

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

May 4, 2017

Item C. **Grambling State University's** request for approval to enter into a Ground Lease/Lease Back Agreement with the Grambling University Foundation for the purpose of resurfacing, installation, drainage adjustments, and technology improvements for the Eddie Robinson Memorial Stadium football field.

EXECUTIVE SUMMARY

Grambling State University's football field is in dire need of repairs and replacement. Time is of the essence to complete the replacement project by August 2017. The University Foundation has secured a line of credit to complete the project. The University secured an upfront donation from one of its sponsorships from Coca-Cola United funding sources over a period from sponsor Coca-Cola United to pay a lease payment to the University Foundation for the project cost and donations to fund the repairs and replacement.

To carry out the project, the Board on behalf of Grambling would lease land to the Grambling University Foundation. The Foundation would then provide the funds to complete the project. Upon completion of the project, the Foundation will lease the facility back to Grambling State University and the lease payments will be paid from the annual Coca-Cola United capital improvement contributions and secured donations until the total cost of the project is paid in full to the Foundation. Once the cost of the turf project is fully paid, the lease will terminate.

Grambling State University requests permission to enter into a land lease/lease back with the Grambling State University Foundation for the purpose described above.

RECOMMENDATION

It is recommended that the following resolution be adopted:

***NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors for the University of Louisiana System hereby approves Grambling State University's request to enter into a Ground Lease/Lease Back Agreement with the Grambling University Foundation for the purpose of resurfacing, installation, drainage adjustments, and technology improvements for the Eddie Robinson Memorial Stadium football field.*

***BE IT FURTHER RESOLVED**, that Grambling State University shall obtain final review from UL System staff, legal counsel and shall secure all other appropriate approvals from agencies/parties of processes, documents, and administrative requirements.*

***BE IT FURTHER RESOLVED**, that the President of Grambling State University and his or her designee is hereby designated and authorized to execute any and all documents necessary to execute the Ground Lease/Lease Back Agreement.*

***AND FURTHER**, that the University will provide the System office with copies of all final executed documents for Board files.*



Office of the President

May 2, 2017

Dr. Jim Henderson
President
University of Louisiana System
1201 North Third Street, Ste. 7-300
Baton Rouge, LA 70802

Dear Dr. Henderson:

I am writing to request permission to place the following item on the agenda for the special meeting of the University of Louisiana System Board of Supervisors on Thursday, May 4, 2017:

1. Request for Upgrades to Robinson Stadium at Grambling State University

Thank you.

Sincerely,

Richard J. Gallot, Jr., JD
President

RJG:jj

GROUND LEASE

STATE OF LOUISIANA

PARISH OF LINCOLN

KNOW ALL MEN BY THESE PRESENTS THAT:

BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM with and on behalf of Grambling State University, represented herein by President Richard J. Gallot, Jr. duly authorized by resolution of said Board of Supervisors,

Hereinafter referred to as "**LESSOR**" and,

Grambling University Foundation (GUF), a non-profit corporation, domiciled in Lincoln, Louisiana, with its address of P. O. Box 587, Grambling, Louisiana 71245 represented herein by its duly authorized representative David Aubrey, Chairman of GUF,

Hereinafter referred to as "**TENANT**", have covenanted and agreed as follows:

WITNESSETH

**ARTICLE 1
LEASE OF PROPERTY**

1.1 Lease of Property. Lessor, in consideration of the rent, covenants, agreements and conditions hereinafter set forth, which TENANT hereby agrees shall be paid, kept and performed by TENANT, does hereby lease, let, demise and rent exclusively unto Tenant, and Tenant does hereby rent and lease from Lessor the following described property, together with all improvements thereon, all rights, ways, privileges, servitudes, appurtenances and advantages thereunto belonging or in anywise appertaining, situated in Lafourche Parish, Louisiana, to-wit:

All the property described on Exhibit A, the "Leased Property".

1.2 Habendum Clause. TO HAVE AND TO HOLD a lease upon the Leased Property unto Tenant, Tenant's heirs and successors.

1.3 Designation of Instrument. This contract of lease, including all terms, provisions, covenants, agreements and conditions thereof, is hereafter sometimes referred to as the or this "Lease".

1.4 Purpose. The primary purpose for which Tenant is leasing the Lease Property, and for which Lessor is granting this Lease, is for Tenant to make repairs and replacements at Eddie Robinson Memorial Stadium, identified in Exhibit A, hereinafter the "Project". All excavation and removal of soil and turf are the sole responsibility of the Lessor. The Turf Warranty will be executed in favor of Lessor at time of completion. Plans and specifications for improvements in the Project must be approved by Lessor prior to installation.

ARTICLE 2 TERM

2.1 Term. The term of this Lease shall be for a period commencing on the date of execution and ending at midnight on the ___ day of ___ 2017 or at such time as identified in the Facilities Lease between the Corporation and Board.

ARTICLE 3 RENT

3.1 Consideration. In consideration of said Lease, Tenant shall pay one dollar (\$1.00) per year and does agree to proceed with the improvements in the Project as defined in the Facilities Lease in substantial accordance with standards satisfactory to Lessor.

ARTICLE 4 WARRANTY

4.1 Non- Warranty. This Lease is made by Lessor and accepted by Tenant without any warranty of title or recourse whatsoever against Lessor, and without any warranty as to the fitness of the Leased Property.

4.2 Access. Lessor reserves the right, and shall, at all times, have access to the Leased Property for the exercise of all rights as Owner not specifically leased hereunder.

ARTICLE 5 UTILITIES

5.1 Payment. Lessor shall pay all utilities incurred with the operation of the Leased Property, as well as all deposits and service charges in connection therewith.

ARTICLE 6 MAINTENANCE AND REPAIRS

6.1 Obligation to Maintain. Tenant shall be obligated to keep the Leased Property in a reasonable state of cleanliness, considering the contractual activities contemplated by Tenant.

6.2 Right of Inspection. Lessor shall, at all reasonable times, have access to the

Leased Property for purposes of inspection of the same.

6.3 Regulations. Tenant hereby agrees that it shall comply with all laws and ordinances regulating its operations of Leased Property and that it will secure, at its own expense, all necessary permits and licenses from all governmental agencies or bodies.

ARTICLE 7 IMPROVEMENTS

7.1 Ownership. Tenant agrees that all permanent improvements or alterations made to the Leased Property shall become the property of Lessor and Tenant shall not be entitled to any credit, reimbursement or payment for such improvements at the time of the donation of the project to the Lessor. At the end of the lease period, Tenant shall donate or execute any other document necessary to convey any movable property which is incidental to or an accessory to the permanent improvement constructed on the Leased Property by Tenant.

7.1.2 Liens. Tenant, in connection with any work, construction, alteration or remodeling of Leased Property, does hereby agree to indemnify, defend and hold Lessor harmless from any lien or privilege which may be filed against the Leased Property by virtue of any work or improvements done by or for the account of Tenant, the agents, contractors or subcontractors, and Tenant shall remove by payment or bonding, any such lien or privilege within thirty (30) days of filing of the same.

7.2 Installation of Movables. Tenant shall have the right to install any furniture, fixtures, equipment, machinery or other chattels or property of a similar non-permanent nature on the Leased Property.

7.2.1 Ownership. Lessor agrees that the title to all property placed on the Leased Property by Tenant as described in 7.2 shall be vested and remain with Tenant during the term of this Lease, ceasing at the time of the termination of the Lease and donation of the Project as described herein.

ARTICLE 8 INSURANCE

8.1 Insurance by Tenant. During the term of this Lease Tenant shall, at Tenant's sole cost and expense, keep and maintain the following policies of insurance for the coverage and amounts set forth under each described insurance. The terms and conditions of said policies shall meet all the standards, specifications, and conditions outlined on the attached Exhibit B.

8.1.1 Builder's Risk and Fire and Extended Coverage. Fire and extended coverage, together with vandalism and malicious mischief insurance for the full insurable value of the Leased Property and all improvements situated on the Leased Property, so as to avoid a co-insurance penalty at the time of any loss.

8.1.2 Comprehensive General Liability Insurance. Comprehensive general liability insurance insuring Tenant and Lessor against liability to the public or to any person using or present on the Leased Property, including the building and improvements located thereon during the term of the Lease or any extension thereof, which insurance shall be in the amount of \$1,000,000.00 combined single limit per occurrence for bodily injury, personal injury and property damage. Policy coverage shall be at least as broad as Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001). "Claims Made" form is unacceptable. The "occurrence form" shall not have a "sunset clause".

8.1.3 Named Insured. All policies of insurance shall state Lessor as a named insured, and, if applicable, contain a loss payable clause for the benefit of Lessor and/or be properly endorsed with a waiver of subrogation against Lessor.

8.1.4 Non-Cancellation Agreement. Each policy of insurance shall, to the extent obtainable, contain an agreement by the insurer that such policies shall not be canceled unless at least thirty (30) days prior written notice is given to Lessor.

8.2 Certificates of Insurance. Tenant shall provide Lessor, within five (5) days after the effective date of this Lease, certificates of insurance evidencing the effectiveness of the insurance coverage required under 8.1, which certificates of insurance shall bear notations evidencing the payment of premiums or accompanied by other reasonable evidence of such payment by Tenant.

ARTICLE 9 TAXES AND ASSESSMENTS

9.1 Personal Property Taxes. Tenant shall be responsible for all property taxes or assessments during the terms of this Lease on the personal property, equipment, leasehold interest, furniture and fixtures, whether movable or immovable, which Tenant may place on the Leased Property.

ARTICLE 10 INDEMNITY

10.1 Indemnity. Tenant shall indemnify, defend and hold harmless Lessor of and from any and all suits, claims, actions, causes of action, losses, expenses or damages, including attorney's fees, relating to, in connection with, or arising out of or resulting from the use and enjoyment of the Leased Property and all privileges granted herein by this Lease to Tenant, with respect to all persons, including all agents, employees, servants or invitees of Tenant, as well as all property, whether emanating by way of intentional acts, negligence, non-performance or strict liability, and Lessor is further extended the immunity from liability provided by LSA-R.S. 9:3221. As a further consideration of this contract, Tenant, for itself and its successors, assigns, agents, contractors, employees, invitees, customers and licensees, especially releases Lessor from any and all warranties against vices and/or defects, of the Leased Property and all liability for damages suffered from said vices and/or defects and Tenant obligates itself to hold Lessor harmless against any loss for damages or injuries that may be

suffered by any person, including Tenant's agents, contractors, employees, invitees and licensees, caused by or resulting from any defects of the Leased Property. In addition, Tenant agrees to defend Lessor in any legal action against it and pay in full or satisfy any claims, demands, or judgments made or rendered against Lessor and to reimburse Lessor for any legal expense, including attorney's fees and court costs, which may be incurred by it in defense of any claim or legal action.

ARTICLE 11 ASSIGNMENT OR SUBLEASE

11.1 Assignment or Sublease. Tenant shall not have the right to assign the Lease in whole or in part, nor sublet the Leased Property, in whole or part, without the prior written consent of Lessor. Any attempted assignment or sublease without the written consent of Lessor shall be null and void as to Lessor.

ARTICLE 12 DEFAULT

12.1 Default. If Tenant shall default in any condition or covenant of this Lease, and if such default continues for a period of thirty (30) days after Lessor has notified Tenant of such default and its intention to declare the Lease forfeited, it is thereupon considered terminated or should an execution be issued against Tenant then, and in such event, this Lease shall become null and void.

12.2 In the event of default, Tenant agrees to pay all costs of eviction, repossession, or other judicial remedies available by law and agrees to pay reasonable attorney fees. Lessor shall be entitled to twelve (12%) per annum interest on such amount due after default until paid and said attorney fees shall not be less than (15%) nor more than twenty-five (25%) of the amount due.

ARTICLE 13 NOTICES

13.1 Notices. Any notice, communication, and/or consent provided or permitted to be given, made or accepted by either party must be in writing, and unless otherwise expressly provided herein, shall be deemed properly given or served only if delivered personally to the other party hereto or sent by certified mail, return receipt requested, to the respective parties at the following address:

Lessor: c/o Martin Lemelle, Jr.
 Chief Operating Officer
 Grambling State University
 Grambling, LA 71245

Tenant: c/o David Aubrey, Chairman
 Grambling University Foundation
 P. O. Box 587
 Grambling, LA 71245

Notice deposited in the mail in the manner set forth above shall be effective, unless otherwise stated in this Lease, from and after the expiration of three (3) days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the party to be notified. The parties hereto shall have the right to change their respective addresses for the receipt of notices only upon giving of at least fifteen (15) days written notice to the other party by way of certified mail, return receipt requested.

ARTICLE 14 SURRENDER OF POSSESSION

14.1 Surrender of Possession. At the expiration of the Lease, or its termination for other causes, Tenant is obligated to immediately peaceably surrender possession to Lessor. Tenant expressly waives any notice to vacate at the expiration of this Lease and all legal delays, and hereby confesses judgment, including costs, placing Lessor in possession to be executed at once. Should Lessor allow or permit Tenant to remain on the Leased Property after the expiration of this Lease, or the expiration of any renewal term of this Lease, such shall expressly not be construed as a reconduction of this Lease.

ARTICLE 15 SPECIFIC PERFORMANCE

15.1 Specific Performance. Should Lessor or Tenant fail to perform any of the respective obligations of each set forth in this Lease, then the other party shall have the right to demand specific performance and/or damages, plus reasonable attorney's fee.

ARTICLE 16 BINDING EFFECT

16.1 Binding Effect. With the exceptions hereinabove mentioned, all the covenants, provisions, terms and agreements and conditions of this Lease shall inure to the benefit of and be binding upon the heirs, successors and assigns of the respective parties hereto as fully as upon said parties.

ARTICLE 17 GENDER

17.1 Gender. Where the word "Lessor" or the word "Tenant" occurs in this instrument or is referred to the same shall be construed as singular or plural, masculine, feminine or neuter.

ARTICLE 18 SEVERABILITY

18.1 Severability. If any provisions of this Lease shall be construed to be illegal or

invalid, it shall not affect the legality or validity of any of the other provisions hereof. The illegal or invalid provisions shall be deemed stricken and deleted here from to the same extent and effect as if never incorporated herein. All other provisions hereof shall continue in full force and effect.

**ARTICLE 19
EFFECTIVE DATE**

19.1 Effective Date. The effective date of this Lease, irrespective of the date of execution by Lessor or Tenant, shall be May _____, 2017.

THIS DONE AND PASSED in the presence of the undersigned competent witnesses in the City of Grambling, Parish of Lincoln, State of Louisiana on this _____ day of, 2017.

WITNESSES:

GRAMBLING UNIVERSITY
FOUNDATION

David Aubrey, Chairman

NOTARY PUBLIC
Print Name:
Notary ID #
My Commission expires: _____

WITNESSES:

GRAMBLING STATE UNIVERSITY

Richard J. Gallot, Jr., President

NOTARY PUBLIC
Print Name:
Notary ID #

My Commission expires: _____

**** EXHIBIT B ****

INSURANCE REQUIREMENTS FOR CONTRACTORS

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors. The cost of such insurance shall be included in the Contractor's bid.

A. MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability "occurrence" coverage form CG 00 01 (current form approved for use in Louisiana). **"Claims Made" form is unacceptable.**
2. Insurance Services Office form number CA 00 01 (current form approved for use in Louisiana). The policy shall provide coverage for owned, hired, and non-owned coverage. If an automobile is to be utilized in the execution of this contract, and the vendor/contractor does not own a vehicle, then proof of hired and non-owned coverage is sufficient.
3. Workers' Compensation insurance as required by the Labor Code of the State of Louisiana, including Employers Liability insurance.

B. MINIMUM LIMITS OF INSURANCE

Contractor shall maintain limits no less than:

1. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
2. Automobile Liability: \$1,000,000 combined single limit per accident, for bodily injury and property damage.
3. Workers Compensation and Employers Liability: Workers' Compensation limits as required by the Labor Code of the State of Louisiana and Employer's Liability coverage. Exception: Employer's liability limit is to be \$1,000,000 when work is to be over water and involves maritime exposure.

C. DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by the Agency. At the option of the Agency, either 1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Agency, its officers, officials, employees and volunteers, or 2) the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages
 - a. The Agency, its officers, officials, employees, Boards and Commissions and volunteers are to be added as "additional insureds" as respects liability arising out of activities performed by or

on behalf of the Contractor; products and completed operations of the Contractor, premises owned, occupied or used by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers. It is understood that the business auto policy under "Who is an Insured" automatically provides liability coverage in favor of the State of Louisiana.

- b. Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the Agency, its officers, officials, employees, Boards and Commissions or volunteers.
- c. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

2. Workers' Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees and volunteers for losses arising from work performed by the Contractor for the Agency.

3. All Coverages

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

E. ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with a Best's rating of **A-VI or higher**. This rating requirement may be waived for workers' compensation coverage only.

F. VERIFICATION OF COVERAGE

Contractor shall furnish the Agency with certificates of insurance affecting coverage required by this clause. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

G. SUBCONTRACTORS

Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

**AGREEMENT TO LEASE
by and between**

**GRAMBLING UNIVERSITY FOUNDATION
(as Lessor)**

and

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM, on behalf of
GRAMBLING STATE UNIVERSITY
(as Lessee)**

This **AGREEMENT TO LEASE** (together with any amendment hereto or supplement hereof, the "*Facilities Lease*"), dated as of May __, 2017, is entered into by and between **GRAMBLING UNIVERSITY FOUNDATION**, a Louisiana nonprofit corporation represented herein by its Chairman, David Aubrey (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, on behalf of Grambling State University (the "*University*") represented herein by the President of Grambling State University and Board Representative, Richard J. Gallot, Jr.

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 Eddie Robinson Memorial Stadium Field (the "*Facilities*") located at the University is in severe disrepair and must be resurfaced and renovated for future use ("the Project");

WHEREAS, the Board, with and on behalf of the University, owns the ground on which the Corporation proposes to renovate the Facilities (as defined herein) with resurfacing, installation and drainage adjustments needed on the stadium field for the estimated cost of \$2,200,000 Dollars;

WHEREAS, the Corporation is a nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201 *et seq.*), to acquire construct, develop, manage, lease as lessor or lessee, mortgage and/or convey facilities on the campus of the University;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3365, the Board is authorized to lease to a nonprofit entity, such as the Corporation, any portion of the campus or other immovable property of the University for the Corporation

WHEREAS, the Board desires to proceed in accord with the Ground Lease and the

Plans and Specifications and to lease the Leased Property (as defined herein) to the Corporation for the purpose of developing, designing, renovating and modifying the Facilities at the University which will be completed through use of an upfront payment of \$260,000.00 dollars in sponsorship from Coca-Cola United and \$1,500,000 dollars in rental payments over a ten year period paid by Coca-Cola United Capital Improvement Contributions. The remaining balance of approximately \$400,000 dollars will be paid through GUF via annual fundraising projects, using no money of the University.

WHEREAS, the Board and the Corporation have agreed to enter into the Ground Lease dated of even date herewith whereby the Board will lease the Leased Property to the Corporation to proceed with the Project for renovation of the Facilities; and

WHEREAS, the Corporation and the Board have agreed that the Corporation shall replace the Turf at the Facilities on the Leased Property and such other modifications necessary for the field's repair pursuant to the Ground Lease, as approved by the Board, and sublease the Facilities to the Board on behalf of the University pursuant to this Facilities Lease, with the accompanying payments and donations used to pay for the Project listed herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

Section 1. Facilities Lease; Term of Lease. The Corporation hereby subleases the Facilities and subleases the Leased Property, with existing improvements to be renovated, to the Board, and the Board hereby leases the Facilities and subleases the Leased Property, with existing improvements to be renovated, from the Corporation effective as of the Commencement Date of this Facilities Lease and agrees upon completion of the Project of the Facilities and the payment to the Corporation as indicated herein to accept possession of the Facilities, as renovated and agrees to pay the 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, as renovated and/or constructed under the terms and provisions of this 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 retirement of the GUF debt.

Section 2. Acknowledgments, Representations and Covenants of the Board. The Board represents and covenants as follows:

(a) The Board has full power and authority to enter into this Facilities 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 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 and thereof, 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.

Section 3. 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 been qualified as a federally designated 501(c)(3) organization, has the power to enter into the transactions contemplated by, and to carry out its obligations under this Facilities Lease and the Ground Lease. 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 of its Board of Directors, the Corporation has been duly authorized to execute and deliver this Facilities Lease and the Ground Lease; and

(b) The execution and delivery of this Facilities Lease and Ground Lease, 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 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;

Section 4. Waiver and Disclaimer of Warranties.

(a) 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 affirmatively reserves its rights against all parties except the Corporation in this regard.

(b) 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 hereby 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 2476 and 2695, and waives all rights in rehibition 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 that the Board has voluntarily and knowingly consented to this waiver of warranty of fitness and/or warranty against rehibition defects and vices for the Facilities.

(c) 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 any such Hazardous Substance imposed on the Corporation or the Board, which shall be payable by the Board as Additional Rent hereunder to the extent imposed upon the Corporation. The Board affirmatively reserves its right against all parties except the Corporation in this regard.

(d) The obligations and liabilities of the Corporation undertaken in this Facilities Lease do not give rise to any personal obligation or liability of the officers, directors, members or other persons or entities affiliated with the Corporation.

Section 5. Rental.

(a) The Board, for and in consideration of the Corporation entering into the Ground Lease, renovating and refurbishing the Facilities in accordance with the Ground Lease and subleasing the Leased Property and leasing the Facilities to the Board pursuant to the terms hereof, hereby covenants and agrees to pay Rental in the amounts identified herein, such amounts constituting in the aggregate the Rental payable under this Facilities Lease.

Section 6. Operation, Alterations, Maintenance, Repair & Replacement.

(a) The Board or the University shall be responsible for procuring and maintaining or cause to be procured or maintained all services necessary or required in order to adequately operate the Facilities; and

(b) The Board or the University shall be responsible for maintaining the Facilities and shall make or contract or cause to be made or contracted with a suitable contractor selected in accordance herewith for the making of all alterations, repairs, restorations, and replacements to the Facilities.

Section 7. Utilities.

(a) 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

the University. Payments for Utilities Services provided to the entire Facilities (or to the common area of the Facilities) under such contract or contracts thereof as the Board or The University may make shall be made by the Board or The University directly to the respective utility companies furnishing such Utility Services.

(b) 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 the Utility Service. The Board shall reimburse the Corporation for all utilities used in the Facilities to the extent such utilities are procured at the expense of the Corporation. 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, lighting, security, or for surges or interruptions of electricity.

Section 8. Insurance.

(a) The Facilities are self-insured through the Office of Risk Management, Division of Administration, State of Louisiana. The Board will insure continuation of that policy.

Section 9. Condemnation, Casualty and Other Damage.

(a) The Board hereby covenants and agrees, to the extent it may lawfully do so, that so long as any of the Bonds remain outstanding and unpaid, the Board will not exercise the power of condemnation with respect to the Facilities. The Board further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the Board should fail or refuse to abide by such covenant and condemns the Facilities, the appraised value of the Facilities shall not be less than the greater of (i) if such Bonds are then subject to redemption, the principal and interest components of the Bonds outstanding through the date of their redemption, or (ii) if such Bonds are not then subject to redemption, the amount necessary to defease such Bonds to the first available redemption date in accordance with the Indenture.

Section 10. 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 11. 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, 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 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 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 12. 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 of 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 lease, 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.

Section 13. 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 anyone 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 as Additional Rental from the Board. The waiver by the Corporation of any term, covenant or condition hereof shall not operate as a 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 14. 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 whatsoever. 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 15. 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 16. Law Governing. This Facilities Lease is made in the State of Louisiana under the Constitution and laws of the State of Louisiana and is to be governed by the laws of the State of Louisiana.

Section 17. No 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 18. Time of the Essence. Time is of the essence of each and every provision of this Facilities Lease.

Section 19. 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 custom or practice that may arise between the Parties in the administration of the terms of this Facilities Lease be construed to waive or to lessen the right of 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 20. Counterparts. This Facilities Lease may be executed in any number of

counterparts, each of which shall be an original, but all of which shall together constitute one and the same instrument.

Section 21. 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.

Section 22. Entire Agreement. This Facilities Lease and the exhibits and addenda, if any, contain the entire agreement between the Corporation and the Board. No promises or representation, except as contained in this Facilities Lease, have been made to the Board respecting the condition or the manner of operating the Facilities.

Section 23. Signs. The Board or the University 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 24. 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 assigns.

Section 25. Facilities Lease to Constitute a Contract. This Facilities Lease, upon execution by the Board and the Corporation shall constitute a third-party beneficiary contract between the Board and the Corporation for the benefit of the owners of all Bonds issued hereunder.

Section 26. 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 Thibodaux, 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 27. 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 28. 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 29. 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: David Aubrey, Chairman
Grambling University Foundation
P. O. Box 587
Grambling, LA 71245

The Board: Board of Supervisors for the University of Louisiana
System Claiborne Building, Suite 7-300
1201 North Third Street
Baton Rouge, Louisiana 70802
Attention: Vice President of Business and Finance

The University: Martin Lemelle, Jr., Chief Operating Officer
Grambling State University
Grambling, LA 71245

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IN WITNESS WHEREOF, the undersigned representatives have signed this Facilities Lease on behalf of the Board of Supervisors for the University of Louisiana System and the Corporation on the _day of_, 2017.

**BOARD OF SUPERVISORS FOR
THE UNIVERSITY OF LOUISIANA
SYSTEM**

By:

Richard J. Gallot, Jr., President
Grambling State University
Board Representative

WITNESSES:

**GRAMBLING UNIVERISITY
FOUNDATION**

By:

DAVID AUBREY, CHAIRMAN

WITNESSES:

**STATE OF LOUISIANA
PARISH OF LINCOLN**

BE IT KNOWN, that on this ____ day of ____, 2017, before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

Richard J. Gallot, Jr.

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 duly appointed Board 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:

Richard J. Gallot, Jr., President
Grambling State University
Board Representative

NOTARY PUBLIC

Print Name: _____

Notary ID # _____

My Commission expires:

STATE OF LOUISIANA

PARISH OF LINCOLN

BE IT KNOWN, that on this ____ day of ____, 2017, before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

DAVID AUBREY

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 duly appointed Board 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:

David Aubrey, Chairman
Grambling University
Foundation

NOTARY PUBLIC
Print Name: _____
Notary ID # _____
My Commission is for Life

EXHIBIT A
FACILITIES
[TO COME]

EXHIBIT B

FORM OF MEMORANDUM OF
AGREEMENT TO LEASE WITH OPTION TO
PURCHASE

STATE OF LOUISIANA	§	KNOW ALL MEN BY THESE PRESENTS:
	§	
PARISH OF LINCOLN	§	

MEMORANDUM OF
LEASE

This Memorandum of Lease (this "*Memorandum*") is entered into by and between Grambling State University Foundation (the "*Lessor*") and the Board of Supervisors for the University of Louisiana System (the "*Lessee*").

RECITALS

A. Lessor and Lessee have entered into an Agreement to Lease with Option to Purchase dated as of May __, 2017 (the "*Lease*"), whereby Lessor did lease to Lessee, and Lessee did lease from Lessor, _____ described on Exhibit A attached hereto and incorporated herein (the "*Facilities*").

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 May __, 2017 and shall continue until midnight on May __, 2027, unless sooner terminated or extended as provided in the Lease.
2. Lessor has the right under the Lease to purchase Lessee's leasehold interest in the Facilities 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: Grambling University Foundation
P.O. Box 587
Grambling, LA 71245
ATTN: Chairman

Lessee: Board of Supervisors for the University of Louisiana
System 1201 North Third Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Vice President for Business and Finance

Grambling State University
Martin Lemelle, Jr., Chief Operating Officer
Grambling, University
Grambling, LA 71245

This Memorandum is executed for the purpose of recordation in the public records of Lincoln 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.

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THUS DONE AND PASSED on the ____ day of _____, 2017, in Grambling, Louisiana in the presence of the undersigned competent witnesses, who herewith sign their names with David Aubrey, Chairman, Grambling State University Foundation and me, Notary.

WITNESSES:

GRAMBLIN STATE UNIVERSITY
FOUNDATION

By: _____
David Aubrey, Chairman

NOTARY PUBLIC

Print Name: _____
Notary ID # _____
My Commission is for Life

THUS DONE AND PASSED on the ____ day of _____, 2017, in Grambling, Louisiana in the presence of the undersigned competent witnesses, who herewith sign their names with Richard J. Gallot, Jr., President of Grambling State University and Board Representative, and me, Notary.

WITNESSES:

BOARD OF SUPERVISORS FOR
THE UNIVERSITY OF LOUISIANA
SYSTEM

By: _____
Richard J. Gallot, Jr., President
Grambling State University

NOTARY PUBLIC

Print Name:
Notary ID #
My Commission expires:

Exhibit B