	AUTHORIZED REPRESENTATIVE  MELISSA HARRIS, UNDERWRITING MANAGER
--	--

EVIDENCE OF PROPERTY INSURANCE

NR

ISSUE DATE:
November 12, 2010

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

PRODUCER		COMPANY		
Office of Risk Management – DOA Post Office Box 91106 Baton Rouge, Louisiana 70821-9106		Louisiana Self Insurance Fund		
INSURED : State of Louisiana Southeastern Louisiana University SLU Box 10691 Hammond, LA 70402		LOAN NUMBER:		
ORM AGENCY LOCATION CODE: 5220		EFFECTIVE DATE (MM-DD-YYYY)	EXPIRATION DATE (MM-DD-YYYY)	<input checked="" type="checkbox"/> CONTINUOUS UNTIL TERMINATED IF CHECKED
		07-01-2010	07-01-2011	

PROPERTY INFORMATION

LOCATION – DESCRIPTION

Proof of coverage for \$25,470,000 Louisiana Local Government Environmental Facilities and Community Development Authority Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010A and \$5,785,000 Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2010B.

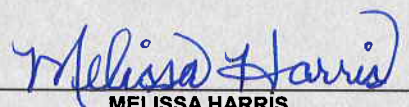
COVERAGE INFORMATION				
POLICY NUMBER	COVERAGES – PERILS - FORMS	AMOUNT OF INSURANCE		DEDUCTIBLE
BP20102011	All Risk Broad Form Property Coverage subject to Policy Exclusions and limit of \$25,000,000 combined single limit per occurrence for all perils except flood, earthquake, and wind which has a \$50,000,000 combined single limit per occurrence.	Building:	Replacement Cost	\$1,000 Per Occurrence-All Perils Excluding Flood
		Contents/Movable Property:	Actual Cash Value	\$5,000 Per Occurrence-Flood
BM20102011	Comprehensive Boiler and Machinery coverage including Business Interruption and Extra Expense coverage subject to policy exclusions and limit of \$50,000 per accident.	Repair/Replacement Cost		\$1,000 Per Accident First Party Property Damage Only

REMARKS (INCLUDING SPECIAL CONDITIONS)

\$150,000,000 Excess Property Coverage per occurrence afforded through commercial market.
\$15,000,000 Excess Boiler and Machinery Coverage per accident afforded through commercial market.

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW 30 DAYS WRITTEN NOTICE AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST The Bank of New York Mellon Trust Company 302 Main Street, Suite 1510 Baton Rouge, LA 70825	NATURE OF INTEREST		
	<input type="checkbox"/> MORTGAGEE	<input type="checkbox"/> TRUSTEE	<input type="checkbox"/> LOSS PAYEE
	<input type="checkbox"/> (OTHER)		
SIGNATURE OF AUTHORIZED REPRESENTATIVE			
 MELISSA HARRIS, STATE RISK UNDERWRITING MANAGER			

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ISSUER RECEIPT

\$25,470,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

\$5,785,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

The undersigned acknowledges receipt from Morgan Keegan & Company, Inc. (the "Underwriter") of net proceeds of the above-captioned bonds (the "Bonds") in an aggregate amount of \$30,522,590.34 broken down as:

1) Series 2010A Bond Proceeds of \$24,832,506.28 representing the principal amount of the Series 2010A Bonds, less net original issue discount of \$36,218.00, less Underwriters discount of \$163,008.00, and less the Bond Insurance Premium of \$438,267.00.72, which has been wired directly to the Bond Insurer; and

2) Series 2010B Bond Proceeds of \$5,690,084.06 representing the principal amount of the Series 2010B Bonds, less Underwriters discount of \$37,024.00, and less the Bond Insurance Premium of \$57,891.94, which has been wired directly to the Bond Insurer.

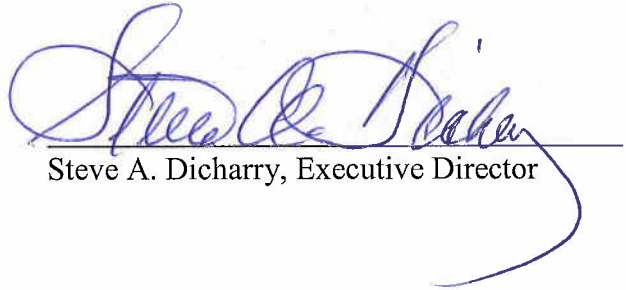
Proceeds of the Bonds are to be deposited in accordance with the provisions of the Indenture.

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Dated: November 17, 2010

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

By:



Steve A. Dicharry

Steve A. Dicharry, Executive Director

BOND RECEIPT

\$25,470,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

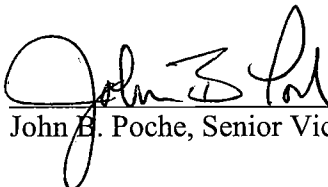
\$5,785,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

The undersigned hereby acknowledges receipt from the Louisiana Local Government Environmental Facilities and Community Development Authority (the “*Issuer*”) of its \$25,470,000 Tax-Exempt Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010A (the “*Series 2010A Bonds*”) and its \$5,785,000 Taxable Revenue Bonds (Southeastern Louisiana University Student Union / University Facilities, Inc. Project) Series 2010B (the “*Series 2010B Bonds*” and, together with the Series 2010A Bonds, the “*Series 2010 Bonds*”), dated November 17, 2010, being in the form of fully registered bonds without coupons, bearing numbers from RA-1 upward and RB-1 upward at fixed rates of interest and maturing in the principal amounts as set forth on Schedule I attached hereto, and as provided in the Trust Indenture dated as of November 1, 2010 (the “*Indenture*”) entered into between the Issuer and Regions Bank, as trustee, all as authorized by the resolutions adopted by the Issuer on June 12, 2008, December 11, 2008 and November 10, 2010 (collectively, the “*Resolution*”). The Bonds are delivered this date to Regions Bank as an agent of DTC under its Fast Automated Securities Transfer procedures.

Dated: November 17, 2010

MORGAN KEEGAN & COMPANY, INC.

By: 
John B. Poche, Senior Vice President

Schedule of Bonds

SERIES 2010A BONDS
\$5,930,000 SERIAL BONDS

<u>RA Number</u>	<u>Maturity October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
RA-1	2020	\$670,000	3.500%	3.610%	546282FG4
RA-2	2021	\$795,000	3.625%	3.790%	546282FH2
RA-3	2022	\$825,000	3.750%	3.900%	546282FJ8
RA-4	2023	\$855,000	4.000%	4.000%	546282FK5
RA-5	2024	\$890,000	4.000%	4.100%	546282FL3
RA-6	2025	\$930,000	4.000%	4.160%	546282FM1
RA-7	2026	\$965,000	4.000%	4.200%	546282FN9
RA-8	2031	\$5,520,000	4.500%	4.620%	546282FP4
RA-9	2040	\$14,020,000	5.000%	4.880%	546282FQ2

SERIES 2010B BONDS
\$5,785,000 SERIAL BONDS

<u>RB Number</u>	<u>Maturity October 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
RB-1	2011	\$440,000	0.800%	0.800%	546282FR0
RB-2	2012	\$600,000	1.400%	1.400%	546282FS8
RB-3	2013	\$610,000	1.600%	1.600%	546282FT6
RB-4	2014	\$625,000	2.200%	2.200%	546282FU3
RB-5	2015	\$640,000	2.600%	2.600%	546282FV1
RB-6	2016	\$655,000	3.150%	3.150%	546282FW9
RB-7	2017	\$680,000	3.550%	3.550%	546282FX7
RB-8	2018	\$705,000	4.100%	4.100%	546282FY5
RB-9	2019	\$735,000	4.400%	4.400%	546282FZ2
RB-10	2020	\$95,000	4.600%	4.600%	546282GA6

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TRUSTEE RECEIPT

\$25,470,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Tax-Exempt Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010A

\$5,785,000

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Bonds
(Southeastern Louisiana University Student Union/
University Facilities, Inc. Project)
Series 2010B

The undersigned acknowledges receipt from Morgan Keegan & Company, Inc. (the "Underwriter") of net proceeds of the above-captioned bonds (the "Bonds") in an aggregate amount of \$30,522,590.34 broken down as:

1) Series 2010A Bond Proceeds of \$24,832,506.28 representing the principal amount of the Series 2010A Bonds, less net original issue discount of \$36,218.00, less Underwriters discount of \$163,008.00, and less the Bond Insurance Premium of \$438,267.72, which has been wired directly to the Bond Insurer; and

2) Series 2010B Bond Proceeds of \$5,690,084.06 representing the principal amount of the Series 2010B Bonds, less Underwriters discount of \$37,024.00, and less the Bond Insurance Premium of \$57,891.94, which has been wired directly to the Bond Insurer.

The undersigned further acknowledges receipt from the Borrower of a Board Contribution in the amount of \$5,831,600.00.

Proceeds of the Bonds and the Board Contribution are to be deposited in accordance with the provisions of the Indenture.

Dated: November 17, 2010

REGIONS BANK


By: 
John C. Shiroda, Vice President

EXHIBIT A -- UPDATED AS OF 02/03/09

**FORM OF
GROUND AND BUILDINGS LEASE AGREEMENT**

by and between

**Board of Supervisors for the University of Louisiana System,
on behalf of Southeastern Louisiana University
(as Lessor)**

and

**University Facilities, Inc.
(as Lessee)**

Dated as of [_____, 2008]

in connection with:

[\$_____]

Louisiana Local Government Environmental Facilities and
Community Development Authority
Revenue Bonds (Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2008A

[\$_____]

Louisiana Local Government Environmental Facilities and
Community Development Authority
Revenue Bonds (Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2008B

Approved by Jt. Legislative Comm. on the Budget
Date: 5-11-09

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EXHIBIT D-2	DESCRIPTION OF THE SERIES 2008B FACILITIES

GROUND AND BUILDINGS LEASE AGREEMENT

This GROUND AND BUILDINGS LEASE AGREEMENT (together with any amendment hereto or supplement hereof, the "Ground Lease") dated as of [_____, 2008], is entered into by and between the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM (the "Board"), a public constitutional corporation organized and existing under the laws of the State of Louisiana, acting herein on behalf of Southeastern Louisiana University (the "University"), which Board is represented herein by its duly authorized officer, and UNIVERSITY FACILITIES, INC., a Louisiana, nonprofit corporation represented herein its duly authorized officer, (the "Corporation").

WITNESSETH

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State of Louisiana and the University is a university under its management pursuant to Louisiana Revised Statutes 17:3217;

WHEREAS, the Corporation is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201, et seq.), whose purpose is to support and benefit the educational, scientific, research and public service missions of the University;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3366, the Board is authorized to lease to a private entity, such as the Corporation, any portion of the campus of the University (the "Campus") provided the Corporation is thereby obligated to construct improvements for furthering the educational, scientific, research or public service functions of the Board;

WHEREAS, in order to further these functions of the Board, by development and construction of a Student Union, Center for Student Excellence, food services areas, a bookstore and related facilities for students, faculty, staff and the general public on the Campus (the "Facilities" as further defined herein), the Board deems it advisable that a portion of the Campus be leased to the Corporation for the purpose of demolishing certain existing facilities and renovating, developing and constructing such Facilities and leasing such Facilities back to the Board; and

WHEREAS, the Board and the Corporation have agreed to enter into this Ground Lease whereby the Board will lease certain tracts of land and the improvements thereon owned by the Board and located on the Campus to the Corporation; and

WHEREAS, the Board and the Corporation have agreed that the Corporation shall demolish certain existing facilities and renovate, develop and construct the Facilities on the land leased hereunder which Facilities will be owned by the Board as constructed and leased to the Corporation pursuant to this Ground Lease; and

WHEREAS, the Corporation shall lease the Facilities back to the Board pursuant to a lease of even date herewith (the "Facilities Lease") for use by the general public and by

students, faculty and staff of the University and such other persons as set forth in the Facilities Lease;

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

**ARTICLE I
LEASE OF PROPERTY - TERMS OF GROUND LEASE**

Section 1.1 Lease of Land. The Board does hereby let, demise, and rent unto the Corporation, and the Corporation does hereby rent and lease from the Board, the real property (the "**Land**") more particularly described on **Exhibit A** attached hereto, together with all existing and future improvements, alterations, additions and attached fixtures located or to be located on the Land (the "**Facilities**") and the right of uninterrupted access to and from all streets and roads now or hereafter adjoining the Land for vehicular and pedestrian ingress and egress. Notwithstanding Article VIII of the Loan Agreement, the Board shall have the right to release from this Ground Lease, after demolition has been completed, any portion of the Land upon which existing facilities were demolished, if no portion of the Facilities is thereafter constructed thereon. The Corporation, by execution of this Ground Lease, accepts the leasehold estate herein demised subject only to the matters described on **Exhibit B** attached hereto.

Section 1.2 Habendum. To have and to hold the Land and the Facilities, together with all and singular the rights, privileges, and appurtenances thereto attaching or anywise belonging, exclusively unto the Corporation, its successors and assigns, for the term set forth in Section 1.3 below, subject to the covenants, agreements, terms, provisions, and limitations herein set forth.

Section 1.3 Term. Unless sooner terminated as herein provided, this Ground Lease shall continue and remain in full force and effect for a term commencing on the effective date hereof and ending on the Expiration Date which shall be the earlier of (i) [_____, 2048], or (ii) the date on which any of the following events occur: (a) repayment of the Bonds in full, including principal, premium, if any, interest and all Administrative Expenses with respect to the Bonds or the defeasance of the Bonds, all as set forth in the Indenture, or (b) the exercise by the Board of the Option to Purchase and the purchase of the Corporation's interest in the Facilities pursuant to the Option.

**ARTICLE II
DEFINITIONS**

Section 2.1 Definitions. In addition to such other defined terms as may be set forth in this Ground Lease, the following terms shall have the following meanings:

"**Additional Series 2008A Bonds**" means bonds, if any, issued in one or more series on parity with the Series 2008A Bonds for completion of the Series 2008A Facilities.

"**Additional Series 2008B Bonds**" mean bonds, if any, issued in one or more series on parity with the Series 2008B Bonds for the completion of the Series 2008B Facilities.

"Affiliate" means, with respect to a designated Person under this Ground Lease, any other Person that, directly or indirectly, controls is controlled by, or is under common control with such designated Person. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person.

"Agreement" means the Loan Agreement dated as of [_____, 2008], between the Corporation and the Issuer, including any amendments and supplements thereof and thereto as permitted thereunder.

"Applicable Laws" means all present and future statutes, regulations, ordinances, resolutions and orders of any Governmental Authority which are applicable to the parties performing their obligations under this Ground Lease.

"Aramark" means Aramark Educational Services, LLC, a Delaware limited liability company having its principal place of business Philadelphia, Pennsylvania

"Award" means any payment or other compensation received or receivable as a consequence of a Taking from or on behalf of any Governmental Authority or any other Person vested with the power of eminent domain.

"Board" means Board of Supervisors for the University of Louisiana System or its legal successor as the management board of the University, acting on behalf of the University.

"Board Representative" means the Person or Persons designated by the Board in writing to serve as the Board's representative(s) in exercising the Board's rights and performing the Board's obligations under this Ground Lease; the Board Representative shall be the Chairman, Vice Chairman, Secretary of the Board, the System President, a designee of any of the foregoing or any other representative designated by resolution of the Board, of whom the Corporation has been notified in writing.

"Board's Interest" means the Board's ownership interest in and to the Land and the Facilities.

"Bond Documents" shall have the meaning set forth in Section 3.12 of the Indenture.

"Bond Insurer", if any, means Assured Guaranty Corporation.

"Bookstore" means the locations described as such on Exhibit D-2 to this Ground Lease and any improvements thereon or placed thereon during the Term of this Ground Lease.

"Building Use Fee" means one-half of the building use fee being assessed by the University on all students for the renovation, construction and development of on-campus facilities.

"Business Day" means any day other than (i) a Saturday, (ii) a Sunday, (iii) any other day on which banking institutions in New York, New York, or Baton Rouge, Louisiana, are

authorized or required not to be open for the transaction of regular banking business, or (iv) a day on which the New York Stock Exchange is closed.

"Campus" means the campus of the University.

"Capital Funds" means payments to the University, or to the Board on behalf of the University, for capital improvements and made in connection with the operation and/or management of the Food Service Areas whether pursuant to the Food Service Contract, the Facilities Lease or other lease, management agreement or operating agreement.

"Casualty" has the meaning set forth in Section 12.4 of this Ground Lease.

"Commencement of Construction" means the date on which demolition, excavation or foundation work is begun for the Facilities, which date shall occur on or before [_____, 2008].

"Commencement Date" means the effective date of this Ground Lease, which is [_____, 2008].

"Construction Team" shall mean all construction professionals performing services under the Contract.

"Contract" shall mean that contract or those certain contracts between the Corporation and the Design Team and the Corporation and the Construction Team for the design and construction of the Facilities.

"Corporation" means University Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payment or provision for the payment of all of the Bonds.

"Date of Opening" means the date the demolition is complete and the Facilities are opened for occupancy or use, which date shall be on or before [_____, 20__].

"Design Team" shall mean all design professionals performing services under the Contract.

"Event of Default" means any matter identified as an event of default under Section 11.1 hereof.

"Expiration Date" means the expiration date of this Ground Lease as set forth in Section 1.3 hereof.

"Expropriation" has the meaning set forth in Section 12.5 of this Ground Lease.

"Facilities" means, collectively, the Series 2008A Facilities and the Series 2008B Facilities.

"Facilities Lease" means that certain Agreement to Lease with Option to Purchase dated as of [_____, 2008], by and between the Board, as Lessee, and the Corporation, as Lessor, whereby the Facilities are leased by the Corporation to the Board, on behalf of the University.

"Food Service Areas" means the locations described as such on Exhibit D-2 to this Ground Lease and any improvements thereon or placed thereon during the Term of this Ground Lease.

"Food Service Contract" means that certain Agreement dated July 1, 2008 by and between the Board and Aramark, as amended, modified, extended or replaced; provided the University will make its best efforts to require an annual payment of at least \$990,000 for capital improvements to the Food Service Areas in any such amended, modified, extended or replaced contract.

"Force Majeure" means any (a) act of God, landslide, lightning, earthquake, hurricane, tornado, blizzard and other adverse and inclement weather, fire, explosion, flood, act of a public enemy, act of terrorism, war, blockade, insurrection, riot, or civil disturbance; (b) labor dispute, strike, work slowdown, or work stoppage; (c) order or judgment of any Governmental Authority, if not the result of willful or negligent action of the Corporation; (d) adoption of or change in any Applicable Laws after the date of execution of this Ground Lease having a material adverse effect on the rights or duties under this Ground Lease; (e) any actions by the Board which may cause delay; or (f) any other similar cause or similar event beyond the reasonable control of the Corporation.

"FP&C" means the Office of Facility Planning and Control of the Division of Administration, State of Louisiana.

"Governmental Authority" means any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, parish, district, municipality, city or otherwise) whether now or hereafter in existence.

"Health Center Bond Fee" means the health center bond fee being assessed by the University on all students for the use and availability of on-campus health center facilities.

"Independent Architect" means the architect, engineer, or consultant selected and retained by the Board to inspect the Facilities on behalf of the Board.

"Issuer" means the Louisiana Local Government Environmental Facilities and Community Development Authority, a political subdivision of the State of Louisiana created by the provisions of the Act (as defined in the Indenture), or any agency, board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Issuer by said provisions shall be given by law.

"Land" means the real property more particularly described on Exhibit A attached hereto upon which certain existing facilities are to be demolished and upon which the Facilities are to be renovated, constructed and located.

"Mortgage" shall have the meaning set forth in the Agreement.

"Permitted Sublessees" means persons other than University students, faculty and staff who are participants in any activities related to the mission of the University or who are using the Facilities pursuant to a concession or other arrangement with the University.

"Permitted Use" means the operation of the Facilities as a Student Union, a Center for Student Excellence, food services and a bookstore for University students, faculty, staff, the general public and Permitted Sublessees and for purposes related to or associated with the foregoing.

"Person" means an individual, a trust, an estate, a Governmental Authority, partnership, joint venture, corporation, company, firm or any other entity whatsoever.

"Plans and Specifications" means the plans and specifications for the construction of the Facilities, as implemented and detailed from time to time, as the same may be revised from time to time prior to the completion of the Facilities in accordance with the Agreement and this Ground Lease.

"Rent" means the annual rent paid by the Corporation as set forth in Section 3.1 hereof.

"Series 2008A Facilities" means the Student Union, the Center for Student Excellence and related facilities described in Exhibit D-1 attached hereto, as amended and supplemented in accordance with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2008A Bonds and any Additional Series 2008A Bonds.

"Series 2008B Facilities" means the Food Service Areas, the Bookstore and related facilities described in Exhibit D-2 attached hereto, as amended and supplemented in accordance with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2008B Bonds and any Additional Series 2008B Bonds.

"Student Fees" means, collectively, (a) the Building Use Fee, (b) the Health Center Bond Fee, (c) the Student Union Bond Fee and (d) the Student Union Expansion Fee.

"Student Union Bond Fee" means the student union bond fee being assessed by the University on all students for the use and availability of the Student Union.

"Student Union Expansion Fee" means the student union fee being assessed by the University on all students for the planning, development, construction and equipping of the Student Union

"Taking" means the actual or constructive condemnation, or the actual or constructive acquisition by condemnation, eminent domain or similar proceeding by or at the direction of any Governmental Authority or other Person with the power of eminent domain.

"Term" means the term of this lease as set forth in Section 1.3 hereof.

"Trustee" shall have the meaning set forth in the Facilities Lease.

“University” means Southeastern Louisiana University in Hammond, Louisiana.

**ARTICLE III
RENT**

Section 3.1 Rent. Commencing on the Commencement Date and continuing throughout the Term the Corporation shall pay to the Board, at the address set forth in Section 18.2 hereof or such other place as the Board may designate from time to time in writing, as annual rent for the Land (“Rent”), the sum of \$1.00 per year. Rent shall be due and payable annually in advance, with the first such payment of Rent being due on the Commencement Date and a like installment due on each anniversary thereafter during the Term.

Section 3.2 Additional Obligations. As further consideration for the entering into of this Ground Lease by the Board, the Corporation agrees to perform its construction obligations as set forth in Article V herein, and to execute and perform its obligations under the Facilities Lease and all other documents contemplated by and ancillary to this Ground Lease and the Facilities Lease. In addition, the Corporation agrees to pay the costs of demolishing, developing and/or constructing the Facilities pursuant to the terms of this Ground Lease and the Facilities Lease, title to which shall vest in the Board.

**ARTICLE IV
USE OF LAND**

Section 4.1 Purpose of Lease. The Corporation enters into this Ground Lease for the purpose of demolishing certain existing facilities and renovating, developing and constructing the Facilities in accordance with the Plans and Specifications and leasing the Facilities to the Board in accordance with the Facilities Lease. Except as otherwise provided herein, the Facilities are to be used for no other purpose.

Section 4.2 Benefit of the Board and the University. The Board shall own the Facilities subject to the Corporation’s rights under this Ground Lease and, for so long as the Facilities Lease remains in full force and effect, the Board shall lease back the Facilities from the Corporation for the support, maintenance and benefit of the Board and the University. The Facilities shall be owned and leased solely for a public purpose related to the performance of the duties and functions of the Board and the University. Under no circumstances shall the Facilities be used for any purpose other than the Permitted Use.

Section 4.3 Data and Voice Communication Systems. The Board, at its expense, agrees to provide to the Facilities appropriate cabling to tie its computer system into the Facilities. The Board shall provide the Facilities access to its computer system at no charge to the Corporation. The internal installation of such computer wiring within the Facilities in accordance with the Plans and Specifications shall be at the expense of the Corporation.

Section 4.4 Compliance with Statutory Requirements. Section 3361, et, seq. of Title 17 of the Louisiana Revised Statutes prescribes rules and regulations for leases of any portion of the campus by a college or university. By execution of this Ground Lease, the Board represents that it has complied with applicable statutory requirements of such Title 17 including, without limitation:

Approved by Jt. Legislative Comm. on the Budget
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(a) the waiver by written consent of the formulation and adoption of rules, regulations and requirements, if any, relative to the erection, construction and maintenance of the Facilities referenced in Section 3362(A) of Title 17 of the Louisiana Revised Statutes, other than those set forth in this Ground Lease or specifically referenced in this Ground Lease;

(b) the waiver by written consent of the Board's right to require removal of the Facilities referenced in Section 3362(B) of Title 17 of the Louisiana Revised Statutes, except as set forth in this Ground Lease; and

(c) the waiver by written consent of the Board's right to cause the immediate termination of this Ground Lease and the removal of the houses and structures erected on the leased grounds based upon the failure of the Corporation to conform to any rules or regulations adopted by the Board pursuant to La. R.S. 17:3364, which the Board deems necessary or desirable relative to the conduct and social activities of people in structures erected on the leased grounds, except as may be specified in this Ground Lease.

ARTICLE V CONSTRUCTION OF THE FACILITIES

Section 5.1 The Corporation's Construction Obligations. The Corporation will demolish certain existing facilities and renovate, develop and construct the Facilities on the Land at its own cost and expense. The Corporation shall lease the Facilities to the Board pursuant to the Facilities Lease. The Board shall not have any financial obligation or other obligation of any kind under this Ground Lease except to review and approve the Corporation's activities and as specifically set forth herein.

(a) The Corporation shall furnish or cause to be furnished all supervision, tools, implements, machinery, labor, materials and accessories such as are necessary and proper for the demolition of certain existing facilities and the construction of the Facilities, shall pay all applicable permit and license fees, and shall demolish certain existing facilities and construct, build, and complete the Facilities in a good, substantial and workmanlike manner all in accordance with this Ground Lease, and generally in compliance with the Plans and Specifications and all documents executed pursuant hereto and thereto. The Corporation and the Board agree to cooperate fully so that fee and permit exemptions available with respect to the Facilities under applicable law are obtained by the party or parties entitled thereto.

(b) Subject to the provisions of this Section 5.1, all decisions regarding construction matters shall be made by the Corporation in consultation with the Construction team and the Design Team, and with approval of FP&C. The Corporation shall select the designers and any Construction Contractor, the members of which shall comply with licensing requirements of Louisiana law. All construction, alterations, or additions to the Facilities undertaken by the Corporation shall be in conformance with all applicable laws, codes, rules and regulations, and amendments thereto, including 1988 Standard Building Code with 1989 and 1990 revisions, ANSIA 1117.1 1986 edition, and NFPA 101 Life Safety Code and all local and state building codes. The Corporation shall have the right to contest any such codes for reasonable grounds by ordinary and proper procedures. The parties hereto acknowledge that the Board Representative and any other party whose consent is necessary to the Board's authority

have previously reviewed and approved the Plans and Specifications and the Contract for the Facilities.

(c) Changes in work and materials are subject to review and approval of the Board Representative and FP&C; however minor changes in work or materials, not affecting the general character of the Facilities or increasing the cost of construction may be made in the Plans and Specifications at any time by the Corporation without the approval of the Board Representative and FP&C, but a copy of the altered Plans and Specifications shall promptly be furnished to the Board Representative and FP&C. The Corporation shall notify the Board Representative of any changes in work or materials that require the Board Representative's approval and the Board Representative shall either approve or disapprove any such changes within ten (10) business days after receipt of such notice from the Corporation. Notification shall include sufficient information for the Board Representative to make a determination and to approve or disapprove any changes in work or materials.

(d) After completion of the Facilities, at least sixty (60) days prior to undertaking any structural alteration, renovation, or remodeling of the Facilities during the Term, the Corporation shall submit plans for such renovation or remodeling to the Board Representative and FP&C for approval which approval must be obtained prior to the Corporation making or causing to be made any such structural alteration, renovation, or remodeling of the Facilities. The Board Representative shall either approve or disapprove any such alteration within thirty (30) days after receipt of such plans from the Corporation and approval by FP&C. All alterations, renovations or additions to the Facilities undertaken by the Corporation shall be in conformance with all applicable laws, codes, rules and regulations, and amendments thereto, including 1988 Standard Building Code with 1989 and 1990 revisions, ANSIA 1117.1 1986 edition, and NFPA 101 Life Safety Code and all local and state building codes. The Corporation shall have the right to contest any such codes for reasonable grounds by ordinary and proper procedures.

(e) Subject to Force Majeure, the Corporation covenants that the Corporation shall substantially complete construction of the Facilities, subject to punch list items, on or before [_____, 20__]. Notwithstanding anything to the contrary contained herein, a breach by the Corporation of the covenant set forth in this Section 5.1(E) shall not be an Event of Default hereunder. The Board shall be entitled to institute an action seeking specific performance of this covenant by the Corporation.

(f) Prior to the commencement of construction of the Facilities, the Corporation, the Construction Team and the Design Team shall meet with the Board Representative to coordinate construction activity under the Contract. Upon commencement of construction of the Facilities, the Corporation shall deliver to the Board Representative and FP&C, (1) a copy of the signed Contract for the construction of the Facilities, and (2) a copy of the labor and materials payment and performance bonds in an amount equal to the contract price set forth in the Contract for the Facilities issued by a company qualified, permitted or admitted to do business of the State of Louisiana and approved by the Board. The Corporation shall take the action specified by La. R.S. 9:4802(C) to be taken by an owner to protect the premises from any liens related to the design or construction of the Facilities.

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(g) Prior to the Commencement of Construction of any phase of the Facilities, any architect whose services have been retained shall provide a standard errors and omissions policy, with such additional provisions as may be approved by counsel to the Corporation.

(h) Any performance bond, labor and material payment bond, or completion bond provided by a contractor hired by the Corporation shall be for 100% of the amount of the contract with such contractor, and shall contain a dual obligee rider in favor of the Board; subject, however, to the reasonable underwriting guidelines of the surety issuing the bond and rules of the Governmental Authorities regulating the surety.

(i) The Corporation shall, upon written request of the Board, make, in such detail as may reasonably be required, and forward to the Board Representative, reports in writing as to the actual progress of the construction of the Facilities. During such period, the construction work shall be subject to inspection by the Independent Architect and by authorized personnel of the Board and FP&C in order to verify reports of construction, determine compliance with safety, fire, and building codes, determine compliance with approved construction plans, or such other inspections as may be necessary in the reasonable opinion of the Board Representative and FP&C.

(j) The Corporation shall inspect the Land and arrange for boundary surveys, topographical surveys, soil borings and other site investigations at its expense to the extent these things have not been done by the Board. The Board does not guarantee that the Land is suitable for construction of the Facilities. Subject to the matters shown on **Exhibit B** attached to this Ground Lease, the Corporation accepts the Land in its present condition. However, the Board represents that to the best of its knowledge and belief there are no hazardous materials or other materials on or under the Land that would materially impact the construction of the Facilities.

(k) Except as provided in Section 4.3 hereof, part of the cost of construction of the Facilities shall include all costs necessary for the contractor or applicable utility company to bring lines for all such utilities to the Facilities so that such utilities will be available when required for construction and operation of the Facilities.

ARTICLE VI ENCUMBRANCES

Section 6.1 Mortgage of Leasehold or the Facilities. Except for the Mortgage, the Corporation shall not mortgage, lien or grant a security interest in the Corporation's leasehold interest in the Land or the Facilities or any other right of the Corporation hereunder without the prior written consent of the Board.

ARTICLE VII MAINTENANCE AND REPAIR

Section 7.1 Maintenance, Repairs and Renovations.

(a) For as long as the Facilities Lease is in effect, the University, at the direction of the Board, shall be responsible for maintaining and repairing the Facilities in accordance with Section 7 of the Facilities Lease.

(b) In the event that the Facilities Lease has been terminated, the Corporation will: (1) maintain or cause to be maintained the Facilities, and will keep the Facilities in good repair and in good operating condition and make from time to time all necessary repairs thereto and renewals and replacements thereof; and (2) make from time to time any additions, modifications or improvements to the Facilities the Corporation may deem desirable for its business purposes that do not materially impair the effective use of the Facilities, provided that all such additions, modifications and improvements will become a part of the Facilities.

ARTICLE VIII CERTAIN LIENS PROHIBITED

Section 8.1 No Mechanics' Liens. Except as permitted in Section 8.2 hereof, the Corporation shall not suffer or permit any mechanics' liens or other liens to be enforced against the Board's ownership interest in the Land or the Facilities nor against the Corporation's leasehold interest in the Land or the Facilities by reason of a failure to pay for any work, labor, services, or materials supplied or claimed to have been supplied to the Corporation or to anyone holding the Land or Facilities or any part thereof through or under the Corporation.

Section 8.2 Release of Recorded Liens. If any such mechanics' liens or materialmen's liens shall be recorded against the Land or Facilities, the Corporation shall cause the same to be released of record or, in the alternative, if the Corporation in good faith desires to contest the same, the Corporation shall be privileged to do so, but in such case the Corporation hereby agrees to indemnify and save the Board harmless from all liability for damages occasioned thereby and shall in the event of a judgment of foreclosure on said mechanics' lien, cause the same to be discharged and released prior to the execution of such judgment. In the event the Board reasonably should consider the Board's interest in the Land or the Facilities endangered by any such liens and should so notify the Corporation and the Corporation should fail to provide adequate security for the payment of such liens, in the form of a surety bond, cash deposit or cash equivalent, or indemnity agreement reasonably satisfactory to the Board within thirty (30) days after such notice, then the Board, at the Board's sole discretion, may discharge such liens and recover from the Corporation immediately as additional Rent under this Ground Lease the amounts paid, with interest thereon from the date paid by the Board until repaid by the Corporation at the rate of ten percent (10%) per annum.

Section 8.3 Memorandum of Recitals. The memorandum of lease to be filed pursuant to Section 18.4 of this Ground Lease shall state that any third party entering into a contract with the Corporation for improvements to be located on the Land, or any other party claiming under said third party, shall be on notice that neither the Board nor the Board's property shall have any liability for satisfaction of any claims of any nature in any way arising out of a contract with the Corporation.

ARTICLE IX OPERATION AND MANAGEMENT OF FACILITIES

Section 9.1 Management of Facilities. For as long as the Facilities Lease is in effect, the University, at the direction of the Board, shall operate and manage the Facilities or cause the Facilities to be operated and managed in accordance with the Section 7 of the Facilities Lease. In the event the Food Service Contract is terminated, the Corporation or the Board shall immediately begin providing operations and management services for the Food Service Areas until such time as a new contract to provide operations and management services for the Food Service Areas can be executed. The University covenants and agrees to use their best efforts to enter into a new contract to provide operations and management services for the Food Service Areas that contains an annual Capital Funds payment of at least \$990,000.

In the event the Facilities Lease is terminated, the Corporation will be responsible for the operations and management of the Facilities and the Board will no longer have the right to operate or manage the Facilities.

Section 9.2 Books and Records. The Corporation shall keep, or cause to be kept, accurate, full and complete books, including bank statements, and accounts showing exclusively its assets and liabilities, operations, transactions and the financial condition of the Corporation.

Section 9.3 Audits. The Board may, at its option and at its own expense, and during customary business hours, conduct audits of the books, bank accounts, records and accounts of the Corporation. Audits may be made on either a continuous or a periodic basis or both, and may be conducted by employees of the Board, by the Louisiana Legislative Auditor or by independent auditors retained by the Board desiring to conduct such audit, but any and all such audits shall be conducted without materially or unreasonably or unnecessarily interrupting or interfering with the normal conduct of business affairs by the Corporation.

ARTICLE X INDEMNIFICATION

Section 10.1 Indemnification by the Corporation. Excluding those as a result of the acts or omissions of the Board, its employees, agents or contractors, the Corporation shall and will indemnify and save harmless the Board, its agents, officers, and employees, from and against any and all liability, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions, and causes of action of any and every kind and nature arising or growing out of or in any way connected with the Corporation's demolition, renovation, development or construction of the Facilities. This obligation to indemnify shall include reasonable fees of legal counsel and third-party investigation costs and all other reasonable costs, expenses, and liabilities from the first notice that any claim or demand has been made; however, the Corporation and the Board shall use the same counsel if such counsel is approved by the Board, which approval shall not be unreasonably withheld or delayed. If the Board does not approve such counsel then the Board may retain independent counsel at the Board's sole cost and expense. It is expressly understood and agreed that the Corporation is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions and that the Board shall in no way be responsible therefor.

Section 10.2 Contributory Acts. Whenever in this Ground Lease any party is obligated to pay an amount or perform an act because of its negligence or misconduct (or that of

its agents, employees, contractors, guests, or invitees), such obligations shall be mitigated to the extent of any comparative fault or misconduct of the other party (or that of its agents, employees, contractors, guests, or invitees) as determined by a court of law, and in any disputes damages shall be apportioned based on the relative amounts of such negligence or willful misconduct as determined by a court of law.

ARTICLE XI TERMINATION, DEFAULT AND REMEDIES

Section 11.1 Events Of Default. Any one of the following events shall be deemed to be an "Event of Default" by the Corporation under this Ground Lease.

(A) The Corporation shall fail to pay any sum required to be paid to the Board under the terms and provisions of this Ground Lease and such failure shall not be cured within thirty (30) days after the Corporation's receipt of written notice from the Board of such failure.

(B) The taking by execution of the Corporation's leasehold estate (other than a foreclosure of the Mortgage) for the benefit of any Person.

(C) The Corporation shall fail to perform any other covenant or agreement, other than the payment of money, to be performed by the Corporation under the terms and provisions of this Ground Lease, other than the covenant set forth in Section 5.1(e) hereof, and such failure shall not be cured within ninety (90) days after receipt of written notice from the Board of such failure; provided that if during such ninety (90) day period, the Corporation takes action to cure such failure but is unable, by reason of the nature of the work involved, to cure such failure within such period and continues such work thereafter diligently and without unnecessary delays, such failure shall not constitute an Event of Default hereunder until the expiration of a period of time after such ninety (90) day period as may be reasonably necessary to cure such failure.

(D) A court of competent jurisdiction shall enter an order for relief in any involuntary case commenced against the Corporation, 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 over the Facilities appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for the Corporation or any substantial part of the properties of the Corporation or ordering the winding up or liquidation of the affairs of the Corporation, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days.

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

(F) The Corporation, after Commencement of Construction but prior to substantially completing construction of the Facilities, abandons (with no intent to continue) demolition, renovation or construction for a period of forty-five (45) consecutive days.

Section 11.2 The Board's Rights Upon Default. Upon the occurrence and during the continuance of an Event of Default, the Board may at its option seek any and all damages occasioned by the Event of Default or may seek any other remedies available at law or in equity, including specific performance.

Section 11.3 Termination of Right of Occupancy. Notwithstanding any provision of law or of this Ground Lease to the contrary, except as set forth in Section 1.3 hereof, the Board shall not have the right to terminate this lease prior to the Expiration Date hereof. However, in the event there is an Event of Default by the Corporation hereunder, the Board shall have the right to terminate the Corporation's right to occupancy of the Land and the Facilities, except that the Facilities, at the option of the Board, shall remain thereon. The Board shall have the right upon ninety (90) days' written notice and opportunity to cure provided to the Bond Insurer, if any, and the Trustee, to take possession of the Land and the Facilities and to re-let the Land and the Facilities or take possession in its own right for the remaining Term of the Ground Lease upon such terms and conditions as the Board is able to obtain. Upon such re-letting, the Corporation hereby agrees to release its leasehold interest and all of its rights under this Ground Lease and the Facilities Lease to the new lessee of the Land (or to the Board, if the Board wishes to remain in possession on its own behalf) in consideration for the new lessee (or the Board, as applicable) agreeing to assume all of the Corporation's obligations under the Ground Lease, the Facilities Lease and under any debt incurred by the Corporation in connection with the construction of the Facilities.

Section 11.4 Rights of The Board Cumulative. All rights and remedies of the Board provided for and permitted in this Ground Lease shall be construed and held to be cumulative, and no single right or remedy shall be exclusive of any other which is consistent with the former. The Board shall have the right to pursue any or all of the rights or remedies set forth herein, as well as any other consistent remedy or relief which may be available at law or in equity, but which is not set forth herein.

ARTICLE XII TITLE TO THE FACILITIES

Section 12.1 Title to Facilities. Title to the existing Facilities and any new Facilities as they are constructed or placed in service upon completion thereof shall be vested in the Board. The Board's right to obtain title to the Facilities unencumbered by the leasehold interest of the Corporation granted hereunder shall be as set forth in the Facilities Lease. All furniture, fixtures, equipment and furnishings permanently affixed to the Facilities shall be the property of the Board upon termination of this Ground Lease whether such termination be by expiration of the Term or an earlier termination under any provision of this Ground Lease.

Section 12.2 The Board's Option to Require Demolition. Upon the Expiration Date of the Term or earlier termination hereof, in the event the Facilities are no longer suitable for the Board's purposes, the Board in its sole discretion may require the Corporation to demolish the Facilities and remove the Facilities from the Land, and restore the Land to substantially the same condition as it existed on the date of this Ground Lease, to be accomplished within one hundred eighty (180) days of such Expiration Date or earlier termination hereof. However, such demolition and removal of the Facilities shall be at the Board's sole cost and expense. In the

event of such election upon the expiration of the Term, the Board shall notify the Corporation no later than six (6) months prior to the expiration of the Term. If this Ground Lease is terminated earlier, the Board shall notify the Corporation within thirty (30) days after the termination.

Section 12.3 Termination of Facilities Lease. Upon the termination of the Facilities Lease as a result of the Board's exercise of its option to purchase the Facilities granted under the Facilities Lease, all right and interest of the Corporation in and to this Ground Lease, the Facilities Lease and the Facilities shall be transferred to the Board, and the Corporation hereby agrees to execute any documents necessary to effectuate such transfer, or the Board may require the demolition of the Facilities as set forth in Section 12.2 above.

Section 12.4 Insurance Proceeds. Notwithstanding the fact that title to the Facilities is vested in the Board, if the Facilities Lease is no longer in force and effect, and all or any portion of the Facilities is damaged or destroyed by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion or otherwise (collectively "**Casualty**"), the proceeds of any insurance received on account of any such Casualty shall be disbursed in accordance with the provisions of the Bond Documents.

Section 12.5 Condemnation, Casualty and Other Damage. The risk of loss or decrease in the enjoyment and beneficial use of the Facilities due to any Casualty or in consequence of any foreclosures, attachments, levies or executions; or the taking of all or any portion of the Facilities by condemnation, expropriation, or eminent domain proceedings (collectively "**Expropriation**") is expressly assumed by the Board. The Corporation and the Trustee shall in no event be answerable, accountable or liable therefor, nor shall any of the foregoing events entitle the Board to any abatements, set-offs or counter claims with respect to its Base Rental, Additional Rental or any other obligation hereunder.

ARTICLE XIII CONDEMNATION

Section 13.1 Condemnation. If the Facilities Lease has been terminated, upon the permanent Taking of all the Land and the Facilities, this Ground Lease shall terminate and expire as of the date of such Taking, and both the Corporation and the Board shall thereupon be released from any liability thereafter accruing hereunder except for Rent and all other amounts secured by this Ground Lease owed to the Board apportioned as of the date of the Taking or the last date of occupancy, whichever is later. The Corporation shall receive notice of any proceedings relating to a Taking and shall have the right to participate therein.

Section 13.2 Partial Condemnation if Facilities Lease is No Longer in Effect. Upon a temporary Taking or a Taking of less than all of the Land and the Facilities and if the Facilities Lease is no longer in effect, the Corporation, at its election, may terminate this Ground Lease by giving the Board notice of its election to terminate at least sixty (60) days prior to the date of such termination. Upon any such termination, the Rent accrued and unpaid hereunder shall be apportioned to the date of termination. In the event there is a partial condemnation of the Land and the Corporation decides not to terminate this Ground Lease, the Board and the Corporation shall either amend this Ground Lease or enter into a new lease so as to cover an adjacent portion of property, if necessary to restore or replace any portion of the Land and/or Facilities.

Section 13.3 Partial or Total Condemnation if Facilities Lease is in Effect. If this Ground Lease is terminated under Section 13.1 or in the event of a Taking of less than all of the Land and the Facilities while the Facilities Lease is in force and effect, and the Board decides to restore or replace the Facilities in accordance with the Facilities Lease, the Board and the Corporation agree to enter into a new lease (in form and substance substantially the same as this Ground Lease) of a portion of property necessary to place thereon the Facilities and to enter into a new Facilities Lease (in form and substance substantially the same as the Facilities Lease) covering such replacement Facilities.

Section 13.4 Payment of Awards - If Facilities Lease is in Effect. Upon the Taking of all or any portion of the Land or the Facilities while the Facilities Lease remains in full force and effect (a) the proceeds of the Award allocable to the value of the Facilities shall be disbursed in accordance with the provisions of the Facilities Lease and the Bond Documents, and (b) the Board shall be entitled (free of any claim by the Corporation) to the Award for the value of the Board's Interest (such value to be determined as if this Ground Lease were in effect and continuing to encumber the Board's Interest); and (c) the Corporation shall be entitled to the Award for the value of the Corporation's interest in the Land under this Ground Lease that is the subject of the Taking.

Section 13.5 Payment of Awards - If Facilities Lease is not in Effect. Upon the Taking of all or any portion of the Land or the Facilities at any time after the Facilities Lease is no longer in force and effect, (a) the proceeds of the Award allocable to the value of the Facilities shall be disbursed in accordance with the provisions of the Bond Documents, or if the Bond Documents are no longer in effect shall be disbursed to the Corporation, (b) the Board shall be entitled (free of any claim of the Corporation) to the Award for the value of the Board's Interest in the Land (such value to be determined as if this Ground Lease were in effect and continuing to encumber the Board's Interest) and (c) the Corporation shall be entitled to the Award for the value of the Corporation's interest in the Land under this Ground Lease that is the subject of the Taking.

Section 13.6 Bond Documents Control. Notwithstanding anything in this Ground Lease to the contrary, in the event of a Casualty or a Taking of all or any portion of the Facilities, the provisions in the Bond Documents shall control the division, application and disbursement of any insurance proceeds or Award paid as a result thereof for so long as the Bond Documents remain in effect.

**ARTICLE XIV
ASSIGNMENT, SUBLETTING, AND TRANSFERS
OF THE CORPORATION'S INTEREST**

Section 14.1 Assignment of Leasehold Interest. Except as expressly provided for in Article VI and in this Article XVI of this Ground Lease, the Corporation shall not have the right to sell or assign the leasehold estate created by this Ground Lease, or the other rights of the Corporation hereunder to any Person without the prior written consent of the Board.

Section 14.2 Subletting. Without the advance written consent of the Board, the Corporation is not authorized to sublet the leasehold estate to any entity other than the Board or

Permitted Sublessees; provided, however, that if the Facilities Lease terminates, the Corporation shall have the right to sublease the Facilities to University students, faculty and staff and Permitted Sublessees.

Section 14.3 Transfers of the Corporation's Interest. Except as otherwise expressly provided herein, any Person succeeding to the Corporation's interest as a consequence of any permitted conveyance, transfer or assignment shall succeed to all of the obligations of the Corporation hereunder and shall be subject to the terms and provisions of this Ground Lease.

ARTICLE XV COMPLIANCE CERTIFICATES

Section 15.1 The Corporation's Compliance. The Corporation agrees, at any time and from time to time upon not less than thirty (30) days prior written notice by the Board, to execute, acknowledge and deliver to the Board or to such other party as the Board shall request, a statement in writing certifying (a) that this Ground Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), (b) to the best of its knowledge, whether or not there are then existing any offsets or defenses against the enforcement of any of the terms, covenants or conditions hereof upon the part of the Corporation to be performed (and if so specifying the same), (c) the dates to which the Rent and other charges have been paid, and (d) the dates of commencement and expiration of the Term, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective purchaser of the Board's Interest or by any other Person.

Section 15.2 The Board's Compliance. The Board agrees, at any time and from time to time, upon not less than thirty (30) days prior written notice by the Corporation, to execute, acknowledge and deliver to the Corporation a statement in writing addressed to the Corporation or to such other party as the Corporation shall request, certifying (a) that this Ground Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications); (b) the dates to which the Rent and other charges have been paid; (c) to the best of its knowledge after due inquiry, whether an Event of Default has occurred and is continuing hereunder (and stating the nature of any such Event of Default); (d) during the construction period, the status of construction of the Facilities and the estimated date of completion thereof; and (e) the dates of commencement and expiration of the Term, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective (and permitted) assignee, sublessee or mortgagee of this Ground Lease or by any assignee or prospective assignee of any such permitted mortgage or by any undertenant or prospective undertenant of the whole or any part of the Facilities, or by any other Person.

ARTICLE XVI TAXES AND LICENSES

Section 16.1 Payment of Taxes. The Board shall pay, and, upon request by the Corporation, shall provide evidence of payment to the appropriate collecting authorities of, all federal, state and local taxes and fees, which are now or may hereafter be, levied upon the

Corporation's interest in the Land or in the Facilities or upon any of the Corporation's property used in connection therewith or upon the Board or the Board's Interest. The Board may pay any of the above items in installments if payment may be so made without penalty other than the payment of interest. The obligations of the Board to pay taxes and fees under this Section 16.1 shall apply only to the extent that the Board or the Corporation are not exempt from paying such taxes and fees and to the extent that such taxes and fees are not otherwise abated. The Board and the Corporation agree to cooperate fully with each other to the end that tax exemptions available with respect to the Land and the Facilities under applicable law are obtained by the party or parties entitled thereto.

Section 16.2 Contested Tax Payments. The Board shall not be required to pay, discharge or remove any such taxes or assessments so long as the Board is contesting the amount or validity thereof by appropriate proceeding which shall operate to prevent or stay the collection of the amount so contested. The Corporation shall cooperate with the Board in completing such contest and the Corporation shall have no right to pay the amount contested during the contest. The Corporation, at the Board's expense, shall join in any such proceeding if any law shall so require.

ARTICLE XVII FORCE MAJEURE

Section 17.1 Discontinuance During Force Majeure. Whenever a period of time is herein prescribed for action to be taken by the Corporation, the Corporation shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to Force Majeure. The Board shall not be obligated to recognize any delay caused by Force Majeure unless the Corporation shall within ten (10) days after the Corporation is aware of the existence of an event of Force Majeure, notify the Board thereof.

ARTICLE XVIII MISCELLANEOUS

Section 18.1 Nondiscrimination, Employment and Wages. Any discrimination by the Corporation or its agents or employees on account of race, color, sex, age, religion, national origin or handicap, in employment practices or in the performance of the terms, conditions, covenants and obligations of this Ground Lease, is prohibited.

Section 18.2 Notices. Notices or communications to the Board or the Corporation required or appropriate under this Ground Lease shall be in writing, sent by (a) personal delivery, or (b) expedited delivery service with proof of delivery, or (c) registered or certified United States mail, postage prepaid, or (d) prepaid telecopy if confirmed by expedited delivery service or by mail in the manner previously described, addressed as follows:

If to the State:

(Post Office Address for U. S. Postal Service Delivery)
Angele Davis, Commissioner AND Jerry W. Jones, Director
Division of Administration Facility Planning and Control
P. O. Box 94095 P. O. Box 94095

{N1820036.11}

¹⁸ Approved by Jt. Legislative Comm. on the Budget
Date: 5-11-09

Baton Rouge, LA 70804-9095
Telephone: (225) 342-7000
Telecopy: (225) 342-1057

Baton Rouge, LA 70804-9095
Telephone: (225) 342-0820
Telecopy: (225) 342-7624

(Street Address for Courier or Express Mail Delivery)

Angele Davis, Commissioner
Division of Administration
1201 North 3rd Street, Suite 7-230
Baton Rouge, LA 70802

AND

Jerry W. Jones, Director
Facility Planning and Control
1201 North 3rd Street, Suite 7-160
Baton Rouge, LA 70802

If to the Board:

Board of Supervisors for the University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Assistant Vice President for Facilities and Capital Improvements

with copies to:

Southeastern Louisiana University
Western Avenue
Friendship Circle (SLU Box 10709)
Hammond, Louisiana 70402
Attention: Vice President for Administration and Finance

If to the Corporation:

University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director

with a copy to:

Attention: _____

If to Bond Insurer:

Attention: _____

If to the Trustee:

The Bank of New York Mellon Trust Company, N.A.
One American Place, Suite 1510
301 Main Street
Baton Rouge LA 70825
Attention: Kathy L. Pine, Vice President

or to such other address or to the attention of such other person as hereafter shall be designated in writing by such party. Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of delivery service or mail, as of the date of deposit in the mail in the manner provided herein, or in the case of telecopy, upon receipt.

Section 18.3 Relationship of Parties. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties hereto. It is understood and agreed that no provision contained herein nor any acts of the parties hereto creates a relationship other than the relationship of Lessor and Lessee hereunder.

Section 18.4 Memorandum of Lease. Neither the Board nor the Corporation shall file this Ground Lease for record in Tangipahoa Parish, Louisiana nor in any public place without the written consent of the other. In lieu thereof the Board and the Corporation agree to execute in recordable form a memorandum of this Ground Lease in the form of **Exhibit C** attached hereto. Such memorandum shall be filed for record in Tangipahoa Parish, Louisiana.

Section 18.5 Attorney's Fees. If either party is required to commence legal proceedings relating to this Ground Lease, the prevailing party shall be entitled to receive reimbursement for its reasonable attorneys' fees and costs of suit.

Section 18.6 Louisiana Law to Apply. This Ground Lease shall be construed under and in accordance with the laws of the State of Louisiana, and all obligations of the parties created hereunder are performable in Tangipahoa Parish, Louisiana.

Section 18.7 Warranty of Peaceful Possession. The Board covenants that the Corporation, on paying the Rent and performing and observing all of the covenants and agreements herein contained and provided to be performed by the Corporation, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Land and the Facilities during the Term, subject to the Facilities Lease, and may exercise all of its rights hereunder; and the Board agrees to warrant and forever defend the Corporation's right to such occupancy, use, and enjoyment and the title to the Land against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof subject only to the provisions of this Ground Lease, the Facilities Lease, and the matters listed on **Exhibit B** attached hereto.

Section 18.8 Curative Matters. Except for the express representations and warranties of the Board set forth in this Ground Lease, any additional matters necessary or desirable to

make the Land useable for the Corporation's purpose shall be undertaken, in the Corporation's sole discretion, at no expense to the Board. The Corporation shall notify the Board in writing of all additional matters (not contemplated by the Plans and Specifications) undertaken by the Corporation to make the Land usable for the Corporation's purpose.

Section 18.9 Nonwaiver. No waiver by the Board or the Corporation of a breach of any of the covenants, conditions, or restrictions of this Ground Lease shall constitute a waiver of any subsequent or preceding breach of the same or any other of the covenants, conditions or restrictions of this Ground Lease. The failure of the Board or the Corporation to insist in any one or more cases upon the strict performance of any of the covenants of the Ground Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant or option. A receipt by the Board or acceptance of payment by the Board of Rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach. No waiver, change, modification or discharge by the Board or the Corporation of any provision of this Ground Lease shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged.

Section 18.10 Terminology. Unless the context of this Ground Lease clearly requires otherwise, (a) pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character; (b) the singular shall include the plural wherever and as often as may be appropriate; (c) the word "includes" or "including" shall mean "including without limitation"; (d) the word "or" shall have the inclusive meaning represented by the phrase "and/or"; (e) the words "hereof," "herein," "hereunder," and similar terms in this Ground Lease shall refer to this Ground Lease as a whole and not to any particular section or article in which such words appear. The section, article and other headings in this Ground Lease and the Table of Contents to this Ground Lease are for reference purposes and shall not control or affect the construction of this Ground Lease or the interpretation hereof in any respect. Article, section, subsection and exhibit references are to this Ground Lease unless otherwise specified. All exhibits attached to this Ground Lease constitute a part of this Ground Lease and are incorporated herein. All references to a specific time of day in this Ground Lease shall be based upon prevailing Central Time.

Section 18.11 Counterparts. This agreement may be executed in multiple counterparts, each of which shall be declared an original.

Section 18.12 Severability. If any clause or provision of this Ground Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Ground Lease, then and in that event, it is the intention of the parties hereto that the remainder of Ground Lease shall not be affected thereby.

Section 18.13 Authorization. By execution of this Ground Lease, the Corporation and the Board each represent to the other that they are entities validly existing, duly constituted and in good standing under the laws of the jurisdiction in which they were formed and in which they presently conduct business; that all acts necessary to permit them to enter into and be bound by this Ground Lease have been taken and performed; and that the persons signing this Ground Lease on their behalf have due authorization to do so.

Section 18.14 Ancillary Agreements. In the event it becomes necessary or desirable for the Board to approve in writing any ancillary agreements or documents concerning the Land or concerning the construction, operation or maintenance of the Facilities or to alter or amend any such ancillary agreements between the Board and the Corporation or to give any approval or consent of the Board required under the terms of this Ground Lease, all agreements, documents or approvals shall be forwarded to the Board Representative.

Section 18.15 Amendment. No amendment, modification, or alteration of the terms of this Ground Lease shall be binding unless the same be in writing dated on or subsequent to the date hereof and duly executed by the parties hereto and consented to the extent required by Article VIII of the Agreement.

Section 18.16 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 University into another educational institution or the Board into another educational management board.

Section 18.17 Entire Agreement. This Ground Lease, together with the exhibits attached hereto, contains the entire agreement between the parties hereto with respect to the Land and contains all of the terms and conditions agreed upon with respect to the lease of the Land, and no other agreements, oral or otherwise, regarding the subject matter of this Ground Lease shall be deemed to exist or to bind the parties hereto; it being the intent of the parties that neither shall be bound by any term, condition, or representations not herein written.

IN WITNESS WHEREOF, the undersigned representative has signed this Ground Lease on behalf of the Board of Supervisors for the University of Louisiana System on the _____ day of [_____, 2008].

WITNESSES:

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the undersigned representative has signed this Ground Lease on behalf of University Facilities, Inc. on the _____ day of [_____, 2008].

WITNESSES:

UNIVERSITY FACILITIES, INC.

By: _____
Name: Phil K. Livingston
Title: Chairperson

STATE OF LOUISIANA

PARISH OF _____

BE IT KNOWN, that on this ____ day of [_____, 2008], before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the President of Southeastern Louisiana University and the authorized representative of the Board of Supervisors for the University of Louisiana System (the "Board"), that the aforesaid instrument was signed by him, on this date, on behalf of the Board and that the above named person acknowledges said instrument to be the free act and deed of the Board.

By: _____

NOTARY PUBLIC

STATE OF LOUISIANA

PARISH OF _____

BE IT KNOWN, that on this ___th day of [_____, 2008], before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the Chairperson of University Facilities, Inc. (the "Corporation"), and that the aforesaid instrument was signed by him, on this date, on behalf of the Corporation and that the above named person acknowledges the approval of said instrument to be the free act and deed of the Corporation.

By: _____

NOTARY PUBLIC

EXHIBIT A

LAND DESCRIPTION

War Memorial Student Union Bond Lease Parcel

A certain tract or parcel of ground, designated as "W AR MEMORIAL STUDENT UNION BOND LEASE PARCEL", being a portion of Southeastern Louisiana University, located in Section 23, Township 6, South, Range 7 East, Greensburg Land District, Tangipahoa Parish, Louisiana, limits of said Lease Parcel being more particularly described as follows:

Beginning at a point located at N. 3276.84, E. 11096.39, of the Southeastern Louisiana University Coordinate System; thence N 75°30'00" E a distance of 440.00 feet to a point and turn; thence S 14°30'00" E a distance of 165.00 feet to a point and turn; thence N 75°30'00" E a distance of 160.00 feet to a point and turn; thence S 14°30'00" E a distance of 205.00 feet to a point and turn; thence S 75°30'00" W a distance of 150.00 feet to a point and turn; thence S 14°30'00" E a distance of 140.00 feet to a point and turn; thence S 75°30'00" W a distance of 155.00 feet to a point and turn; thence N 14°30'00" W a distance of 265.00 feet to a point and turn; thence S 75°30'00" W a distance of 85.00 feet to a point and turn; thence N 38°27'45" W a distance of 49.24 feet to a point and turn; thence S 75°30'00" W a distance of 190.00 feet to a point and turn; thence N 14°30'00" W a distance of 200.00 feet to a POINT OF BEGINNING, containing 3.94 acres or 171,425 square feet.

EXHIBIT B

PERMITTED ENCUMBRANCES

Food Service:

ARAMARK Educational Services, LLC
ARAMARK Tower
1101 Market Street
Philadelphia, PA 19107
Term of Agreement: July 1, 2008 – June 30, 2023

Retail Bookstore:

Follett College Stores Corporation
1818 Swift Drive
Oak Brook, IL 60523-9851
Term of Agreement: July 1, 1989 – June 30, 2009

Copy Center:

Xerox Corporation
3850 North Causeway
Suite 1860
Metairie, LA 70002
Term of Agreement: December 15, 1998 until such date the University issues a thirty (30) calendar days notice of the final end date or December 31, 2008, whichever comes earlier.

Lessor: Board of Supervisors for the University of Louisiana System
1201 North 3rd Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Assistant Vice President for Facilities Planning and Capital
Improvements

Lessee: University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director

This Memorandum is executed for the purpose of recordation in the public records of Tangipahoa Parish, Louisiana in order to give notice of all the terms and provisions of the Lease and is not intended and shall not be construed to define, limit, or modify the Lease. All of the terms, conditions, provisions and covenants of the Lease are incorporated into this Memorandum by reference as though fully set forth herein, and both the Lease and this Memorandum shall be deemed to constitute a single instrument or document.

THUS DONE AND PASSED on the ___ day of [_____, 2008], in _____, Louisiana, in the presence of the undersigned, both competent witnesses, who herewith sign their names with _____, _____, of University Facilities, Inc, and me, Notary.

WITNESSES:

UNIVERSITY FACILITIES, INC.

By: _____
Name: Phil K. Livingston
Title: Chairperson

NOTARY PUBLIC

**EXHIBIT D-1
TO THE GROUND LEASE**

DESCRIPTION OF THE SERIES 2008A FACILITIES

This facility will contain some of the most important academic and non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. It will be the central core for the campus. The two major components in the 2008A Series will include the Student Union and the Center for Student Excellence. The square footage for this series of space will total approximately 94,320 square feet.

The Student Union will include a large event space and ballroom. It will also consist of a series of student support spaces such as conference and meeting rooms, student organization space, a theater, as well as other activity and lounge spaces. Several administrative offices will also be located in the Union including offices in Student Affairs and Auxiliary Services. Finally, it will be home to the Center for Student Excellence which provides programming and resources to students to enhance and in support of academic achievement, personal development and professional growth.

**EXHIBIT D-2
TO THE GROUND LEASE**

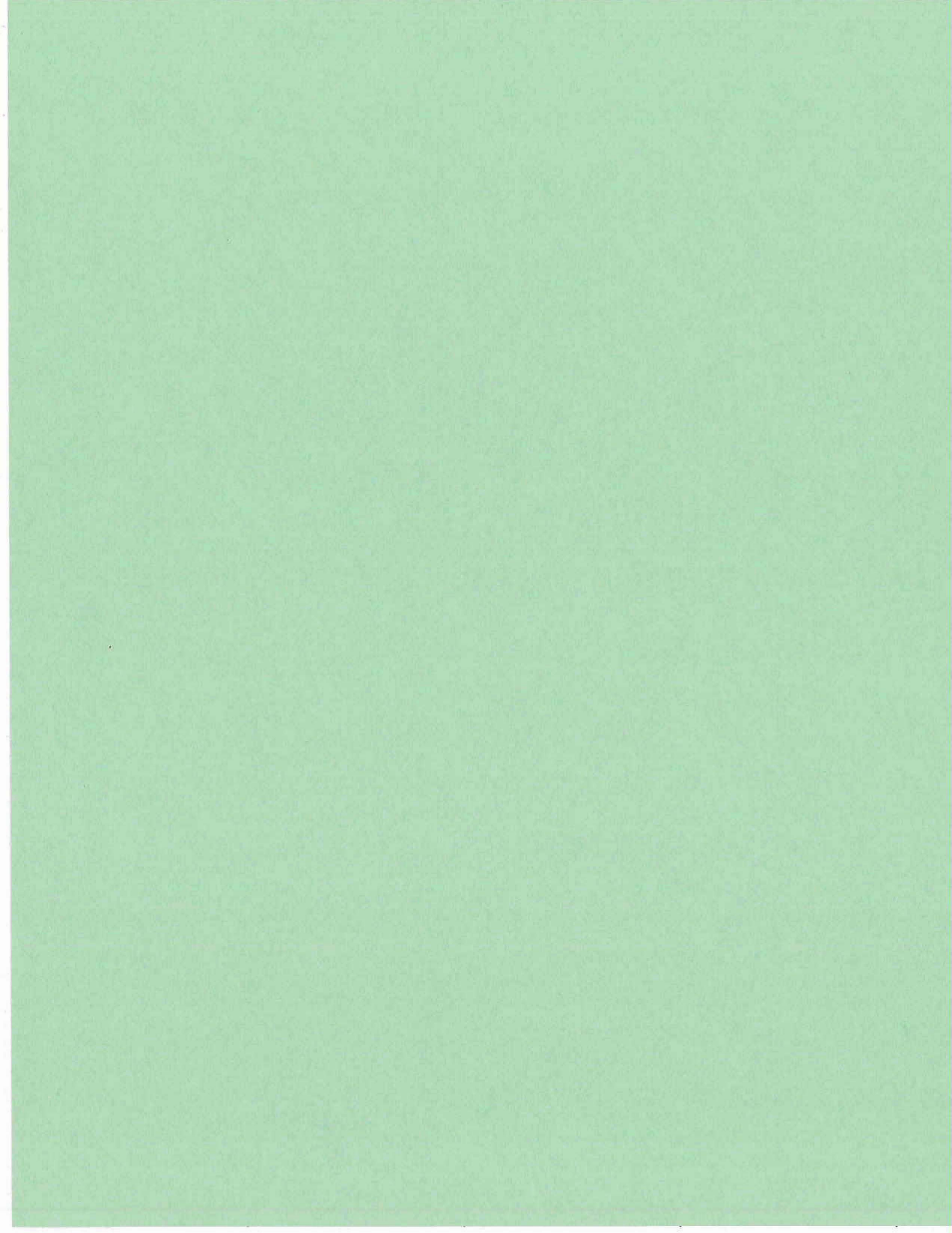
DESCRIPTION OF THE SERIES 2008B FACILITIES

This facility will contain some of the most important non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. The two major components in the 2008B Series will include Food Service and the Retail Bookstore totaling approximately 86,600 square feet.

The Food Service area will include a new residential and commuter dining facility as well as a food court and other smaller grab and go locations. The facility will include adequate support space such as seating, kitchens and production space. The Retail Bookstore will house retail textbooks, university paraphernalia, convenience items, reading areas and possibly a food and/or beverage concept. In addition to these two major components, approximately 3,600 square feet of space will be committed to other retail components providing additional services to our campus community.

{N1820036.11}

Approved by Jt. Legislative Comm. on the Budget
Date: 5-11-09



APPENDIX B – UPDATED 9/26/08

**FORM OF
AGREEMENT TO LEASE WITH OPTION TO PURCHASE**

by and between

UNIVERSITY FACILITIES, INC.
(as Lessor)

and

**Board of Supervisors for the
University of Louisiana System,
on behalf of Southeastern Louisiana University**
(as Lessee)

Dated as of [_____, 2008]

in connection with:

[\$_____]

**Louisiana Local Government Environmental Facilities and
Community Development Authority
Revenue Bonds
(Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2008A**

[\$_____]

**Louisiana Local Government Environmental Facilities and
Community Development Authority
Revenue Bonds
(Southeastern Louisiana University
Student Union/University Facilities, Inc. Project)
Series 2008B**

Approved by Jt. Legislative Comm. on the Budget
Date: 5-11-09

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EXHIBIT A-1 DESCRIPTION OF THE SERIES 2008A FACILITIES
EXHIBIT A-2 DESCRIPTION OF THE SERIES 2008B FACILITIES

AGREEMENT TO LEASE WITH OPTION TO PURCHASE

This AGREEMENT TO LEASE WITH OPTION TO PURCHASE (together with any amendment hereto or supplement hereof, the "**Facilities Lease**"), dated and effective as of [_____, 2008], is entered into by and between UNIVERSITY FACILITIES, INC., a Louisiana nonprofit corporation represented herein by its duly authorized officer (the "**Corporation**"); and the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM (the "**Board**"), a public constitutional corporation organized and existing under the laws of the State of Louisiana, acting herein on behalf of Southeastern Louisiana University (the "**University**"), which Board is represented herein its duly authorized officer.

W I T N E S S E T H :

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State of Louisiana and the University is a university under its management pursuant to Louisiana R. S. 17:3217;

WHEREAS, the Corporation is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201, et seq.), whose purpose is to support and benefit the educational, scientific, research and public service missions of the University;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3366, the Board is authorized to lease to a private entity, such as the Corporation, any portion of the campus of the University provided the Corporation is thereby obligated to construct improvements for furthering the educational, scientific, research or public service functions of the Corporation;

WHEREAS, in order to further these functions of the Board, by demolition of certain existing facilities and renovation, development and construction of a Student Union, Center for Student Excellence, food service areas, a bookstore and related facilities for students, faculty, staff, and the general public on the campus of the University (the "**Campus**") (the "**Facilities**," as further defined herein), the Board deems it advisable that a portion of the Campus be leased to the Corporation for the purpose of demolishing certain existing facilities and renovating, developing and constructing such Facilities and leasing such Facilities back to the Board; and

WHEREAS, the Board and the Corporation have agreed to enter into a lease dated of even date herewith (the "**Ground Lease**") whereby the Board will lease certain tracts of land owned by the Board and located on the Campus to the Corporation; and

WHEREAS, the Corporation and the Board have agreed that the Corporation shall demolish certain existing facilities and renovate, develop and construct the Facilities on the land leased under the Ground Lease which Facilities will be owned by the Board as constructed and leased to the Corporation pursuant to the Ground Lease; and

WHEREAS, the Corporation wishes to lease such Facilities back to the Board pursuant to the terms and conditions of this Facilities Lease; and

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NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

Section 1. Definitions.

Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of and as used in this Facilities Lease, have the meanings as set forth below. All other capitalized terms used herein without definition shall have the meanings as set forth in the Indenture (as hereinafter defined). Other terms shall have the meanings assigned to them in other sections of this Facilities Lease.

"Additional Series 2008A Bonds" means bonds, if any, issued in one or more series on parity with the Series 2008A Bonds for completion of the Series 2008A Facilities.

"Additional Series 2008B Bonds" means bonds, if any, issued in one or more series on parity with the Series 2008B Bonds for completion of the Series 2008B Facilities.

"Additional Bonds" means bonds, if any, issued in one or more series on a parity with the Series 2008 Bonds pursuant to Article V of the Indenture.

"Additional Debt" means any obligation (whether present or future, contingent or otherwise, as principal or security or otherwise): (i) in respect of borrowed money, including without limitation, bonds, notes and similar obligations; or (ii) under a lease arrangement, installment sale agreement or other similar arrangement, that is secured by or payable from the Capital Funds and the Student Fees.

"Additional Facilities" means any additional facilities owned or leased by the Board or the Corporation that have been incorporated with the Facilities into a single system pursuant to Section 3(h) hereof.

"Additional Rental" means the amounts specified as such in Section 6(c) of this Facilities Lease.

"Administrative Expenses" means the necessary, reasonable and direct out-of-pocket expenses incurred by the Issuer or the Trustee pursuant to the Indenture and the Agreement, the compensation of the Trustee under the Indenture (including, but not limited to any annual administrative fee charged by the Trustee), the compensation of the Issuer, any amounts due to the Bond Insurer, if any, under the Reimbursement Agreement and the necessary, reasonable and direct out-of-pocket expenses of the Trustee incurred by the Trustee in the performance of its duties under the Indenture.

"Agreement" means the Loan Agreement dated as of [_____, 2008] between the Corporation and the Issuer, including any amendments and supplements thereof and thereto as permitted thereunder.

"Annual Debt Service" means the amount required to pay all principal of and interest on a series of Bonds and any Additional Debt, as applicable, in any Fiscal Year. For purposes of calculating the Annual Debt Service on a series of Bonds or Additional Debt the interest rate

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borne by which is not fixed to the maturity thereof on any date, for any period during which an interest swap or similar agreement shall be in effect whereunder the Corporation or the Board pays a fixed rate and the swap provider pays a floating rate that, in the judgment of the Authorized Corporation Representative (as evidenced by a certificate delivered to the Trustee) approximates the variable rate payable on such series of Bonds or Additional Debt, the interest rate on such series of Bonds or Additional Debt shall be deemed to be equal to the fixed rate payable by the Corporation or the Board under such interest swap or similar agreement and for any period during which such an agreement shall not be in effect the interest rate on such Bonds or Additional Debt shall be deemed to be the average interest rate borne by such series of Bonds or Additional Debt during the immediately preceding twelve (12) month period or, if such series of Bonds or Additional Debt has borne a floating rate for less than twelve (12) months, such series of Bonds or Additional Debt shall be treated as if it bears interest at the 25-year Revenue Bond Index as published by *The Bond Buyer* on the date of determination.

“**Aramark**” means Aramark Educational Services, LLC, a Delaware limited liability company having its principal place of business Philadelphia , Pennsylvania

“**Authorized Corporation Representative**” means any person at the time designated to act on behalf of the Corporation by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Corporation by an officer of the Corporation. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“**Auxiliary Revenues**” means the amount of all funds or revenues held by the University derived by Auxiliary Enterprises and any earnings thereof from self generated fees, rates charges or income received by students, faculty or the public in connection with the utilization or operation of Auxiliary Enterprises after payment of any Auxiliary enterprise expenses. The auxiliary Enterprises of the University include the following, subject to modification from time to time: 1) student service fees for operation of the University’s Text book rental, ID Card Services, Student Health Center and Student Union 2) certain commissions received from Food Service contractors, Retail Bookstore operations and Vending Operations and 3) the sales of copying services. Auxiliary Revenues shall not include student fees specifically assessed by the University to service any outstanding obligations or any capital funds received by outside contractors required to make building improvements for their delivery of services.

“**Base Rental**” means the amounts referred to as such in Section 6(b) of this Facilities Lease (as such amounts may be adjusted from time to time in accordance with the terms hereof), which amounts are paid out of the amounts collected as Capital Funds and Student Fees, and which do not include Additional Rental.

“**Board**” means Board of Supervisors for the University of Louisiana System or its legal successor as the management board of the University, acting on behalf of the University.

“**Board Representative**” means the Person or Persons designated by the Board in writing to serve as the Board’s representative(s) in exercising the Board’s rights and performing the Board’s obligations under this Facilities Lease; the Board Representative shall be the President of the Board of Supervisors for the University of Louisiana System, or his or her

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designee, the Assistant Vice President for Facilities Planning, or his or her designee, or any other representative designated by resolution of the Board, of whom the Corporation has been notified in writing.

"Bond Documents" shall have the meaning set forth in Section 3.12 of the Indenture.

"Bonds" means, collectively, the Series 2008 Bonds and any Additional Bonds issued pursuant to a supplemental indenture as authorized hereby.

"Bookstore" means the locations described as such on Exhibit A-2 to this Facilities Lease and any improvements thereon or placed thereon during the Term of this Facilities Lease.

"Budget" means the University's budget as approved by the Board for any Fiscal Year during the Term.

"Building Use Fee" means one-half of the building use fee being assessed by the University on all students for the renovation, construction and development of on-campus facilities.

"Business Day" means any day other than (i) a Saturday, (ii) a Sunday, (iii) any other day on which banking institutions in New York, New York, or Baton Rouge, Louisiana, are authorized or required not to be open for the transaction of regular banking business, or (iv) a day on which the New York Stock Exchange is closed.

"Capital Funds" means payments to the University, or to the Board on behalf of the University, for capital improvements and made in connection with the operation and/or management of the Food Service Areas whether pursuant to the Food Service Contract, the Facilities Lease or other lease, management agreement or operating agreement.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§9601, et seq.).

"Claim" collectively means any claim, liability, demand, loss, damage, deficiency, litigation, cause of action, penalty, fine, judgment, defense, imposition, fee, lien, bonding cost, settlement, disbursement, penalty, cost or expenses of any and every kind and nature (including without limitation Litigation Expenses), whether known or unknown, incurred or potential, accrued, absolute, direct, indirect, contingent or otherwise and whether imposed by strict liability, negligence, or otherwise, and consequential, punitive and exemplary damage claims.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

"Commencement Date" means the effective date of this Facilities Lease, which is [_____, 2008].

"Corporation" means University Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State for the benefit of the University, and also includes every

successor corporation and transferee of the Corporation until payments or provision for payment of all of the Bonds.

"Date of Opening" shall have the meaning set forth in the Ground Lease.

"Debt Service Coverage Ratio" means, for any Fiscal Year, the ratio determined by the Vice-President for Administration and Finance of the University by dividing (a) the combined amount of (i) the Capital Funds for such Fiscal Year and (ii) the Student Fees for such Fiscal Year by (b) Annual Debt Service on the Bonds outstanding and on any Additional Debt issued and proposed to be issued for such Fiscal Year.

"Debt Service Fund" means the fund of that name created under of the Indenture.

"Debt Service Reserve Fund Requirement" means with respect to the Series 2008 Bonds, and any Additional Bonds, at the time of determination, the least of (a) ten percent (10%) of the stated principal amount thereof (less any original issue discount that exceeds a *de minimis* amount), (b) one hundred twenty five percent (125%) of the average Annual Debt Service thereon from the date of calculation to the final maturity thereof, (c) the Maximum Annual Debt Service thereon, or (d) such lesser sum as shall be required by the Code and the Regulations to ensure the exclusion of the interest thereon from the gross income of the owners thereof for federal income tax purposes; provided, however, that the amount of principal due in any Bond Year shall be determined, in the case of Bonds subject to mandatory sinking fund redemption pursuant to the Indenture and similar provisions in any supplemental indenture, by the principal amount of Bonds to be redeemed by mandatory sinking fund redemption in such Bond Year.

"Default or Delay Rental" means and shall consist of (i) all amounts, fees or expenses which the Corporation may be legally obligated to pay to Other Parties by reason of any default of the Board hereunder or any delay in payment of any sums due by the Board hereunder; and (ii) all costs, expenses and charges, including reasonable Legal Expenses, incurred by the Corporation whether by suit or otherwise, in collecting sums payable hereunder or in enforcing any covenant or agreement of the Board contained in this Facilities Lease or incurred in obtaining possession of the Facilities after default by the Board.

"Encumbrance" means any lien, mortgage, encumbrance, privilege, charge, option, right of first refusal, conditional sales contract, security interest, mechanic's and materialmen's liens, or any lien or encumbrance securing payment of any Claims, including environmental Claims, or of any charges for labor, materials, supplies, equipment, taxes, or utilities, excluding the Option granted to the Board herein.

"Environmental Requirements" means all State, federal, local, municipal, parish, and regional laws, statutes, rules, regulations, ordinances, codes, permits, approvals, plans, authorizations, concessions, investigation results, guidance documents; all legislative, judicial, and administrative judgments, decrees, orders, rules, rulings, and regulations; and all agreements and other restrictions and requirements in effect on or prior to the Commencement Date, of any Governmental Authority, including, without limitation, federal, state, and local authorities, relating to the regulation or protection of human health and safety, natural resources, conservation, the environment, or the storage, treatment, disposal, processing, release, discharge,

emission, use, remediation, transportation, handling, or other management of industrial, gaseous, liquid or solid waste, hazardous waste, hazardous or toxic substances or chemicals, or pollutants, and including without limitation the following environmental laws: The Clean Air Act (42 U.S.C.A. §1857); the Federal Water Pollution Control Act (33 U.S.C. §1251); the Resource Conservation and Recovery Act of 1976, (42 U.S.C. §6901); CERCLA, as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub.L. 99-499, 100 Stat. 1613); the Toxic Substances Control Act (15 U.S.C. §2601); the Clean Water Act (33 U.S.C. §1251); the Safe Drinking Water Act (42 U.S.C. §30); the Occupational Safety and Health Act (29 U.S.C. §651); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §135); the Louisiana Environmental Quality Act (La. R.S. 30:2001); and the Louisiana Air Quality Regulations (La. C. 33:III.2595) including any amendments or extensions thereof and any rules, regulations, standards or guidelines issued pursuant to or promulgated under any of the foregoing.

“Event of Default” means any default specified in and defined as such by Section 21 hereof.

“Expiration Date” means the earlier of [_____, 2048], or the date that all amounts owed under the Indenture have been paid.

“Facilities” means, collectively, the Series 2008A Facilities and the Series 2008B Facilities.

“Facilities Lease” means this Agreement to Lease With Option to Purchase, including the exhibits attached hereto, and any amendment or supplement hereto entered into from time to time in accordance with the terms hereof.

“Food Service Areas” means the locations described as such on Exhibit A-2 to this Facilities Lease and any improvements thereon or placed thereon during the Term of this Facilities Lease.

“Food Service Contract” means that certain Agreement dated July 1, 2008 by and between the Board and Aramark, as amended, modified, extended or replaced; provided the University will make its best efforts to require an annual payment of at least \$990,000 for capital improvements to the Food Service Areas in any such amended, modified, extended or replaced contract.

“Fiscal Year” means the fiscal year of the State, which at the date of this Facilities Lease is the period from July 1 to and including the following June 30.

“Governmental Authority” means any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, parish, district, municipality, city or otherwise) whether now or hereafter in existence.

“Governmental Regulations” means any and all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, writs, injunctions, rules, regulations, restrictions, permits, plans, authorizations, concessions, investigation reports, guidelines, and requirements or accreditation

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standards of any Governmental Authority having jurisdiction over the Corporation and/or the Board, or affecting the Facilities.

"Ground Lease" means that certain Ground and Buildings Lease dated as of [_____, 2008] by and between the Board, as Lessor on behalf of the University, and the Corporation, as Lessee whereby the Land upon which certain existing facilities that are to be demolished is located and upon which the Facilities shall be constructed and/or renovated and the Facilities, as completed, are leased by the Board to the Corporation.

"Hazardous Substance" means (a) any "hazardous substance" as defined in §101(14) of CERCLA or any regulations promulgated thereunder; (b) petroleum and petroleum by-products; (c) asbestos or asbestos containing material ("ACM"); (d) polychlorinated biphenyls; (e) urea formaldehyde foam insulation; or (f) any additional substances or materials which at any time are classified, defined or considered to be explosive, corrosive, flammable, infectious, radioactive, mutagenic, carcinogenic, pollutants, hazardous or toxic under any of the Environmental Requirements.

"Health Center Bond Fee" means the health center bond fee being assessed by the University on all students for the use and availability of on-campus health center facilities.

"Indenture" means the Trust Indenture dated as of [_____, 2008], between the Issuer and the Trustee, as it may be amended or supplemented from time to time by supplemental indentures in accordance with the provisions thereof.

"Interest Payment Date" or **"interest payment date,"** when used with respect to the Series 2008 Bonds means each April 1 and October 1 commencing April 1, 2009.

"Issuer" means the Louisiana Local Government Environmental Facilities and Community Development Authority, a political subdivision of the State of Louisiana, created by the provisions of the Act (as defined in the Indenture), or any agency, board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Issuer by said provisions shall be given by law.

"Land" means the real property more particularly described on Exhibit A attached to the Ground Lease upon which certain existing facilities are to be demolished and upon which the Facilities are to be renovated, constructed and located.

"Legal Expenses" means the reasonable fees and charges of attorneys and of legal assistants, paralegals, law clerks and other persons and entities used by attorneys and under attorney supervision and all costs incurred or advanced by any of them irrespective of whether incurred in or advanced prior to the initiation of any legal, equitable, arbitration, administrative, bankruptcy, trial or similar proceedings and any appeal from any of same.

"Litigation Expenses" means all out-of-pocket costs and expenses incurred as a result of an Event of Default, or in connection with an indemnification obligation, including Legal Expenses, the reasonable fees and charges of experts and/or consultants, and all court costs and expenses.

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“Management Agreements” means, collectively, any and all leases, management agreements, operating agreements, management agreements or other agreements between the University or the Corporation and third parties for the management and/or operation of any of the Facilities.

“Maximum Annual Debt Service” with respect to a series of Bonds issued under the Indenture, means the maximum Annual Debt Service thereon in the then current Bond Year or in any future Bond Year, whether at maturity or subject to mandatory sinking fund redemption.

“Notice” shall have the meaning set forth in Section 50 hereof.

“Option to Purchase” or **“Option”** means the option to purchase the Corporation’s interest in the Facilities granted in Section 23 of this Facilities Lease.

“Other Parties” means a Person other than the Parties.

“Parties” means, collectively, the Corporation and the Board.

“Permitted Sublessees” means persons other than University students, faculty and staff who are participants in any activities related to the mission of the University or who are using the Facilities pursuant to a concession or other arrangement with the University.

“Permitted Use” means the operation of the Facilities as a Student Union, a Center for Student Excellence, food services areas and a bookstore for University students, faculty, staff, the general public and Permitted Sublessees and for purposes related to or associated with the foregoing.

“Person” means all juridical persons, whether corporate or natural, including individuals, firms, trusts, corporations, associations, joint ventures, partnerships, and limited liability companies or partnerships.

“Principal Payment Date” shall have the meaning set forth in the Indenture.

“Remediation” means any and all costs incurred due to any investigation of the Facilities or any remediation, response, cleanup, removal, or restoration required by any Governmental Regulation or Governmental Authority or by Environmental Requirements.

“Rents” or **“Rental”** means, collectively, the Base Rental and Additional Rental.

“Replacement Fund” means the fund of that name created under the Indenture.

“Series 2008 Bonds” means, collectively, the Series 2008A Bonds and the Series 2008B Bonds.

“Series 2008A Bonds” means the Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2008A, issued in the aggregate principal amount of [\$_____], including such Series 2008A Bonds issued in exchange for other such

Series 2008A Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Series 2008A Bonds pursuant to the Indenture.

“Series 2008B Bonds” means the Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2008B, issued in the aggregate principal amount of [\$ _____], including such Series 2008B Bonds issued in exchange for other such Series 2008B Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Series 2008B Bonds pursuant to the Indenture.

“Series 2008A Facilities” means the Student Union, the Center for Student Excellence and related facilities described in Exhibit A-1 attached hereto, as amended and supplemented in accordance with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2008A Bonds and any Additional Bonds.

“Series 2008B Facilities” means the Food Service Areas, the Bookstore and related facilities described in Exhibit A-2 attached hereto, as amended and supplemented in accordance with the provisions of the Agreement, which are to be renovated and/or constructed with the proceeds of the Series 2008B Bonds and any Additional Bonds.

“State” means the State of Louisiana.

“Student Fees” means, collectively, (a) the Building Use Fee, (b) the Health Center Bond Fee, (c) the Student Union Bond Fee and (d) the Student Union Expansion Fee.

“Student Union Bond Fee” means the student union bond fee being assessed by the University on all students for the use and availability of the Student Union.

“Student Union Expansion Fee” means the student union fee being assessed by the University on all students for the planning, development, construction and equipping of the Student Union

“Term” means the term of this Facilities Lease, as provided in Section 2 hereof.

“Trustee” means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Bonds issued and secured under the terms of this Indenture, initially The Bank of New York Mellon Trust Company, N.A.

“University” means Southeastern Louisiana University in Hammond, Louisiana.

Section 2. Agreement to Lease; Term of Lease.

The Corporation hereby leases the Facilities to the Board, and the Board hereby leases the Facilities from the Corporation effective as of the Commencement Date of this Facilities Lease and agrees upon completion of construction of the Facilities to accept possession of the Facilities and agrees to pay the Base Rental and the Additional Rental as provided herein for the use and occupancy of the Facilities, all on the terms and conditions set forth herein. The Board

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agrees that it will take immediate possession of the Facilities under the terms and provisions of this Facilities Lease upon the Date of Opening (as defined in the Ground Lease) of the Facilities. The Board understands and agrees that Rental shall accrue from the Commencement Date hereof notwithstanding the fact that the Facilities have yet to be constructed. No delay in the Date of Opening of the Facilities beyond the time set forth in the Ground Lease will extend the Term. The Term of this Facilities Lease begins on the Commencement Date and ends on the Expiration Date; provided, however, this Facilities Lease shall terminate prior to the Expiration Date upon the happening of any of the following events:

(a) repayment of the Bonds in full, including principal, premium, if any, interest and all Administrative Expenses with respect to the Bonds or the defeasance of the Bonds, all as set forth in the Indenture;

(b) the exercise by the Board of the Option to Purchase and the purchase of the Corporation's interest in the Facilities pursuant to the Option; or

(c) any other event described in this Facilities Lease which is specifically stated to cause a termination of this Facilities Lease, including without limitation an Event of Default by the Board, and the failure of the Board to designate or cause to be designated an amount necessary to pay the Base Rental, all as set forth in Sections 21 and 29 hereof.

Upon the termination of the Facilities Lease under the circumstances set forth in Section 2(a) above, at the Board's option, the Board may require the demolition of the Facilities as set forth in Section 12.2 of the Ground Lease.

Section 3. Acknowledgments, Representations and Covenants of the Board.

The Board represents, covenants and agrees as follows:

(a) The Board has full power and authority to enter into this Facilities Lease, the Ground Lease, and the transactions contemplated thereby and agrees to perform all of its obligations hereunder and under the Ground Lease;

(b) The Board has been duly authorized to execute and deliver this Facilities Lease and the Ground Lease and further represents and covenants that this Facilities Lease and the Ground Lease constitute the valid and binding obligations of the Board and that all requirements have been met and procedures have occurred in order to ensure the enforceability of this Facilities Lease and the Ground Lease and the Board has complied with all constitutional and other statutory requirements as may be applicable to the Board in the authorization, execution, delivery and performance of this Facilities Lease and the Ground Lease;

(c) The execution and delivery of this Facilities Lease and the Ground Lease, and compliance with the provisions hereof, will not conflict with or constitute on the part of the Board a violation of, breach of, or default under any constitutional provision, statute, law, resolution, bond indenture or other financing agreement or any other agreement or instrument to which the Board is a party or by which the Board is bound, or any order, rule or regulation of any court or Governmental Authority or body having jurisdiction over the Board or any of its activities or properties with respect to the Facilities; and all consents, approvals or authorizations

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required of the Board for the consummation of the transactions contemplated hereby have been obtained or timely will be obtained;

(d) Other than that which was previously disclosed, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or threatened against or affecting the Board, wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated hereunder or which in any way would adversely affect the validity or enforceability of this Facilities Lease and the Ground Lease;

(e) The Board will not take or permit to be taken any action which would have the effect, directly or indirectly, of causing interest on any of the Series 2008A Bonds to be included in gross income for federal income tax purposes;

(f) The Board agrees to cause the Facilities to be used for the Permitted Use and shall not allow the Facilities to be used for any other use. No more than five percent (5%) of the gross area of the Series 2008A Facilities will be subleased by the Board or by any sublessees or assigns of the Board to, or otherwise used by, private business and the Board agrees to take all action, to the extent it is legally authorized and able to do so, necessary to prevent the Series 2008A Bonds from being deemed "private activity bonds" within the meaning of Section 141 of the Code; and

(g) The Board covenants that, as long as any bonds, notes or lease obligations remain outstanding that are payable from the Capital Funds and the Student Fees, if the Debt Service Coverage Ratio falls below 1.20:1.00, the Board shall use its best efforts to raise its fees, rentals, rates and charges relating to the Facilities so that within two (2) full semesters after the Debt Service Coverage Ratio becomes deficient, the Debt Service Coverage Ratio at least equals 1.20:1.00. At the end of two (2) full semesters, if the Debt Service Coverage Ratio is still below 1.20:1.00, the Board shall hire an outside consultant, approved by the Bond Insurer, if any, and the Board shall follow any reasonably feasible recommendations of such consultant regarding the operation and management of the Facilities, including raising fees and rents, and reducing expenses. So long as the Board is working in good faith with such consultant to increase any deficient Debt Service Coverage Ratio, there shall not be an Event of Default hereunder unless the Debt Service Coverage Ratio is less than 1.00:1.00 at the end of any Fiscal Year. For purposes of the foregoing, when establishing such fees, rentals, rates and charges and calculating the Debt Service Coverage Ratio for this Section, the Board shall take into account payments required to be made into the Debt Service Reserve Fund pursuant to Section 4.8(h) of the Indenture. The Board further covenants that it will seek any required approval necessary in order to comply with this covenant.

(h) Without the prior written consent of the Bond Insurer, if any, neither the Corporation, the University nor the Board will issue or incur or permit to be issued and incurred, any Additional Debt, unless each of the following conditions have been satisfied:

(i) no Event of Default or event which with notice for lapse of time, or both, would constitute an Event of Default shall have occurred and be continuing (unless such Event

of Default or other event would be cured by such issuance or incurrence) or will occur upon the issuance or incurrence by the Board of any such obligations;

(ii) the Debt Service Coverage Ratio for the most recently completed Fiscal Year, taking into account the Additional Debt proposed to be issued or incurred, would not have been less than 1.20:1.00. If the Additional Debt is being issued to finance the construction of facilities which generate available revenues or additional student fees, the Board may include in the calculation of Debt Service Coverage Ratio the proposed revenues to be generated by the future Facilities and/or the additional Student Fees attributable thereto; and

(iii) the Debt Service Coverage Ratio set forth in Section 3(g) above for the two most recently completed Fiscal Years has been met.

Section 4. Representations and Covenants of the Corporation.

The Corporation makes the following representations and covenants:

(a) The Corporation has been validly created under the Louisiana Nonprofit Corporation Law, is currently in good standing under the laws of the State, has the power to enter into the transactions contemplated hereby, and to carry out its obligations under this Facilities Lease, the Ground Lease and the Agreement. The Corporation is not in breach of or in default under any of the provisions contained in any contract, instrument or agreement to which it is a party or in any other instrument by which it is bound. By proper action, the Corporation has been duly authorized to execute and deliver this Facilities Lease, the Ground Lease and the Agreement;

(b) The execution and delivery of this Facilities Lease, the Ground Lease and the Agreement, and compliance with the provisions thereof and hereof, will not conflict with or constitute on the part of the Corporation a violation of, breach of, or default under any statute, indenture, mortgage, declaration or deed of trust, loan agreement or other agreement or instrument to which the Corporation is a party or by which the Corporation is bound or any order, rule or regulation of any court or Governmental Agency or body having jurisdiction over the Corporation or any of its activities or properties; and all consents, approvals and authorizations which are required of the Corporation for the consummation of the transactions contemplated thereby and hereby have been or timely will be obtained;

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or threatened against or affecting the Corporation, wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated hereunder or which in any way would adversely affect the validity or enforceability of this Facilities Lease, the Ground Lease or any agreement or instrument to which the Corporation is a party;

(d) The Corporation will not take or permit to be taken any action which would have the effect, directly or indirectly, of causing interest on any of the Series 2008A Bonds to be included in gross income for federal income tax purposes.

Section 5. Waiver and Disclaimer of Warranties.

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The Board acknowledges that the Corporation has not made any representations or warranties as to the suitability or fitness of the Facilities for the needs and purposes of the Board or for any other purpose.

The Board further declares and acknowledges that the Corporation in connection with this Facilities Lease, does not warrant that the Facilities will be upon completion of construction free from redhibitory or latent defects or vices and releases the Corporation of any liability for redhibitory or latent defects or vices under Louisiana Civil Code Articles 2520 through 2548 and Louisiana Civil Code Article 2695. The Board declares and acknowledges that it does hereby waive the warranty of fitness for intended purposes and guarantee against hidden or latent redhibitory defects and vices under Louisiana law, including Louisiana Civil Code Articles 2520 through 2548 and Louisiana Civil Code Article 2695, and the warranty imposed by Louisiana Civil Code Articles 2476 and 2695, and waives all rights in redhibition pursuant to Louisiana Civil Code Articles 2520, et seq. The Board further declares and acknowledges that this waiver has been brought to the attention of the Board and explained in detail and that the Board has voluntarily and knowingly consented to this waiver of warranty of fitness and/or warranty against redhibitory defects and vices for the Facilities. Notwithstanding the foregoing, the Board hereby retains all of its rights to proceed against any third parties with respect to such defects.

The Corporation disclaims and the Board waives any warranties and representations with respect to compliance with Governmental Regulations, including Environmental Requirements, or the disposal of, or existence in, on, under, or about the Facilities of any Hazardous Substance. The Board acknowledges that the Corporation reserves in this Facilities Lease all rights to recover from the Board all costs and expenses imposed on the Corporation to bring the Facilities into compliance with any Environmental Requirement, and all costs of Remediation or cleanup of such Hazardous Substance imposed on the Corporation or the Board, which shall be payable by the Board as Additional Rental hereunder to the extent imposed upon the Corporation.


Section 6. Rental.

(a) The Board, for and in consideration of the Corporation entering into the Ground Lease, renovating and/or constructing the Facilities in accordance with the Ground Lease and leasing the Facilities to the Board pursuant to the terms hereof, hereby covenants and agrees to pay the Base Rental and Additional Rental in the amounts, subject to amounts for which the Board is entitled to a credit as described in Section 6(d) hereof, at the times and in the manner set forth herein, such amounts constituting in the aggregate the total of the rental payable under this Facilities Lease. The obligation of the Board to make Base Rental and Additional Rental payments shall commence on the Commencement Date and shall not be subject to abatement, set-off or reduction as a result of a failure by the Corporation to complete construction of the Facilities on a timely basis.

(b) The Board agrees to pay Base Rental from the Capital Funds and the Student Fees. Payments of Base Rental shall be due on the dates and in the amounts as hereinafter provided:

(i) On each Interest Payment Date, the interest due and payable on the Bonds;
and

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(ii) On each Principal Payment Date, the principal due and payable on the Bonds; and

(iii) On the dates required in the Indenture, to the Trustee for deposit into any of the funds established in the Indenture, including, without limitation, the Debt Service Reserve Fund and the Replacement Fund, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by the Indenture.

(c) In addition to the Base Rental set forth herein, the Board agrees to pay as Additional Rental any and all expenses, of every nature, character, and kind whatsoever, incurred by the Corporation on behalf of the Board and/or by the Board or the University in the management, operation, ownership, and/or maintenance of the Facilities, including but not limited to the following costs and expenses:

(i) all taxes, assessments and impositions against the Facilities, including without limitation ad valorem taxes attributed to the Corporation on behalf of the Board (and any tax levied in whole or in part in lieu of or in addition to ad valorem taxes);

(ii) any costs incurred by the Corporation in maintaining the Facilities for the Board and making any alterations, restorations and replacements to the Facilities;

(iii) insurance premiums and other charges for insurance obtained with respect to the Facilities including insurance premiums, if any, on all insurance required under the provisions of Section 9 of this Facilities Lease;

(iv) any Default or Delay Rentals;

(v) all costs incurred by the Corporation in connection with its performance of its obligations relating to the Facilities and/or the Land under the Ground Lease and this Facilities Lease;

(vi) all Administrative Expenses owed to the Issuer or the Trustee;

(vii) Litigation Expenses, if any, incurred pursuant to Section 43 hereof;

(viii) any reimbursement amounts payable pursuant to Section 20 hereof or pursuant to any other provision hereof;

(ix) any amounts to be paid to the Rebate Fund to be used to make rebate payments, if any, owed to the United States under the Code; and

(x) any other costs, charges, and expenses commonly regarded as ownership, management, maintenance, and operating expenses, if any, incurred by the Corporation under this Facilities Lease.

Amounts constituting Additional Rental payable hereunder shall be paid by the Board directly to the person or persons to whom such amounts shall be due. The Board shall pay all such amounts when due or within thirty (30) days after notice in writing from the Corporation or the Trustee to the Board stating the amount of the Additional Rental then due and the purpose thereof.

(d) The Board shall be entitled to a credit against and reduction of each Base Rental payment in an amount equal to any amounts derived from the following sources:

(i) Accrued interest derived from the sale of the Bonds; and

(ii) Surplus moneys (including investment earnings) contained in the funds and accounts held by the Trustee under the Indenture, including the Debt Service Fund, the Debt Service Reserve Fund and the Replacement Fund. However, in no event shall the proceeds of the Series 2008A Bonds be used to make payments on the Series 2008B Bonds.

(e) Notwithstanding any other provision of the Facilities Lease, the obligation of the Board to make payments under this Facilities Lease, including payments of Base Rental and Additional Rental, shall be subject to, and dependent upon, designation by the Board of the Capital Funds and the Students Fees necessary to make the payments required under this Facilities Lease. The Vice President for Administration and Finance of the University shall cause the University to include in the Budget and, if necessary, any amendments to the Budget, an amount of the Capital Funds and the Students Fees sufficient to make the payments of Base Rental and Additional Rental described herein which amounts may or may not ultimately be designated by the Board for such purpose. Subject to the foregoing and Section 29 hereof, the obligations of the Board to make payments pursuant to this Facilities Lease, and to perform and observe the other agreements and covenants on its part contained herein, shall be absolute and unconditional and shall not be subject to any diminution, abatement, set-off, or counterclaim. Subject to the foregoing and Section 29 hereof, until such time as the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with this Facilities Lease, the Board shall not suspend or discontinue payment of Rental or any other payments pursuant to this Facilities Lease for any cause, and shall continue to perform and observe all of its agreements contained in this Facilities Lease. The Corporation and the Board acknowledge and agree that the obligation of the Board to pay Rental shall constitute a current expense of the Board payable by the Board from funds budgeted and designated in accordance with law for and in consideration of the right to use the Facilities during the Term and that such obligation shall not in any manner be construed to be a debt of the Board in contravention of any constitutional or statutory limitations or requirements concerning indebtedness of the Board and nothing contained herein shall constitute a pledge, lien or encumbrance upon any specific tax or other revenues of the Board.

(f) The payments of Base Rental and Additional Rental under this Facilities Lease for each Fiscal Year or portion thereof during the Term shall constitute the total Rental for such Fiscal Year or portion thereof and shall be paid by the Board for and in consideration of the construction by the Corporation of the Facilities and the right to the use and occupancy of the Facilities by the Board for and during such Fiscal Year or portion thereof.

(g) Amounts necessary to pay each Base Rental payment shall be deposited by the Board on the dates set forth in Section 6(b) hereof in lawful money of the United States of America at the office of the Trustee or at such other place or places as may be established by the Corporation and/or Trustee in accordance with the Indenture. Any amount necessary to pay any Base Rental payment or portion thereof which is not so deposited shall remain due and payable until received by the Trustee. Notwithstanding any dispute between the Board and the Corporation hereunder, the Board shall make all Rental payments when due and shall not withhold payment of any Rental pending the final resolution of such dispute or for any other reason whatsoever.

(h) This Facilities Lease is intended to be a triple net lease. The Board agrees that the Rental provided for herein shall be an absolute net return to the Corporation free and clear of any expenses, charges, taxes, abatements, counterclaims, reductions or set-offs whatsoever of any kind, character or nature; it being understood and agreed to by the Board that the Board shall bear responsibility for the payment of all costs and expenses associated with the ownership, management, operation, and maintenance of the Facilities. Under no circumstances will the Corporation be required to make any payment on the Board's behalf or for the Board's benefit under this Facilities Lease, or assume any monetary obligation of the Board under this Facilities Lease, or with respect to the Facilities.

(i) In addition to the Rental payments required hereby, the Board covenants and agrees to make extraordinary rental payments to fund a portion of the capital costs of the Facilities from funds on hand or collected by the Board within the fiscal year ending June 30, 2009, not to exceed \$6,500,000, on or after November 1, 2008, but prior to June 30, 2009.

(j) In the event the Food Service Contract is terminated and the Corporation or the Board begins providing operations and management services for the Food Service Areas as required by Section 9.1 of the Ground Lease, the Board agrees to pay amounts sufficient to make up any shortfall in the payment of Base Rental of debt service on the Series 2008 Bonds payable solely from Auxiliary Revenues of the University after payment of annual debt service on the Corporation's (Southeastern Louisiana University Student Housing/University Facilities, Inc. Project) Series 2004 Bonds and the Corporation's (Southeastern Louisiana University / University Facilities Inc.: Phase Four Parking Project) Series 2007 Bonds.

Section 7. Operation, Alterations, Maintenance, Repair, Replacement and Security Service.

(a) The University, at the direction of the Board, shall be responsible for ensuring that all services necessary or required in order to adequately operate the Facilities in accordance with the Permitted Use are provided and maintained. The University shall continuously operate or cause to be operated the Facilities from the Date of Opening and continuing for the remainder of the Term for the Permitted Use, and in accordance with all Governmental Regulations.

(b) The University, at the direction of the Board, shall be responsible for maintaining the Facilities and shall make or contract or cause to be made or contracted with a suitable contractor for the making of all alterations, repairs, restorations, and replacements to the Facilities, including without limitation the heating, ventilating, air conditioning, mechanical, electrical, elevators, plumbing, fire, sprinkler and theft systems, air and water pollution control

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and waste disposal facilities, structural roof, walls, and foundations, fixtures, equipment, and appurtenances to the Facilities as and when needed to preserve them in good working order, condition and repair (ordinary wear and tear excepted), regardless of whether such repairs, alterations, restorations or replacements are ordinary or extraordinary, foreseeable or unforeseeable, or are at the fault of the Board, the Corporation or some Other Party. All alterations, repairs, restoration, or replacements shall be of a quality and class equal to or better than the quality and class presently located in the Facilities.

(c) The University, at the direction of the Board, shall have the right during the Term to cause the Corporation or some other Party to make or construct any additions or improvements to the Facilities, alter the Facilities, attach fixtures, structures, or signs to or on the Facilities, and affix personal property to the Facilities without the Corporation's prior written consent to the extent allowed under the terms of any insurance covering the Facilities. All such alterations, improvements, additions, attachments, repairs, restorations, and replacements of all or any portion of the Facilities shall (i) be at the sole cost and expense of the University; (ii) not reduce the then fair market value of the Facilities; (iii) be constructed in a good and workmanlike manner; and (iv) be in compliance with all Governmental Regulations.

(d) The University, at the direction of the Board, shall provide or cause to be provided all security service, custodial service, janitorial service, trash disposal, and all other services necessary for the proper upkeep and maintenance of the Facilities as required herein. The Board acknowledges that the Corporation has made no representation or warranty with respect to systems and/or procedures for the security of the Facilities, any persons occupying, using or entering the Facilities, or any equipment, furnishings, or contents of the Facilities. It is the sole responsibility of the Board, through the University to cause to be provided or to provide for the security of persons on or entering the Facilities and/or property located at the Facilities, in accordance with reasonable and prudent business practices.

Section 8. Utilities.

All utilities which are used or consumed in or upon or in connection with the Facilities during the Term, including, without limitation water, gas, electricity, sewerage, garbage, or trash removal, light, cable, heat, telephone, power, computer data and other utilities necessary for the operation of the Facilities ("Utility Service") shall be the responsibility of the Board and/or Permitted Sublessees residing in the Facilities. Payments for Utility Services provided to the entire Facilities or to the common areas of the Facilities under such contract or contracts therefor as the Board may make shall be made by the Board directly to the respective utility companies furnishing such Utility Services.

The Corporation shall have no responsibility to the Board for the quality or availability of Utility Service to the Facilities, or for the cost to procure Utility Service. The Corporation shall not be in default under this Facilities Lease or be liable to the Board or any other Person for direct or consequential damage, or otherwise, for any failure in supply of any Utility Service, heat, air conditioning, elevator service, cleaning service, lighting, security, or for surges or interruptions of electricity.

Section 9. Insurance.

(a) The University, at the direction of the Board, shall cause to be secured and maintained at the University's cost and expense:

(i) A policy or policies of insurance covering the Facilities against loss or damage by fire, lightening, earthquake, collapse, vandalism and malicious mischief, flood and storm surge, and against such other perils as are included in so-called "extended coverage" and against such other insurable perils as, under good insurance practice, from time to time are insured for properties of similar character and location, which insurance shall be not less than the full replacement cost of the Facilities, without deduction for depreciation. In the event that the Facilities are not repaired or replaced, insurance proceeds shall be no greater than the actual cash value (replacement cost less depreciation) of the Facilities at the time of the loss. The policy shall be adjusted to comply with any applicable co-insurance provisions of such insurance policy. Full payment of insurance proceeds shall not be contingent on the degree of damage sustained at other facilities leased by the Board. The policy or policies covering such loss must explicitly waive any co-insurance penalty.

(ii) A policy of comprehensive public liability insurance with respect to the Facilities and the operations related thereto, whether conducted on or off the Facilities, against liability for personal injury (including bodily injury and death) and property damage, of not less than \$2,000,000 in combined single limit liability coverage. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability, water damage legal liability, motor vehicle liability for all owned and non-owned vehicles, including rented or leased vehicles.

(iii) Boiler and machinery insurance coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus, but only if steam boilers, pressure vessels or similar apparatus are installed on the Facilities, in an amount not less than \$5,000,000 with deductible provisions not exceeding \$100,000 per accident.

(iv) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State, or any act hereafter enacted as an amendment thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the Corporation in connection with the Facilities and to cover full liability for compensation under any such act aforesaid.

(b) The Corporation shall:

(i) cause to be secured and maintained a policy of title insurance insuring the Corporation's leasehold interest under the Ground Lease in an amount equal to the par amount of the Bonds; and

(ii) cause all of the construction professionals to secure and maintain:

(A) Comprehensive or Commercial General Liability insurance;

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- (B) Errors and Omissions insurance;
- (C) Automobile Liability insurance;
- (D) Worker's Compensation insurance;
- (E) an all Risk Builder's Policy upon the construction of the Facilities;
and
- (F) boiler and machinery or additional property insurance;

all as required by the terms of any construction contracts entered into with regards to the demolition of certain existing facilities and the renovation, development and construction of the Facilities.

All insurance required in this Section 9 and all renewals of such insurance (excepting self insurance or commercial insurance, through ORM) shall be issued by commercial insurers authorized to transact business in the State, and rated at least A- by Best's Insurance Reports (property/liability) or in the two highest rating categories of S&P and Moody's. All insurance policies provided or caused to be provided by the Corporation shall expressly provide that the policies shall not be canceled or altered without thirty (30) days' prior written notice to the University and the Trustee; and shall, to the extent obtainable, provide that no act or omission of the Corporation or other provider of the insurance that would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained.

All policies of liability insurance that the University is obligated to maintain according to this Facilities Lease (other than any policy of worker's compensation insurance) will name the Corporation, the Trustee and such other Persons or firms as the University may be required to name from time to time as additional insureds and shall expressly provide that the policies shall not be cancelled or altered without thirty (30) days' prior written notice to the Corporation and the Trustee; and shall, to the extent obtainable, provide that no act or omission of the University or other provider of the insurance that would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained. All public liability, property damage liability, and casualty policies maintained by the University shall be written as primary policies.

Proceeds of insurance received and/or the amount of any loss that is self-insured with respect to destruction of or damage to any portion of the Facilities by fire, earthquake or other casualty or event shall be paid to the Trustee (or, in the case of ORM insurance, to the Board for delivery in full to the Trustee) for application in accordance with the provisions of Section 11 of this Facilities Lease and the Indenture.

The Corporation shall certify annually to the Bond Insurer, if any, that all insurance policies required by this Section 9 are as of the date of such certification in place and in effect.

Section 10. Condemnation, Casualty and Other Damage.

The risk of loss or decrease in the enjoyment and beneficial use of the Facilities due to any damage or destruction thereof by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion or otherwise (collectively "Casualty") or in consequence of any foreclosures, attachments, levies or executions; or the taking of all or any portion of the Facilities by condemnation, expropriation, or eminent domain proceedings (collectively "Expropriation") is expressly assumed by the Board. The Corporation and the Trustee shall in no event be answerable, accountable or liable therefor, nor shall any of the foregoing events entitle the Board to any abatements, set-offs or counter claims with respect to its Base Rental, Additional Rental or any other obligation hereunder.

Section 11. Application of Insurance Proceeds; Condemnation Award.

(a) If during construction, all or any portion of the Facilities is damaged or destroyed by a Casualty, or is taken by Expropriation proceedings, the Board shall instruct the Corporation, as expeditiously as possible, to continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof; provided however, that the Corporation shall in no way be liable for any costs of the repair, restoration or replacement of the Facilities in excess of the proceeds of any insurance or of any Expropriation award received because of such Casualty or Expropriation. Following the completion of construction and acceptance of the Facilities by the Board on behalf of the Corporation, the Board shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted, the repair, restoration, or replacement thereof. The proceeds of any insurance, including the proceeds of any self-insurance fund, or of any Expropriation award or payment in lieu of Expropriation, received on account of any damage, destruction or taking of all or any portion of the Facilities shall be delivered to the Trustee and held by the Trustee in trust (or in the case of self insurance through ORM, as set forth in paragraph (b) below), and shall be made available for, and to the extent necessary be applied to, such restoration, repair and replacement. Any amounts so held by the Trustee shall be disbursed to pay the costs of restoration, replacement and repair of the Facilities with respect to which they are held, in each case promptly after receipt of a written request of the Corporation stating that the amount to be disbursed pursuant to such request will be used to pay costs of replacing or repairing or restoring the Facilities and that no amount previously has been disbursed by the Trustee for payment of the costs to be so paid. In making such payments, the Trustee may conclusively rely upon such written requests and shall have no liability or responsibility to investigate any matter stated therein, or for any inaccuracy or misstatement therein. In no event shall the Trustee be responsible for the adequacy of the plans and specifications or construction contract relating to the replacement, restoration, or repair of the Facilities, or for the improper use of moneys properly disbursed pursuant to request made under this Section 11. Any proceeds remaining on deposit with Trustee following completion of the repairs, restoration or replacement of the Facilities shall be paid by Trustee in accordance with the terms of the Indenture.

In the event the proceeds of any insurance, and any additional funds deposited with the Trustee, are insufficient to fully repair, restore or replace the Facilities, the proceeds shall be paid to the Board for immediate delivery to Trustee and used to redeem the Outstanding Bonds.

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Notwithstanding the foregoing, the Corporation's obligation to replace the Facilities in the event of Expropriation proceedings is dependent on the Board entering into a lease with a different portion of the Campus as provided in Section 13.3 of the Ground Lease. In the event it is necessary to restore or replace the Facilities in a different location because of the Expropriation of all or a portion of the Facilities, the Corporation and the Board agree to amend or enter into a new Facilities Lease and Ground Lease in accordance with Section 13.3 of the Ground Lease. In the event the Board, pursuant to the Ground Lease, decides not to repair, restore or replace the Facilities for any reason, all insurance proceeds received or payable as a result of such Casualty, or all proceeds received or payable as a result of Expropriation proceedings (including payments received or payable in lieu of Expropriation) shall be paid to the Board for immediate delivery to the Trustee and applied to the prepayment of the Bonds in accordance with the terms of the Indenture, and this Facilities Lease and the Ground Lease shall terminate on the date that the events described in Section 2(a) or 2(b) hereof have occurred.

(b) In the event that ORM insures the Facilities, the Board shall use the insurance proceeds received from ORM in accordance with Policy and Procedure Memorandum Number 10 (requiring invoices to be submitted to ORM for payment to vendors, or alternatively, production of invoices paid by the Board to ORM for reimbursement of vendor payments) to effect the repair, restoration or replacement of the Facilities.

Section 12. Encumbrances.

(a) **Payment by the Board.** The Board shall pay or cause to be paid all costs and charges for alterations, improvements, additions, repairs and maintenance ("**Work**") (i) done by the Board or caused to be done by the Board in or to the Facilities, and (ii) for all materials furnished for or in connection with such Work. The Corporation reserves all rights to collect for any loss or damage sustained or incurred by the Corporation resulting from any and all Encumbrances, demands or liabilities arising on account of the Work, which shall be payable by the Board as Additional Rent hereunder.

(b) **Failure to Discharge.** If the Board fails to pay any charge for which an Encumbrance has been filed, and the Facilities or any portion thereof is placed in imminent danger of being seized, the Corporation may, but shall not be obligated to, pay such charge and related costs and interest, and the amount so paid, together with reasonable Legal Expenses incurred in connection with such Encumbrance, will be immediately due from the Board to the Corporation as Additional Rental. Nothing contained in this Facilities Lease will be deemed the consent or agreement of the Corporation to subject the Corporation's interest in the Facilities to liability under any Encumbrance, or any mechanics', materialman's or other lien law. If the Board receives written notice that an Encumbrance has been or is about to be filed against the Facilities, or that any action affecting title to the Facilities has been commenced on account of Work done by or for the Board or for materials furnished to or for the Board, it shall immediately give the Corporation Notice of such notice.

(c) **Notice of Work.** At least fifteen (15) days prior to the commencement of any Work in or to the Facilities, by or for the University, the University shall give the Corporation Notice of the proposed Work and the names and addresses of the Persons supplying labor and materials for the proposed Work. The Corporation will have the right to post notices of

nonresponsibility or similar written notices on the Facilities in order to protect the Facilities against any such claimants.

Section 13. Assignment and Sublease.

(a) No interest of the Board in the Facilities shall be mortgaged, pledged, assigned or transferred by the Board by voluntary act or by operation of law, or otherwise; provided, however, the Board may sublease all or any portion of the Facilities, or grant concessions involving the use of all or any portion of the Facilities, whether such concessions purport to convey a leasehold interest or a license to use all or a portion of the Facilities to any University student, faculty, staff or Permitted Sublessee. The Board shall, however, at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Facilities Lease (including, without limitation, the payment of Base Rental and Additional Rental), notwithstanding any subletting or granting of concessions which may be made. Nothing herein contained shall be construed to relieve the Board from its obligations to pay Base Rental and Additional Rental as provided in this Facilities Lease or to relieve the Board from any other obligations contained herein. Other than subleases to Permitted Sublessees and use of the Facilities for Permitted Uses, in no event will the Board sublease or permit the use of all or any part of the Facilities to any person without an opinion of Bond Counsel that such will not cause interest on the Bonds to be included in the gross income of the owners of the Series 2008 Bonds for federal income tax purposes.

(b) The Corporation shall, concurrently with the execution hereof, assign all of its right, title and interest in and to this Facilities Lease, including without limitation its right to receive Base Rental payable hereunder, to the Issuer pursuant to the Agreement, and the Issuer will in turn assign its rights under this Facilities Lease to the Trustee pursuant to the Indenture. The parties hereto further agree to execute any and all documents necessary and proper in connection therewith. Anything required or permitted to be done by the Corporation under this Facilities Lease may be done by the Trustee under the Indenture.

(c) Except as set forth in Section 13(b) hereof, the Corporation shall not sell or assign its interest in the Facility or this Facilities Lease without the prior written consent of the Board.

Section 14. Additions and Improvements Removal.

At the expiration of the Term, or termination of this Facilities Lease, all alterations, fixtures, improvements and additions made by the Board or the University and all equipment placed upon the Facilities that are incorporated into or made into component parts of the Facilities, as well as, title to all property, furniture, equipment, fixtures, and other property installed at or placed upon the Facilities by the Board which is not incorporated into or made a component part of the Facilities remain the property of the Board.

The Board hereby agrees to replace such property from time to time as such property becomes worn out, obsolete, inadequate, unsuitable or undesirable. The Board may add to or remove such property from time to time, and upon expiration of the Term, provided that the Board repairs any damage to the Facilities caused by such removal.

Section 15. Right of Entry.

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Representatives of the Corporation and the Bond Insurer, if any, shall, subject to reasonable security precautions, and upon giving the Board not less than twenty-four (24) hours advance Notice, have the right to enter upon the Facilities during reasonable business hours (and in emergencies without notice and at all times) accompanied by a Board Representative (i) to inspect the same, (ii) for any purpose connected with the rights or obligations of the Corporation under this Facilities Lease, or (iii) for all other lawful purposes. Any right of access to any portion of the Facilities leased to the students, faculty, staff or Permitted Sublessees shall be subject to their rights pursuant to their rental agreements and University policy.

Section 16. Mortgage Prohibition.

Except as set forth in the Indenture, the Ground Lease and the Agreement, the Corporation shall not be entitled to mortgage or grant a security interest in the Facilities.

Section 17. Sale of Facilities; Attornment; and Conveyance and Transfer of the Corporation's Interest.

If a person other than the Corporation shall succeed to the rights of the Corporation hereunder (in any case with the prior written consent of the Board as required hereby), upon the declaration of the successor to the Corporation's interest in this Facilities Lease, the Board agrees to fully attorn to and recognize any such successor as the Board's landlord under this Facilities Lease upon the then existing terms of this Facilities Lease, provided that such successor shall agree in writing to accept the Board's attornment and not to disturb the Board's possession so long as the Board shall observe the provisions and all covenants of this Facilities Lease. This attornment provision shall inure to the benefit of any such successor and shall be self-operative upon the election and declaration by such successor, and no further instrument shall be required to give effect to the provisions. However, the Board agrees to evidence and confirm the foregoing attornment provisions by the execution and delivery of instruments in recordable form satisfactory to such successor.

If the Facilities, or any part thereof, shall be sold or otherwise transferred by sale, assignment, transfer or other contract, or by operation of law or otherwise (with the prior written consent of the Board as required hereby and with an opinion of Bond Counsel that such action will not cause interest on the Series 2008A Bonds to be included in the gross income of the owner of the Series 2008A Bonds for federal tax purposes), and if such written consent specifically so provides, the Corporation shall be automatically and entirely released and discharged to the extent of the interest in or the portion of the Facilities sold, assigned or transferred from and after the effective date of such sale, assignment or transfer of all liability for the performance of any of the covenants of this Facilities Lease on the part of the Corporation thereafter to be performed. The purchaser or other transferee of the Facilities shall be deemed to have agreed to perform such covenants of the Corporation from and after the date of such assignment or sale during such transferee's period of ownership of the Corporation's interest under this Facilities Lease, all without further agreement between the Corporation, its successor and the Board. The Corporation's transferee shall not be held responsible for the performance of any of the covenants of this Facilities Lease on the part of the Corporation required to be performed prior to such sale and transfer, the Board reserving its rights against the Corporation for any unperformed covenants prior to such sale or transfer.

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Approved by Jt. Legislative Comm. on the Budget
Date: 5-11-09

Section 18. Quiet Enjoyment.

The Corporation covenants that the Board, on paying the Rental and performing and observing all of the covenants and agreements herein contained and provided to be performed by the Board or the University, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Facilities during the Term and may exercise all of its rights hereunder; and the Corporation agrees to warrant and forever defend the Board's right to such occupancy, use, and enjoyment and the title to the Facilities against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof subject only to the provisions of this Facilities Lease

Section 19. Environmental Compliance and Indemnity.

(a) Environmental Compliance. The Board or the University shall operate or cause to be operated the Facilities in compliance with all Environmental Requirements continuously during the Term, and for such periods of time prior to the Commencement Date and after the Expiration Date, as long as the Board is in possession of the Facilities, in whole or in part. The Board shall not cause or permit any Hazardous Substance to be brought upon, kept, or used in or about the Facilities or the Land, except for such Hazardous Substance as is necessary or useful to the operation of the Facilities.

(b) The Board's Liability. If the Board fails to comply with any of the foregoing warranties, representations, and covenants, and removal or Remediation of any Hazardous Substance found on the Facilities is required by Environmental Requirements or Governmental Authority, the Board shall promptly undertake the removal or Remediation of such Hazardous Substance, at the Board's sole cost and expense. In the event the Board fails or refuses to undertake such removal or Remedial actions, the Corporation may cause the removal or Remediation (or other cleanup reasonable acceptable to the Corporation) of any such Hazardous Substance from the Land or the Facilities. The reasonable costs of removal, Remediation, or any other cleanup (including transportation and storage costs) will be considered as Additional Rental under this Facilities Lease, whether or not a court has ordered the cleanup, and those costs will become due and payable within ninety (90) days of written demand by the Corporation. In connection therewith, the Board will give the Corporation, its agents, and employees access to the Facilities to remove, remediate, or otherwise clean up any Hazardous Substance. The Corporation, however, has no affirmative obligation to remove, remediate, or otherwise clean up any Hazardous Substance, and this Facilities Lease will not be construed as creating any such obligation. The Board hereby agrees that it shall be fully liable for all costs and expenses related to the use, storage, and disposal of any Hazardous Substance located in or about the Facilities by the Board.

Section 20. The Corporation's Reservation of Rights.

(a) The Corporation hereby reserves all of its rights to recover from the Board for any and all Claims asserted against the Corporation, including Litigation Expenses arising out of or by reason of:

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(i) any injury to or death of any person or damage to property occurring on or about the Facilities occasioned by or growing out of or arising or resulting from any tortious or negligent act on the part of the Board in connection with the operation and management of the Facilities; or

(ii) any failure, breach, or default on the part of the Board in the performance of or compliance with any of the obligations of the Board under the terms of this Facilities Lease.

(b) Notwithstanding the fact that it is the intention of the parties that the Corporation shall not incur any pecuniary liability by reason of the terms of this Facilities Lease or the undertakings required of the Corporation hereunder, nevertheless, if the Corporation should incur any such pecuniary liability, then in that event, the Corporation shall be entitled to assert all rights and remedies granted in law or in equity to recover from the Board the amount of any pecuniary liability incurred by the Corporation, plus all Litigation Expenses incurred in defense of such liability to the extent subject to indemnification pursuant to Subsection (a) above.

(c) No recourse shall be had for the enforcement of any obligation, covenant, or agreement of the Corporation contained in this Facilities Lease or any Claim based thereon against the Corporation or of any successor thereto or member thereof, either directly or through the Corporation whether by virtue of any constitutional provision, statute, or rule of law. This Facilities Lease and the obligations of the Corporation hereunder, and any Claim asserted against the Corporation are solely corporate obligations, and the enforcement of any obligation or Claim shall be limited solely to the Corporation's interest in the Facilities. No personal liability shall attach to, or be incurred by, any officer, director, agent, employee or member of the Corporation and the Board acknowledges that all personal liability of any character against every such officer, director, agent, employee or member by the execution of this Facilities Lease, is expressly waived and released. The immunity of any officer, director, agent, employee or member of the Corporation under the provisions contained in this Section 20 shall survive any acquisition of the Facilities by the Board and the expiration or other termination of this Facilities Lease.

Section 21. Default by the Board.

If (i) the Board shall fail to deposit with the Trustee any Base Rental payment required to be so deposited pursuant to Section 6 hereof by the close of business on the day such deposit is required pursuant to Section 6 hereof, and shall fail to remedy such breach within five (5) days thereof, but in no event later than the date on which such payment is required to enable the Corporation to make payment on the Bonds (without use of moneys held in the Debt Service Reserve Fund), or (ii) the Board shall fail to pay or discharge any monetary obligation under this Lease (other than the payment of Base Rental) as and when due, or within thirty (30) days after receipt of Notice from the Corporation that such sums are due and owing; or (iii) the Board shall breach any non-monetary terms, covenants or conditions herein, and shall fail to remedy any such breach with all reasonable dispatch within a reasonable period of time (or such longer period as the Trustee may approve) after written notice thereof from the Corporation to the Board, then and in any such event the Board shall be deemed to be in default hereunder, and the Corporation shall have the right, at its option, without any further demand or notice to terminate this Facilities Lease on the earliest date permitted by law or on any later date specified in any

Notice given to the Board, in which case the Board's right to possession of the Facilities will cease and this Facilities Lease will be terminated, without, however, waiving the Corporation's right to collect all Rental and other payments due or owing for the period up to the time the Corporation regains possession (which have been approved for payment under this Facilities Lease, but not paid by the Board), and to enforce other obligations of the Board which survive termination of this Facilities Lease, and in such event the Corporation may without any further demand or notice re-enter the Facilities and eject all parties in possession thereof, subject to the rights of students, faculty, staff and Permitted Sublessees. The foregoing remedies of the Corporation are in addition to and not exclusive of any other remedy of the Corporation. Any such re-entry shall be allowed by the Board without hindrance, and the Corporation shall not be liable in damages for any such re-entry or be guilty of trespass. The Corporation understands and agrees that upon its termination of the Board's right to possession of the Facilities or termination of this Facilities Lease, the Corporation upon its re-entry of the Facilities shall only be allowed to use the Facilities for the Permitted Use and shall be subject to all applicable Governmental Regulations heretofore or hereafter enacted by any Governmental Authority relating to the use and operation of the Facilities.

Notwithstanding any other provision of this Facilities Lease, (i) in no event shall the Corporation have the right to accelerate the payment of any Base Rental payment hereunder and (ii) the Bond Insurer, if any, shall have ninety (90) days to cure an Event of Default hereunder.

Notwithstanding anything contained in this Section 21 to the contrary, a failure by the Board to pay when due any payment required to be made under this Facilities Lease or a failure by the Board to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Facilities Lease, resulting from a failure by the Board to designate moneys shall not constitute an Event of Default under this Section 21 and the Corporation shall not have any of the remedial rights set forth in this Section 21. Notwithstanding the foregoing, in such event the Board acknowledges that the Facilities Lease shall terminate and the Board shall immediately vacate the Facilities, and deliver the Facilities to the Corporation.

Section 22. Cumulative Remedies.

Each right and remedy provided for in this Facilities Lease is cumulative and is in addition to every other right or remedy provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Corporation of any one or more of the rights or remedies provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by the Corporation of any or all other rights or remedies provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise. All costs incurred by the Corporation in collecting any amounts and damages owing by the Board pursuant to the provisions of this Facilities Lease or to enforce any provision of this Facilities Lease, including reasonable Litigation Expenses from the date any such matter is turned over to an attorney, whether or not one or more actions are commenced by the Corporation, will also be recoverable by the Corporation from the Board. The waiver by the Corporation of any breach by the Board and the waiver by the Board of any breach by the Corporation of any term, covenant

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or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

Section 23. Option to Purchase.

For and in consideration of the obligations of the Board under the Facilities Lease, the mutual undertakings of the parties, the receipt and adequacy of which is hereby acknowledged, the Corporation grants to the Board an exclusive and irrevocable option to purchase for the price and on the terms, provisions, stipulations and conditions hereinafter set forth, all but not less than all of the Corporation's leasehold interest in the Facilities.

(a) **Effective Date.** The effective date of this Option agreement shall be the Commencement Date.

(b) **Term of Option.** The Option shall expire at midnight Central Time, on the Expiration Date, or upon the termination of this Facilities Lease, whichever occurs first.

(c) **Limitation on Exercise of Option.** The Board may not exercise the Option, and the Option shall be voidable, at the sole election of the Corporation, if a default by the Board has occurred and is continuing under this Facilities Lease, and the applicable time period in which the Board may cure such default has expired. Notwithstanding any provision of this Option to the contrary, the Board shall be entitled to exercise the Option as long as the Board is legally obligated to make payments of Base Rental under the Facilities Lease.

(d) **Exercise of Option.** The Board may exercise the Option herein granted at any time on or before expiration of the Term, on any Interest Payment Date on or after [_____, 20__] or on the date the Bonds are defeased pursuant to Article XII of the Indenture, by Notice to the Corporation of its election to exercise the Option and purchase the Corporation's interest in and to the Facilities given not less than sixty (60) days prior to the date on which the Board desires to purchase the Facilities.

(e) **Purchase Price.** The Purchase Price shall be equal to the principal of all Bonds then Outstanding plus the interest to accrue on such Bonds until the purchase date plus any prepayment penalties, charges or costs for early prepayment or defeasance of the Bonds and any Administrative Expenses owed prior to the purchase date which payments are necessary to discharge the Indenture pursuant to Article XII thereof (collectively, the "Purchase Price").

(f) **Effect on Facilities Lease and Ground Lease.** Upon the purchase of the Corporation's leasehold interest in the Facilities by the Board pursuant to this Option, the Facilities Lease and the Ground Lease shall terminate and all of the Corporation's leasehold interest in the Land and the Facilities shall terminate.

(g) **Payment of Purchase Price.** The Board, on the purchase date, shall deposit an amount equal to the Purchase Price with the Trustee.

(i) **Conveyance.** In the event of and upon the payment of the Purchase Price and any other sums due under this Facilities Lease by the Board, the Corporation will on the

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purchase date execute and deliver to the Board a written cancellation of the Ground Lease and this Facilities Lease.

(ii) **Assignment of Contract Rights and Obligations.** The conveyance of the Corporation's leasehold interest in the Facilities shall also effect a transfer and assignment of all rights, warranties and liabilities of the Corporation under then existing contracts of any nature with respect to the Facilities.

(h) **Closing.** In the event the Option is timely exercised, notice of the Board's election to the Corporation shall constitute an irrevocable conversion of the Option into a binding obligation of the Corporation to sell its leasehold interest in the Facilities and the Board to buy the same under the terms and conditions set forth in this Section 23, and in such event, the Corporation and the Board shall have the right to demand specific performance of this agreement by the other. The closing shall occur at the offices of the Board or its counsel, or at such other time, place, and date as agreed upon by the Corporation and the Board.

(i) **Closing Costs.** The Board shall pay all closing costs and charges incident to the conveyance of the Corporation's interest in the Land and the Facilities.

(j) **No Warranty.** The Corporation shall convey its leasehold interest in the Facilities without any warranty whatsoever of any nature. The conveyance of the leasehold interest in the Facilities shall be without any warranty as to fitness and condition, as set forth in Section 5 of this Facilities Lease. Language substantially similar to the language contained in Section 5 of this Facilities Lease shall be incorporated into and made a part of such conveyance. In no event shall the Corporation be responsible for any defects in title.

(k) **Default under the Option.**

(i) In the event the Option is exercised, and the Corporation fails to consummate the transactions contemplated herein for any reason, except default by the Board or the failure of the Board to satisfy any of the conditions set forth herein, the Board may, in addition to any other rights and remedies which may otherwise be available to the Board, enforce this agreement by specific performance. The Board's remedies under this Section 23 are expressly subject to the provisions of Section 30 of this Facilities Lease.

(ii) In the event the Option is exercised, and the Board fails to consummate the transactions contemplated herein for any reason, except default by the Corporation or the failure of the Corporation to satisfy any of the conditions set forth herein, the Corporation (a) may enforce this agreement by specific performance and in such action shall have the right to recover damages suffered by reason of the Board's delay; or (b) may bring suit for damages for breach of this agreement.

(iii) No delay or omission in the exercise of any right or remedy accruing to either party upon any breach by the other party under this Section 23 shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter occurring. The waiver by either party of any condition or any subsequent breach of the same or any other term, covenant or condition contained in this Section 23 shall not be deemed to be a waiver of any

other condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained.

(l) **Attorney's Fees.** Should either party employ an attorney or attorneys to enforce any of the provisions hereof, or to protect its interest in any matter arising under this agreement, or to recover damages for the breach of this agreement, the party prevailing in any final judgment shall have the right to collect from the losing party all Litigation Expenses incurred in enforcing such rights.

(m) **Notices.** Any notices required or permitted under this Section 23 shall be in writing and delivered either in person to the other party, or the other party's authorized agent, or by United States Certified Mail, return receipt requested, postage prepaid, to the address set forth in Section 50 of this Facilities Lease, or to such other address as either party may designate in writing and delivered as herein provided.

(n) **Assignability.** Except as set forth in the Indenture, the Mortgage or the Ground Lease, the Option may not be assigned by the Corporation or its interest in the Facilities sold (subject to the Option or otherwise) to any person or entity without the Board's prior written consent, which consent may be withheld by the Board in its sole discretion.

(o) **Time of Essence.** Time is of the essence of this Option.

(p) **Binding Effect.** This Option shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, successors and assigns.

Section 24. Severability.

If any provisions of this Facilities Lease shall be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable, to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections contained in this Facilities Lease shall not affect the remaining portions of this Facilities Lease, or any part thereof.

Section 25. Redemption of Bonds.

The Corporation agrees that it will not exercise its option to redeem any Bonds pursuant to the Indenture unless the Board consents to such redemption or such redemption is to be effected with moneys derived from a source other than payments made by the Board under this Facilities Lease, however, in no event shall the mandatory redemption of any Bonds pursuant to the Indenture require the consent of the Board. The Corporation further agrees that if requested by the Board it will take all actions necessary to redeem all or any portion of the Bonds designated by the Board on the first date that it may do so under the terms of the Indenture so long as the Board agrees to provide funds in an amount, and at the time, required to effect such redemption.

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Section 26. Additional Bonds.

Upon the request and at the expense of the Board, the Corporation shall take action as may be required to effect the issuance of Additional Bonds in such amount as the Board may request as permitted by and in accordance with the provisions of the Indenture for any purpose permitted thereby.

Section 27. Execution.

This Facilities Lease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same Facilities Lease.

Section 28. Law Governing.

This Facilities Lease is made in the State under the constitution and laws of the State and is to be governed by the laws of the State.

Section 29. Nondesignation of Funds.

In the event no funds or insufficient funds are lawfully designated in any Fiscal Year enabling the payment of Base Rental and Additional Rental due during the next succeeding Fiscal Year, the Board will immediately notify the Corporation and the Trustee of such occurrence. On the first day of the month following the Base Rental payment date on which the last payment of Base Rental can be made in full from the Capital Funds and the Student Fees, this Facilities Lease shall terminate without penalty or expense to the Board of any kind whatsoever, except as to the portions of Base Rental and Additional Rental payments herein agreed upon for Fiscal Years for which sufficient funds have been lawfully designated. In the event of such termination, the Board agrees peaceably to surrender possession of the Facilities to the Corporation on the date of such termination in its original condition (normal wear and tear excepted). The Corporation will have all legal and equitable rights and remedies to take possession of the Facilities and re-let or sell the Facilities as the Corporation determines and as granted in this Facilities Lease. The Board acknowledges that the Corporation's rights to take possession and to re-let or sell the Facilities under this Section 29 may be assigned to the Trustee for the benefit of the owners of the Bonds, and the Board agrees that the Trustee shall be entitled to exercise all of the rights of the Corporation under this Section 29. The event of an inability by the Board to cause the designation of sufficient funds for the payment of sums due under this Facilities Lease shall not constitute a default hereunder, but shall ipso facto terminate this Facilities Lease. This provision is operative notwithstanding any provisions of this Facilities Lease to the contrary. The Board shall be considered in default hereunder if sufficient funds are lawfully designated for the payment of Rental required under this Facilities Lease and the Board fails to use lawfully designated funds for the payment of Rental. In such event, the Corporation shall be entitled to the rights and remedies set forth in Sections 21 and 22 hereof.

Section 30. Exculpatory Provision.

In the exercise of the powers of the Corporation and its trustees, officers, employees and agents under this Facilities Lease and the Indenture, the Corporation shall not be accountable or

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liable to the Board (i) for any actions taken or omitted by it or its officers, employees or agents in good faith and believed by it or them to be authorized or within their discretion or rights or powers conferred upon them, or (ii) for any claims based on this Facilities Lease against any officer, employee or agent of the Corporation in his or her personal capacity, all such liability, if any, being expressly waived by the Board by the execution of this Facilities Lease. Nothing in this Facilities Lease or the Indenture is intended to require or obligate, nor shall anything herein or therein be interpreted to require or obligate, the Corporation for any purpose or at any time whatsoever, to provide, apply or expend any funds coming into the hands of the Corporation other than the funds derived from the issuance of the Bonds under the Indenture and moneys derived pursuant to the Indenture and this Facilities Lease.

The Board specifically agrees to look solely to the Corporation's interest in the Facilities for the recovery of any judgments from the Corporation. It is agreed that the Corporation will not be personally liable for any such judgments, or incur any pecuniary liability as a result of this Facilities Lease to the Board, or the breach of its obligations hereunder. The Corporation's liability under this Facilities Lease is "in rem" as to its interest in the Facilities. The provisions contained in the preceding sentences are not intended to and will not limit any right that the Board might otherwise have to obtain injunctive relief against the Corporation or relief in any suit or action in connection with enforcement or collection of amounts that may become owing or payable under or on account of insurance maintained by the Corporation.

Section 31. Reserved.

Section 32. Recording.

The Corporation covenants and agrees that it will promptly record and from time to time re-record a memorandum in recordable form of this Facilities Lease and the Indenture and all supplements thereto and hereto in such manner and in such places as may be required by law in order to fully protect and preserve the security of the holders or owners of the Bonds.

Section 33. Construction Against Drafting Party.

The Corporation and the Board acknowledge that each of them and their counsel have had an opportunity to review this Facilities Lease and that each Party was responsible for the drafting thereof.

Section 34. Time of the Essence.

Time is of the essence of each and every provision of this Facilities Lease.

Section 35. No Waiver.

The waiver by the Corporation of any agreement, condition, or provision contained in this Facilities Lease will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Facilities Lease, nor will any current or future custom or practice between the parties in the administration of the terms of this Facilities Lease be construed to waive or to lessen the right of the Corporation to insist upon the performance by the Board in strict accordance with the terms of this Facilities Lease. The

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subsequent acceptance of Rental by the Corporation will not be deemed to be a waiver of any preceding breach by the Board of any agreement, condition, or provision of this Facilities Lease, other than the failure of the Board to pay the particular Rental so accepted, regardless of the Corporation's knowledge of such preceding breach at the time of acceptance of such Rental.

Section 36. Survival.

To the extent permitted by law and to the extent such will not constitute the incurrence of debt by the Board, all of the Corporation's remedies and rights of recovery under Sections 19 and 20 of this Facilities Lease shall survive the Term and/or the purchase of the Facilities by the Board under the Option.

Section 37. Reserved.

Section 38. Estoppel Certificates.

At any time and from time to time but within ten (10) days after prior written request by the Corporation, the Board will execute, acknowledge, and deliver to the Corporation, promptly upon request but only to the extent accurate, a certificate certifying (i) that this Facilities Lease is unmodified and in full force and effect or, if there have been modifications, that this Facilities Lease is in full force and effect, as modified, and stating the date and nature of each modification; (ii) the date, if any, to which Rental and other sums payable under this Facilities Lease have been paid; (iii) that no Notice of any default has been delivered to the Corporation which default has not been cured, except as to defaults specified in said certificate; (iv) that there is no Event of Default under this Facilities Lease or an event which, with Notice or the passage of time, or both, would result in an Event of Default under this Facilities Lease, except for defaults specified in said certificate; and (v) such other matters as may be reasonably requested by the Corporation. Any such certificate may be relied upon by any prospective purchaser or existing or prospective mortgagee of the Facilities or any part thereof. The Board's failure to notify the Corporation of any inaccuracies in the proposed certificate within the specified time period shall be conclusive evidence that the matters set forth in the certificate are accurate and correct.

Section 39. Waiver of Jury Trial.

The Corporation and the Board waive trial by jury in any action, proceeding, or counterclaim brought by either of the Parties to this Facilities Lease against the other on any matters whatsoever arising out of or in any way connected with this Facilities Lease, the relationship of the Corporation and the Board, the Board's use or occupancy of the Facilities, or any other Claims, and any emergency statutory or any other statutory remedy.

Section 40. Written Amendment Required.

No amendment, alteration, modification of, or addition to the Facilities Lease will be valid or binding unless expressed in writing and signed by the Corporation and the Board and consented to the extent required by Article VIII of the Agreement.

Section 41. Entire Agreement.

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This Facilities Lease, the exhibits and addenda, if any, contain the entire agreement between the Corporation and the Board. No promises or representations, except as contained in this Facilities Lease, have been made to the Board respecting the condition or the manner of operating the Facilities.

Section 42. Signs.

The Board may attach any sign on any part of the Facilities, or in the halls, lobbies, windows, or elevator banks of the Facilities, without the Corporation's approval. The Board may name the Facilities and change the name, number, or designation of the Facilities, without the Corporation's prior consent.

Section 43. Litigation Expenses.

The Board will pay the Corporation as Additional Rental all reasonable Litigation Expenses and all other reasonable expenses which may be incurred by the Corporation in enforcing any of the obligations of the Board under this Facilities Lease, in exercising its rights to recover against the Board for loss or damage sustained in accordance with the provisions of this Facilities Lease, or in any litigation or negotiation in which the Corporation shall, without its fault, become involved through or because of this Facilities Lease.

Section 44. Brokers.

The Corporation and the Board respectively represent and warrant to each other that neither of them has consulted or negotiated with any broker or finder with regard to the Facilities.

Section 45. No Easements for Air or Light.

Any diminution or shutting off of light, air, or view by any structure that may be erected on any of the lands constituting the Facilities, or on lands adjacent to the Facilities, will in no way affect this Facilities Lease or impose any liability on the Corporation. This Facilities Lease does not grant any rights to light, view and/or air over the Facilities whatsoever.

Section 46. Binding Effect.

The covenants, conditions, and agreements contained in this Facilities Lease will bind and inure to the benefit of the Corporation and the Board and their respective permitted successors and assigns.

Section 47. Rules of Interpretation.

The following rules shall apply to the construction of this Facilities Lease unless the context requires otherwise: (a) the singular includes the plural and the plural includes the singular; (b) words importing any gender include the other genders; (c) references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute to which reference is made and all regulations promulgated pursuant to such statutes; (d) references to "writing" include printing, photocopy, typing, lithography and other means of

reproducing words in a tangible visible form; (e) the words "including" "includes" and "include" shall be deemed to be followed by words "without limitation"; (f) references to the introductory paragraph, preliminary statements, articles, sections (or subdivision of sections), exhibits, appendices, annexes or schedules are to those of this Facilities Lease unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments; (h) references to Persons include their respective successors and assigns to the extent successors or assigns are permitted or not prohibited by the terms of this Facilities Lease; (i) any accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles; (j) "or" is not exclusive; (k) provisions apply to successive events and transactions; (l) references to documents or agreements which have been terminated or released or which have expired shall be of no force and effect after such termination, release, or expiration; (m) references to mail shall be deemed to refer to first-class mail, postage prepaid, unless another type of mail is specified; (n) all references to time shall be to Hammond, Louisiana time; (o) references to specific persons, positions, or officers shall include those who or which succeed to or perform their respective functions, duties, or responsibilities; and (p) the terms "herein", "hereunder" "hereby" "hereof," and any similar terms refer to this Facilities Lease as a whole and not to any particular articles, section or subdivision hereof.

Section 48. Relationship of Parties.

The relationship of the Parties shall be one of lessor and lessee only, and shall not be considered a partnership, joint venture, license arrangement or unincorporated association. The Corporation is not controlled by the Board or under the control of any Person also in control of the Board.

Section 49. Law Between the Parties.

This Facilities Lease shall constitute the law between the Parties, and if any provision of this Facilities Lease is in conflict with the provisions of "Title IX - Of Lease" of the Louisiana Civil Code, Articles 2669 through 2777, inclusive, the provisions of this Facilities Lease shall control.

Section 50. Notices.

All notices, filings and other communications ("Notice") shall be in writing and shall be sufficiently given and served upon the other parties if delivered by hand directly to the persons at the addresses set forth below, or shall be sent by first class mail, postage prepaid, addressed as follows:

The Corporation:

University Facilities, Inc.
SLU Box 10746
Hammond, Louisiana 70402
Attention: Executive Director

With copies at the same time to:

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Seale & Ross
200 North Cate Street
Hammond, Louisiana 70404
Attention: T. Jay Seale

The Board:

Board of Supervisors for the University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Assistant Vice President for Facilities Planning and
Capital Improvements

With copies at the same time to:

Southeastern Louisiana University
Western Avenue
Friendship Circle (SLU Box 10709)
Hammond, Louisiana 70402
Attention: Vice President for Administration and Finance

Trustee:

The Bank of New York Mellon Trust Company, N.A.
One American Place, Suite 1510
301 Main Street
Baton Rouge LA 70825
Attention: Kathy L. Pine, Vice President

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IN WITNESS WHEREOF, the undersigned representative has signed this Facilities Lease on behalf of the Board of Supervisors for the University of Louisiana System as of the ____ day of [_____, 2008].

WITNESSES:

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the undersigned representative has signed this Facilities Lease on behalf of University Facilities, Inc. on the ____ day of [_____, 2008].

WITNESSES:

UNIVERSITY FACILITIES, INC.

By: _____
Name: _____
Title: _____

STATE OF LOUISIANA

PARISH OF _____

BE IT KNOWN, that on this _____ day of [_____, 2008], before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the President of Southeastern Louisiana University, and the authorized representative of the Board of Supervisors for the University of Louisiana System (the "Board"), that the aforesaid instrument was signed by him, on this date, on behalf of the Board and that the above named person acknowledges said instrument to be the free act and deed of the Board.

_____ By: _____

NOTARY PUBLIC

STATE OF LOUISIANA

PARISH OF _____

BE IT KNOWN, that on this ___ day of [_____, 2008], before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

[_____]

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the Chairperson of University Facilities, Inc. (the "Corporation"), and that the aforesaid instrument was signed by him, on this date, on behalf of the Corporation and that the above named person acknowledges the approval of said instrument to be the free act and deed of the Corporation.

By: _____

NOTARY PUBLIC

Approved by Jt. Legislative Comm. on the Budget
Date: 5-11-07

**EXHIBIT A-1
TO THE FACILITIES LEASE**

DESCRIPTION OF THE SERIES 2008A FACILITIES

This facility will contain some of the most important academic and non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. It will be the central core for the campus. The two major components in the 2008A Series will include the Student Union and the Center for Student Excellence. The square footage for this series of space will total approximately 94,320 square feet.

The Student Union will include a large event space and ballroom. It will also consist of a series of student support spaces such as conference and meeting rooms, student organization space, a theater, as well as other activity and lounge spaces. Several administrative offices will also be located in the Union including offices in Student Affairs and Auxiliary Services. Finally, it will be home to the Center for Student Excellence which provides programming and resources to students to enhance and in support of academic achievement, personal development and professional growth.

(N1821600.10)

Approved by Jt. Legislative Comm. on the Budget
Date: 5-11-09

**EXHIBIT A-2
TO THE FACILITIES LEASE**

DESCRIPTION OF THE SERIES 2008B FACILITIES

This facility will contain some of the most important non-academic services on campus. It will determine interaction, traffic patterns, campus flow and dynamics. The two major components in the 2008B Series will include Food Service and the Retail Bookstore totaling approximately 86,600 square feet.

The Food Service area will include a new residential and commuter dining facility as well as a food court and other smaller grab and go locations. The facility will include adequate support space such as seating, kitchens and production space. The Retail Bookstore will house retail textbooks, university paraphernalia, convenience items, reading areas and possibly a food and/or beverage concept. In addition to these two major components, approximately 3,600 square feet of space will be committed to other retail components providing additional services to our campus community.

{N1821600.10}

Approved by Jt. Legislative Comm. on the Budget
Date: 5-11-09

Final

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES

AND COMMUNITY DEVELOPMENT AUTHORITY

SOUTHEASTERN LOUISIANA UNIVERSITY/UNIVERSITY FACILITIES, INC. STUDENT UNION PROJECT

\$31,255,000 SERIES 2010 REVENUE BONDS

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Expenses	DSR	Net New D/S
11/17/2010	-	-	-	-	-	-	-
04/01/2011	-	-	499,024.84	499,024.84	-	(14,402.35)	484,622.49
10/01/2011	440,000.00	0.800%	670,331.88	1,110,331.88	10,000.00	(19,371.09)	1,100,960.79
04/01/2012	-	-	668,571.88	668,571.88	-	(19,371.09)	649,200.79
10/01/2012	600,000.00	1.400%	668,571.88	1,268,571.88	10,000.00	(19,371.09)	1,259,200.79
04/01/2013	-	-	664,371.88	664,371.88	-	(19,371.09)	645,000.79
10/01/2013	610,000.00	1.600%	664,371.88	1,274,371.88	10,000.00	(19,371.09)	1,265,000.79
04/01/2014	-	-	659,491.88	659,491.88	-	(19,371.09)	640,120.79
10/01/2014	625,000.00	2.200%	659,491.88	1,284,491.88	10,000.00	(19,371.09)	1,275,120.79
04/01/2015	-	-	652,616.88	652,616.88	-	(19,371.09)	633,245.79
10/01/2015	640,000.00	2.600%	652,616.88	1,292,616.88	10,000.00	(19,371.09)	1,283,245.79
04/01/2016	-	-	644,296.88	644,296.88	-	(19,371.09)	624,925.79
10/01/2016	655,000.00	3.150%	644,296.88	1,299,296.88	10,000.00	(19,371.09)	1,289,925.79
04/01/2017	-	-	633,980.63	633,980.63	-	(19,371.09)	614,609.54
10/01/2017	680,000.00	3.550%	633,980.63	1,313,980.63	10,000.00	(19,371.09)	1,304,609.54
04/01/2018	-	-	621,910.63	621,910.63	-	(19,371.09)	602,539.54
10/01/2018	705,000.00	4.100%	621,910.63	1,326,910.63	10,000.00	(19,371.09)	1,317,539.54
04/01/2019	-	-	607,458.13	607,458.13	-	(19,371.09)	588,087.04
10/01/2019	735,000.00	4.400%	607,458.13	1,342,458.13	10,000.00	(19,371.09)	1,333,087.04
04/01/2020	-	-	591,288.13	591,288.13	-	(19,371.09)	571,917.04
10/01/2020	765,000.00	3.637%	591,288.13	1,356,288.13	10,000.00	(19,371.09)	1,346,917.04
04/01/2021	-	-	577,378.13	577,378.13	-	(19,371.09)	558,007.04
10/01/2021	795,000.00	3.625%	577,378.13	1,372,378.13	10,000.00	(19,371.09)	1,363,007.04
04/01/2022	-	-	562,968.75	562,968.75	-	(19,371.09)	543,597.66
10/01/2022	825,000.00	3.750%	562,968.75	1,387,968.75	10,000.00	(19,371.09)	1,378,597.66
04/01/2023	-	-	547,500.00	547,500.00	-	(19,371.09)	528,128.91
10/01/2023	855,000.00	4.000%	547,500.00	1,402,500.00	10,000.00	(19,371.09)	1,393,128.91
04/01/2024	-	-	530,400.00	530,400.00	-	(19,371.09)	511,028.91
10/01/2024	890,000.00	4.000%	530,400.00	1,420,400.00	10,000.00	(19,371.09)	1,411,028.91
04/01/2025	-	-	512,600.00	512,600.00	-	(19,371.09)	493,228.91
10/01/2025	930,000.00	4.000%	512,600.00	1,442,600.00	10,000.00	(19,371.09)	1,433,228.91
04/01/2026	-	-	494,000.00	494,000.00	-	(19,371.09)	474,628.91
10/01/2026	965,000.00	4.000%	494,000.00	1,459,000.00	10,000.00	(19,371.09)	1,449,628.91
04/01/2027	-	-	474,700.00	474,700.00	-	(19,371.09)	455,328.91
10/01/2027	1,005,000.00	4.500%	474,700.00	1,479,700.00	10,000.00	(19,371.09)	1,470,328.91
04/01/2028	-	-	452,087.50	452,087.50	-	(19,371.09)	432,716.41
10/01/2028	1,055,000.00	4.500%	452,087.50	1,507,087.50	10,000.00	(19,371.09)	1,497,716.41
04/01/2029	-	-	428,350.00	428,350.00	-	(19,371.09)	408,978.91
10/01/2029	1,100,000.00	4.500%	428,350.00	1,528,350.00	10,000.00	(19,371.09)	1,518,978.91
04/01/2030	-	-	403,600.00	403,600.00	-	(19,371.09)	384,228.91
10/01/2030	1,155,000.00	4.500%	403,600.00	1,558,600.00	10,000.00	(19,371.09)	1,549,228.91
04/01/2031	-	-	377,612.50	377,612.50	-	(19,371.09)	358,241.41
10/01/2031	1,205,000.00	4.500%	377,612.50	1,582,612.50	10,000.00	(19,371.09)	1,573,241.41
04/01/2032	-	-	350,500.00	350,500.00	-	(19,371.09)	331,128.91
10/01/2032	1,265,000.00	5.000%	350,500.00	1,615,500.00	10,000.00	(19,371.09)	1,606,128.91
04/01/2033	-	-	318,875.00	318,875.00	-	(19,371.09)	299,503.91
10/01/2033	1,330,000.00	5.000%	318,875.00	1,648,875.00	10,000.00	(19,371.09)	1,639,503.91
04/01/2034	-	-	285,625.00	285,625.00	-	(19,371.09)	266,253.91
10/01/2034	1,400,000.00	5.000%	285,625.00	1,685,625.00	10,000.00	(19,371.09)	1,676,253.91
04/01/2035	-	-	250,625.00	250,625.00	-	(19,371.09)	231,253.91
10/01/2035	1,470,000.00	5.000%	250,625.00	1,720,625.00	10,000.00	(19,371.09)	1,711,253.91
04/01/2036	-	-	213,875.00	213,875.00	-	(19,371.09)	194,503.91
10/01/2036	1,545,000.00	5.000%	213,875.00	1,758,875.00	10,000.00	(19,371.09)	1,749,503.91
04/01/2037	-	-	175,250.00	175,250.00	-	(19,371.09)	155,878.91
10/01/2037	1,625,000.00	5.000%	175,250.00	1,800,250.00	10,000.00	(19,371.09)	1,790,878.91
04/01/2038	-	-	134,625.00	134,625.00	-	(19,371.09)	115,253.91
10/01/2038	1,705,000.00	5.000%	134,625.00	1,839,625.00	10,000.00	(19,371.09)	1,830,253.91
04/01/2039	-	-	92,000.00	92,000.00	-	(19,371.09)	72,628.91
10/01/2039	1,795,000.00	5.000%	92,000.00	1,887,000.00	10,000.00	(19,371.09)	1,877,628.91
04/01/2040	-	-	47,125.00	47,125.00	-	(19,371.09)	27,753.91
10/01/2040	1,885,000.00	5.000%	47,125.00	1,932,125.00	10,000.00	(1,956,479.85)	(14,354.85)
Total	\$31,255,000.00	-	\$27,116,724.32	\$58,371,724.32	\$300,000.00	(3,094,405.42)	\$55,577,318.90

SERIES 2010 - PRELIMINARY | Issue Summary | 11/3/2010 | 12:35 PM

Morgan Keegan

Member FINRA, SIPC

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Morgan Keegan & Company, Inc.
Baton Rouge Public Finance
II City Plaza
400 Convention Street, Suite 300
Baton Rouge, Louisiana 70802
225/388-2647
WATS 800/723-2401
FAX 225/388/2697

**TO: The Southeastern Louisiana University
Working Group**

FROM: John Poche

DATE: November 16, 2010

**RE: \$31,255,000
LOUISIANA COMMUNITY DEVELOPMENT AUTHORITY
SOUTHEASTERN LOUISIANA UNIVERSITY / UNIVERSITY FACILITIES, INC. (STUDENT UNION
PROJECT) SERIES 2010A&B REVENUE BONDS**

FINAL SLU SERIES 2010A&B CLOSING MEMORANDUM

I. PRE-CLOSING AND CLOSING

The pre-closing will occur on **Tuesday November 16, 2010 at 2:00 p.m. at the offices of Jones, Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P.**

The closing and transfer of funds will occur on the next morning, **Wednesday, November 17, 2010 at 9:00 a.m.** at the same location.

Jones, Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P.
8555 United Plaza Blvd.
Baton Rouge, Louisiana 70809
(225) 248-2114

II. SOURCES AND USES OF FUNDS

	SERIES 2010A TAX EXEMPT	SERIES 2010B TAXABLE	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$25,470,000.00	\$5,785,000.00	\$31,255,000.00
University Equity contribution	-	5,831,600.00	5,831,600.00
Net Original Issue Discount (OID)	(36,218.00)	-	(36,218.00)
Total Sources	\$25,433,782.00	\$11,616,600.00	\$37,050,382.00
Uses Of Funds			
Deposit to Project Construction Fund	23,029,049.33	11,102,499.11	34,131,548.44
Deposit to Debt Service Reserve Fund (DSRF)	1,578,568.55	358,540.21	1,937,108.76
Gross Bond Insurance Premium	438,267.72	57,891.94	496,159.66
Costs of Issuance	224,888.40	60,644.74	285,533.14
Total Underwriter's Discount	163,008.00	37,024.00	200,032.00
Total Uses	\$25,433,782.00	\$11,616,600.00	\$37,050,382.00

Morgan Keegan

Member FINRA, SIPC

FINAL SLU CLOSING MEMORANDUM – FLOW OF FUNDS

III. UNIVERSITY PAYMENT INSTRUCTIONS

On **Tuesday, November 16, 2010**, the University will wire its equity payment of \$5,831,600.00 to the Trustee per the following wire instructions:

Regions Bank Birmingham
ABA # 062000019
AC # 0017541387 Wealth Management Operations
FFC: 5280006677 LLGEFSLU10B BPC

IV. SERIES 2010A&B PAYMENT INSTRUCTIONS

On **Wednesday morning, November 17, 2010**, Morgan Keegan will wire payment of the Net Purchase Price of the Series 2010A&B Bonds totaling **\$30,522,590.34** to the Trustee, Regions Bank. The settlement of funds for the Series 2010A&B Bonds are as follows:

Series 2010A&B Bond Par Amount	\$31,255,000.00
Less: Net Original Issue Discount	(36,218.00)
Less: Bond Insurance Premium	(496,159.66)
Less: Underwriter's Discount	<u>(200,032.00)</u>
Net Purchase Price	\$30,522,590.34

The wire instructions for the Trustee for the settlement of Series 2010A&B Bonds are as follows:

Regions Bank Birmingham
ABA # 062000019
AC # 0017541387 Wealth Management Operations
FFC: 5280006668 LLGEFSLU10A BPC

On **Wednesday morning, November 17, 2010**, Morgan Keegan, on behalf of the University, will wire payments totaling **\$496,159.66** to Assured Guaranty Municipal for payment of the bond insurance representing \$438,267.72 for the Series 2010A issue and \$57,891.94 for the Series 2010B issue. The wire instructions for AGM are as follows:

The Bank of New York
ABA #021000018
Credit to: Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.)
Acct. #8900297263
Policy No. 212858-N

V. RECEIPT AND DISBURSEMENT OF FUNDS

A. The Trustee will receive **\$5,831,600.00** from Southeastern Louisiana University on Tuesday, November 16th to be deposited into the Series 2010B Project Fund.

Morgan Keegan

Member FINRA, SIPC

- B.** On Wednesday morning, November 17th, the Trustee will receive **\$30,522,590.34** from Morgan Keegan to be deposited to the Bond Proceeds Account and allocated as established by the Trust Indenture as follows:

\$23,029,049.33 of the bond proceeds should be transferred into the Series 2010A Project Account;

\$5,270,899.11 of the bond proceeds should be transferred into the Series 2010B Project Account. (These funds together with the University contribution of \$5,831,600.00 provide a total Series 2010B Project Fund balance of \$11,102,499.11) ;

\$224,888.40 of the bond proceeds should be transferred into the Series 2010A Cost of Issuance Sub-account to pay the cost of issuance related to the Series 2010A Bonds. The Trustee will disburse the amounts in the Series 2010 Cost of Issuance Account pursuant to written authorization from the University;

\$60,644.74 of the bond proceeds should be transferred into the Series 2010B Cost of Issuance Sub-account to pay the cost of issuance related to the Series 2010B Bonds. The Trustee will disburse the amounts in the Series 2010 Cost of Issuance Account pursuant to written authorization from the University;

\$1,578,568.55 of the bond proceeds should be transferred into the Series 2010A Debt Service Reserve Account;

\$358,540.21 of the bond proceeds should be transferred into the Series 2010B Debt Service Reserve Account.

VI. RELEASE OF BONDS

DTC Underwriting (212-855-3752) will release the Bonds to Morgan Keegan & Company, Inc. (#780) upon notification from Morgan Keegan and the Trustee that the issue is closed.

Final

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES

AND COMMUNITY DEVELOPMENT AUTHORITY

SOUTHEASTERN LOUISIANA UNIVERSITY/UNIVERSITY FACILITIES, INC. STUDENT UNION PROJECT
\$31,255,000 SERIES 2010 REVENUE BONDS

Project Summary

Dated 11/17/2010 | Delivered 11/17/2010

	SERIES 2010A TAX EXEMPT	SERIES 2010B TAXABLE	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$25,470,000.00	\$5,785,000.00	\$31,255,000.00
Planned Issuer Equity contribution	-	5,831,600.00	5,831,600.00
Original Issue Discount (OID)	(36,218.00)	-	(36,218.00)
Total Sources	\$25,433,782.00	\$11,616,600.00	\$37,050,382.00
Uses Of Funds			
Deposit to Project Construction Fund	23,029,049.33	11,102,499.11	34,131,548.44
Deposit to Debt Service Reserve Fund (DSRF)	1,578,568.55	358,540.21	1,937,108.76
Gross Bond Insurance Premium	438,267.72	57,891.94	496,159.66
Costs of Issuance	224,888.40	60,644.74	285,533.14
Total Underwriter's Discount	163,008.00	37,024.00	200,032.00
Total Uses	\$25,433,782.00	\$11,616,600.00	\$37,050,382.00

Flow of Funds Detail

State and Local Government Series (SLGS) rates for
Date of OMP Candidates

Primary Purpose Fund Solution Method	Net Funded	Net Funded	Net Funded
Total Cost of Investments	\$23,029,049.33	\$11,102,499.11	\$34,131,548.44
Interest Earnings @ 0.200%	70,115.67	29,899.90	100,015.57
Total Draws	\$23,099,165.00	\$11,132,399.00	\$34,231,564.00
Debt Service Reserve Fund Solution Method	Gross Funded	Gross Funded	Gross Funded
Total Cost of Investments	\$1,578,568.55	\$358,540.21	\$1,937,108.76
Interest Earnings @ 2.000%	943,092.32	214,204.34	1,157,296.66
Transfers to Debt Service Fund	(943,092.32)	(214,204.34)	(1,157,296.66)
Total Draws	\$1,578,568.55	\$358,540.21	\$1,937,108.76

Bond Statistics

Average Life	21.578 Years	5.242 Years	18.555 Years
Average Coupon	4.7472928%	3.3826522%	4.6759317%
Net Interest Cost (NIC)	4.7835424%	3.5047397%	4.7166700%
Bond Yield for Arbitrage Purposes	4.7556009%	4.7556009%	4.7556009%
True Interest Cost (TIC)	4.7658592%	3.4845481%	4.6737868%
All Inclusive Cost (AIC)	5.0139201%	3.9573860%	4.9366659%

SERIES 2010 - PRELIMINARY | Issue Summary | 11/3/2010 | 12:35 PM

Morgan Keegan

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Preliminary

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES

AND COMMUNITY DEVELOPMENT AUTHORITY

SOUTHEASTERN LOUISIANA UNIVERSITY / UNIVERSITY FACILITIES, INC. STUDENT UNION

\$31,255,000 SERIES 2010 REVENUE BONDS (INSURED)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
10/01/2011	Serial Coupon	0.800%	0.800%	440,000.00	100.000%	440,000.00
10/01/2012	Serial Coupon	1.400%	1.400%	600,000.00	100.000%	600,000.00
10/01/2013	Serial Coupon	1.600%	1.600%	610,000.00	100.000%	610,000.00
10/01/2014	Serial Coupon	2.200%	2.200%	625,000.00	100.000%	625,000.00
10/01/2015	Serial Coupon	2.600%	2.600%	640,000.00	100.000%	640,000.00
10/01/2016	Serial Coupon	3.150%	3.150%	655,000.00	100.000%	655,000.00
10/01/2017	Serial Coupon	3.550%	3.550%	680,000.00	100.000%	680,000.00
10/01/2018	Serial Coupon	4.100%	4.099%	705,000.00	100.000%	705,000.00
10/01/2019	Serial Coupon	4.400%	4.399%	735,000.00	100.000%	735,000.00
10/01/2020	Serial Coupon	4.600%	4.599%	95,000.00	100.000%	95,000.00
10/01/2020	Serial Coupon	3.500%	3.610%	670,000.00	99.090%	663,903.00
10/01/2021	Serial Coupon	3.625%	3.790%	795,000.00	98.537%	783,369.15
10/01/2022	Serial Coupon	3.750%	3.900%	825,000.00	98.581%	813,293.25
10/01/2023	Serial Coupon	4.000%	4.000%	855,000.00	100.000% c	855,000.00
10/01/2024	Serial Coupon	4.000%	4.100%	890,000.00	98.946%	880,619.40
10/01/2025	Serial Coupon	4.000%	4.160%	930,000.00	98.234%	913,576.20
10/01/2026	Serial Coupon	4.000%	4.200%	965,000.00	97.696%	942,766.40
10/01/2031	Term 1 Coupon	4.500%	4.620%	5,520,000.00	98.398%	5,431,569.60
10/01/2040	Term 2 Coupon	5.000%	4.880%	14,020,000.00	100.925% c	14,149,685.00
Total	-	-	-	\$31,255,000.00	-	\$31,218,782.00

Bid Information

Par Amount of Bonds	\$31,255,000.00
Reoffering Premium or (Discount)	(36,218.00)
Gross Production	\$31,218,782.00
Total Underwriter's Discount (0.640%)	\$(200,032.00)
Bid (99.244%)	31,018,750.00
Total Purchase Price	\$31,018,750.00
Bond Year Dollars	\$579,921.31
Average Life	18.555 Years
Average Coupon	4.6759317%
Net Interest Cost (NIC)	4.7166700%
True Interest Cost (TIC)	4.6737868%