

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

FINANCE COMMITTEE

December 9, 2021

- Item I.1.** **Louisiana Tech University's** request for approval of the Board of Supervisors for the University of Louisiana System for the execution of supplemental leases between the Board, on behalf of the University, and Innovative Student Facilities Inc., in connection with the refunding of all or a portion of the University's outstanding Series 2013 Bonds.

EXECUTIVE SUMMARY

Louisiana Tech University (the "*University*"), through Innovative Student Facilities, Inc., a Louisiana non-profit corporation and an organization whose purpose is to promote, assist and benefit the University (the "*Corporation*"), financed the acquisition of immovable property and the development, design, construction, and equipping of new student housing facilities (the "*Facilities*"). The project was financed through the issuance of \$21,840,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Louisiana Tech University Student Housing/Innovative Student Facilities, Inc. Project) Series 2003 (the "*Series 2003 Bonds*"). In 2013 through the issuance of \$19,065,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Louisiana Tech University Student Housing/Innovative Student Facilities, Inc. Project) Series 2013 (the "*Series 2013 Bonds*") the Series 2003 Bonds were refinanced.

The land upon which the project was completed was leased to the Corporation by the Board, acting on behalf of the University, pursuant to a Ground Lease Agreement. The completed project was leased by the Corporation back to the Board pursuant to a Facilities Lease. Both the Ground Lease and the Facilities Lease have been amended and supplemented several times since 2003, pursuant to subsequent approvals of the Board, in connection with the issuance of refunding and new money bond issues for University student housing projects.

The University, through Innovative Student Facilities, Inc., proposes to use proceeds of refunding bonds issued through the Louisiana Community Development Authority to refund all or a portion of the Series 2013 Bonds for interest rate savings. In connection with the refunding, the University is expecting the leases executed when the Series 2013 Bonds were issued to be supplemented and amended to refer to the terms of the refunding bonds. The total principal amount of the bonds is estimated to be approximately \$15,000,000, which will be sufficient to pay the costs associated with retiring the refunded Series 2013 Bonds and the cost of issuance of the refunding bonds. The net interest cost of the transaction is expected to be approximately 2.10%. After all costs, over the life of the issue, the gross savings on the refunding is expected to be approximately 1,500,000.

Annual debt service for the proposed refunding bonds will be secured and payable from lease payments paid by the Board, on behalf of the University, to Innovative Student Facilities, Inc., pursuant to the Facilities Lease. The payments will be derived from the lease payments paid by the Board, on behalf of the University, to the Corporation. The Board and University have not and will not pledge its full faith and credit or State appropriated funds to make any debt service payments on the Bonds. The University's land and property will not be used as security for the Notes.

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 Louisiana Tech University's request for approval of the form of and authorization to execute a Second Supplemental Ground Lease Agreement and a Third Supplemental Facilities Lease, each between the Board, acting on behalf of the University, and Innovative Student Facilities, Inc., to refund the Series 2013 Bonds described herein.

BE IT FURTHER RESOLVED, that Louisiana Tech University shall obtain final review from University of Louisiana System staff and legal counsel to the Board, and shall secure all other appropriate approvals from agencies/parties of processes, documents, and administrative requirements prior to execution of documents.

BE IT FURTHER RESOLVED, that the President of Louisiana Tech University, and his designee, are hereby authorized and directed to execute the leases described herein and any and all documents necessary in connection with the issuance of the bonds described herein.

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



LOUISIANA TECH
UNIVERSITY®

OFFICE OF THE PRESIDENT

November 12, 2021

LADIES AND GENTLEMEN OF THE BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM:

Louisiana Tech is seeking approval to execute the resolution of two (2) supplemental leases required to refinance the University's outstanding Series 2013 Bond and Series 2015 Bond related to the University's housing system.

Sincerely,

A handwritten signature in blue ink that reads "Leslie K. Guice".

Leslie K. Guice
President

BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM

The following resolution was offered upon motion by _____:

RESOLUTION

A RESOLUTION APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION OF A THIRD SUPPLEMENTAL AGREEMENT TO LEASE WITH OPTION TO PURCHASE AND A SECOND SUPPLEMENTAL GROUND LEASE AGREEMENT IN CONNECTION WITH THE LEASE AND LEASE BACK OF A PORTION OF THE LOUISIANA TECH UNIVERSITY CAMPUS TO INNOVATIVE STUDENT FACILITIES, INC. IN CONNECTION WITH THE FINANCING OF CERTAIN STUDENT HOUSING FACILITIES; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the Board of Supervisors for the University of Louisiana System (the “*Board*”) has, pursuant to La. R.S. 17:3361 through 17:3365 (the “*Act*”), and other constitutional and statutory authority supplemental thereto, leased a portion of the campus of Louisiana Tech University (the “*University*”) to Innovative Student Facilities, Inc. (the “*Corporation*”) in order to enable the Corporation to finance the cost of acquiring immovable property and the development, design, construction and equipping of new student housing facilities (the “*Facilities*”) for the University;

WHEREAS, the Corporation has financed the construction of the Facilities using the proceeds of the \$21,840,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Louisiana Tech University Student Housing/Innovative Facilities, Inc. Project) Series 2003 (the “*Series 2003 Bonds*”);

WHEREAS, on June 6, 2013, the Corporation refinanced the Series 2003 Bonds with the issuance of \$19,065,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Louisiana Tech University Student Housing/Innovative Facilities, Inc. Project) Series 2013 (the “*Series 2013 Bonds*”) ;

WHEREAS, in connection with the issuance of the Series 2003 Bonds and the Series 2013 Bonds, the Board has authorized and entered into (a) a Ground Lease Agreement by and between the Board and the Corporation dated as of July 1, 2003 (the “*Original Ground Lease*”), as amended by an Amendment to Ground Lease Agreement dated as of September 1, 2007 (the “*First Amendment to Ground Lease*”), as supplemented and amended by a First Supplemental Ground Lease Agreement dated as of June 1, 2013 (the “*First Supplemental Agreement*”, and together with the Original Ground Lease and the First Amendment to Ground Lease, the “*Existing Ground Lease*”) each by and between the Board and the Corporation; and (b) an Agreement to Lease with Option to Purchase by and between the Board and the Corporation dated as of July 1, 2003 (the “*Original Facilities Lease*”), as amended by an Amendment to

Agreement to Lease with Option to Purchase dated as of September 1, 2007 (the “*First Amendment to Facilities Lease*”), as supplemented and amended by a First Supplemental Agreement to Lease with Option to Purchase dated as of June 1, 2013 (“*First Supplemental Facilities Lease*”) further supplemented and amended by a Second Supplemental Agreement to Lease with Option to Purchase dated as of August 1, 2016 (“*Second Supplemental Facilities Lease*” and, together with the Original Facilities Lease, the First Amendment to Facilities Lease, and the Second Supplemental Facilities Lease, the “*Existing Facilities Lease*”) each by and between the Board and the Corporation all relative to the lease and lease-back of a portion of the University’s campus to the Corporation for the acquisition, development, design, construction and equipping of the Facilities (the “*Project*”);

WHEREAS, the University has determined that an opportunity exists to refund all or a portion of the Series 2013 Bonds to achieve interest savings for the University and the University has requested that the Louisiana Local Government Environmental Facilities and Community Development Authority has issue its Revenue Refunding Bonds (Louisiana Tech University Student Housing/Innovative Student Facilities, Inc. Project), taxable or tax exempt, in one or more series (the “*Refunding Bonds*”) on behalf of the Corporation in order to refund all or a portion of the Series 2013 Bonds;

WHEREAS, in connection with the issuance of the Refunding Bonds, supplements and amendments to the Existing Ground Lease and the Existing Facilities Lease are necessary in order to incorporate references to the Refunding Bonds;

WHEREAS, the Board now desires to authorize the execution of a Second Supplemental Ground Lease Agreement and Third Supplemental Agreement to Lease with Option to Purchase in order to supplement and amend the Existing Ground Lease and the Existing Facilities Lease to provide for references necessary in connection with the issuance of the Refunding Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors for the University of Louisiana System, as follows:

SECTION 1. The facts recited in the preamble to this resolution are found to be true and correct and are specifically and affirmatively adopted by the Board as resolutions of the Board.

SECTION 2. The Second Supplemental Ground Lease Agreement between the Board and the Corporation (the “*Second Supplemental Ground Lease*”) and the Third Supplemental Agreement Lease with Option to Purchase between the Corporation and the Board (the “*Third Supplemental Facilities Lease*”), in substantially the forms attached hereto as Exhibit A and Exhibit B, respectively, subject to such changes as may be approved by bond counsel and counsel to the Board, are hereby approved.

SECTION 3. The Chairman, Vice Chairman, Secretary of the Board, the System President, the President of the University or the Vice President for Finance and Administration of the University shall be authorized to execute the Second Supplemental Ground Lease and the Third Supplemental Facilities Lease on behalf of the Board, including any certificates, documents or other items necessary in connection with the issuance of the Refunding Bonds and in connection with the implementation of this Resolution.

SECTION 4. This Resolution shall take effect immediately.

This Resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSENT:

ABSTAINING:

The Resolution was declared to be adopted on the 9th day of December, 2021.

(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 December 9, 2021 captioned as follows:

A RESOLUTION APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION OF A THIRD SUPPLEMENTAL AGREEMENT TO LEASE WITH OPTION TO PURCHASE AND A SECOND SUPPLEMENTAL GROUND LEASE AGREEMENT IN CONNECTION WITH THE LEASE AND LEASE BACK OF A PORTION OF THE LOUISIANA TECH UNIVERSITY CAMPUS TO INNOVATIVE STUDENT FACILITIES, INC. IN CONNECTION WITH THE FINANCING OF CERTAIN STUDENT HOUSING FACILITIES; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH

was 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 _____ day of _____, 2021.

Secretary/System President

[SEAL]

EXHIBIT A

FORM OF SECOND SUPPLEMENTAL GROUND LEASE

EXHIBIT B

FORM OF THIRD SUPPLEMENTAL FACILITIES LEASE

SECOND SUPPLEMENTAL
GROUND LEASE AGREEMENT

by and between

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM
(as Lessor)

and

INNOVATIVE STUDENT FACILITIES, INC.
(as Lessee)

Dated as of _____ 1, 2022

in connection with:

\$ _____

Louisiana Local Government Environmental Facilities and
Community Development Authority Taxable Revenue Refunding Bonds
(Louisiana Tech University Student Housing/Innovative Student Facilities, Inc. Project)
Series 2022

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EXHIBIT B - FORM OF MEMORANDUM OF SUPPLEMENTAL GROUND LEASE

SECOND SUPPLEMENTAL
GROUND LEASE AGREEMENT

This SECOND SUPPLEMENTAL GROUND LEASE AGREEMENT (together with any amendment hereto or supplement hereof, this “*Second Supplemental Ground Lease*”) dated as of _____ 1, 2022, is entered into by and between the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM, a public constitutional corporation organized and existing under the laws of the State of Louisiana, acting herein on behalf of Louisiana Tech University (the “*University*”), represented herein by its duly authorized Board Representative, Dr. Leslie K. Guice (the “*Board*”) and INNOVATIVE STUDENT FACILITIES, INC., a Louisiana a nonprofit corporation represented herein by its Chairman, Chris Barr (the “*Corporation*”), and supplements and amends that certain Ground Lease Agreement dated as of July 1, 2003 by and between the Board and the Corporation (the “*Original Ground Lease*”), as amended by the Amendment to Ground Lease Agreement dated as of September 1, 2007 by and between the Board and the Corporation (the “*Amendment to Ground Lease*”), as supplemented and amended by a First Supplemental Ground Lease Agreement dated as of June 1, 2013 (the “*First Supplemental Ground Lease*”, and together with the Original Ground Lease and the Amendment to Ground Lease, the “*Ground Lease*”).

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 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 or other immovable property under its supervision and management, provided that the Corporation is thereby obligated to provide capital improvements for furthering the educational, scientific, research or public service functions of the Board;

WHEREAS, in order to further these functions of the Board, the Corporation has caused the development, design, construction and equipping of certain student housing facilities (the “*Facilities*”) for the University and all furnishings, fixtures and equipment incidental or necessary in connection therewith on immovable property described on Exhibit B attached to the Original Ground Lease, and owned by, or under the supervision and management of the Board in the City of Ruston, Lincoln Parish, Louisiana;

WHEREAS, the Board has leased such immovable property to the Corporation;

WHEREAS, the Corporation, for the benefit of the Board, has developed and constructed the Facilities generally on such immovable property and the Corporation has leased the Facilities to the Board pursuant to an Agreement to Lease With Option to Purchase dated as of July 1, 2003 (the “*Original Facilities Lease*”), as amended by an Amendment to Agreement to Lease with Option to Purchase dated as of September 1, 2007 (the “*Amendment to Facilities Lease*”), as supplemented and amended by a First Supplemental Agreement to Lease with Option to Purchase dated as of June 1, 2013 (the “*First Supplemental Facilities Lease*”), as further supplemented and amended by a Second Supplemental Agreement to Lease with Option to Purchase dated as of August 1, 2016 (the “*Second Supplemental Facilities Lease*”), as further supplemented and amended by a Third Supplemental Agreement to Lease With Option to Purchase dated as of _____ 1, 2022 (the “*Third Supplemental*”).

Facilities Lease”, and together with the Original Facilities Lease, the Amendment to Facilities Lease, the First Supplemental Facilities Lease, and the Second Supplemental Facilities Lease, the “*Facilities Lease*”) for use by students, faculty and staff of the University and such other persons as set forth in the Facilities Lease;

WHEREAS, the Louisiana Local Government Environmental Facilities and Community Development Authority (the “*Authority*”) issued its \$21,840,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Louisiana Tech University Student Housing/Innovative Student Facilities, Inc. Project) Series 2003 (the “*Series 2003 Bonds*”) and the proceeds thereof were loaned to the Corporation pursuant to a Loan and Assignment Agreement dated as of July 1, 2003 by and between the Authority and the Corporation (the “*Original Agreement*”) to finance the Facilities;

WHEREAS, on June 6, 2013, the Authority issued its \$19,065,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Louisiana Tech University Student Housing/Innovative Student Facilities, Inc. Project) Series 2013 (“*Series 2013 Bonds*”) to currently refund all of the outstanding Series 2003 Bonds; and

WHEREAS, in connection with the refunding of the Series 2013 Bonds, the Board and the Corporation desire to supplement and amend the Original Ground Lease pursuant to Section 18.15 thereof and Section 8.3 of the Agreement (as hereinafter defined) to provide for references to the \$_____ Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Refunding Bonds (Louisiana Tech University Student Housing/Innovative Student Facilities, Inc. Project) Series 2022 (the “*Series 2022 Bonds*”).

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 LEASE

Section 1.01 Lease of Property. The Board does hereby lease, let, demise, and rent unto the Corporation, and the Corporation does hereby rent and lease from the Board, the Property and the right of uninterrupted access to and from all streets and roads now or hereafter adjoining the Property for vehicular and pedestrian ingress and egress. The Corporation, by execution of this Second Supplemental Ground Lease, accepts the leasehold estate herein demised.

Section 1.02 Habendum. To have and to hold the Property 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 1.03 below, subject to the covenants, agreements, terms, provisions, and limitations herein set forth.

Section 1.03 Term. Unless sooner terminated as herein provided, this Second Supplemental Ground Lease shall continue and remain in full force and effect for a term commencing on the Commencement Date hereof and ending on the earlier of (i) July 1, 2043 or (ii) the date that all amounts owed under the Indenture have been paid (but if and only if such payment is made prior to any foreclosure of the Bond Mortgage or any conveyance in lieu thereof) (the “*Expiration Date*”). Notwithstanding the foregoing, this Second Supplemental Ground Lease shall terminate prior to the Expiration Date upon the happening of either the events set forth in Section 2(a) and (b) of the Facilities Lease.

ARTICLE II DEFINITIONS

Section 2.01 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 Second Supplemental Ground Lease, the following words and terms as used in this Second Supplemental Ground Lease shall have the following meanings, unless some other meaning is plainly intended:

“Agreement” shall mean that certain Original Agreement, as supplemented and amended by the First Supplemental Agreement, as further supplemented and amended by the Second Supplemental Agreement, and including any additional amendments and supplements thereof and thereto as permitted thereunder.

“Amendment to Ground Lease” means that certain Amendment to Ground Lease Agreement dated as of September 1, 2007 between the Board and the Corporation.

“Amendment to Facilities Lease” means that certain Amendment to Agreement to Lease with Option to Purchase dated as of September 1, 2007 between the Corporation and the Board.

“Applicable Laws” shall mean all present and future statutes, regulations, ordinances, resolutions and orders of any Governmental Authority that are applicable to the parties performing their obligations under this Second Supplemental Ground Lease.

“Auxiliary Revenues” shall mean funds of the University that include: (i) the gross amount of all fees levied on all students at the University and such other revenues, funds or income received from students or the public at large in connection with any undertaking, utilization or operation of Auxiliary Facilities, including operation or management thereof by private entities on behalf of the University and unallocated revenues therefrom, prior to the payment of Current Expenses; and (ii) all Funds and Accounts held pursuant to the Board resolutions authorizing the Subordinate Lien Obligations, except any fund created to hold monies pending rebate to the United States or for payment of costs of issuance of Bonds. Auxiliary Revenues shall not include funds appropriated to the Board or the University by the Legislature of the State from time to time.

“Award” shall mean 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” shall mean 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” shall mean any one of the persons designated and authorized in writing from time to time by the Board to represent the Board in exercising the Board’s rights and performing the Board’s obligations under this Second Supplemental Ground 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 Vice President of Business and Finance, or his or her designee, the President of the University, the Vice President for Finance and Administration of the University or any other representative designated by resolution of the Board, of whom the Corporation has been notified in writing.

“Board’s Interest” shall mean the Board’s ownership interest in and to the Property and the Facilities.

“*Bond Documents*” shall mean the Indenture, the Mortgage and the Agreement.

“*Bond Insurer*” shall mean [TO COME]

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

“*Bonds*” shall mean, collectively, the Non-refunded Bonds, the Series 2022 Bonds and any Additional Bonds issued pursuant to a supplemental indenture as authorized hereby.

“*Business Day*” shall mean 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.

“*Commencement Date*” means the effective date of this Second Supplemental Ground Lease, which is _____ 1, 2022.

“*Corporation*” shall mean Innovative Student 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 payment of all of the Bonds.

“*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 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 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 mean any matter identified as an event of default under Section 11.01 hereof.

“Expiration Date” shall mean the earlier of July 1, 2043 or the date that all amounts owed under the Indenture have been paid.

“Facilities” shall mean the facilities described in Exhibit B to the Agreement and the Facilities Lease, as amended and supplemented in accordance therewith, that were designed, constructed and equipped with the proceeds of the Bonds, including all furnishings, fixtures and equipment incidental or necessary in connection therewith and any parking facilities constructed by the Board pursuant to Section 9.02 hereof, on the campus of the University.

“Facilities Lease” shall mean shall mean the Original Facilities Lease, as amended by the Amendment to Facilities Lease, as supplemented and amended by the First Supplemental Facilities Lease, as further supplemented and amended by the Second Supplemental Facilities Lease, as further supplemented and amended by the Third Supplemental Facilities Lease, and as the same may be further amended or supplemented from time to time in accordance with its terms.

“First Supplemental Agreement” shall mean that certain First Supplemental Loan and Assignment Agreement dated as of June 1, 2013, by and between the Authority and the Corporation

“First Supplemental Facilities Lease” shall mean that certain First Supplemental Agreement to Lease with Option to Purchase dated as of June 1, 2013, by and between the Corporation, as Lessor, and the Board, as Lessee

“First Supplemental Ground Lease” shall mean the First Supplemental Ground Lease dated as of June 1, 2013, by and between the Board, as Lessor, and the Corporation, as Lessee

“First Supplemental Indenture” shall mean the First Supplemental Trust Indenture dated as of June 1, 2013, by and between the Authority and the Trustee

“Force Majeure” shall mean 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 Second Supplemental 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.

“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 the Original Ground Lease, as amended by the Amendment to Ground Lease, as supplemented and amended by the First Supplemental Ground Lease, as further supplemented and amended by this Second Supplemental Ground Lease, and any additional amendment or supplement thereto entered into from time to time in accordance with the terms thereof.

“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.

“Leasehold Mortgage” shall mean, collectively, the Bond Mortgage and any other encumbrance of the Corporation’s interest in the Ground Lease and the Property as security for any indebtedness the Corporation, or the Corporation’s successors and assigns, may incur, whether by deed to secure debt, mortgage, deed of trust, or other security instrument.

“Leasehold Mortgagee” shall mean the holder of the indebtedness secured by any Leasehold Mortgage or any agent or fiduciary therefor and any designee thereof for the purpose of taking title to the Corporation’s interest in the Ground Lease or entering into a Mortgage Lease.

“Mortgage Lease” shall mean a lease of the Property entered into between a Leasehold Mortgagee, as lessee, and the Board, as lessor, as a result of a termination of the Corporation’s right of occupancy under this Second Supplemental Ground Lease by reason of any Event of Default for the remainder of the term of this Second Supplemental Ground Lease effective as of the date of termination of this Second Supplemental Ground Lease, at the same Rent and upon the same terms, provisions, covenants, and agreements as contained in this Second Supplemental Ground Lease and subject to no additional exceptions or encumbrances other than the rights, if any, of the parties then lawfully in possession of any part of the Property.

“Non-Refunded Bonds” shall mean the Series 2013 Bonds maturing July 1, 20__ to and including July 1, 20__.

“Original Facilities Lease” shall mean that certain Agreement to Lease with Option to Purchase dated as of July 1, 2003 between the Corporation and the Board.

“Original Ground Lease” shall mean that certain Ground Lease Agreement dated as of July 1, 2003 between the Board and the Corporation.

“Original Indenture” shall mean that certain Trust Indenture dated as of July 1, 2003 between the Authority and the Trustee.

“Original Loan Agreement” shall mean that certain Loan and Assignment Agreement dated as of July 1, 2003 between the Authority and the Corporation.

“Person” shall mean an individual, a trust, an estate, a Governmental Authority, partnership, joint venture, corporation, company, firm or any other entity whatsoever.

“Property” shall mean the immovable property more particularly described on Exhibit B attached to the Original Ground Lease, as amended by the Amendment to Ground Lease, together with all other rights and interests leased pursuant to Section 1.01 hereof.

“Refunded Bonds” shall mean the Series 2013 Bonds maturing July 1, 2022 to and including July 1, 2033.

“Remediation” shall mean any and all costs and expenses incurred directly or indirectly due to any investigation of the Facilities or Property or any remediation, response, cleanup, removal, or

restoration required by any Governmental Regulation or Governmental Authority or by Environmental Requirements.

“*Second Supplemental Agreement*” shall mean that certain Second Supplemental Loan and Assignment Agreement dated as of _____ 1, 2022, by and between the Authority and the Corporation

“*Second Supplemental Facilities Lease*” shall mean that certain Second Supplemental Agreement to Lease with Option to Purchase dated as of August 1, 2016, by and between the Corporation, as Lessor, and the Board, as Lessee

“*Second Supplemental Ground Lease*” shall mean that certain Second Supplemental Ground Lease dated as of _____ 1, 2022, by and between the Board, as Lessor, and the Corporation, as Lessee

“*Second Supplemental Indenture*” shall mean the Second Supplemental Trust Indenture dated as of _____ 1, 2022, by and between the Authority and the Trustee

“*Series 2003 Bonds*” shall mean the \$21,840,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Louisiana Tech University Student Housing and Recreational Facilities/Innovative Student Facilities, Inc. Project) Series 2003

“*Series 2013 Bonds*” shall mean the \$19,065,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Louisiana Tech University Student Housing and Recreational Facilities/Innovative Student Facilities, Inc. Project) Series 2013.

“*Series 2022 Bonds*” shall mean the \$_____ Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Refunding Bonds (Louisiana Tech University Student Housing/Innovative Student Facilities, Inc.) Series 2022, and such Series 2022 Bonds issued in exchange for such other Series 2022 Bonds pursuant to the Second Supplemental Indenture or in replacement for mutilated, destroyed, lost or stolen Series 2022 Bonds pursuant to the Second Supplemental Indenture.

“*Subordinate Lien Obligations*” shall mean the \$3,975,000 Board of Supervisors for the University of Louisiana System Revenue Refunding Bonds (Louisiana Tech University Project) Series 2012, of which \$440,000 is currently Outstanding, which are secured by a pledge of Auxiliary Revenues subordinate to the pledge of the Bonds.

“*Taking*” shall mean 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*” shall mean the term of this Second Supplemental Ground Lease as set forth in Section 1.03 hereof.

“*Third Supplemental Facilities Lease*” shall mean that certain Third Supplemental Agreement to Lease with Option to Purchase dated as of _____ 1, 2022, by and between the Corporation, as Lessor, and the Board, as Lessee.

“*Trustee*” shall mean the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under the Indenture which may be designated (originally or as a successor) as Trustee for the Bonds issued and secured under the terms of the Indenture, initially The Bank of New York Mellon Trust Company, N.A., as successor in interest to Bank One Trust Company, N.A.

“University” shall mean Louisiana Tech University.

ARTICLE III RENT

Section 3.01 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 18.02 or such other place as the Board may designate from time to time in writing, as annual rent for the Property (“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 3.02 Additional Obligations. As further consideration for the entering into of this Second Supplemental Ground Lease by the Board, the Corporation agrees to perform its construction obligations as set forth in Article Five herein, and to execute and perform its obligations under the Facilities Lease and all other documents contemplated by and ancillary to this Second Supplemental Ground Lease and the Facilities Lease.

ARTICLE IV USE OF PROPERTY

Section 4.01 Purpose of Ground Lease. The Corporation has entered into the Original Ground Lease for the purpose of developing and constructing the Facilities for the Board and, for so long as the Facilities Lease remains in full force and effect, 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 4.02 Benefit of the Board and the University. The Board shall own the Facilities, subject to the Corporation’s rights under this Second Supplemental 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 for a public purpose related to the performance of the duties and functions of the Board and the University.

Section 4.03 Data and Voice Communication Systems. The Board, at its expense, agrees to provide or cause to be provided to the Facilities appropriate cabling to tie its computer system into the Facilities. The Board, at its expense, shall provide to the Facilities or cause to be provided to the Facilities access to its computer system. The internal installation of such computer wiring within the Facilities shall be at the expense of the Corporation. The Corporation agrees that its computer system wiring shall be compatible with the system and wiring currently in use by the University.

Section 4.04 Compliance with Statutory Requirements. Section 3361 et seq. of Title 17 of the Louisiana Revised Statutes prescribes the legal requirements for leases of any portion of the campus by a college or university. By execution of this Second Supplemental 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 Second Supplemental Ground Lease or specifically referenced in this Second Supplemental 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 Second Supplemental Ground Lease; and

C. the waiver by written consent of the Board's right to adopt such rules or regulations as it deems necessary or desirable relative to the conduct and social activities of people in structures erected on the leased grounds referenced in Section 3364 of Title 17 of the Louisiana Revised Statutes, except as may be specified in this Second Supplemental Ground Lease.

ARTICLE V CONSTRUCTION, RENOVATION, IMPROVEMENT AND EQUIPPING OF THE FACILITIES

Section 5.01 The Corporation's Obligations. The Corporation has developed, designed, constructed, and equipped the Facilities on the Property at its own cost and expense. The Corporation has leased 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 Second Supplemental Ground Lease except to review and approve the Corporation's activities and as specifically set forth herein.

ARTICLE VI ENCUMBRANCES

Section 6.01 Mortgage of Ground Leasehold or the Facilities. Except for the Mortgage required by the Agreement, the Corporation shall not mortgage, lien or grant a security interest in the Corporation's interest in the Property or any other right of the Corporation hereunder without the prior written consent of the Board except as may be necessary, in the sole discretion of the Corporation, to sell the Bonds or otherwise in accordance with the provisions of this Article Six.

Section 6.02 Right to Mortgage. If there is a termination of the Facilities Lease, the Corporation, and every successor and assign of the Corporation, shall have the right in addition to any other rights granted in this Second Supplemental Ground Lease to encumber its interest in this Second Supplemental Ground Lease and its leasehold interest in the Property under any one or more Leasehold Mortgages, in addition to the Bond Mortgages, upon the condition that all rights acquired under any such Leasehold Mortgage shall be subject to each of the provisions set forth in this Second Supplemental Ground Lease and to all rights and interests of the Board therein. The Board hereby acknowledges and consents to the Corporation's encumbrance of its interest in this Second Supplemental Ground Lease and its leasehold interest in the Property pursuant to the Bond Mortgage. If, from time to time, the Corporation or the Corporation's successors and assigns shall encumber its interest in this Second Supplemental Ground Lease and its leasehold interest in the Property with a Leasehold Mortgage, and if the holder thereof delivers to the Board an executed counterpart of such Leasehold Mortgage, together with written notice specifying the name and address of such holder and the pertinent recording data with respect to such Leasehold Mortgage, the Board agrees that, anything in this Second Supplemental Ground Lease to the contrary notwithstanding, from and after the date of receipt by the Board of such notice and for the term (duration) of such Leasehold Mortgage, the following provisions shall apply (and the following provisions shall apply to the holder of the Bond Mortgage in all events and without further action by the holder thereof):

(a) There shall be no cancellation, surrender or modification of this Second Supplemental Ground Lease by the Board or the Corporation without the prior written consent of any Leasehold Mortgagee. Notwithstanding the foregoing (but, in any event, subject to a Leasehold Mortgagee's curative rights set forth in subsections (c) and (d) hereof), nothing herein shall be deemed to prohibit the Board from terminating this Second Supplemental Ground Lease or the Corporation's right of occupancy hereunder in accordance with its terms.

(b) The Board, upon serving the Corporation with any notice of an Event of Default, failure to comply or termination with respect to this Second Supplemental Ground Lease, shall simultaneously serve a copy of such notice on any Leasehold Mortgagee. If the Board shall serve the Corporation with any notice of an Event of Default or failure to comply with any term, covenant, condition, or provision hereof, the Leasehold Mortgagee shall then have the same period after service of the notice on it as is given to the Corporation hereunder to remedy or cause to be remedied such failure, and the Board shall accept performance by or at the instigation of any Leasehold Mortgagee as if it had been done by the Corporation. Any notice required to be given to any Leasehold Mortgagee shall be posted in the United States mail, postage prepaid, certified, return receipt requested (and wired by telegraphic means or transmitted by facsimile transmission) and addressed to the Leasehold Mortgagee at the address and to the attention of the Person designated to the Board by such Leasehold Mortgagee to receive copies of such notices and shall be deemed to have been served as of the date the said notice is received or refused by such Leasehold Mortgagee.

(c) In addition to the rights granted to any Leasehold Mortgagee under subsection (b) of this Section, a Leasehold Mortgagee shall have an additional period of ninety (90) days to remedy or cause to be remedied any Event of Default or failure to comply of which it shall receive notice.

(d) If the Board shall elect to terminate the Corporation's right of occupancy under this Second Supplemental Ground Lease upon the occurrence of an Event of Default, the Leasehold Mortgagee shall also have the right to postpone and extend the date of termination of occupancy as fixed by the provisions of this Second Supplemental Ground Lease for a period of not more than six (6) months from the expiration of the ninety (90) day period specified in subsection (c) hereof, provided that the Leasehold Mortgagee shall pay the Rent and other charges required to be paid under this Second Supplemental Ground Lease during such period, and provided further, that the Leasehold Mortgagee of this Second Supplemental Ground Lease shall forthwith take steps necessary to acquire the Corporation's interest and estate in this Second Supplemental Ground Lease by foreclosure of its Leasehold Mortgage, or otherwise, and shall prosecute such action to completion with due diligence. If at the end of the six (6) month period, the Leasehold Mortgagee of this Second Supplemental Ground Lease shall be actively engaged in steps to acquire or sell the Corporation's interest in the Ground Lease, the time for Leasehold Mortgagee to comply with the provisions of this subsection (d) shall be extended for such period as shall be reasonably necessary to complete these steps with reasonable diligence and continuity.

(e) The Board agrees that in the event of any foreclosure under any Leasehold Mortgage, either by judicial proceedings or under power of sale contained therein or conveyance in lieu of foreclosure, all right, title and interest encumbered by such Leasehold Mortgage may, without the consent of the Board, be assigned to and vested in the purchaser at such foreclosure sale, and may, without the consent of the Board, subsequently be assigned or sublet in a bona fide sale by any such purchaser at such foreclosure sale to any other Person, subject and subordinate, however, to the rights, title and interests of the Board as the lessor under this Second Supplemental Ground Lease; and, notwithstanding that the Board's consent to said assignment or subletting shall not have been obtained, any such assignee or sublessee shall be vested by virtue of such assignment or subletting with any and all rights of the party whose estate was encumbered by such Leasehold Mortgage as though the Board had consented thereto. In addition, in the event of any foreclosure under any Leasehold Mortgage, the Leasehold Mortgagees shall provide for the management of the Facilities. In no event shall the University continue to manage the Facilities after such foreclosure.

(f) The Board agrees that in the event of a termination of the Corporation's right of occupancy under this Second Supplemental Ground Lease by reason of any Event of Default, and subject to the rights herein granted to Leasehold Mortgagees, the Leasehold Mortgagee shall have the option, but not the obligation, to enter into a Mortgage Lease; provided:

(i) the Leasehold Mortgagee shall enter into a Mortgagee Lease within the six (6) month period specified in subsection (d) of this Section;

(ii) the Leasehold Mortgagee shall perform and observe all covenants contained in the Mortgagee Lease on the Corporation's part to be performed during such period of time commencing with the date of the execution of the Mortgagee Lease and terminating upon the abandonment or surrender of possession of the Property under the Mortgagee Lease; and

(iii) the Leasehold Mortgagee, as lessee under the Mortgagee Lease shall have the same right, title and interest in and to the Property and the right to use the Facilities and other buildings and improvements thereon as the Corporation had under this Second Supplemental Ground Lease.

(g) The Board, upon request, shall execute, acknowledge, and deliver to each Leasehold Mortgagee an agreement, in form reasonably satisfactory to the Leasehold Mortgagee and the Board, by and among the Board, the Corporation, and the Leasehold Mortgagee (provided the same has been previously executed by the Corporation and Leasehold Mortgagee) agreeing to all of the provisions of this Section 6.02.

(h) Notwithstanding any other provision of this Second Supplemental Ground Lease, the Board agrees that any Leasehold Mortgagee permitted under this Second Supplemental Ground Lease shall in no manner or respect whatsoever be (i) liable or responsible for any of the Corporation's obligations or covenants under this Second Supplemental Ground Lease (nor shall any rights of such Leasehold Mortgagee be contingent on the satisfaction of such obligations or covenants), or (ii) required to cure any Event of Default; provided, however, that if such Leasehold Mortgagee (or any purchaser at a foreclosure sale or any subsequent Person to whom the leasehold estate hereunder may be subsequently assigned pursuant to subsection (e) above; becomes the owner of the leasehold estate created hereunder or becomes lessee under a Mortgagee Lease, then such Leasehold Mortgagee or other Person shall be responsible and liable for all obligations and covenants accruing during such Leasehold Mortgagee's or such other Person's tenure as owner of such leasehold estate or as lessee under a Mortgagee Lease. Notwithstanding the foregoing, the liability of a Leasehold Mortgagee or any other such Person with respect to its obligations under this Second Supplemental Ground Lease or any Mortgagee Lease shall be "non-recourse" and, accordingly, the Board's source of satisfaction of such obligations shall be limited to the interest of the Leasehold Mortgagee or other Person in the Property and the Facilities, and the Board shall not seek to obtain payment through any judicial process or otherwise from any such Leasehold Mortgagee or any other such other Person or from any assets of such Leasehold Mortgagee or such other Person other than the interest of the Leasehold Mortgagee or other Person in the Property and the Facilities.

ARTICLE VII MAINTENANCE AND REPAIR

Section 7.01 Maintenance and Repairs.

(a) For so long as the Facilities Lease has not been terminated, the Board shall maintain and repair the Facilities in accordance with Section 8 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.

(c) For so long as the Facilities Lease has not been terminated, neither the Board nor the University will be under any obligation to renew, repair or replace any item of inadequate, obsolete, worn out, unsuitable, undesirable, unprofitable or unnecessary equipment or other property not required for the sound operation and maintenance of the physical condition of the Facilities. In any instance where the Board, in its sound discretion, determines that any items of Facilities have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Board, for so long as the Facilities Lease has not been terminated, may remove such items of Facilities and sell, trade in, exchange, donate, throw away or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Trustee or Bondholders, provided that the collection of Auxiliary Revenues does not fall below the level required to be maintained pursuant to the provisions of the Facilities Lease.

ARTICLE VIII CERTAIN LIENS PROHIBITED

Section 8.01 No Mechanics' Liens. Except as permitted in Section 8.02 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 Property nor against the Corporation's leasehold interest in the Property 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 Property or Facilities or any part thereof through or under the Corporation.

Section 8.02 Release of Recorded Liens. If any such mechanics' liens or materialmen's liens shall be recorded against the Property or Facilities because of the activities of the Corporation described in Section 8.01, 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 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 Second Supplemental 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 8.03 Memorandum of Recitals. The memorandum of lease to be filed pursuant to Section 18.04 of this Second Supplemental Ground Lease shall state that any third party entering into a contract with the Corporation for improvements to be located on the Property, 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 9.01 Management of Facilities. The Board shall operate and manage the Facilities or cause the Facilities to be operated and managed in accordance with Section 8 of the Facilities Lease. In the event the Facilities Lease is terminated, neither the Board nor the University shall operate or manage the Facilities.

Section 9.02 Reserved.

Section 9.03 Audits. The Board may, at its option and at its own expense, and during customary business hours, conduct internal 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 10.01 Indemnification by the Corporation. Excluding 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 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 10.02 Contributory Acts. Whenever in this Second Supplemental 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.

Section 10.03 Indemnification by the Board. The Board shall indemnify the Trustee and the Authority and shall hold the Trustee and the Authority harmless from and shall reimburse the Trustee and the Authority 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 and the Authority and the payee and holder of any Bond (prior to trial, at trial and on appeal) in any action against or involving the Trustee or the Authority resulting from any breach of the representations, warranties or covenants of the Board, or from the discovery of any Hazardous Substances in, upon, under or over, or emanating from, the Property or the Facilities, whether or not the Board is responsible therefor and regardless of when such Hazardous Substances come to be present at or were Released from the Property or the Facilities, it being the intent of the Board that the Trustee and the Authority 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 with respect to Hazardous Substances by virtue of their interests, if any, in the Property and the Facilities created by the Indenture, and the Agreement or otherwise, or hereafter created, or as the result of the Trustee or the Authority, exercising any instrument, including but not limited to becoming the owner thereof by foreclosure or conveyance in lieu of foreclosure.

ARTICLE XI
TERMINATION, DEFAULT AND REMEDIES

Section 11.01 Events Of Default. Any one of the following events shall be deemed to be an “*Event of Default*” by the Corporation under this Second Supplemental 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 Second Supplemental 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 for the benefit of any Person, except for any Person exercising remedies due to a default by the Board under the Facilities Lease or a default due to non-payment of the Bonds.

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 Second Supplemental Ground Lease 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.

Section 11.02 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 11.03 Termination of Right of Occupancy. Notwithstanding any provision of law or of this Second Supplemental Ground Lease to the contrary, except as set forth in Section 1.03 hereof, the Board shall not have the right to terminate this Second Supplemental Ground Lease prior to the Expiration Date hereof. However, in the event there is an Event of Default by the Corporation hereunder, and subject to the provisions of Article Six hereof, the Board shall have the right to terminate the Corporation’s right to occupancy of the Property, except that the Facilities, at the option of the Board, shall remain thereon. The Board shall have the right to take possession of the Property and to re-let the Property 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 convey all of its right, title and interest in and to the Facilities and all of its rights under this Second Supplemental 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 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 11.04 Rights of The Board Cumulative. All rights and remedies of the Board provided for and permitted in this Second Supplemental 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. No waiver by the Board of a breach of any of the covenants, conditions or restrictions of this Second Supplemental Ground Lease shall be construed or held to be a waiver of any succeeding or preceding breach of the same or of any other covenant, condition or restriction herein contained. The failure of the Board to insist in any one or more cases upon the strict performance of any of the covenants

of this Second Supplemental Ground Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of future breaches of such covenant or option.

ARTICLE XII TITLE TO THE FACILITIES

Section 12.01 Title to Facilities. Title to the Facilities as they are constructed and upon completion thereof shall be vested in the Board during the Term of this Second Supplemental Ground Lease. The Board's right to obtain title to the Facilities unencumbered by the leasehold interest of the Corporation granted hereunder shall be 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 the Ground Lease whether such termination be by expiration of the Term or an earlier termination under any provision of this Second Supplemental Ground Lease

Section 12.02 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, or if the Bond Documents are no longer in effect shall be disbursed to the Corporation as though the Corporation were the owner of the Facilities.

Section 12.03 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 Property, and restore the Property to substantially the same condition as it existed on the date of this Second Supplemental 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 Second Supplemental Ground Lease is terminated earlier, the Board shall notify the Corporation within thirty (30) days after the termination.

Section 12.04 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 Second Supplemental 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 12.03 above.

ARTICLE XIII CONDEMNATION

Section 13.01 Condemnation. Upon the permanent Taking of all the Property and the Facilities, this Second Supplemental 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 Second Supplemental 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 13.02 Partial Condemnation if Facilities Lease is No Longer in Effect. Upon a temporary Taking or a Taking of less than all of the Property and the Facilities and if the Facilities Lease

is no longer in effect, the Corporation, at its election, may terminate this Second Supplemental 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 Property and the Corporation decides not to terminate this Second Supplemental Ground Lease, the Board and the Corporation shall either amend this Second Supplemental 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 Property and/or Facilities.

Section 13.03 Partial or Total Condemnation if Facilities Lease is in Effect. If this Second Supplemental Ground Lease is terminated under Section 13.01 or in the event of a Taking of less than all of the Property 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 Second Supplemental 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 13.04 Payment of Awards - If Facilities Lease is in Effect. Upon the Taking of all or any portion of the Property 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 Second Supplemental 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 Property under this Second Supplemental Ground Lease that is the subject of the Taking.

Section 13.05 Payment of Awards - If Facilities Lease is not in Effect. Upon the Taking of all or any portion of the Property 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 Property (such value to be determined as if this Second Supplemental 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 Property under this Second Supplemental Ground Lease that is the subject of the Taking.

Section 13.06 Bond Documents Control. Notwithstanding anything in this Second Supplemental Ground Lease to the contrary, in the event of a Casualty or a Taking of all of 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 14.01 Assignment of Leasehold Interest. Except as expressly provided for in Article Six and in this Article Fourteen, the Corporation shall not have the right to sell or assign the leasehold estate created by this Second Supplemental Ground Lease or the other rights of the Corporation hereunder to any Person without the prior written consent of the Board.

Section 14.02 Subletting. The Corporation is not authorized to sublet the leasehold estate to any entity other than the Board, except as provided in Article Six.

Section 14.03 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 Second Supplemental Ground Lease.

Section 14.04 Assignment to Trustee. The Corporation shall, concurrently with the execution hereof, assign all of its right, title and interest in and to this Second Supplemental Ground Lease to the Trustee pursuant to the Indenture and the Agreement (each as defined in the Facilities Lease). The parties hereto further agree to execute any and all documents necessary and proper in connection therewith.

ARTICLE XV COMPLIANCE CERTIFICATES

Section 15.01 The Corporation's Compliance. The Corporation agrees, at any time and from time to time upon not fewer 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 Second Supplemental 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 15.02 The Board's Compliance. The Board agrees, at any time and from time to time, upon not fewer 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 Second Supplemental 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 Second Supplemental 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, as approved by the Board.

ARTICLE XVI TAXES AND LICENSES

Section 16.01 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 Property 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 16.01 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 Property and the Facilities under applicable law are obtained by the party or parties entitled thereto.

Section 16.02 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 17.01 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 18.01 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 Second Supplemental Ground Lease, is prohibited.

Section 18.02 Bond Insurance Provisions

[TO COME]

Section 18.03 Notices. Notices or communications to the Board or the Corporation required or appropriate under this Second Supplemental 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 Board:

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

with copies to:

Louisiana Tech University
Post Office Box 3164
Ruston, Louisiana 71272
Attention: Vice President for Student Affairs

If to the Corporation:

Innovative Student Facilities, Inc.
412 West Alabama
Ruston, Louisiana 71270
Attention: Vice Chairperson

with a copy to:

[Robert E. Shadoin, Esq.]
829 E. Georgia Avenue, Suite 3
P.O. Box 782
Ruston, Louisiana 71273-0782

If to the Bond Insurer:

[TO COME]

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 18.04 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 the Board and the Corporation.

Section 18.05 Memorandum of Ground Lease. Neither the Board nor the Corporation shall file this Second Supplemental Ground Lease for record in Lincoln Parish, Louisiana or 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 Second Supplemental Ground Lease in the form of Exhibit B attached hereto. Such memorandum shall be filed for record in Lincoln Parish, Louisiana.

Section 18.06 Legal Proceedings.

(a) If either party is required to commence legal proceedings relating to this Second Supplemental Ground Lease, the prevailing party shall be entitled to receive reimbursement for its reasonable attorneys' fees and costs of suit.

(b) The Corporation waives trial by jury in any action, proceeding, or counterclaim brought by either of the Parties to this Second Supplemental Ground Lease against the other on any matters whatsoever arising out of or in any way connected with this Second Supplemental Ground Lease, the relationship of the Corporation and the Board, the Board's or the College's use or occupancy of the Facilities, or any other Claims arising hereunder.

Section 18.07 Louisiana Law to Apply. This Second Supplemental 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 Ruston, Louisiana.

Section 18.08 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 Property during the Term 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 Property against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof subject only to the provisions of this Second Supplemental Ground Lease.

Section 18.09 Curative Matters. Except for the express representations and warranties of the Board set forth in this Second Supplemental Ground Lease, any additional matters necessary or desirable to make the Property usable 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 undertaken by the Corporation to make the Property usable for the Corporation's purpose.

Section 18.10 Non-waiver. No waiver by the Board or the Corporation of a breach of any of the covenants, conditions, or restrictions of this Second Supplemental Ground Lease shall constitute a waiver of any subsequent breach of any of the covenants, conditions or restrictions of this Second Supplemental 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 Second Supplemental 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 18.11 Terminology. Unless the context of this Second Supplemental 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 Second Supplemental Ground Lease shall refer to this Second Supplemental 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 Second Supplemental Ground Lease and the Table of Contents to this Second Supplemental Ground Lease are for reference purposes and shall not control or affect the construction of this Second Supplemental Ground Lease or the interpretation hereof in any respect. Article, section and subsection and exhibit references are to this Second Supplemental Ground Lease unless otherwise specified. All exhibits attached to this Second Supplemental Ground Lease constitute a part of this Second Supplemental Ground Lease and are incorporated herein. All references to a specific time of day in this Second Supplemental Ground Lease shall be based upon Central Standard Time (or the other standard of measuring time then in effect in Ruston, Louisiana).

Section 18.12 Counterparts. This agreement may be executed in multiple counterparts, each of which shall be declared an original.

Section 18.13 Severability. If any clause or provision of this Second Supplemental Ground Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Second Supplemental 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 18.14 Authorization. By execution of this Second Supplemental 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 Second Supplemental Ground Lease have been taken and performed; and that the persons signing this Second Supplemental Ground Lease on their behalf have due authorization to do so.

Section 18.15 Ancillary Agreements. In the event it becomes necessary or desirable for the Board to approve in writing any ancillary agreements or documents concerning the Property 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 Second Supplemental Ground Lease, all agreements, documents or approvals shall be forwarded to the Board Representative.

Section 18.16 Amendment. No amendment, modification, or alteration of the terms of this Second Supplemental 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, to the extent required by Article VIII of the Agreement.

Section 18.17 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 18.18 Entire Agreement. This Second Supplemental Ground Lease, together with the exhibits attached hereto, contains the entire agreement between the parties hereto with respect to the Property and contains all of the terms and conditions agreed upon with respect to the Ground Lease of the Property, and no other agreements, oral or otherwise, regarding the subject matter of this Second Supplemental 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.

Section 18.19 Release of Excess Property. Notwithstanding the provisions of Section 18.15 above and Article VIII of the Agreement in the event any of the Property is not used for the construction of the Facilities (including any parking related thereto), this Second Supplemental Ground Lease may be amended to exclude such portion of the Property, without the consent of the owners of the Bonds outstanding under the Second Supplemental Indenture.

Section 18.20 No Merger. There shall be no merger of the leasehold estate created by this Second Supplemental Ground Lease with the fee simple estate of the Board in the Property nor shall there be any merger of the leasehold estate created by this Second Supplemental Ground Lease or the fee simple estate of the Board in the Property with the leasehold estate created by the Facilities Lease because one party or such party's transferee may acquire or shall hold directly or indirectly (a) fee simple interest in or to the Property (b) any interest in the leasehold estate created by or granted by this Second Supplemental Ground Lease and/or (c) the leasehold estate created by the Facilities Lease, and no such merger shall occur unless all entities having (i) any fee simple interest in or to the Property, (ii) any interest in the leasehold estate created or granted by this Second Supplemental Ground Lease and (iii) any interest in the leasehold estate created by the Facilities Lease, shall join in a written instrument effecting such merger and shall duly record same in the land records of the jurisdiction in which the Property is located.

IN WITNESS WHEREOF, the undersigned representative has signed this Second Supplemental Ground Lease on behalf of the Board of Supervisors for the University of Louisiana System on the ____ day of ____, 2022.

WITNESSES:

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

By: _____
Dr. Leslie K. Guice, Board Representative

NOTARY PUBLIC

Name: _____

Notary ID/Bar Roll No. _____

IN WITNESS WHEREOF, the undersigned representative has signed this Second Supplemental Ground Lease on behalf of Innovative Student Facilities, Inc., on the ____ day of ____, 2022.

WITNESSES:

INNOVATIVE STUDENT FACILITIES, INC.

By: _____
Chris Barr, Chairman

NOTARY PUBLIC

Name: _____

Notary ID/Bar Roll No. _____

EXHIBIT A
PROPERTY DESCRIPTION

[TO COME]

EXHIBIT B
MEMORANDUM OF SECOND SUPPLEMENTAL GROUND LEASE

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

MEMORANDUM OF SUPPLEMENTAL GROUND LEASE

This Memorandum of Second Supplemental Lease (this “*Memorandum*”) is entered into by and between the Board of Supervisors for the University of Louisiana System (“*Lessor*”) and Innovative Facilities, Inc. (“*Lessee*”).

RECITALS

A. Lessor and Lessee have entered into a Ground Lease Agreement dated as of July 1, 2003 (the “*Original Ground Lease*”), as amended by an Amendment to Ground Lease Agreement dated as of September 1, 2007 (the “*Amendment to Ground Lease*”) as supplemented and amended by the First Supplemental Ground Lease Agreement dated as of June 1, 2013 (the “*First Supplemental Ground Lease*” and, together with the Original Lease and the Amendment to Ground Lease, the “*Existing Ground Lease*”), whereby Lessor did lease to Lessee, and Lessee did lease from Lessor, the immovable property more particularly described on Exhibit B attached hereto and incorporated herein (the “*Land*”).

B. The Existing Lease has been supplemented and amended by a Second Supplemental Ground Lease Agreement dated as of _____ 1, 2022 between the Lessor and the Lessee (the “*Second Supplemental Ground Lease*” and, together with the Existing Ground Lease, the “*Ground Lease*”).

C. 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 Ground Lease.

LEASE TERMS

Specific reference is hereby made to the following terms and provisions of the Ground Lease:

1. The term of the Lease commenced on July 15, 2003 and shall continue until midnight on July 1, 2043, unless sooner terminated or extended as provided in the Ground 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 Ground Lease in accordance with the provisions thereof.
3. Additional information concerning the provisions of the Ground 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 7300
Baton Rouge, Louisiana 70802
Attention: Vice President of Business and Finance

Lessee: Innovative Student Facilities, Inc.
412 West Alabama
Ruston, Louisiana 71270
Attention: Vice Chairperson

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 Ground 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 Ground Lease are incorporated into this Memorandum by reference as though fully set forth herein, and both the Ground Lease and this Memorandum shall be deemed to constitute a single instrument or document.

THUS DONE AND PASSED on the ____ of _____, 2022, in Ruston, Louisiana, in the presence of the undersigned, both competent witnesses, who herewith signs his name as Authorized Representative of the Board of Supervisors for the University of Louisiana System, and me, Notary.

WITNESSES:

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

Print Name: _____

By: _____
Dr. Leslie K. Guice, Board Representative

Print Name: _____

NOTARY PUBLIC

Name: _____

Notary ID/Bar Roll No. _____

THUS DONE AND PASSED on the ____ of _____, 2022, in Ruston, Louisiana, in the presence of the undersigned, both competent witnesses, who herewith signs his name as Authorized Representative of Innovative Student Facilities, Inc., and me, Notary.

WITNESSES:

INNOVATIVE STUDENT FACILITIES, INC.

Print Name: _____

By: _____
Chris Barr, Chairman

Print Name: _____

NOTARY PUBLIC

Name: _____

Notary ID/Bar Roll No. _____

THIRD SUPPLEMENTAL
AGREEMENT TO LEASE WITH OPTION TO PURCHASE

by and between

INNOVATIVE STUDENT FACILITIES, INC.
(as Lessor)

and

BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM
(as Lessee)

Dated as of ____ 1, 2022

in connection with:

\$ _____
Louisiana Local Government Environmental Facilities
and Community Development Authority Revenue Refunding Bonds
(Louisiana Tech University Student Housing/Innovative Student Facilities, Inc. Project)
Series 2022

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EXHIBIT A – DESCRIPTION OF THE FACILITIES

EXHIBIT B – FORM OF MEMORANDUM OF FACILITIES LEASE

THIRD SUPPLEMENTAL
AGREEMENT TO LEASE WITH OPTION TO PURCHASE

This THIRD SUPPLEMENTAL AGREEMENT TO LEASE WITH OPTION TO PURCHASE (the “*Third Supplemental Facilities Lease*”), dated as of _____ 1, 2022 is entered into by and between INNOVATIVE STUDENT FACILITIES, INC., a Louisiana nonprofit corporation represented herein by its Chairman, Chris Barr (the “*Corporation*”) and the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM, a public constitutional corporation organized and existing under the laws of the State of Louisiana, represented herein by its duly authorized Board Representative, Dr. Leslie K. Guice (the “*Board*”), acting herein on behalf of Louisiana Tech University (the “*University*”) and supplements that certain Agreement to Lease with Option to Purchase dated as of July 1, 2003 between the Corporation and the Board (the “*Original Facilities Lease*”), as amended by an Amendment to Agreement to Lease with Option to Purchase dated as of September 1, 2007 (the “*Amendment to Facilities Lease*”), as supplemented and amended by a First Supplemental Agreement to Lease with Option to Purchase dated as of June 1, 2013 (the “*First Supplemental Facilities Lease*”), as further supplemented and amended by a Second Supplemental Agreement to Lease with Option to Purchase dated as of August 1, 2016 by and between the Corporation and the Board (the “*Second Supplemental Facilities Lease*” and, together with the Original Facilities Lease, the Amendment to Facilities Lease, the First Supplemental Facilities Lease and this Third Supplemental Facilities Lease, the “*Facilities Lease*”);

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 Revised Statutes 17:3217;

WHEREAS, the Board owns, or has under its supervision and management, the ground on which the University’s proposed additional student housing facilities have been constructed;

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 or other immovable property under the supervision and management of the Board, provided that the Corporation is thereby obligated to construct improvements for furthering the educational, scientific, research or public service functions of the Board;

WHEREAS, the Board and the Corporation have entered into that certain Ground Lease Agreement dated as of July 1, 2003 (the “*Original Ground Lease*”), as amended by an Amendment to Ground Lease Agreement dated as of September 1, 2007 (the “*Amendment to Ground Lease*”), as supplemented and amended by a First Supplemental Ground Lease Agreement dated as of June 1, 2013 (the “*First Supplemental Ground Lease*”), as further supplemented and amended by a Second Supplemental Ground Lease Agreement of even date herewith (the “*Second Supplemental Ground Lease*” and, together with the Original Ground Lease, the Amendment to Ground Lease, and the First Supplemental Ground Lease, the “*Ground Lease*”) whereby the Board has leased the Property (as defined therein) to the Corporation;

WHEREAS, the Corporation has furthered these functions of the Board, by causing the development, design, construction and equipping of student housing facilities (the “*Facilities*”) on the

University campus and all furnishings, fixtures and equipment incidental or necessary in connection therewith on immovable property owned by or under the supervision and management of the Board in the City of Ruston, Lincoln Parish, Louisiana, which Facilities have been leased to the Board on behalf of the University; and

WHEREAS, the Corporation and the Board desire to supplement and amend the Original Facilities Lease in accordance with Section 32 thereof and Section 8.3 of the Original Loan Agreement in connection with the refunding of the Refunded Bonds (as hereinafter defined), which were issued to finance the development, design, construction and equipping of the Facilities.

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 Third Supplemental 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 Third Supplemental Facilities Lease.

“*Accountant*” shall mean an independent, nationally recognized certified public accountant or nationally recognized firm of independent certified public accountants.

“*Additional Bonds*” shall mean Bonds issued pursuant to Section 27 hereof and Article V of the Indenture.

“*Additional Rental*” shall mean the amounts specified as such in Section 7(c) of this Third Supplemental Facilities Lease.

“*Administrative Expenses*” shall mean the necessary, reasonable and direct out-of-pocket expenses incurred by the Authority 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 Authority, 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 Original Agreement, as supplemented and amended by the First Supplemental Agreement, as further supplemented and amended by the Second Supplemental Agreement, and including any additional amendments and supplements thereof and thereto as permitted thereunder.

“*Amendment to Ground Lease*” means the Amendment to Ground Lease Agreement dated as of September 1, 2007 between the Board and the Corporation.

“*Amendment to Facilities Lease*” means the Amendment to Agreement to Lease with Option to Purchase dated as of September 1, 2007 between the Corporation and the Board.

“*Authority*” shall mean the Louisiana Local Government Environmental Facilities and Community Development Authority.

“*Auxiliary Facilities*” shall mean the buildings, land, equipment and other properties under the control, operation or supervision of the University as the same may be modified from time to time as follows: (i) dormitories; (ii) apartments; (iii) food services; (iv) bookstore; (v) student center; (vi)

recreational facilities and (vii) parking facilities.

“Auxiliary Obligations” shall mean any obligations (whether present or future, contingent or otherwise, as principal or surety 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 or agreement that is secured by or payable from Auxiliary Revenues.

“Auxiliary Revenues” shall mean funds of the University that include: (i) the gross amount of all fees levied on all students at the University and such other revenues, funds or income received from students or the public at large in connection with any undertaking, utilization or operation of Auxiliary Facilities, including operation or management thereof by private entities on behalf of the University and unallocated revenues therefrom, prior to the payment of Current Expenses; and (ii) all Funds and Accounts held pursuant to the Board resolutions authorizing the Subordinate Lien Obligations. Auxiliary Revenues shall not include funds appropriated to the Board or the University by the Legislature of the State from time to time.

“Base Rental” shall mean the amounts referred to as such in Section 7(b) of this Third Supplemental Facilities Lease (as such amounts may be adjusted from time to time in accordance with the terms hereof) but does not include Additional Rental.

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

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

“Board Representative” shall mean any one of the persons designated and authorized in writing from time to time by the Board to represent the Board in exercising the Board’s rights and performing the Board’s obligations under this Third Supplemental Facilities Lease or the Ground 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 Vice President of Business and Finance or his or her designee, the President of the University, the Vice President for Finance and Administration of the University or any other representative designated by the resolution of the Board, of whom the Corporation has been notified in writing.

“Bond Documents” shall mean the Indenture, the Mortgage and the Agreement.

“Bonded Revenue Fund” shall mean the fund established by the resolutions authorizing the issuance of the Subordinate Lien Obligations by the Board, into which fund Auxiliary Revenues are deposited and which serves as security for the Subordinate Lien Obligations.

“Bonds” shall mean the Non-refunded Bond, the Series 2022 Bonds and any Additional Bonds issued pursuant to a supplemental indenture as authorized hereby.

“Budget” shall mean the University’s budget as approved by the Board for any Fiscal Year during the Term.

“Business Day” shall mean 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.

“*Casualty*” has the meaning set forth in Section 11 hereof.

“*CERCLA*” shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§9601 et seq.).

“*Claim*” collectively shall mean 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.

“*Corporation*” shall mean Innovative Student 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 payment of all the Bonds.

“*Debt Service Coverage Ratio*” shall mean for the period in question, while any Bonds are Outstanding, the ratio determined by the Vice President for Finance and Administration of the University by dividing the funds received by the University as Auxiliary Revenues, including the revenues of the Facilities, less the cost of sales and Auxiliary Facilities operating and administrative expenses, for such period by the maximum annual debt service and payments on all Auxiliary Obligations outstanding. For purpose of the calculation of the Debt Service Coverage Ratio insurance proceeds (other than business interruption insurance) and condemnation proceeds shall not be deemed to be Auxiliary Revenues and deposits into the Maintenance Reserve Fund shall be included as an expense.

“*Debt Service Fund*” shall mean the Debt Service Fund created by Section 4.1 of the 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 Series 2022 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.

“*Default or Delay Rental*” shall mean and shall consist of: (i) all amounts, fees or expenses that 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 counsel fees, 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 Agreement or incurred in obtaining possession of the Facilities after default by the Board that shall be due not later than thirty (30) days from notification that such Default or Delay Rentals are owed.

“*Encumbrance*” shall mean 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*” 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 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 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 mean any default specified in and defined as such by Section 22 hereof.

“Expiration Date” shall mean the earlier of July 1, 2043 or the date that all amounts owed under the Indenture have been paid.

“Expropriation” has the meaning set forth in Section 11 hereof.

“Facilities” shall mean the facilities described in Exhibit A attached hereto, and to the Agreement, as amended and supplemented in accordance therewith, that have been designed, constructed and equipped with the proceeds of the Series 2003 Bonds, including all furnishings, fixtures and equipment incidental or necessary in connection therewith and any parking facilities constructed by the Board pursuant to Section 9.02 of the Ground Lease, on the campus of the University.

“Facilities Lease” shall mean the Original Facilities Lease, as amended by that certain Amendment to Facilities Lease, as supplemented and amended by the First Supplemental Facilities Lease, as further supplemented and amended by the Second Supplemental Facilities Lease, as further supplemented and amended by this Third Supplemental Facilities Lease, and as the same may be further amended or supplemented from time to time in accordance with its terms.

“Fiscal Year” shall mean the fiscal year of the University, which at the date of this Third Supplemental Facilities Lease is the period from July 1 to and including the following June 30.

“First Supplemental Agreement” shall mean the First Supplemental Loan and Assignment Agreement dated as of June 1, 2013, by and between the Authority and the Corporation

“First Supplemental Facilities Lease” shall mean the First Supplemental Agreement to Lease with Option to Purchase dated as of June 1, 2013, by and between the Corporation, as Lessor, and the Board, as Lessee

“First Supplemental Ground Lease” shall mean the First Supplemental Ground Lease dated as of

June 1, 2013, by and between the Board, as Lessor, and the Corporation, as Lessee

“*First Supplemental Indenture*” shall mean the First Supplemental Trust Indenture dated as of June 1, 2013, by and between the Authority and the Trustee

“*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 Regulations*” shall mean 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*” shall mean the Original Ground Lease, as amended by the Amendment to Ground Lease, as supplemented and amended by the First Supplemental Ground Lease, as further supplemented and amended by the Second Supplemental Ground Lease, and any amendment or supplement thereto entered into from time to time in accordance with the terms thereof.

“*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 Original Indenture, as supplemented and amended by the First Supplemental Indenture, as further supplemented and amended by the Second Supplemental Indenture, as it may be further amended or supplemented from time to time by supplemental indentures in accordance with the provisions thereof.

“*Interest Payment Date*” or “*interest payment date*” shall mean each [July 1 and January 1, commencing _____ 1, 2022.]

“*Legal Expenses*” shall mean 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*” shall mean all out-of-pocket costs and expenses incurred as a result of a 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.

“*Mortgage*” shall mean the Act of Mortgage, Assignment of Leases and Security Agreement by

the Corporation in favor of the Trustee, mortgaging the Corporation's leasehold interest pursuant to the Ground Lease, as the same may be amended from time to time.

"Non-Refunded Bonds" shall mean the Series 2013 Bonds maturing July 1, 20__- to and including July 1, 20__.

"Notice" shall have the meaning set forth in Section 51 hereof.

"Option to Purchase" or *"Option"* shall mean the option to purchase the Corporation's interest in the Facilities granted in Section 24 of this Third Supplemental Facilities Lease.

"ORM" has the meaning set forth in Section 10(c) hereof.

"Other Parties" shall mean a Person other than the Parties.

"Outstanding" or *"outstanding"* when used with reference to Bonds, shall mean all Bonds that have been authenticated and issued under the Indenture except:

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

"Original Facilities Lease" shall mean that certain Agreement to Lease with Option to Purchase dated as of July 1, 2003 between the Corporation and the Board.

"Original Ground Lease" shall mean that certain Ground Lease Agreement dated as of July 1, 2003 between the Board and the Corporation.

"Original Indenture" shall mean that certain Trust Indenture dated as of July 1, 2003 between the Authority and the Trustee.

"Original Loan Agreement" shall mean that certain Loan and Assignment Agreement dated as of July 1, 2003 between the Authority and the Corporation.

"Parties" shall mean, collectively, the Corporation and the Board.

"Permitted Use" shall mean the operation of the Facilities as student housing for the University.

"Person" shall mean all juridical persons, whether corporate or natural, including individuals, firms, trusts, corporations, associations, joint ventures, partnerships, and limited liability companies or

partnerships.

“*Property*” shall mean the immovable property more particularly described on Exhibit A to the Ground Lease, together with all other rights and interests leased pursuant to the Ground Lease.

“*Purchase Price*” shall have the meaning set forth in Section 24(e) hereof.

“*Refunded Bonds*” shall mean the Series 2013 Bonds maturing July 1, 2022 to and including July 1, 2023.

“*Remediation*” shall mean any and all costs and expenses incurred directly or indirectly 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.

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

“*Revenues*” shall mean all revenues from the operation, ownership and leasing of the Facilities and the Property, including without limitation, all collected rents and other charges for the use or occupancy of the Facilities, parking charges and revenues, utility charges, vending machine and laundry machine revenues obtained from the operation of the Facilities, condemnation awards and insurance proceeds, including, without limitation, rental or business interruption insurance proceeds and all rights to receive the same, whether in the form of accounts, general intangibles or other rights, whether now existing or owned or hereafter coming into existence or acquired, if any, and investment earnings thereon; all issues, receipts and profits accruing and to accrue and due and to become due and payable and to be payable pursuant to this Third Supplemental Facilities Lease, excluding tenants’ Security Deposit unless and until applied in satisfaction of tenants’ obligations.

“*Second Supplemental Agreement*” shall mean the Second Supplemental Loan and Assignment Agreement dated as of ____ 1, 2022, by and between the Authority and the Corporation

“*Second Supplemental Facilities Lease*” shall mean the Second Supplemental Agreement to Lease with Option to Purchase dated as of August 1, 2016, by and between the Corporation, as Lessor, and the Board, as Lessee

“*Second Supplemental Ground Lease*” shall mean the Second Supplemental Ground Lease dated as of ____ 1, 2022, by and between the Board, as Lessor, and the Corporation, as Lessee

“*Second Supplemental Indenture*” shall mean the Second Supplemental Trust Indenture dated as of ____ 1, 2022, by and between the Authority and the Trustee

“*Security Deposits*” shall mean the amount of money collected by the Board from the tenants of the Facilities to pay for repairs pursuant to the applicable tenant/student lease.

“*Series 2003 Bonds*” shall mean the \$21,840,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Louisiana Tech University Student Housing and Recreational Facilities/Innovative Student Facilities, Inc. Project) Series 2003

“*Series 2013 Bonds*” shall mean the \$19,065,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Louisiana Tech University Student Housing/Innovative Student Facilities, Inc.) Series 2013.

“*Series 2015 Bonds*” shall mean the \$43,020,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Louisiana Tech University Student Housing and Recreational Facilities/Innovative Student Facilities Inc. Project) Series 2015.

“*Series 2016A Bonds*” shall mean the \$36,695,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Louisiana Tech University Student Housing/Innovative Student Facilities, Inc. Project) Series 2016A.

“*Series 2022 Bonds*” shall mean the \$_____ Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Refunding Bonds (Louisiana Tech University Student Housing/Innovative Student Facilities, Inc. Project) Series 2022 and such Series 2022 Bonds issued in exchange for such other Series 2022 Bonds pursuant to the Indenture or in replacement for mutilated, destroyed, lost or stolen Series 2022 Bonds pursuant to the Indenture.

“*Series 2022 Bond Insurer*” means _____, or any successor thereto or assignee thereof, as bond insurer for the Series 2022 Bonds.

“*Series 2022 Bond Proceeds Fund*” shall mean the fund of that name created under Section 4.1 of the Second Supplemental Indenture.

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

“*Subordinate Lien Obligations*” shall mean the \$3,975,000 Board of Supervisors for the University of Louisiana System Revenue Refunding Bonds (Louisiana Tech University Project) Series 2012, of which \$440,000 is currently Outstanding, which are secured by a pledge of Auxiliary Revenues subordinate to the pledge of the Series 2022 Bonds.

“*Term*” shall mean the term of this Third Supplemental Facilities Lease, as provided in Section 2 hereof.

“*Third Supplemental Facilities Lease*” shall mean this Third Supplemental Agreement to Lease with Option to Purchase dated as of _____ 1, 2022, by and between the Corporation, as Lessor, and the Board, as Lessee

“*Trustee*” shall mean the trustee acting in its capacity as such under the Indenture or any successor appointed as therein provided.

“*University*” shall mean Louisiana Tech University.

“*University Representative*” shall mean the Vice President for Student Affairs of Louisiana Tech University.

“*Utility Service*” shall have the meaning set forth in Section 9 hereof.

“*Work*” shall have the meaning set forth in Section 13(a) hereof.

SECTION 2 Agreement to Lease: Term of Facilities 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 Third Supplemental Facilities Lease, and the Board accepts possession of the Facilities, as constructed 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 understands and agrees that Rental shall accrue from the Commencement Date hereof in consideration of the mutual covenants and agreements entered by the Parties under the Ground Lease and the Agreement, notwithstanding the fact that the Facilities have yet to be constructed or renovated. The Term of this Third Supplemental Facilities Lease begins on the Commencement Date and ends on the Expiration Date; but this Third Supplemental Facilities Lease is automatically renewable for an additional term of up to five (5) years in the event that on the Expiration Date there is outstanding any unpaid principal and premium, if any, or interest on the Series 2022 Bonds , provided, however, this Third Supplemental Facilities Lease shall terminate prior to the Expiration Date upon the happening of any of the following events:

- (a) repayment of the Series 2022 Bonds in full, including principal, premium, if any, interest and all Administrative Expenses with respect to the Series 2022 Bonds as set forth in the Indenture and the discharge of the lien and security interest of the Indenture pursuant to the terms of 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) the Corporation's exercise of its option to terminate upon the happening of any event described in this Third Supplemental Facilities Lease with respect to which the Corporation has such option, including without limitation a Default by the Board, as set forth in Section 22 hereof.

SECTION 3 Acknowledgments, Representations and Covenants of the Board. The Board represents and covenants and agrees as follows:

- (a) The Board has full power and authority to enter into the Board Documents and the transactions contemplated thereby and agrees to perform all of its obligations under the Board Documents;
- (b) The Board has been duly authorized to execute and deliver the Board Documents and further represents and covenants that the Board Documents constitute the valid and binding obligations of the Board enforceable against the Board in accordance with their terms and that all requirements have been met and procedures have occurred in order to ensure the enforceability of the Board Documents 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 the Board Documents;
- (c) The execution and delivery of the Board Documents, and compliance with the provisions 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 or its properties 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; 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 to the Corporation, 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 that in any way would adversely affect the validity or enforceability of the Board Documents;

- (e) The use of the Facilities is essential to the operation of the University by providing

modern housing facilities for students of the University. The Board presently intends to make all payments for use of the Facilities. There are no alternative facilities available for use as contemplated for the Facilities.

(f) The Board, on behalf of the University, hereby authorizes its fiscal agent bank to make transfers from the Bonded Revenue Fund in accordance with the Indenture and the Agreement.

(g) The Board covenants and agrees that, so long as any bonds, notes or lease obligations remain outstanding that are payable from the Auxiliary Revenues (including, without limitation, its obligations under this Third Supplemental Facilities Lease), it will continue to require that the University establish and maintain such fees, rentals, rates and charges relative to the Auxiliary Facilities, including, without limitation, the Facilities, and revise or cause to be revised the same, as necessary, as will be necessary to produce and assure for each Fiscal Year, a Debt Service Coverage Ratio of at least 1.10:1.00. 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 Series 2022 Debt Service Reserve Fund. The Board further covenants that it will seek any required legislative approval necessary in order to comply with the provisions of the Indenture, the Ground Lease, and this Third Supplemental Facilities Lease.

(h) The Board covenants to make the Rental payments, unless excluded from the Budget by the Board as described in Section 7(e) hereof, before any other payments are made from the Bonded Revenue Fund, including the payments required on the Subordinate Lien Obligations.

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 by, and to carry out its obligations under the Board Documents and Bond Documents. 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 the Board Documents and the Agreement;

(b) The execution and delivery of the Board Documents, 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, agreement or other agreement or instrument to which the Corporation is a party or by which the Corporation or its properties 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 that 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 that in any way would adversely affect the validity or enforceability of the Board Documents, the Agreement or any agreement or instrument to which the Corporation is a party;

SECTION 5 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.

(b) The Board further declares and acknowledges that the Corporation in connection with this Third Supplemental 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.

(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 Third Supplemental 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. The Board affirmatively reserves its rights against all parties except the Corporation in this regard.

SECTION 6 Bond Insurance Provisions.

[TO COME]

SECTION 7 Rental.

(a) The Board, for and in consideration of the Corporation entering into the Ground Lease, constructing the Facilities in accordance with the Ground Lease and subleasing 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, at the times and in the manner set forth herein, such amounts constituting in the aggregate the total of the rental payable under this Third Supplemental Facilities Lease.

(b) Payments of Base Rental shall be due on the dates and in the amounts as hereinafter provided:

(i) Semiannually, on each June 15 and December 15 during the term of this Third Supplemental Facilities Lease, commencing [_____ 15, 20__], in an amount equal to the sum of the principal of, premium, if any, and interest due and payable on the Bonds on the following July 1 or January 1, as the case may be; and

(ii) Prior to the dates required in the Indenture, into any of the funds or accounts established in the Indenture, an amount sufficient to make up any deficiency in any funds or accounts, including without limitation, as a result of a deficiency in any prior payment required to be made into such fund or account and to restore any loss resulting from investment or other causes from such fund or account and any other payment required to be made to such fund or account by the Indenture; and

(iii) Prior to the dates required in the Indenture, into the Maintenance Reserve Fund an amount sufficient to meet the requirements of the Indenture; and

(iv) If necessary, the amount required to pay for the construction and initial furnishings and equipment of the Facilities.

(c) In addition to the Base Rental set forth herein, the Board agrees to pay as Additional Rental any and all costs and expenses, of every nature, character, and kind whatsoever, of the Corporation under the Agreement, the Facilities Documents or the Mortgage and/or incurred 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 or the Property, including without limitation ad valorem taxes attributed to the Corporation on behalf of the Board or to 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, if any, 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 10 of this Third Supplemental 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 Property under the Ground Lease;

(vi) all Administrative Expenses owed to the Authority and 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) all costs sustained or incurred by the Corporation resulting from any and all Encumbrances, demands or liabilities arising on account of the Work;

(x) any and all professional fees and expenses incurred by the Corporation, including legal fees; and

(xi) any other costs, charges, and expenses commonly regarded as ownership, maintenance, and operating expenses, if any, incurred by the Corporation under this Third Supplemental 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 Trustee or the Corporation 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 Series 2022 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.

(e) Notwithstanding any other provision of the Facilities Lease, the Board shall make payments under this Third Supplemental Facilities Lease, including, without limitation, payments of Base Rental, from Auxiliary Revenues held in the Bonded Revenue Fund or any other funds available to the Board, on behalf of the University. The Vice President for Finance and Administration of the Board shall cause the University to include in the Budget and, if necessary, any amendments to the Budget, an amount sufficient to make the payments of Base Rental and Additional Rental described herein and, if such Budget is approved by the Board, Rental payments shall be made hereunder on behalf of the University in accordance with the Budget. Absent express action by the Board not approving a budget item for Base Rental and Additional Rental payable hereunder, each Budget shall conclusively be deemed to include such amounts. The Board shall deposit all Auxiliary Revenues in the Bonded Revenue Fund and make transfers to the Trustee from the Bonded Revenue Fund in accordance with this Third Supplemental Facilities Lease and the Indenture. Subject to the foregoing, the obligations of the Board to make payments pursuant to this Third Supplemental 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, until such time as the principal of, premium, if any, and interest on the Series 2022 Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with this Third Supplemental Facilities Lease, the Board shall not suspend or discontinue payment of Rental or any other payments pursuant to this Third Supplemental Facilities Lease for any cause, and shall continue to perform and observe all of its agreements contained in this Third Supplemental 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 approved by the Board 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 Third Supplemental 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 7(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 Third Supplemental 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 or set-offs whatsoever of any kind, character or nature; it being understood and agreed by the Board that the Board shall bear responsibility for the payment of all costs and expenses associated with the ownership, 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 Third Supplemental Facilities Lease, or assume any monetary obligation of the Board under this Third Supplemental Facilities Lease, or with respect to the Facilities.

SECTION 8 Operation, Alterations, Maintenance, Repair, Replacement and Security Service.

(a) The Board and/or the University shall be responsible for procuring and maintaining or cause to be procured and maintained all services necessary or required in order to adequately operate the Facilities in accordance with the Permitted Use. The Board and/or the University shall continuously operate or cause to be operated the Facilities during the Term for the Permitted Use, and in accordance with all Governmental Regulations.

(b) The Board and/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 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 Corporation or some Other Party. All alterations, repairs, restorations 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 Board and/or the University 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 Board; (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 Board and/or the University shall provide or cause to be provided all security service, custodial service, janitorial service, trash disposal, maintenance of grounds 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 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 9 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 Utility Services provided to the entire Facilities under such contract or contracts therefor 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 not be in Default under this Third Supplemental 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 10 Insurance.

(a) The Board shall cause to be secured and maintained at the Board’s 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 will be not less than one hundred percent (100%) of the full replacement cost of the Facilities, without deduction for depreciation, but in no event will the amount of the insurance be at any time less than the full replacement cost of the Facilities, adjusted to comply with any applicable co-insurance provisions of any such insurance policy. If certain Facilities are damaged and the Board, through the Corporation, elects not to rebuild or replace, property coverage will revert to actual cash value of the particular Facility.

(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 \$5,000,000 in combined single limit liability coverage. Such comprehensive public liability insurance will specifically include, but will not be limited to, sprinkler leakage and water damage legal liability each with respect to property of third parties.

(iii) Boiler and machinery insurance coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus now or hereafter installed on the Facilities, in an amount not less than \$15,000,000 with deductible provisions not exceeding \$100,000 per accident. Such boiler and machinery insurance will specifically include, but will not be limited to, business interruption insurance.

(iv) Workers’ compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State, or any act hereafter enacted as an amendment thereto or in lieu thereof, such workers’ compensation insurance to cover all persons employed by the State or any agency thereof in connection with the particular Facilities and to cover full liability for compensation under any such act aforesaid, in an amount not less than \$500,000.

(v) Business income or business interruption insurance against loss of business income, including rental value, from the Facilities in the amounts currently provided in the insurance policies for the Facilities and as updated on a regular basis.

(b) Participation by the Board in the State’s Office of Risk Management plan for self-insurance will be deemed to be compliance with the requirements of the Indenture and this Facilities Lease. Except in the case of such self-insurance, all insurance required in the Indenture and all renewals

of such insurance will be issued by companies authorized to transact business in the State, and rated at least A - Class VIII by Best's Insurance Reports (property liability). All insurance policies provided by the Board will expressly provide that the policies will not be canceled or altered without thirty (30) days' prior written notice to the Trustee; and will provide that no act or omission of the Board 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. The Board may satisfy its obligation under the Indenture by appropriate endorsements of its blanket or excess insurance policies.

(c) If the Board has made a good faith effort to obtain the above required coverages for the specified limits but is unable to secure such coverage levels because of unfavorable insurance market conditions, lower limits may be substituted.

(d) All policies of liability insurance that the Board is obligated to maintain according to this Third Supplemental 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 Board may be required to name from time to time as additional insureds. All public liability, property damage liability, and casualty policies maintained by the Board shall be written as primary policies.

(e) Proceeds of insurance received and/or the amount of any loss that is self-insured through the State's Office of Risk Management 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 and the Board hereby agrees to deliver all such insurance proceeds to the Trustee) for application in accordance with the provisions of Section 12 of this Third Supplemental Facilities Lease and the Indenture.

(f) The provisions of the Indenture as to insurance required to be procured and maintained will not limit or prohibit, or be construed as limiting or prohibiting, the Board from obtaining any other insurance with the permission of the State's Office of Risk Management or as otherwise required by law with respect to the Facilities or the use and occupancy thereof that it may wish to carry, but in the event the Board will procure or maintain any such insurance not required by the Indenture, the cost thereof will be at the expense of the Board.

(g) The Corporation shall 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 Series 2022 Bonds.

SECTION 11 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. The Board shall continue to be obligated to pay Base Rental and Additional Rental following the occurrence of any of the foregoing events.

SECTION 12 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 Facility 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 (or in the case of self-insurance, as set forth in paragraph (b) below) 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. 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 in accordance with the terms of the Indenture.

(b) In the event that ORM insures the Facilities, the Board shall cause the Corporation to 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 replacements of the Facilities.

(c) 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. In the event the proceeds are insufficient to redeem all Outstanding Bonds, the Board shall be responsible for such shortfall.

(d) 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 Sections 13.02 and 13.03 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 Trustee and applied to the prepayment of the Series 2022 Bonds in accordance with the terms of the Indenture, and, upon the repayment of the Series 2022 Bonds in full and the discharge of the lien of the Indenture, this Third Supplemental Facilities Lease and the Ground Lease shall terminate.

SECTION 13 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*”) done by the Board or caused to be done by the Board in or to the Facilities, and 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 Rental pursuant to Section 7 hereof.

(b) The Board shall, or shall cause the University to, cause the Facilities at all times to be free from all encumbrances that would materially affect the receipt of the Auxiliary Revenues, provided that the University may in good faith 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 Board obtains an injunction prohibiting, or otherwise prevents, the enforcement of such liens, assessments or other charges and any appeal therefrom, unless by nonpayment of any such items the Auxiliary Revenues would be materially endangered or the Facilities or any part thereof will be subject to loss or forfeiture to such an extent that Revenues are materially adversely affected, in which event the University will promptly pay and cause to be satisfied and discharged all such unpaid items.

(c) *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 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.

(d) *Notice of Non-responsibility.* The Corporation will have the right to post notices of Non-responsibility or similar written notices on the Facilities in order to protect the Facilities against any such claimants.

SECTION 14 Assignment and Sublease.

(a) Neither this Supplemental Facilities Lease nor any interest of the Board herein 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 Permitted Sublessee. The Board shall at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Third Supplemental 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 Third Supplemental Facilities Lease or to relieve the Board from any other obligations contained herein. In no event will the Board sublease or permit the use of all or any part of the Facilities to any Permitted Sublessee 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 Bonds for federal income tax purposes.

(b) The Board acknowledges and agrees that the Corporation shall, concurrently with the execution hereof, assign all of its right, title and interest in and to this Third Supplemental Facilities Lease, including without limitation its right to receive Base Rental payable hereunder, to the Authority pursuant to the Agreement, and the Authority will in turn assign its rights under this Third Supplemental 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 Third Supplemental Facilities Lease may be done by the Trustee under the Indenture.

(c) Except as set forth in Section 14(b) above and the Mortgage the Corporation shall not sell or assign its interest in the Facility or this Third Supplemental Facilities Lease without the prior written consent of the Board.

SECTION 15 Additions and Improvements.

(a) At the expiration of the Term or the earlier termination of this Lease, all alterations, fixtures, improvements, and additions made to, in, or on the Facilities by the Board or the University, and all equipment placed upon the Facilities that are incorporated into or made component parts of the Facilities shall remain on the Facilities without compensation to the Corporation.

(b) Title to all property, furniture, equipment, fixtures, and other property installed at or placed upon the Facilities by the Board that is not incorporated into or made a component part of the Facilities shall 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, provided that the Board repairs any damage to the Facilities caused by such removal.

SECTION 16 Right of Entry. Representatives of the Corporation shall, subject to reasonable security precautions, and upon giving the Board not fewer 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 or a University Representative (i) to inspect the same, (ii) for any purpose connected with the rights or obligations of the Corporation under this Third Supplemental Facilities Lease, or (iii) for all other lawful purposes.

SECTION 17 Mortgage Prohibition. Except as set forth in the Indenture or the Ground Lease the Corporation shall not be entitled to mortgage or grant a security interest in the Facilities.

SECTION 18 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 Third Supplemental Facilities Lease, the Board agrees to fully attorn to and recognize any such successor as the Board's landlord under this Third Supplemental Facilities Lease upon the then existing terms of this Third Supplemental 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 Third Supplemental 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.

SECTION 19 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 of the interest in 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 Lease.

SECTION 20 Environmental Compliance and Indemnity.

(a) *Environmental Compliance.* The Board or the University shall operate or cause to be operated the Property and 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 Property or the Facilities, except for such Hazardous Substance as is necessary or useful to the operation of the Facilities and in strict compliance with the Environmental Requirements and directions of Governmental Authority. The Board shall not cause or permit any disposal or Release upon, in or about the Property or the Facilities, other than Releases involving only de minimis amounts of Hazardous Substance that could not lead to liability under Environmental Requirements.

(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 Property or 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 and in strict compliance with the Environmental Requirements and directions of Governmental Authority. 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 Property 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 Third Supplemental 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 Property and 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 Third Supplemental 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, presence, release, disposal, removal or Remediation of any Hazardous Substance located in or about the Facilities whether occurring before or during the Term or otherwise arising from the acts or omissions of the Board.

(c) The Board shall indemnify, defend and hold the Corporation harmless from and against any and all losses, claims, demands, actions, suits, damages, expenses and costs which are brought or recoverable against, or suffered or incurred by the Corporation resulting or arising from the breach of or noncompliance by the Board with the provisions of this Section 20.

SECTION 21 The Corporation's Reservation of Rights.

(a) The Corporation hereby reserves all of their 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 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 Third Supplemental 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 Third Supplemental 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 Third Supplemental 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 Third Supplemental Facilities Lease and the obligations of the Corporation thereunder, 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 Third Supplemental Facilities Lease, is expressly waived and released, except to the extent that such liability relates to any criminal acts, intentional misconduct, or fraud. The immunity of any officer, director, agent, employee or member of the Corporation under the provisions contained in this Section 21 shall survive any acquisition of the Facilities by the Board and the expiration or other termination of this Third Supplemental Facilities Lease.

SECTION 22 Default by the Board.

(a) If (i) the Board, on behalf of the University, shall fail to deposit with the Trustee any Base Rental payment required to be so deposited pursuant to Section 7 hereof by the close of business on the day such deposit is required pursuant to Section 7 hereof; 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 Trustee or the Corporation that such sums are due and owing; or (iii) any warranty, representation or other statement by or on behalf of the Board contained in this Third Supplemental Facilities Lease or in any instrument furnished in compliance with or in reference to this Third Supplemental Facilities Lease is false or misleading in any material respect; or (iv) a petition is filed against the Board under any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within sixty (60) days after such filing, but the Trustee shall have the right to intervene in the proceedings prior to the expiration of such sixty (60) days to protect their interests and the interests of the owners of the Series 2022 Bonds; or (v) the Board filed a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under any such law; or (vi) the Board admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Board for any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than thirty (30) days, but the Trustee shall have the right to intervene in the proceedings prior to the expiration of such thirty (30) days to protect their interests and the interests of the owners of the Series 2022 Bonds; or (vii) 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 thirty (30) days (or such longer period as the Trustee may approve) after written Notice thereof from the Corporation, the Trustee, and/or the University to the

Board, provided, however that if the breach be of a nature that it cannot be cured in thirty (30) days, the 30 day period will be extended so long as the Board promptly commences action to cure such breach and proceeds diligently to completion of such cure but only if such extension would not materially adversely affect the interest of the Corporation or the Bondholders. If an Event of Default by the Board shall occur and be continuing, the Corporation shall have the right without any further demand or Notice, to terminate this Third Supplemental 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 Third Supplemental 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 Revenues have not been paid to the Corporation), and to enforce other obligations of the Board which survive termination of this Third Supplemental 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. The foregoing remedies of the Corporation are in addition to and not exclusive of any other remedy of the Corporation available at law or in equity. 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 Third Supplemental 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.

(b) Notwithstanding any other provision of this Third Supplemental Facilities Lease, in no event shall the Corporation have the right to accelerate the payment of any Base Rental payment hereunder.

SECTION 23 Cumulative Remedies.

(a) Each right and remedy provided for in this Third Supplemental Facilities Lease is cumulative and is in addition to every other right or remedy provided for in this Third Supplemental 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 Third Supplemental 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 Third Supplemental 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 or the Trustee in collecting any amounts and damages owing by the Board pursuant to the provisions of this Third Supplemental Facilities Lease or to enforce any provision of this Third Supplemental 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 or the Trustee will also be recoverable by the Corporation or the Trustee from the Board. The waiver by the Corporation or the 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.

(b) In the event of termination of this Third Supplemental Facilities Lease, the Board agrees to peaceably 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 Third Supplemental Facilities Lease.

SECTION 24 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 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 Standard Time, on the Expiration Date, or upon the termination of this Third Supplemental 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 an Event of Default by the Board has occurred and is continuing under the 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 this Third Supplemental Facilities Lease.

(d) *Exercise of Option.* The Board may exercise the Option herein granted at any time on or before expiration of the Term of the Option, on any Interest Payment Date on or after [July 1, 2013] or on the date the Series 2022 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 the Facilities given not fewer than sixty (60) days prior to the date on which the Board desires to purchase the Facilities and deposit the Purchase Price (as hereinafter defined) with the Trustee.

(e) *Purchase Price.* The purchase price shall be equal to the principal of all Series 2022 Bonds then Outstanding plus the interest to accrue on such Series 2022 Bonds until the purchase date, plus any prepayment penalties, charges or costs for early prepayment or defeasance of the Series 2022 Bonds and to discharge the Indenture pursuant to Section 12 of the Indenture and any Administrative Expenses owed prior to the purchase date (collectively, the "Purchase Price").

(f) *Effect on Facilities Lease and Ground Lease.* Upon the purchase of the Corporation's interest in the Facilities by the Board pursuant to this Option, this Third Supplemental Facilities Lease and the Ground Lease shall terminate and all of the Corporation's interest in the Property shall terminate.

(g) *Payment of Purchase Price.* The Board, concurrently with the giving of notice of its intention to exercise the Option herein granted, 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 Third Supplemental 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 the Facilities Lease.

(ii) *Assignment of Contract Rights and Obligations.* The conveyance of the Corporation's interest in the Facilities shall also effect a transfer and assignment of all rights, warranties and liability of the Corporation under then existing contracts of any nature with respect to the Facilities.

(h) *Closing.* In the event that the Board elects to exercise the Option timely, 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 interest in the Facilities and of the Board to buy the same under

the terms and conditions set forth in this Section 24, 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 place 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 Facilities.

(j) *No Warranty.* The Corporation shall convey its interest in the Facilities without any warranty whatsoever of any nature. The conveyance shall be without any warranty as to fitness and condition, as set forth in Section 5 of this Third Supplemental Facilities Lease. Language substantially similar to the language contained in Section 5 of this Third Supplemental Facilities Lease shall be incorporated into and made a part of any act translatative of title. 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 are expressly subject to the provisions of Section 31 of this Third Supplemental 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 24 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 24 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 contained in this Section 24.

(l) *Attorney's Fees.* Should either party employ an attorney or attorneys to enforce any of the provisions of this Section 24, or to protect its interest in any matter arising under this Section 24, or to recover damages for the breach of this Section 24, 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 24 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 51 of this Third Supplemental Facilities Lease, or to such other address as either party may designate in writing and delivered as provided in Section 51 of this Third Supplemental Facilities Lease.

(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 the Facilities sold 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 the Option.

(p) *Binding Effect*: The Option shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, successors and assigns.

SECTION 25 Severability. If any provisions of this Third Supplemental 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 Third Supplemental Facilities Lease shall not affect the remaining portions of this Third Supplemental Facilities Lease, or any part thereof.

SECTION 26 Redemption of the Series 2022 Bonds. The Corporation agrees that it will not exercise its option to redeem any Series 2022 Bonds pursuant to the Agreement 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 Third Supplemental Facilities Lease, however, in no event shall the mandatory redemption of any Series 2022 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 Series 2022 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 27 Additional Debt.

(a) While any Series 2013 Bonds remain outstanding, neither the Authority, the University, nor the Board will issue or incur or permit to be issued and incurred any additional Auxiliary Obligations unless each of the following conditions have been satisfied:

(i) no Event of Default or event which with notice or lapse of time, or both, would constitute an Event of Default shall have occurred and be continuing or will occur upon the issuance or incurrence by the Board of any such obligations;

(ii) the Debt Service Coverage Ratio for each of the last two completed Fiscal Years for which the audited financial statements of the Board, in regard to the University, have been reported upon by an Accountant, shall not have been less than 1.25:1.00 and a Board Representative shall have filed with the Trustee a certificate of a Board Representative certifying and setting forth in sufficient detail the computation thereof, which shall be filed with the Trustee, and such financial statements;

(iii) the Debt Service Coverage Ratio, for the most recently completed Fiscal Year, taking into account the Additional Bonds and any other Auxiliary Obligations proposed to be issued or incurred, would not have been less than 1.00:1.00. Such projections will be filed with the Trustee by a Board Representative; and

(iv) provided, that the Authority, the University or the Board may issue or incur or permit to be issued or incurred such Auxiliary Obligations that are refunding bonds that provide debt service savings in each year following the issuance of such refunding bonds.

(b) While any Series 2015 Bonds or Series 2016A Bonds remain outstanding, neither the Authority, the University, nor the Board will issue or incur or permit to be issued and incurred any

additional Auxiliary Obligations that are secured on a parity with any of the Senior Bonds unless each of the following conditions have been satisfied:

(i) no Event of Default or event which with notice or lapse of time, or both, would constitute an Event of Default shall have occurred and be continuing or will occur upon the issuance or incurrence by the Board of any such obligations;

(ii) the Debt Service Coverage Ratio for the Senior Bonds for each of the last two completed Fiscal Years for which the audited financial statements of the Board are available shall not have been less than 1.25:1.00;

(iii) the Debt Service Coverage Ratio for the Senior Bonds for the most recently completed Fiscal Year, adjusted by taking into account (x) any pro forma additional revenues and expenses to be realized in the future in connection with the facilities to be financed with the proposed additional Auxiliary Obligations and (y) the debt service on the proposed additional Auxiliary Obligations, would not have been less than 1.00:1.00;

(iv) provided, that the Authority, the University or the Board may issue or incur or permit to be issued or incurred such Auxiliary Obligations that are refunding bonds that provide debt service savings in each year following the issuance of such refunding bonds even if the conditions set forth in (ii) and (iii) above are not met; and

(v) a Board Representative shall have filed with the Trustee a certificate certifying that the above conditions have been met and setting forth in sufficient detail the computation thereof, along with such audited financial statements.

(b) Upon satisfaction of the conditions set forth in Section 26(a) or (b) and at the request of and at the expense of the Board, the Corporation shall take such action as may be required to effect the issuance of additional Auxiliary Obligations in such amount as the Board may request as permitted by and in accordance with the provisions of the Bond Documents, this Third Supplemental Facilities Lease and the Third Supplemental Ground Lease for any purpose permitted thereby.

(c) Subordinate Debt may be incurred without the necessity to comply with the requirements of Section 26(a) or (b), provided that any such Subordinate Debt may not be accelerated and the holder of such Subordinate Debt shall not exercise any remedy in respect of any default with respect to such Subordinate Debt without the written consent of the Owners of the Senior Bonds. However, Subordinate Debt may only be incurred without the consent of the owners of the Subordinate Bonds if the Debt Service Coverage Ratio for the Subordinate Bonds for the most recently completed Fiscal Year, adjusted by taking into account (x) any pro forma additional revenues and expenses to be realized in the future in connection with the facilities to be financed with the proposed additional Subordinate Debt, and (y) the debt service on the proposed additional Subordinate Debt, would not have been less than 1.00:1.00.

SECTION 28 Execution. This Third Supplemental 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 29 Law Governing. This Third Supplemental 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 30 Approval of Budget.

(a) In the event in any Fiscal Year the Board expressly refuses to approve the Budget

containing sufficient funds to enable the payment of Base Rental and Additional Rental due during the next succeeding Fiscal Year, the Board will immediately notify the Corporation 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 budgeted funds, the Board shall no longer be obligated to make Rental Payment hereunder and the Corporation shall have the right, at its option, to terminate this Third Supplemental Facilities Lease 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 approved. 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 Third Supplemental Facilities Lease. The Board acknowledges that the Corporation's rights to take possession and to re-let or sell the Facilities under this Section 30 may be assigned to the Trustee for the benefit of the owners of the Series 2022 Bonds, and the Board agrees that the Trustee shall be entitled to exercise all of the rights of the Corporation under this Section 30. This provision is operative notwithstanding any provisions of this Third Supplemental Facilities Lease to the contrary. The Board shall be considered in default hereunder if sufficient funds are lawfully approved for the payment of Rental required under this Third Supplemental Facilities Lease and the Board fails to use lawfully approved funds for the payment of Rental. In such event, the Corporation shall be entitled to the rights and remedies set forth in Sections 22 and 23 hereof.

(b) Upon the termination of the Facilities Lease and in the event the University is no longer operating the Facilities, all Revenues shall be collected by or on behalf of the Corporation. The Corporation shall or shall cause all Revenues collected by it to be deposited with the Trustee no later than the Business Day immediately following the day of collection.

SECTION 31 Exculpatory Provision.

(a) In the exercise of the powers of the Corporation and its trustees, officers, directors, employees and agents under this Third Supplemental 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, directors, 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 Third Supplemental Facilities Lease against any officer, director, 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 Third Supplemental Facilities Lease, except to the extent that such liability relates to any criminal act, intentional misconduct or fraud. Nothing in this Third Supplemental 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 Series 2022 Bonds under the Indenture, moneys derived pursuant to the Indenture and this Third Supplemental Facilities Lease and any other Revenues derived from the Facilities.

(b) 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 Third Supplemental Facilities Lease to the Board, or the breach of its obligations hereunder. The Corporation's liability under this Third Supplemental 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 32 Amendments. This Third Supplemental Facilities Lease may be amended only as permitted in Article VIII of the Agreement.

SECTION 33 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 Third Supplemental 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 Trustee for the benefit of the holders or owners of the Series 2022 Bonds.

SECTION 34 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 Third Supplemental Facilities Lease and that each Party was responsible for the drafting thereof.

SECTION 35 Time of the Essence. Time is of the essence of each and every provision of this Third Supplemental Facilities Lease.

SECTION 36 No Waiver. The waiver by the Corporation of any agreement, condition, or provision contained in this Third Supplemental 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 Third Supplemental Facilities Lease, nor will any custom or practice that may arise between the Parties in the administration of the terms of this Third Supplemental 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 Third Supplemental 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 Third Supplemental 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 37 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 11, 12, 20, 21, and 27 of this Third Supplemental Facilities Lease shall survive the Term, the termination of this Lease and/or the purchase of the Corporation's interest in the Facilities by the Board under the Option.

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 Third Supplemental Facilities Lease is unmodified and in full force and effect or, if there have been modifications, that this Third Supplemental 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 Third Supplemental 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 Third Supplemental Facilities Lease or an event which, with Notice or the passage of time, or both, would result in an Event of Default under this Third Supplemental 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 waives trial by jury in any action, proceeding, or counterclaim brought by either of the Parties to this Third Supplemental Facilities Lease against the other on any matters whatsoever arising out of or in any way connected with this Third Supplemental Facilities Lease, the relationship of the Corporation and the Board, the Board's or the University's use or occupancy of the Facilities, or any other Claims arising hereunder.

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.

SECTION 41 Entire Agreement. This Third Supplemental Facilities Lease and 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 Third Supplemental Facilities Lease, have been made to the Board respecting the condition or the manner of operating the Facilities.

SECTION 42 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 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 Third Supplemental Facilities Lease, in exercising its rights to recover against the Board for loss or damage sustained in accordance with the provisions of this Third Supplemental Facilities Lease, or in any litigation or negotiation in which the Corporation shall, without its fault, become involved through or because of this Third Supplemental 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. The Corporation agrees to indemnify and hold the Board harmless from and against any claims by any other broker, agent or other Person claiming a commission or other form of compensation by virtue of having dealt with the Corporation with regard to the leasing of the Facilities hereunder. The Board agrees to indemnify and hold the Corporation harmless from and against any claims by any broker, agent or other Person claiming a commission or other form of compensation by virtue of having dealt with the Board with regard to the leasing of the Facilities hereunder.

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 Third Supplemental Facilities Lease or impose any liability on the Corporation. This Third Supplemental 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 Third Supplemental 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 Third Supplemental 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 Third Supplemental 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 Third Supplemental 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 Central 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 Third Supplemental 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 Third Supplemental Facilities Lease shall constitute the law between the Parties, and if any provision of this Third Supplemental 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 Third Supplemental Facilities Lease shall control.

SECTION 50 Essentially. The Board hereby represents that the Facilities are essential to the operation of the University.

SECTION 51 Notices.

(a) 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:

Innovative Student Facilities
412 West Alabama
Ruston, Louisiana 71270
Attention: Vice Chairperson

with copies at the
same time to:

[Robert E. Shadoin, Esq.]
829 E. Georgia Avenue, Suite 3
P.O. Box 782
Ruston, Louisiana 71273-0782

The Board:

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

The University:

Louisiana Tech University
Post Office Box 3164
Ruston, Louisiana 71272
Attention: Vice President for Student Affairs

Trustee:

The Bank of New York Mellon Trust Company, N.A.
601 Travis Street, 16th Floor
Houston, Texas 77002
Attention: Corporate Trust

Bond Insurer:

[TO COME]

SECTION 52 Conflict. In the event of a conflict between the provisions of this Third Supplemental Facilities Lease and the Bond Documents, the terms of the Bond Documents shall control.

SECTION 53 No Merger. There shall be no merger of the leasehold estate created by this Third Supplemental Facilities Lease with the fee simple estate of the Board in the Property nor shall there be any merger of the leasehold estate created by this Third Supplemental Facilities Lease or the fee simple estate of the Board in the Property with the leasehold estate created by the Ground Lease because one party or such party's transferee may acquire or shall hold directly or indirectly (a) fee simple interest in or to the Property (b) any interest in the leasehold estate created by or granted by the Ground Lease and/or (c) the leasehold estate created by this Third Supplemental Facilities Lease, and no such merger shall occur unless all entities having (i) any fee simple interest in or to the Property, (ii) any interest in the leasehold estate created or granted by the Ground Lease and (iii) any interest in the leasehold estate created by this Third Supplemental Facilities Lease, shall join in a written instrument effecting such merger and shall duly record same in the land records of the jurisdiction in which the Property is located.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned representative has signed this Third Supplemental Facilities Lease on behalf of Innovative Student Facilities, Inc., on the ____ day of _____, 2022.

WITNESSES:

INNOVATIVE STUDENT FACILITIES, INC.

By: _____
Chris Bar, Chairman

NOTARY PUBLIC

Name: _____

Notary ID/Bar Roll No. _____

IN WITNESS WHEREOF, the undersigned representative has signed this Third Supplemental Facilities Lease on behalf of the Board of Supervisors for the University of Louisiana System on the ____ day of _____, 2022.

WITNESSES:

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

By: _____
Dr. Leslie K. Guice, Board Representative

NOTARY PUBLIC

Name: _____

Notary ID/Bar Roll No. _____

EXHIBIT A
DESCRIPTION OF THE FACILITIES

The Facilities consist of a 472-bed apartment style development contained in 132 two-bedroom and 52 four-bedroom units and two common areas. Each of the 13 apartment style buildings contain two or three stories. At least five percent (5%) of the total units are handicapped accessible. A total of 472 parking spaces have been provided as part of the development. The on-campus site comprises approximately ten (10) acres.

EXHIBIT B

FORM OF MEMORANDUM OF SUPPLEMENTAL FACILITIES LEASE

STATE OF LOUISIANA

§

§ KNOW ALL MEN BY THESE PRESENTS:

28

PARISH OF LINCOLN

MEMORANDUM OF SUPPLEMENTAL FACILITIES LEASE

This Memorandum of Supplemental Facilities Lease (this “*Memorandum*”) is entered into by and between the Board of Supervisors for the University of Louisiana System (“*Lessor*”) and Innovative Facilities, Inc. (“*Lessee*”).

RECITALS

A. Lessor and Lessee have entered into an Agreement to Lease with Option to Purchase dated as of July 1, 2003 (the “*Original Facilities Lease*”), as amended by an Amendment to Agreement to Lease with Option to Purchase dated as of September 1, 2007 (the “*Amendment to Facilities Lease*”) as supplemented and amended by a First Supplemental Agreement to Lease with Option to Purchase dated as of June 1, 2013 (the “*First Supplemental Facilities Lease*”) further supplemented and amended by a Second Supplemental Agreement to Lease with Option to Purchase dated as of August 1, 2016 (the “*Second Supplemental Facilities Lease*” and, together with the Original Lease, the Amendment to Facilities Lease, and the First Supplemental Facilities Lease, the “*Existing Facilities 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*”).

B. The Existing Lease has been supplemented and amended by a Third Supplemental Agreement to Lease with Option to Purchase dated as of ____1, 2022 between the Lessor and the Lessee (the “*Third Supplemental Facilities Lease*” and, together with the Existing Facilities Lease, the “*Facilities Lease*”).

C. 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 Facilities Lease.

LEASE TERMS

Specific reference is hereby made to the following terms and provisions of the Facilities Lease:

1. The term of the Lease commenced on July 15, 2003 and shall continue until midnight on July 1, 2043, unless sooner terminated or extended as provided in the Facilities Lease.
2. Lessor has the right under the Facilities Lease to purchase the improvements constructed by Lessee on the Land at any time during the term of the Facilities Lease in accordance with the provisions thereof.
3. Additional information concerning the provisions of the Facilities Lease can be obtained from the parties at the following addresses:

Lessor: Innovative Student Facilities, Inc.
412 West Alabama
Ruston, Louisiana 71270
Attention: Vice Chairperson

Lessee: Board of Supervisors for the University of Louisiana System
1201 North 3rd Street, Suite 7300
Baton Rouge, Louisiana 70802
Attention: Vice President of Business and Finance

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 Facilities Lease and is not intended and shall not be construed to define, limit, or modify the Facilities Lease. All of the terms, conditions, provisions and covenants of the Facilities Lease are incorporated into this Memorandum by reference as though fully set forth herein, and both the Facilities Lease and this Memorandum shall be deemed to constitute a single instrument or document.

THUS DONE AND PASSED on the ____ of _____, 2022, in Ruston, Louisiana, in the presence of the undersigned, both competent witnesses, by Chris Barr, who herewith signs his name as Authorized Representative of Innovative Student Facilities, Inc., and me, Notary.

WITNESSES:

INNOVATIVE STUDENT FACILITIES, INC.

Print Name:_____

By: _____
Chris Barr, Chairman

Print Name:_____

NOTARY PUBLIC

Name: _____

Notary ID/Bar Roll No. _____

THUS DONE AND PASSED, on the ____ day of _____, 2022, in Ruston, Louisiana, in the presence both competent witnesses, by Chris Barr, who herewith signs his name as Authorized Representative of the Board of Supervisors for the University of Louisiana System, and me, Notary. .

WITNESSES:

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

By: _____
Dr. Leslie K. Guice, Board Representative

NOTARY PUBLIC

Name: _____

Notary ID/Bar Roll No. _____

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

FINANCE COMMITTEE

December 9, 2021

Item I.2. **Louisiana Tech University's** request for approval of the Board of Supervisors for the University of Louisiana System for the execution of supplemental leases between the Board, on behalf of the University, and Innovative Student Facilities Inc., in connection with the refunding of all or a portion of the University's outstanding Series 2015 Bonds.

EXECUTIVE SUMMARY

Louisiana Tech University (the "*University*"), through Innovative Student Facilities, Inc., a Louisiana non-profit corporation and an organization whose purpose is to promote, assist and benefit the University (the "*Corporation*"), financed the design, construction, and equipping of student housing and recreational facilities (the "*Facilities*"). The project was financed through the issuance of \$51,670,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Louisiana Tech University Student Housing and Recreational Facilities/Innovative Student Facilities, Inc. Project) Series 2007 (the "*Series 2007 Bonds*"). In 2015 through the issuance of \$43,020,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Louisiana Tech University Student Housing and Recreational Facilities/Innovative Student Facilities, Inc. Project) Series 2015 (the "*Series 2015 Bonds*"), the Series 2007 Bonds were refinanced.

The land upon which the project was completed was leased to the Corporation by the Board, acting on behalf of the University, pursuant to a Ground Lease Agreement. The completed project was leased by the Corporation back to the Board pursuant to a Facilities Lease. Both the Ground Lease and the Facilities Lease have been amended and supplemented several times since 2007, pursuant to subsequent approvals of the Board, in connection with the issuance of refunding and new money bond issues for University student housing projects.

The University, through Innovative Student Facilities, Inc., proposes to use proceeds of refunding bonds issued through the Louisiana Community Development Authority to refund all or a portion of the Series 2015 Bonds for interest rate savings. In connection with the refunding, the University is expecting the leases executed when the Series 2015 Bonds were issued to be supplemented and amended to refer to the terms of the refunding bonds. The total principal amount of the bonds is estimated to be approximately \$42,500,000, which will be sufficient to pay the costs associated with retiring the refunded Series 2015 Bonds and the cost of issuance of the refunding bonds. The net interest cost of the transaction is expected to be approximately 2.40%. After all costs, over the life of the issue, the gross savings on the refunding is expected to be approximately \$1,700,000.

Annual debt service for the proposed refunding bonds will be secured and payable from lease payments paid by the Board, on behalf of the University, to Innovative Student Facilities, Inc., pursuant to the Facilities Lease. The payments will be derived from the lease payments paid by the Board, on behalf of the University, to the Corporation. The Board and University have not and will not pledge its full faith and credit or State appropriated funds to make any debt service payments on the Bonds. The University's land and property will not be used as security for the Notes.

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 Louisiana Tech University's request for approval of the form of and authorization to execute a Second Supplemental Ground Lease Agreement and a Third Supplemental Facilities Lease, each between the Board, acting on behalf of the University, and Innovative Student Facilities, Inc., to refund the Series 2015 Bonds described herein.

BE IT FURTHER RESOLVED, that Louisiana Tech University shall obtain final review from University of Louisiana System staff and legal counsel to the Board, and shall secure all other appropriate approvals from agencies/parties of processes, documents, and administrative requirements prior to execution of documents.

BE IT FURTHER RESOLVED, that the President of Louisiana Tech University, and his designee, are hereby authorized and directed to execute the leases described herein and any and all documents necessary in connection with the issuance of the bonds described herein.

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



I.2.

LOUISIANA TECH UNIVERSITY

OFFICE OF THE PRESIDENT

November 11, 2021

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

Re: Agenda Item for December 9, 2021 meeting

Louisiana Tech University – Student Housing Project
LCDA Revenue Refunding Bonds

Dear Dr. Henderson:

On behalf of Louisiana Tech University, I am requesting that two items be placed on the agenda of the Board of Supervisors for the University of Louisiana System for its December 9, 2021 meeting for consideration of resolutions providing for approval of supplemental leases required to refinance the University's outstanding Series 2013 Bonds and Series 2015 Bonds relating to the University's housing system.

The University anticipates the issuance of one or more series of revenue refunding bonds by the Louisiana Local Government Environmental Facilities and Community Development Authority to refinance the bonds referenced above for interest rate savings.

You will receive from Matt Kern, Bond Counsel, a form of resolution to be considered, with forms of the leases attached, as well as an executive summary regarding this matter. Representatives of the University, the financial advisor, and bond counsel will be present at the December meeting to answer any questions you may have.

Thank you for your consideration.

Yours truly,

A handwritten signature in blue ink that reads "Leslie K. Guice".
Leslie K. Guice, President

cc: Matt Kern, Esq, Jones Walker – Bond Counsel
Mr. Lawrence Sisung, Sisung Securities – Financial Advisor

A MEMBER OF THE UNIVERSITY OF LOUISIANA SYSTEM

P.O. BOX 3168 • RUSTON, LA 71272-0001 • TEL: (318) 257-3785 • FAX: (318) 257-2928

AN EQUAL OPPORTUNITY UNIVERSITY

BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM

The following resolution was offered by _____:

RESOLUTION

A RESOLUTION APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION OF A THIRD SUPPLEMENTAL AGREEMENT TO LEASE WITH OPTION TO PURCHASE AND A SECOND SUPPLEMENTAL GROUND AND BUILDINGS LEASE AGREEMENT IN CONNECTION WITH THE LEASE AND LEASE BACK OF PORTIONS OF THE CAMPUS OF LOUISIANA TECH UNIVERSITY TO INNOVATIVE STUDENT FACILITIES, INC., 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*”) is a public constitutional corporation organized and existing under the laws of the State of Louisiana and Louisiana Tech University (the “*University*”), in Ruston, Louisiana is a university under its management pursuant to Louisiana Revised Statutes 17:3217;

WHEREAS, the Board is authorized pursuant to La. R.S. 17:3361 through 17:3366 (the “*Act*”), and other constitutional and statutory authority supplemental thereto, to lease a portion of the campus of the University to Innovative Student Facilities, Inc., a nonprofit corporation (the “*Corporation*”);

WHEREAS, the Corporation, through the Louisiana Local Government Environmental Facilities and Community Development Authority (the “*Authority*”), has previously financed, designed, constructed, and equipped or caused to be constructed, designed, and equipped student housing and recreational facilities (the “*Facilities*”) using the proceeds of the Authority’s \$51,670,000 Revenue Bonds (Louisiana Tech University Student Housing and Recreational Facilities/Innovative Student Facilities, Inc. Project) Series 2007 (the “*Series 2007 Bonds*”), which were issued pursuant to that certain Trust Indenture dated as of September 1, 2007 between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Original Indenture*”);

WHEREAS, on December 29, 2015, the Corporation refinanced the Series 2007 Bonds with the issuance of \$43,020,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Louisiana Tech University Student Housing and Recreational Facilities/Innovative Student Facilities, Inc. Project) Series 2015 (the “*Series 2015 Bonds*”);

WHEREAS, in connection with the issuance of the Series 2007 Bonds and the Series 2015 Bonds, the Board has authorized and entered into (a) a Ground Lease Agreement by and between the Board and the Corporation dated September 1, 2007 (the “*Original Ground Lease*”), as supplemented and amended a First Supplemental Ground Lease Agreement dated as of December 1, 2015 (the “*First Supplemental Ground Lease*” and, together with the Original Agreement, the “*Existing Ground Lease*”) by and between the Board and the Corporation; and (b) an Agreement to Lease with Option to Purchase by and between the Board and the Corporation dated as of September 1, 2007 (the “*Original Facilities Lease*”), as supplemented and amended by a First Supplemental Agreement to Lease with Option to Purchase dated as of December 1, 2015 (the “*First Supplemental Facilities Lease*”), as further

supplemented and amended by a Second Supplemental Agreement to Lease with Option to Purchase dated as of August 1, 2016 (the “*Second Supplemental Facilities Lease*” and, together with the Original Facilities Lease and the Second Supplemental Facilities Lease, the “*Existing Facilities Lease*”) each by and between the Board and the Corporation all relative to the lease and lease-back of a portion of the University’s campus to the Corporation for the acquisition, development, design, construction and equipping of the Facilities (the “*Project*”);

WHEREAS, the University has determined that an opportunity exists to refund all or a portion of the Series 2015 Bonds to achieve interest savings for the University and the University has requested that the Louisiana Local Government Environmental Facilities and Community Development Authority issue its Revenue Refunding Bonds (Louisiana Tech University Student Housing and Recreational Facilities/Innovative Student Facilities, Inc. Project), taxable or tax exempt, in one or more series (the “*Refunding Bonds*”) on behalf of the Corporation in order to refund all or a portion of the Series 2015 Bonds;

WHEREAS, in connection with the issuance of the Refunding Bonds, supplements and amendments to the Existing Ground Lease and Existing Facilities Lease are necessary in order to incorporate references to the Refunding Bonds;

WHEREAS, the Board now desires to authorize a Second Supplemental Ground Lease Agreement and a Third Supplemental Agreement to Lease with Option to Purchase in order to supplement and amend the Existing Ground Lease and the Existing Facilities Lease to provide for reference necessary in connection with the issuance of the Refunding Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors for the University of Louisiana System that:

SECTION 1. The facts recited in the preamble to this resolution are found to be true and correct and are specifically and affirmatively adopted by the Board as resolutions of the Board.

SECTION 2. The Second Supplemental Ground Lease Agreement between the Board and the Corporation (the “*Second Supplemental Ground Lease*”) and the Third Supplemental Agreement to Lease with Option to Purchase between the Corporation and the Board (the “*Third Supplemental Facilities Lease*”), in substantially the forms attached hereto as Exhibit A and Exhibit B, respectively, subject to such changes as may be approved by bond counsel and counsel to the Board, are hereby approved.

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 Second Supplemental Ground Lease and the Third Supplemental Facilities Lease on behalf of the Board, including certificates, documents, or other items necessary in connection with the issuance of the Refunding Bonds and in connection with the implementation of this Resolution.

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SECTION 4. This Resolution shall become effective immediately upon adoption hereof.

This Resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSENT:

ABSTAINING:

The Resolution was declared to be adopted on the 9th day of December, 2021.

(Other items not pertinent hereto are omitted)

Upon motion duly made, seconded and unanimously carried, the meeting was adjourned.

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Assistant to the Board 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 a resolution adopted by the Board on December 9, 2021 captioned as follows:

A RESOLUTION APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION OF A THIRD SUPPLEMENTAL AGREEMENT TO LEASE WITH OPTION TO PURCHASE AND A SECOND SUPPLEMENTAL GROUND AND BUILDINGS LEASE AGREEMENT IN CONNECTION WITH THE LEASE AND LEASE BACK OF PORTIONS OF THE CAMPUS OF LOUISIANA TECH UNIVERSITY TO INNOVATIVE STUDENT FACILITIES, INC., AND CERTIFICATES IN CONNECTION THEREWITH; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

was 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 _____ day of _____, 2021.

Secretary/System President

[SEAL]

EXHIBIT A

FORM OF SECOND SUPPLEMENTAL GROUND LEASE

EXHIBIT B

FORM OF THIRD SUPPLEMENTAL FACILITIES LEASE

SECOND SUPPLEMENTAL
GROUND LEASE AGREEMENT

by and between

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM
(as Lessor)

and

INNOVATIVE STUDENT FACILITIES, INC.
(as Lessee)

Dated as of _____ 1, 2022

in connection with:

\$
Louisiana Local Government Environmental Facilities
and Community Development Authority Taxable Revenue Refunding Bonds
(Louisiana Tech University Student Housing and Recreational Facilities/
Innovative Student Facilities, Inc. Project)
Series 2022

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EXHIBIT A – PROPERTY DESCRIPTION

EXHIBIT B – FORM OF MEMORANDUM OF SUPPLEMENTAL GROUND LEASE

SECOND SUPPLEMENTAL
GROUND LEASE AGREEMENT

This SECOND SUPPLEMENTAL GROUND LEASE AGREEMENT (together with any amendment hereto or supplement hereof, this “*Second Supplemental Ground Lease*”) dated as of _____ 1, 2022, is entered into by and between the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM, a public constitutional corporation organized and existing under the laws of the State of Louisiana, acting herein on behalf of Louisiana Tech University (the “*University*”), represented herein by its duly authorized Board Representative, Dr. Leslie K. Guice (the “*Board*”) and INNOVATIVE STUDENT FACILITIES, INC., a Louisiana nonprofit corporation represented herein by its Chairman, Chris Barr (the “*Corporation*”), and supplements and amends that certain Ground Lease Agreement dated as of September 1, 2007 by and between the Board and the Corporation (the “*Original Ground Lease*”), as supplemented and amended by the First Supplemental Ground Lease dated as of December 1, 2015 (the “*First Supplemental Ground Lease*” and, together with the Original Ground Lease and the Second Supplemental, the “*Ground Lease*”).

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 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.*) and an organization exempt from federal income tax under Section 501(a) of the Code as an organization designated in Section 501(c)(3) of the Code, 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 non-profit corporation, such as the Corporation, any portion of the campus of the University or other immovable property under its supervision and management;

WHEREAS, in order to further the functions of the Board, the Corporation has caused the development, design, construction and equipping of certain student housing and recreational facilities (the “*Facilities*”) for the University and all furnishings, fixtures, and equipment incidental or necessary in connection therewith on immovable property described on Exhibit A attached to this Second Supplemental Ground Lease, and owned by, or under the supervision and management of the Board in the City of Ruston, Lincoln Parish, Louisiana;

WHEREAS, the Board has leased such immovable property to the Corporation;

WHEREAS, the Corporation, for the benefit of the Board, has developed and constructed the Facilities generally on such immovable property and the Corporation has leased the Facilities to the Board pursuant to an Agreement to Lease With Option to Purchase dated as of September 1, 2007 (the “*Original Facilities Lease*”) as supplemented and amended by the First Supplemental Agreement to Lease with Option to Purchase dated as December 1, 2015 (the “*First Supplemental Facilities Lease*”), as further supplemented and amended by the Second Supplemental Facilities Lease of even date herewith (the “*Second Supplemental Facilities Lease*” and, together with the Original Facilities Lease, the First Supplemental Facilities Lease, the “*Facilities Lease*”) for use by students, faculty, and staff of the University and such other persons as set forth in the Facilities Lease;

WHEREAS, the Louisiana Local Government Environmental Facilities and Community Development Authority (the “Authority”) issued its \$51,670,000 Revenue Bonds (Louisiana Tech University Student Housing and Recreational Facilities/Innovative Student Facilities, Inc. Project) Series 2007 (the “*Series 2007 Bonds*”) and the proceeds thereof were loaned to the Corporation pursuant to a Loan and Assignment Agreement dated as of September 1, 2007 by and between the Authority and the Corporation (the “*Original Agreement*”) to finance the Facilities;

WHEREAS, on December 1, 2015, the Authority issued its \$43,020,000 Revenue Refunding Bonds (Louisiana Tech University Student Housing and Recreational Facilities/Innovative Student Facilities, Inc.) Series 2015 (the “*Series 2015 Bonds*”), to advance refund all of the outstanding Series 2007 Bonds; and

WHEREAS, in connection with advance refunding the Series 2007 Bonds the Board and the Corporation desire to supplement the First Supplemental Ground Lease, pursuant to Section 18.15 thereof and Section 8.3 of the Agreement (as hereinafter defined) by the execution of this Supplemental Ground Lease to provide for references to the Series 2022 Bonds.

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 LEASE

Section 1.01 Lease of Property. The Board does hereby lease, let, demise, and rent unto the Corporation, and the Corporation does hereby rent and lease from the Board, the Property and the right of uninterrupted access to and from all streets and roads now or hereafter adjoining the Property for vehicular and pedestrian ingress and egress. The Corporation, by execution of this Second Supplemental Ground Lease, accepts the leasehold estate herein demised.

Section 1.02 Habendum. To have and to hold the Property 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 1.03 below, subject to the covenants, agreements, terms, provisions, and limitations herein set forth.

Section 1.03 Term. Unless sooner terminated as herein provided, this Supplemental Ground Lease shall continue and remain in full force and effect for a term commencing on the Commencement Date hereof and ending on the earlier of: (i) September 1, 2047 or (ii) the date that all amounts owed under the Indenture (as hereinafter defined) have been paid (but if and only if such payment is made prior to any foreclosure of the Mortgage or any conveyance in lieu thereof) (the “*Expiration Date*”). Notwithstanding the foregoing, this Second Supplemental Ground Lease shall terminate prior to the Expiration Date upon the happening of either the events set forth in Section 2(a) and (b) of the Facilities Lease.

ARTICLE II DEFINITIONS

Section 2.01 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 Supplemental Ground Lease, the following words and terms as used in this Second Supplemental Ground Lease shall have the following meanings, unless some other meaning is plainly intended:

“*Agreement*” shall mean the Original Agreement, as supplemented and amended by the First Supplemental Agreement, as further supplemented by the Second Supplemental Agreement, including any additional amendments and supplements thereof and thereto as permitted thereunder.

“*Applicable Laws*” shall mean all present and future statutes, regulations, ordinances, resolutions and orders of any Governmental Authority that are applicable to the parties performing their obligations under this Second Supplemental Ground Lease.

“*Auxiliary Revenues*” shall mean funds of the University that include: (i) the gross amount of all fees levied on all students at the University and such other revenues, funds or income received from students or the public at large in connection with any undertaking, utilization or operation of Auxiliary Facilities, including operation or management thereof by private entities on behalf of the University and unallocated revenues therefrom, prior to the payment of Current Expenses; and (ii) all Funds and Accounts held pursuant to the Board resolutions authorizing the Subordinate Lien Obligations, except any fund created to hold monies pending rebate to the United States or for payment of costs of issuance of Bonds. Auxiliary Revenues shall not include funds appropriated to the Board or the University by the Legislature of the State from time to time.

“*Award*” shall mean 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*” shall mean 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*” shall mean any one of the persons designated and authorized in writing from time to time by the Board to represent the Board in exercising the Board’s rights and performing the Board’s obligations under this Second Supplemental Ground 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 Vice President of Business and Finance, or his or her designee, the President of the University, the Vice President for Finance and Administration of the University or any other representative designated by resolution of the Board, of whom the Corporation has been notified in writing.

“*Board’s Interest*” shall mean the Board’s ownership interest in and to the Property and the Facilities.

“*Bond Documents*” shall mean, collectively, the Indenture, the Mortgage and the Agreement.

“*Bond Insurer*” shall mean [_____], or any successor thereto or assignee thereof.

“*Bonds*” shall mean, collectively, the Non-refunded Series 2015 Bonds, the Series 2022 Bonds and any Additional Bonds issued pursuant to a supplemental indenture as they are authorized hereby.

“*Business Day*” shall mean any day other than (i) a Saturday, (ii) a Sunday, (iii) any other day on which banking institutions in New York, New York or Ruston, 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.

“*Commencement Date*” shall mean the date of this Second Supplemental Ground lease, which is _____1, 2022.

“*Corporation*” shall mean Innovative Student Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State and an organization exempt from the payment of federal income tax under Section 501(a) of the Code, as an organization described on Section 501(c)(3) of the Code, for the benefit of the University, and also includes every successor corporation and transferee of the Corporation until payment or provision for payment of all of the Bonds.

“*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 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 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 mean any matter identified as an event of default under Section 11.01 hereof.

“*Expiration Date*” shall mean the earlier of September 1, 2047 or the date that all amounts owed under the Indenture have been paid.

“*Facilities*” shall mean the facilities described in Exhibit A to the Agreement, and the Facilities Lease, as amended and supplemented in accordance therewith, that were designed, constructed, and equipped with the proceeds of the Series 2007 Bonds, including all furnishings, fixtures, and equipment incidental or necessary in connection therewith on the campus of the University.

“*Facilities Lease*” shall mean shall mean the Original Facilities Lease, as supplemented and amended by the First Supplemental Facilities Lease, as supplemented and amended by the Second Supplemental Facilities Lease, as further supplemented and amended by the Third Supplemental Facilities Lease, as the same may be further amended or supplemented from time to time in accordance with its terms.

“*First Supplemental Agreement*” shall mean that certain First Supplemental Loan and Assignment Agreement dated as of December 1, 2015, by and between the Authority and the Corporation

“*First Supplemental Facilities Lease*” shall mean that certain First Supplemental Agreement to Lease with Option to Purchase dated as of December 1, 2015, by and between the Corporation, as Lessor, and the Board, as Lessee

“First Supplemental Ground Lease” shall mean the First Supplemental Ground Lease dated as of December 1, 2015, by and between the Board, as Lessor, and the Corporation, as Lessee

“First Supplemental Indenture” shall mean the First Supplemental Trust Indenture dated as of December 1, 2015, by and between the Authority and the Trustee

“Force Majeure” shall mean 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 Supplemental 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.

“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 Regulation” shall mean all present and future statutes, regulations, ordinances, resolutions and orders of any Governmental Authority that are applicable to the parties performing their obligations under this Ground Lease.

“Ground Lease” shall mean the Original Ground Lease, as supplemented and amended by the First Supplemental Ground Lease, as further supplemented and amended but this Second Supplemental Ground Lease, as the same may be further supplemented and amended from time to time.

“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 Original Indenture, as supplemented and amended by the First Supplemental Indenture, as further supplemented and amended by the Second Supplemental Indenture, including any additional amendments and supplements thereof and thereto as permitted thereunder.

“Leasehold Mortgage” shall mean, collectively, the Mortgage and any other encumbrance of the Corporation’s interest in this Second Supplemental Ground Lease and the Property as security for any indebtedness the Corporation, or the Corporation’s successors and assigns, may incur, whether by deed to secure debt, mortgage, deed of trust, or other security instrument.

“Leasehold Mortgagee” shall mean the holder of the indebtedness secured by any Leasehold Mortgage or any agent or fiduciary therefor and any designee thereof for the purpose of taking title to the Corporation’s interest in the Supplemental Ground Lease or entering into a Mortgagee Lease.

“*Mortgage*” shall mean the Act of Mortgage, Assignment of Leases and Security Agreement by the Corporation in favor of the Prior Trustee dated September 25, 2007, mortgaging the Corporation’s leasehold interest pursuant to the Ground Lease to the Trustee, as the same may be amended from time to time in accordance with the terms thereof.

“*Mortgagee Lease*” shall mean a lease of the Property entered into between a Leasehold Mortgagee, as lessee, and the Board, as lessor, as a result of a termination of the Corporation’s right of occupancy under this Second Supplemental Ground Lease by reason of any Event of Default for the remainder of the term of this Second Supplemental Ground Lease effective as of the date of termination of this Second Supplemental Ground Lease, at the same Rent and upon the same terms, provisions, covenants, and agreements as contained in this Second Supplemental Ground Lease and subject to no additional exceptions or encumbrances other than the rights, if any, of the parties then lawfully in possession of any part of the Property.

“*Original Agreement*” shall mean that certain Loan and Assignment Agreement dated as of September 1, 2007 between the Authority and the Corporation.

“*Original Facilities Lease*” shall mean that certain Agreement to Lease with Option to Purchase dated as of September 1, 2007 between the Corporation and the Board.

“*Original Ground Lease*” shall mean that certain Ground Lease Agreement dated as of September 1, 2007 between the Board and the Corporation.

“*Original Indenture*” shall mean that certain Trust Indenture dated as of September 1, 2007 between the Authority and the Prior Trustee.

“*Person*” shall mean an individual, a trust, an estate, a Governmental Authority, partnership, joint venture, corporation, company, firm, or any other entity whatsoever.

“*Prior Trustee*” shall mean The Bank of New York Mellon Trust Company, N.A.

“*Property*” shall mean the immovable property more particularly described on Exhibit A attached to this Supplemental Ground Lease, and all improvements now or thereafter located thereon, including the Facilities as they are constructed and located thereon, together with all other rights and interests leased pursuant to Section 1.01 hereof.

“*Refunding Bonds*” shall mean the Series 2022 Bonds maturing October 1, 20__ to and including October 1, 20__.

“*Remediation*” shall mean any and all costs and expenses incurred directly or indirectly due to any investigation of the Facilities or Property or any remediation, response, cleanup, removal, or restoration required by any Governmental Regulation or Governmental Authority or by Environmental Requirements.

“*Rent*” has the meaning given to such term in Section 3.01 of this Second Supplemental Ground Lease.

“*Second Supplemental Agreement*” shall mean that certain Second Supplemental Loan and Assignment Agreement dated as of ____ 1, 2022, by and between the Authority and the Corporation

“*Second Supplemental Facilities Lease*” shall mean that certain Second Supplemental Agreement to Lease with Option to Purchase dated as of August 1, 2016, by and between the Corporation, as Lessor, and the Board, as Lessee

“*Second Supplemental Ground Lease*” shall mean that certain Second Supplemental Ground Lease dated as of _____ 1, 2022, by and between the Board, as Lessor, and the Corporation, as Lessee

“*Second Supplemental Indenture*” shall mean the Second Supplemental Trust Indenture dated as of _____ 1, 2022, by and between the Authority and the Trustee

“*Series 2007 Bonds*” shall mean the \$51,670,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Louisiana Tech University Student Housing and Recreational Facilities/Innovative Student Facilities, Inc.) Series 2007.

“*Series 2015 Bonds*” shall mean the \$43,020,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Louisiana Tech University Student Housing and Recreational Facilities/Innovative Student Facilities, Inc.) Series 2015.

“*Series 2022 Bonds*” shall mean the \$_____ Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Refunding Bonds (Louisiana Tech University Student Housing and Recreational Facilities/Innovative Student Facilities, Inc.) Series 2022 and such Series 2022 Bonds issued in exchange for such other Series 2022 Bonds pursuant to the Second Supplemental Indenture or in replacement for mutilated, destroyed, lost, or stolen Series 2022 Bonds pursuant to the Second Supplemental Indenture.

“*Subordinate Lien Obligations*” shall mean the \$3,975,000 Board of Supervisors for the University of Louisiana System Revenue Refunding Bonds (Louisiana Tech University Project) Series 2012, which are secured in part by a pledge of Auxiliary Revenues subordinate to the pledge of the Bonds.

“*Taking*” shall mean 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*” shall mean the term of this Second Supplemental Ground Lease as set forth in Section 1.03 hereof.

“*Third Supplemental Facilities Lease*” shall mean that certain Third Supplemental Agreement to Lease with Option to Purchase dated as of _____ 1, 2022, by and between the Corporation, as Lessor, and the Board, as Lessee.

“*Trustee*” shall mean the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under the Supplemental Indenture which may be designated (originally or as a successor) as Trustee for the Series 2015 Bonds issued and secured under the terms of the Supplemental Indenture, initially Argent Trust Company, a Texas state trust company.

“*University*” shall mean Louisiana Tech University.

ARTICLE III RENT

Section 3.01 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 18.02 or such other place as the Board may designate from time to time in writing, as annual rent for the Property (“*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 3.02 Additional Obligations. As further consideration for the entering into of this Second Supplemental Ground Lease by the Board, the Corporation agrees to perform its 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 Supplemental Ground Lease and the Facilities Lease.

ARTICLE IV USE OF PROPERTY

Section 4.01 Purpose of Supplemental Ground Lease. The Corporation has entered into the Supplemental Ground Lease for the purpose of refinancing Facilities constructed for the Board and, for so long as the Facilities Lease remains in full force and effect, 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 4.02 Benefit of the Board and the University. The Board shall own the Facilities, subject to the Corporation’s rights under this Second Supplemental 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 for a public purpose related to the performance of the duties and functions of the Board and the University.

Section 4.03 Data and Voice Communication Systems. The Board, at its expense, agrees to provide or cause to be provided to the Facilities appropriate cabling to tie its computer system into the Facilities. The Board, at its expense, shall provide to the Facilities or cause to be provided to the Facilities access to its computer system. The internal installation of such computer wiring within the Facilities shall be at the expense of the Corporation. The Corporation agrees that its computer system wiring shall be compatible with the system and wiring currently in use by the University.

Section 4.04 Compliance with Statutory Requirements. Section 3361 *et seq.* of Title 17 of the Louisiana Revised Statutes prescribes the legal requirements for leases of any portion of the campus by a college or university. By execution of this Second Supplemental 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 Second Supplemental Ground Lease or specifically referenced in this Second Supplemental 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 Second Supplemental Ground Lease; and

(c) the waiver by written consent of the Board's right to adopt such rules or regulations as it deems necessary or desirable relative to the conduct and social activities of people in structures erected on the leased grounds referenced in Section 3364 of Title 17 of the Louisiana Revised Statutes, except as may be specified in this Second Supplemental Ground Lease.

ARTICLE V CONSTRUCTION, RENOVATION, IMPROVEMENT, AND EQUIPPING OF THE FACILITIES

Section 5.01 The Corporation's Obligations. The Corporation has developed, designed, constructed, and equipped the Facilities on the Property at its own cost and expense. The Corporation has leased 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 Second Supplemental Ground Lease except to review and approve the Corporation's activities and as specifically set forth herein.

ARTICLE VI ENCUMBRANCES

Section 6.01 Mortgage of Ground Leasehold or the Facilities. Except for the Mortgage required by the Agreement, the Corporation shall not mortgage, lien, or grant a security interest in the Corporation's interest in the Property or any other right of the Corporation hereunder without the prior written consent of the Board and the Bond Insurer except as may be necessary, in the sole discretion of the Corporation, to sell the Bonds or otherwise in accordance with the provisions of this Article VI.

Section 6.02 Right to Mortgage. If there is a termination of the Facilities Lease, the Corporation, and every successor and assign of the Corporation, shall have the right in addition to any other rights granted in this Second Supplemental Ground Lease to encumber its interest in this Second Supplemental Ground Lease and its leasehold interest in the Property under any one or more Leasehold Mortgages, in addition to the Mortgage, upon the condition that all rights acquired under any such Leasehold Mortgage shall be subject to each of the provisions set forth in this Second Supplemental Ground Lease and to all rights and interests of the Board therein. The Board hereby acknowledges and consents to the Corporation's encumbrance of its interest in this Second Supplemental Ground Lease and its leasehold interest in the Property pursuant to the Mortgage. If, from time to time, the Corporation or the Corporation's successors and assigns shall encumber its interest in this Second Supplemental Ground Lease and its leasehold interest in the Property with a Leasehold Mortgage, and if the holder thereof delivers to the Board an executed counterpart of such Leasehold Mortgage, together with written notice specifying the name and address of such holder and the pertinent recording data with respect to such Leasehold Mortgage, the Board agrees that, anything in this Second Supplemental Ground Lease to the contrary notwithstanding, from and after the date of receipt by the Board of such notice and for the term (duration) of such Leasehold Mortgage, the following provisions shall apply (and the following provisions shall apply to the holder of the Mortgage in all events and without further action by the holder thereof):

(a) There shall be no cancellation, surrender, or modification of this Second Supplemental Ground Lease by the Board or the Corporation without the prior written consent of any Leasehold Mortgagee. Notwithstanding the foregoing (but, in any event, subject to a Leasehold Mortgagee's curative rights set forth in subsections (c) and (d) hereof), nothing herein shall be deemed to prohibit the Board from terminating this Second Supplemental Ground Lease or the Corporation's right of occupancy hereunder in accordance with its terms.

(b) The Board, upon serving the Corporation with any notice of an Event of Default, failure to comply, or termination with respect to this Second Supplemental Ground Lease, shall

simultaneously serve a copy of such notice on any Leasehold Mortgagee. If the Board shall serve the Corporation with any notice of an Event of Default or failure to comply with any term, covenant, condition, or provision hereof, the Leasehold Mortgagee shall then have the same period after service of the notice on it as is given to the Corporation hereunder to remedy or cause to be remedied such failure, and the Board shall accept performance by or at the instigation of any Leasehold Mortgagee as if it had been done by the Corporation. Any notice required to be given to any Leasehold Mortgagee shall be posted in the United States mail, postage prepaid, certified, return receipt requested (and wired by telegraphic means or transmitted by facsimile transmission) and addressed to the Leasehold Mortgagee at the address and to the attention of the Person designated to the Board by such Leasehold Mortgagee to receive copies of such notices and shall be deemed to have been served as of the date the said notice is received or refused by such Leasehold Mortgagee.

(c) In addition to the rights granted to any Leasehold Mortgagee under subsection (b) of this Section, a Leasehold Mortgagee shall have an additional period of ninety (90) days to remedy or cause to be remedied any Event of Default or failure to comply of which it shall receive notice.

(d) If the Board shall elect to terminate the Corporation's right of occupancy under this Second Supplemental Ground Lease upon the occurrence of an Event of Default, the Leasehold Mortgagee shall also have the right to postpone and extend the date of termination of occupancy as fixed by the provisions of this Second Supplemental Ground Lease for a period of not more than six (6) months from the expiration of the ninety (90) day period specified in subsection (c) hereof, provided that the Leasehold Mortgagee shall pay the Rent and other charges required to be paid under this Second Supplemental Ground Lease during such period, and provided further, that the Leasehold Mortgagee of this Second Supplemental Ground Lease shall forthwith take steps necessary to acquire the Corporation's interest and estate in this Second Supplemental Ground Lease by foreclosure of its Leasehold Mortgage, or otherwise, and shall prosecute such action to completion with due diligence. If at the end of the six (6) month period, the Leasehold Mortgagee of this Second Supplemental Ground Lease shall be actively engaged in steps to acquire or sell the Corporation's interest in the Supplemental Ground Lease, the time for Leasehold Mortgagee to comply with the provisions of this subsection (d) shall be extended for such period as shall be reasonably necessary to complete these steps with reasonable diligence and continuity.

(e) The Board agrees that in the event of any foreclosure under any Leasehold Mortgage, either by judicial proceedings or under power of sale contained therein or conveyance in lieu of foreclosure, all right, title, and interest encumbered by such Leasehold Mortgage may, without the consent of the Board, be assigned to and vested in the purchaser at such foreclosure sale, and may, without the consent of the Board, subsequently be assigned or sublet in a *bona fide* sale by any such purchaser at such foreclosure sale to any other Person, subject and subordinate, however, to the rights, title, and interests of the Board as the lessor under this Second Supplemental Ground Lease; and, notwithstanding that the Board's consent to said assignment or subletting shall not have been obtained, any such assignee or sublessee shall be vested by virtue of such assignment or subletting with any and all rights of the party whose estate was encumbered by such Leasehold Mortgage as though the Board had consented thereto. In addition, in the event of any foreclosure under any Leasehold Mortgage, the Leasehold Mortgagees shall provide for the management of the Facilities. In no event shall the University continue to manage the Facilities after such foreclosure.

(f) The Board agrees that in the event of a termination of the Corporation's right of occupancy under this Second Supplemental Ground Lease by reason of any Event of Default, and subject to the rights herein granted to Leasehold Mortgagees, the Leasehold Mortgagee shall have the option, but not the obligation, to enter into a Mortgagee Lease; provided:

(i) the Leasehold Mortgagee shall enter into a Mortgagee Lease within the six (6) month period specified in subsection (d) of this Section;

(ii) the Leasehold Mortgagee shall perform and observe all covenants contained in the Mortgagee Lease on the Corporation's part to be performed during such period of time commencing with the date of the execution of the Mortgagee Lease and terminating upon the abandonment or surrender of possession of the Property under the Mortgagee Lease; and

(iii) the Leasehold Mortgagee, as lessee under the Mortgagee Lease shall have the same right, title and interest in and to the Property and the right to use the Facilities and other buildings and improvements thereon as the Corporation had under this Second Supplemental Ground Lease.

(g) The Board, upon request, shall execute, acknowledge, and deliver to each Leasehold Mortgagee an agreement, in form reasonably satisfactory to the Leasehold Mortgagee and the Board, by and among the Board, the Corporation, and the Leasehold Mortgagee (provided the same has been previously executed by the Corporation and Leasehold Mortgagee) agreeing to all of the provisions of this Section 6.02.

(h) Notwithstanding any other provision of this Supplemental Ground Lease, the Board agrees that any Leasehold Mortgagee permitted under this Supplemental Ground Lease shall in no manner or respect whatsoever be (i) liable or responsible for any of the Corporation's obligations or covenants under this Second Supplemental Ground Lease (nor shall any rights of such Leasehold Mortgagee be contingent on the satisfaction of such obligations or covenants), or (ii) required to cure any Event of Default; provided, however, that if such Leasehold Mortgagee (or any purchaser at a foreclosure sale or any subsequent Person to whom the leasehold estate hereunder may be subsequently assigned pursuant to subsection (e) above; becomes the owner of the leasehold estate created hereunder or becomes lessee under a Mortgagee Lease, then such Leasehold Mortgagee or other Person shall be responsible and liable for all obligations and covenants accruing during such Leasehold Mortgagee's or such other Person's tenure as owner of such leasehold estate or as lessee under a Mortgagee Lease. Notwithstanding the foregoing, the liability of a Leasehold Mortgagee or any other such Person with respect to its obligations under this Second Supplemental Ground Lease or any Mortgagee Lease shall be "non-recourse" and, accordingly, the Board's source of satisfaction of such obligations shall be limited to the interest of the Leasehold Mortgagee or other Person in the Property and the Facilities, and the Board shall not seek to obtain payment through any judicial process or otherwise from any such Leasehold Mortgagee or any other such other Person or from any assets of such Leasehold Mortgagee or such other Person other than the interest of the Leasehold Mortgagee or other Person in the Property and the Facilities.

ARTICLE VII MAINTENANCE AND REPAIR

Section 7.01 Maintenance and Repairs.

(a) For so long as the Facilities Lease has not been terminated, the Board shall maintain and repair 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.

(c) For so long as the Facilities Lease has not been terminated, neither the Board nor the University will be under any obligation to renew, repair, or replace any item of inadequate, obsolete, worn out, unsuitable, undesirable, unprofitable, or unnecessary equipment or other property not required for the sound operation and maintenance of the physical condition of the Facilities. In any instance where the Board, in its sound discretion, determines that any items of Facilities have become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary, the Board, for so long as the Facilities Lease has not been terminated, may remove such items of Facilities and sell, trade in, exchange, donate, throw away, or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Trustee or the Bondholders, provided that the collection of Auxiliary Revenues does not fall below the level required to be maintained pursuant to the provisions of the Facilities Lease.

ARTICLE VIII CERTAIN LIENS PROHIBITED

Section 8.01 No Mechanics' Liens. Except as permitted in Section 8.02 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 Property nor against the Corporation's leasehold interest in the Property 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 Property or Facilities or any part thereof through or under the Corporation.

Section 8.02 Release of Recorded Liens. If any such mechanics' liens or materialmen's liens shall be recorded against the Property or Facilities because of the activities of the Corporation described in Section 8.01, 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 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 Second Supplemental 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 8.03 Memorandum of Recitals. The memorandum of lease to be filed pursuant to Section 18.04 of this Second Supplemental Ground Lease shall state that any third party entering into a contract with the Corporation for improvements to be located on the Property, 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 9.01 Management of Facilities. The Board shall operate and manage the Facilities or cause the Facilities to be operated and managed in accordance with Section 7 of the Facilities Lease. In the event the Facilities Lease is terminated, neither the Board nor the University shall operate or manage the Facilities.

Section 9.02 Reserved.

Section 9.03 Audits. The Board may, at its option and at its own expense, and during customary business hours, conduct internal 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 10.01 Indemnification by the Corporation. Excluding 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 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 10.02 Contributory Acts. Whenever in this Second Supplemental 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.

Section 10.03 Indemnification by the Board. The Board shall indemnify the Trustee and the Authority and shall hold the Trustee, the Bond Insurer and the Authority harmless from and shall reimburse the Trustee, the Bond Insurer and the Authority 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 Bond Insurer or the Authority and the payee and holder of any Bond (prior to trial, at trial and on appeal) in any action against or involving the Trustee or the Authority, resulting from any breach of the representations, warranties, or covenants of the Board, or from the discovery of any Hazardous Substances in, upon, under or over, or emanating from, the Property or the Facilities, whether or not the Board is responsible therefor and regardless of when such Hazardous Substances come to be present at or were Released from the Property or the Facilities, it being the intent of the Board that the Trustee and the Authority, 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 with respect to Hazardous Substances by virtue of their interests, if any, in the Property and the Facilities created by the Indenture, and the Agreement or otherwise, or hereafter created, or as the result of the Trustee, or the Authority exercising any instrument, including but not limited to becoming the owner thereof by foreclosure or conveyance in lieu of foreclosure.

ARTICLE XI
TERMINATION, DEFAULT AND REMEDIES

Section 11.01 Events Of Default. Any one of the following events shall be deemed to be an “*Event of Default*” by the Corporation under this Second Supplemental 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 Second Supplemental 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 for the benefit of any Person, except for any Person exercising remedies due to a default by the Board under the Facilities Lease or a default due to non-payment of the Bonds.

(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 Second Supplemental Ground Lease 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.

Section 11.02 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 11.03 Termination of Right of Occupancy. Notwithstanding any provision of law or of this Second Supplemental Ground Lease to the contrary, except as set forth in Section 1.03 hereof, the Board shall not have the right to terminate this Second Supplemental Ground Lease prior to the Expiration Date hereof. However, in the event there is an Event of Default by the Corporation hereunder, and subject to the provisions of Article VI hereof, the Board shall have the right to terminate the Corporation’s right to occupancy of the Property, except that the Facilities, at the option of the Board, shall remain thereon. The Board shall have the right to take possession of the Property and to re-let the Property or take possession in its own right for the remaining Term of the Supplemental Ground Lease upon such terms and conditions as the Board is able to obtain. Upon such re-letting, the Corporation hereby agrees to convey all of its right, title and interest in and to the Facilities and all of its rights under this Second Supplemental 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 as applicable) agreeing to assume all of the Corporation’s obligations under the Second Supplemental Ground Lease, the Facilities Lease and under any debt incurred by the Corporation in connection with the construction of the Facilities.

Section 11.04 Rights of The Board Cumulative. All rights and remedies of the Board provided for and permitted in this Second Supplemental 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. No waiver by the Board of a breach of any of the covenants, conditions or restrictions of this Second Supplemental Ground Lease shall be construed or held to be a waiver of any succeeding or preceding breach of the same or of any other covenant, condition or restriction herein contained. The

failure of the Board to insist in any one or more cases upon the strict performance of any of the covenants of this Second Supplemental Ground Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of future breaches of such covenant or option.

ARTICLE XII TITLE TO THE FACILITIES

Section 12.01 Title to Facilities. Title to the Facilities as they are constructed and upon completion thereof shall be vested in the Board during the Term of this Second Supplemental Ground Lease. The Board's right to obtain title to the Facilities unencumbered by the leasehold interest of the Corporation granted hereunder shall be 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 the Second Supplemental Ground Lease whether such termination is by expiration of the Term or an earlier termination under any provision of this Second Supplemental Ground Lease

Section 12.02 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, or if the Bond Documents are no longer in effect shall be disbursed to the Corporation as though the Corporation were the owner of the Facilities.

Section 12.03 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 Property, and restore the Property to substantially the same condition as it existed on the date of this Second Supplemental 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 Second Supplemental Ground Lease is terminated earlier, the Board shall notify the Corporation within thirty (30) days after the termination.

Section 12.04 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 Second Supplemental 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 12.03 above.

ARTICLE XIII CONDEMNATION

Section 13.01 Condemnation. Upon the permanent Taking of all the Property and the Facilities, this Second Supplemental 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 Second Supplemental 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 13.02 Partial Condemnation if Facilities Lease is No Longer in Effect. Upon a temporary Taking or a Taking of less than all of the Property and the Facilities and if the Facilities Lease is no longer in effect, the Corporation, at its election, may terminate this Second Supplemental 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 Property and the Corporation decides not to terminate this Second Supplemental Ground Lease, the Board and the Corporation shall either amend this Second Supplemental 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 Property and/or Facilities.

Section 13.03 Partial or Total Condemnation if Facilities Lease is in Effect. If this Second Supplemental Ground Lease is terminated under Section 13.01 or in the event of a Taking of less than all of the Property 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 Second Supplemental 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 13.04 Payment of Awards - If Facilities Lease is in Effect. Upon the Taking of all or any portion of the Property 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 Second Supplemental 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 Property under this Second Supplemental Ground Lease that is the subject of the Taking.

Section 13.05 Payment of Awards - If Facilities Lease is not in Effect. Upon the Taking of all or any portion of the Property 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 Property (such value to be determined as if this Second Supplemental 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 Property under this Second Supplemental Ground Lease that is the subject of the Taking.

Section 13.06 Bond Documents Control. Notwithstanding anything in this Second Supplemental Ground Lease to the contrary, in the event of a Casualty or a Taking of all of 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 14.01 Assignment of Leasehold Interest. Except as expressly provided for in Article VI and in this Article XIV, the Corporation shall not have the right to sell or assign the leasehold estate created by this Second Supplemental Ground Lease or the other rights of the Corporation hereunder to any Person without the prior written consent of the Board and the Bond Insurer.

Section 14.02 Subletting. The Corporation is not authorized to sublet the leasehold estate to any entity other than the Board, except as provided in Article VI.

Section 14.03 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 Second Supplemental Ground Lease.

Section 14.04 Assignment to Trustee. The Corporation shall, concurrently with the execution hereof, assign all of its right, title and interest in and to this Second Supplemental Ground Lease to the Trustee pursuant to the Indenture and the Agreement, as applicable (each as defined in the Facilities Lease). The parties hereto further agree to execute any and all documents necessary and proper in connection therewith.

ARTICLE XV COMPLIANCE CERTIFICATES

Section 15.01 The Corporation's Compliance. The Corporation agrees, at any time and from time to time upon not fewer 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 Second Supplemental 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 15.02 The Board's Compliance. The Board agrees, at any time and from time to time, upon not fewer 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 Second Supplemental 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 Second Supplemental 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, as approved by the Board.

ARTICLE XVI TAXES AND LICENSES

Section 16.01 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 Property 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 16.01 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 Property and the Facilities under applicable law are obtained by the party or parties entitled thereto.

Section 16.02 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 17.01 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 18.01 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 Supplemental Ground Lease, is prohibited.

Section 18.02 Bond Insurance Provisions

[TO COME]

Section 18.03 Notices. Notices or communications to the Board or the Corporation required or appropriate under this Supplemental 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 Board:

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

with copies to:

Louisiana Tech University
Post Office Box 3164
Ruston, Louisiana 71272

Attention: Vice President for Student Affairs

If to the Corporation:

Innovative Student Facilities, Inc.
412 West Alabama
Ruston, Louisiana 71270
Attention: Vice Chairperson

with a copy to:

Robert E. Shadoin, Esq.
829 E. Georgia Avenue, Suite 3
P.O. Box 782
Ruston, Louisiana 71273-0782

If to the Bond Insurer:

[_____]

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 18.04 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 the Board and the Corporation.

Section 18.05 Memorandum of Supplemental Ground Lease. Neither the Board nor the Corporation shall file this Second Supplemental Ground Lease for record in Lincoln Parish, Louisiana or 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 Second Supplemental Ground Lease in the form of Exhibit B attached hereto. Such memorandum shall be filed for record in Lincoln Parish, Louisiana.

Section 18.06 Legal Proceedings.

(a) If either party is required to commence legal proceedings relating to this Second Supplemental Ground Lease, the prevailing party shall be entitled to receive reimbursement for its reasonable attorneys' fees and costs of suit.

(b) The Corporation waives trial by jury in any action, proceeding, or counterclaim brought by either of the Parties to this Second Supplemental Ground Lease against the other on any matters whatsoever arising out of or in any way connected with this Supplemental Ground Lease, the relationship of the Corporation and the Board, the Board's or the University's use or occupancy of the Facilities, or any other Claims arising hereunder.

Section 18.07 Louisiana Law to Apply. This Second Supplemental 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 Ruston, Louisiana.

Section 18.08 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 Property during the Term 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 Property against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof subject only to the provisions of this Second Supplemental Ground Lease.

Section 18.09 Curative Matters. Except for the express representations and warranties of the Board set forth in this Second Supplemental Ground Lease, any additional matters necessary or desirable to make the Property usable 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 undertaken by the Corporation to make the Property usable for the Corporation's purpose.

Section 18.10 Non-waiver. No waiver by the Board or the Corporation of a breach of any of the covenants, conditions, or restrictions of this Second Supplemental Ground Lease shall constitute a waiver of any subsequent breach of any of the covenants, conditions or restrictions of this Second Supplemental 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 Supplemental 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 Second Supplemental 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 18.11 Terminology. Unless the context of this Second Supplemental 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 Second Supplemental Ground Lease shall refer to this Second Supplemental 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 Second Supplemental Ground Lease and the Table of Contents to this Second Supplemental Ground Lease are for reference purposes and shall not control or affect the construction of this Second Supplemental Ground Lease or the interpretation hereof in any respect. Article, section and subsection and exhibit references are to this Second Supplemental Ground Lease unless otherwise specified. All exhibits attached to this Second Supplemental Ground Lease constitute a part of this Second Supplemental Ground Lease and are incorporated herein. All references to a specific time of day in this Second Supplemental Ground Lease shall be based upon Central Standard Time (or the other standard of measuring time then in effect in Ruston, Louisiana).

Section 18.12 Counterparts. This agreement may be executed in multiple counterparts, each of which shall be declared an original.

Section 18.13 Severability. If any clause or provision of this Second Supplemental Ground Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Second Supplemental Ground Lease, then and in that event, it is the intention of the parties hereto that the remainder of Second Supplemental Ground Lease shall not be affected thereby.

Section 18.14 Authorization. By execution of this Second Supplemental 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 Second Supplemental Ground Lease have been taken and performed; and that the persons signing this Second Supplemental Ground Lease on their behalf have due authorization to do so.

Section 18.15 Ancillary Agreements. In the event it becomes necessary or desirable for the Board to approve in writing any ancillary agreements or documents concerning the Property 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 Second Supplemental Ground Lease, all agreements, documents, or approvals shall be forwarded to the Board Representative.

Section 18.16 Amendment. No amendment, modification, or alteration of the terms of this Second Supplemental Ground Lease shall be binding unless the same is in writing dated on or subsequent to the date hereof and duly executed by the parties hereto and consented to, to the extent required by Article VIII of the Agreement.

Section 18.17 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 18.18 Entire Agreement. This Second Supplemental Ground Lease, together with the exhibits attached hereto, contains the entire agreement between the parties hereto with respect to the Property and contains all of the terms and conditions agreed upon with respect to the Second Supplemental Ground Lease of the Property, and no other agreements, oral or otherwise, regarding the subject matter of this Second Supplemental 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.

Section 18.19 Release of Excess Property. Notwithstanding the provisions of Section 18.15 above and Article VIII of the Agreement, in the event any of the Property is not used for the construction of the Facilities, this Second Supplemental Ground Lease may be amended to exclude such portion of the Property, with consent of the owners of the Series 2022 Bonds outstanding under the Second Supplemental Indenture.

Section 18.20 No Merger. There shall be no merger of the leasehold estate created by this Second Supplemental Ground Lease with the fee simple estate of the Board in the Property nor shall there be any merger of the leasehold estate created by this Second Supplemental Ground Lease or the fee simple estate of the Board in the Property with the leasehold estate created by the Facilities Lease because one party or such party's transferee may acquire or shall hold directly or indirectly (a) fee simple interest in or to the Property (b) any interest in the leasehold estate created by or granted by this Second Supplemental Ground Lease and/or (c) the leasehold estate created by the Facilities Lease, and no such merger shall occur unless all entities having (i) any fee simple interest in or to the Property, (ii) any interest in the leasehold estate created or granted by this Second Supplemental Ground Lease and (iii) any interest in the leasehold estate created by the Facilities Lease, shall join in a written instrument effecting such merger and shall duly record same in the land records of the jurisdiction in which the Property is located.

IN WITNESS WHEREOF, the undersigned representative has signed this Third Supplemental Facilities Lease on behalf of the Board of Supervisors for the University of Louisiana System on the ____ day of ____, 2022.

WITNESSES:

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

By: _____
Dr. Leslie K. Guice, Board Representative

NOTARY PUBLIC

Name: _____

Notary ID/Bar Roll No. _____

IN WITNESS WHEREOF, the undersigned representative has signed this Third Supplemental Facilities Lease on behalf of Innovative Student Facilities, Inc., on the ____ day of ____, 2022.

WITNESSES:

INNOVATIVE STUDENT FACILITIES, INC.

By: _____
Chris Bar, Chairman

NOTARY PUBLIC

Name: _____

Notary ID/Bar Roll No. _____

EXHIBIT A

PROPERTY DESCRIPTION

HOUSING FACILITIES PROPERTY DESCRIPTION

Tract 1:

A certain tract or parcel of land being Lot 5 and 6 and the West 40 feet of Lot 4, Block 108 of Stubbs Addition to the Town of Ruston, Lincoln Parish, Louisiana, being more particularly described as follows, to-wit:

Commencing at a 1" iron pipe at the Southeast corner of the West 40 feet of Lot 4 of Stubbs Addition to the Town of Ruston as per subdivision plat recorded on Page 103 of the Plat Book of the Records of Lincoln Parish, Louisiana, said point being located on the North right-of-way line of West Mississippi Avenue (60' R.O.W.), said point also being the POINT OF BEGINNING, thence, proceed N86°42'09"W coincident with the South line of Block 108 of Stubbs Addition, and North right-of-way line of West Mississippi Avenue, a distance of 260.00 feet to the Southwest corner of Lot 6, to which point a 5/8" rebar bears N71°42'16"W, a distance of 0.58 feet; thence, proceed N03°17'51"E coincident with the East right-of-way line of Everett Street (60' R.O.W.) and West line of Lot 6, a distance of 260.00 feet to a 5/8" rebar at the Northwest corner thereof; thence, proceed S86°02'13"E coincident with the South right-of-way line of Alabama Street and the North line of Block 108, a distance of 260.02 feet to the Northeast corner of the West 40 feet to Lot 4 of Stubbs Addition; thence, proceed S03°17'49"W coincident with the East line of the West 40 feet of Lot 4, a distance of 256.98 feet to the POINT OF BEGINNING, containing 1.543 acres, more or less, and being more fully shown as Tract A on that map entitled "Plat of Survey, University Park Apartments / Phase II / Site II, Louisiana Tech Campus, City of Ruston, Lincoln Parish" dated September 11, 2007 and prepared by J. Walter Ballard, P.L.S.

Tract 2:

A certain tract or parcel of land being Lot 8 and 9, Block 107 of Stubbs Addition to the Town of Ruston, Lincoln Parish, Louisiana, being more particularly described as follows, to-wit:

Commencing at a 5/8" rebar at the Southeast corner of Lot 8 of Stubbs Addition to the Town of Ruston as per subdivision plat recorded on Page 103 of the Plat Book of the Records of Lincoln Parish, Louisiana, said point being located on the West right-of-way line of Everett Street (60' R.O.W.) and the North right-of-way line of KCS railroad, said point also being the POINT OF BEGINNING, thence, proceed N86°42'09"W coincident with the South line of Block 107, a distance of 200.00 feet to a 5/8" rebar at the Southwest corner of Lot 9 of Stubbs Addition; thence, proceed N03°17'51"E coincident with the West line of said Lot 9, a distance of 265.00 feet to a 5/8" rebar at the Northwest corner thereof, said point being located on the South right-of-way line of West Mississippi Avenue (60' R.O.W.); thence, proceed S86°42'09"E coincident with the North line of Block 107 and the South right-of-way line of West Mississippi Avenue, a distance of 200.00 feet to a 5/8" rebar at the Northeast corner of Lot 8, said point being located on the West right-of-way line of Everett Street; thence, proceed S03°17'51"W coincident with the East line of Lot 8 and West right-of-way line of Everett Street, a distance of 265.00 feet to the POINT OF BEGINNING, containing 1.217 acres, more or less, and being more fully shown as Tract B on that map entitled "Plat of Survey, University Park Apartments / Phase II / Site II, Louisiana Tech Campus, City of Ruston, Lincoln Parish" dated September 11, 2007 and prepared by J. Walter Ballard, P.L.S.

Tract 3:

A certain tract or parcel of land being Lot 6 and the West 30 feet of Lot 5, Block 107 of Stubbs Addition to the Town of Ruston, Lincoln Parish, Louisiana, Being more particularly described as follows, to-wit:

Commencing at a 5/8" rebar at the Northwest corner of Lot 6, Block 107 of Stubbs Addition to the Town of Ruston as per subdivision plat recorded on Page 103 of the Plat Book of the Records of Lincoln Parish, Louisiana, said point being located at the intersection of the East right-of-way line of Everett Street (60' R.O.W.) and the South right-of-way line of West Mississippi Avenue, said point also being the POINT OF BEGINNING, thence, proceed S86°42'09"E coincident with the North line of Block 107 and South right-of-way line of Everett Street, a distance of 140.00 feet to a 5/8" rebar; thence, proceed S03°17'51"W parallel with and 30.00 feet East of the East line of said Lot 6, a distance of 265.00 feet to a 1/2" iron pipe; thence, proceed N86°42'09"W coincident with the South line of Block 107 and the North right-of-way line of the KCS Railroad, a distance of 140.00 feet to a 5/8" rebar at the Southwest of said Lot 6, said point being located on the East right-of-way line of Everett Street; thence, proceed N03°17'51"E coincident with the East right-of-way line of Everett Street and the West line of Lot 6, a distance of 265.00 feet to the POINT OF BEGINNING, containing 0.852 acres, more or less, and being more fully shown as Tract C on that map entitled "Plat of Survey, University Park Apartments / Phase II / Site II, Louisiana Tech Campus, City of Ruston, Lincoln Parish" dated September 11, 2007 and prepared by J. Walter Ballard, P.L.S.

Tract 4:

A certain tract or parcel of land situated in the Northeast Quarter of the Southwest Quarter (NE 1/4 of the SW 1/4) of Section 23, Township 18 North, Range 3 West, Land District North of Red River, City of Ruston, Lincoln Parish, Louisiana, being more particularly described as follows, to-wit:

Commencing at a 5/8" rebar called to be 350.00 feet East of and S00°15'18"E, 669.79 feet from the Northwest corner of the NE 1/4 of the SW 1/4 of Section 23, Township 18 North, Range 3 West as shown on Revision 1 of that certain ALTA/ACSM Survey dated July 11, 2003, prepared by Benjamin C. Winn, P.L.S., said point being located on the North right-of-way line of Louisiana Highway 150 (West Alabama Avenue), said point also being the **POINT OF BEGINNING**, thence, proceed S89°45'35"W coincident with the North right-of-way line of Louisiana Highway 150 as per Right-of-Maps for State Project No. No. 831-07-20, prepared by J. F. Arnold, R.L.S., dated May 16, 1969, a distance of 189.35 feet to a 5/8" rebar at the point of curvature of a curve to the left; thence, proceed Westerly coincident with the North right-of-way line of Louisiana Highway 150 being a curve to the left having a radius of 951.73, the chord of which bears S88°21'25"W for a chord length of 46.60 feet and an arc length of 46.60 feet to a 5/8" rebar at its intersection with the East right-of-way line of Louisiana Highway 544 (Tech Drive) as per Right-of-way Maps for State Project No. 714-09-59 & 296-03-09, prepared by E. N. Broadnax, R.L.S., dated August 19, 1963; thence, proceed N35°55'06"W coincident with the East right-of-way line of Louisiana Highway 544 (LA 544), a distance of 57.97 feet; thence proceed Northerly coincident with the East right-of-way line of LA 544 being a curve concave to the West having a radius of 5,769.54 feet, the chord of which bears N00°37'10"E for a chord length of 201.75 feet and an arc length of 201.76 feet to a 5/8" rebar; thence, proceed N90°00'00"E, a distance of 225.61 feet to a 5/8" rebar; thence, proceed N00°00'00"E, a distance of 248.39 feet to a 5/8" rebar; thence, proceed N89°47'03"E, a distance of 133.01 feet to a 5/8" rebar; thence, proceed S00°53'19"W, a distance of 212.37 feet to a 5/8" rebar; thence, proceed N90°00'00"W, a distance of 88.83 feet to a 5/8" rebar on the West line of Tract "A" as shown on the above listed Winn Plat, thence, proceed S00°15'18"E coincident with the said West line of Tract "A", a distance of 131.10 feet to a 5/8" rebar; thence, proceed N89°44'42"E, a distance of 6.41 feet to a 5/8" rebar; thence, proceed S00°15'18"E, a distance of 115.00 feet to a 5/8" rebar; thence, proceed S89°44'42"W, a distance of 6.41 feet to a 5/8" rebar on the West line of Tract "A" as shown on the Winn Plat; thence, proceed S00°15'18"E coincident with the said West line of Tract "A", a distance of 37.00

feet to the **POINT OF BEGINNING**, containing 2.194 acres, more or less, and being more fully shown on that map entitled "Plat of Survey, 2.194 Acre Tract Situated in the NE ¼ of SW ¼ of Section 23, T-18-N, R-3-W, City of Ruston, Lincoln Parish" dated September 14, 2007 and prepared by J. Walter Ballard, P.L.S.

707 W. Mississippi Avenue:

Beginning at a point on West Mississippi Avenue Ninety-nine and seven-tenths (99.7) feet East of the Northwest corner of Lot #11 of Block #107 of the Stubbs Addition Town of Ruston, Louisiana, run then East fifty (50) feet along West Mississippi Avenue, thence South between parallel lines about 265 feet to the north line of the right of way of I.C. Railroad.

711, 801, 802, and 803 W. Mississippi Avenue, Ruston, Louisiana:

Lincoln Parish, Louisiana
Township 18 North, Range 3 West

Section 23 – Beginning at the SE corner of the NE ¼ of SW ¼ as a starting point and run thence West 57.75 feet, thence North 211 feet, thence Northeast 65 feet, thence South 240.5 feet to starting point; and

A lot on West Mississippi Avenue, Ruston, Louisiana, described as:

Beginning at the NW corner of Lot 11, Block 107 of the Town of Ruston according to the plat of the Stubbs Addition to the Town of Ruston, Louisiana, of record in the Office of the Clerk of Court, Lincoln Parish, Louisiana, and run East 99.7 feet along West Mississippi Avenue, thence run South between parallel lines to the North line of the right-of-way of Illinois Central Railroad, a distance of 265 feet.

807 W. Mississippi Avenue:

A lot or parcel of land situated in the West suburbs of the Town of Ruston, Louisiana, described as follows: Beginning 7 rods west of the SE corner of the NE ¼ of SW ¼, Section 23 Township 18 North, Range 3 West, and run North 121 ½ feet as a starting point, thence West 240 feet, thence North 60 feet, thence East 240 feet, thence South 60 feet to starting point, being a lot 60 feet wide off of the North Side of W.R. Pratt's original lot.

A strip of land 15 feet wide north and south and 240 feet deep east and west off of the north side of the remainder of the original Pratt lot purchased by W.R. Pratt from J.F. O'Neal, August 29, 1911 and recorded in Conveyance Book X, page 576, Lincoln Parish, Louisiana. Said 15 foot strip being immediately south of and contiguous to the 60 feet sold off of the original Pratt lot by Sheriff's deed dated August 15, 1934, recorded in Conveyance Book #6, page 449 of the Conveyance Records of Lincoln Parish, Louisiana under foreclosure proceedings in Suit #10027 of the Civil Docket of the 3rd District Court for Lincoln Parish, Louisiana; Range 3 West, Lincoln Parish, Louisiana. Said land being in NE ¼ of SW ¼

Section 23, Township 18, Range 3 West, Lincoln Parish, Louisiana.

The North Half (N ½) of the following described property situated in the Town of Ruston, Lincoln Parish, Louisiana, to-wit: Beginning 57.75 feet West of the SE corner of NE ¼ of SW ¼ of Section 23, Township 18 North, Range 3 West, thence run West 57.75 feet, thence North 153.4 feet, thence in a Northeasterly direction 65 feet, thence south 182.9 feet to point of beginning, according to plat and survey of Roy T. Sessums, Civil Engineer, March 30, 1939.

703 W. Mississippi Avenue:

The following described lot situated in the Northeast Quarter of Southwest Quarter (NE ¼ of SW ¼) of Section 23, Township 18 North, Range 3 West, City of Ruston, Lincoln Parish, Louisiana, to-wit:

Beginning at a point 140 ½ feet due West for the Southeast corner of the NE ¼ of SW ¼ of said Section 23, thence run West a distance of 215 feet, thence run North a distance of 106 ½ feet, thence run East a distance of 215 feet, thence run South a distance of 106 ½ feet to the point of beginning, being the same property conveyed by Mrs. Blanche Banning Pratt, et al., to Francis L. Afeman under an act of sale filed for record under File No. N-37546 and recorded in Book 14 at Page 511 of the Conveyance Records of Lincoln Parish, Louisiana, AND the South Half (S ½) of the following described tract: Beginning 57.75 feet West of the Southeast corner of the NE ¼ of /SW ¼ of said Section 23, thence run West a distance of 57.75 feet, thence run North a distance of 153.4 feet, thence run in a Northeasterly direction a distance of 65 feet, thence run South a distance of 182.9 feet to the point of beginning according to a plat and survey of Roy T. Sessums, Civil Engineer, March 30, 1939, being the same property conveyed by C. A. Reed to F. L. Afeman under an act of sale filed for record under File No. N-67848 and recorded in Book 25 at Page 486 of the Conveyance Records of Lincoln Parish, Louisiana, with all and singular the improvements thereon and all rights thereunto belonging.

ATHLETIC FACILITIES PROPERTY DESCRIPTION

Construction of eight new tennis courts on the following land:

That certain area of land, lying Southwesterly of the Louisiana Tech University track facility, Northerly of West Alabama Avenue, Easterly of the Aillet Field House and Southeasterly of the Aillet Stadium, situated in Section 23, Township 18 North – Range 3 West, Land District North of Red River, City of Ruston, Lincoln Parish, Louisiana, being more particularly described as follows:

With the POINT-OF-BEGINNING of herein described area of land, encompassing proposed new construction of tennis courts for Louisiana Tech University, represented by the Southwestern or Southernmost corner of the of the Louisiana Tech track facility's chain-link fence (as existing in June, 2007), and the Northern right-of-way limits of West Alabama Avenue, notwithstanding the actual position of said right-of-way, run thence, along said Northern right-of-way, Southwesterly for a distance of approximately 400 feet to the intersection with the Southeasterly projection of the Northeastern most building line of the Aillet Field House parking lot; thence, along said Southeasterly projection, Northwesterly for a distance of approximately 452 feet and to the intersection with the Southwesterly projection of the chain-link fence along the Southern side of the East stands of the Aillet Stadium; thence, along said Southwesterly edge projection, Northeasterly for a distance of approximately 148 feet and to the and to the corner of said fence; thence, along said fence, Northwesterly for a distance of approximately 37 feet and the intersection with the Southwesterly projection of a chain-link fence now encompassing the West stands for the aforesaid track facility; thence, along said Southwesterly projection and across Stadium Boulevard, Northeasterly for a distance of approximately 198 feet and to the corner of said chain-link fence; thence, along said fence and Northeastern side of the track stands, Southeasterly for a distance of approximately 475 feet and to the fence corner; thence, along said fence, Northeasterly for a distance of approximately 12 feet and to the fence corner and Southwestern chain-link fence of the aforesaid track facility; thence, along said fence, Southeasterly for a distance of approximately 141 feet and back to the POINT-OF-BEGINNING of herein described area of land, containing 4.41 acres of land, more or less, and being subject to any and all encumbrances thereon and/or of record.

The above description is prepared based upon electronic files of drawings for Tennis Court Relocation – Louisiana Tech University, dated February 26, 2007 by Tipton Associates-449 Westmoreland Drive, Baton Rouge, Louisiana 70806.

Renovation of the Jim Mize Track located at the northwest corner of the intersection of West Alabama Street and Tech Drive.

EXHIBIT B

FORM OF
MEMORANDUM OF SUPPLEMENTAL GROUND LEASE

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

MEMORANDUM OF SUPPLEMENTAL GROUND LEASE

This Memorandum of Second Supplemental Lease (this “*Memorandum*”) is entered into by and between the Board of Supervisors for the University of Louisiana System (“*Lessor*”) and Innovative Facilities, Inc. (“*Lessee*”).

RECITALS

A. Lessor and Lessee entered into a Ground Lease Agreement dated as of September 1, 2007 (the “*Original Ground Lease*”), as supplemented and amended by the First Supplemental Ground Lease Agreement dated as of December 1, 2015 (the “*First Supplemental Ground Lease*” and, together with the Original Ground Lease, the “*Existing Ground 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*”). The Original Ground Lease is recorded in the records of the Lincoln Parish Clerk of Court at COB 1232, Page 159.

B. The Existing Ground Lease has been supplemented and amended by a Second Supplemental Ground Lease Agreement dated as of _____ 1, 2022 between the Lessor and the Lessee (the “*Second Supplemental Ground Lease*” and, together with the Existing Ground Lease, the “*Ground Lease*”).

C. 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 Ground Lease.

LEASE TERMS

Specific reference is hereby made to the following terms and provisions of the Supplemental Ground Lease:

1. The term of the Supplemental Ground Lease commenced on December __, 2015 and shall continue until midnight on September 1, 2047, unless sooner terminated or extended as provided in the Ground Lease.
2. Lessor has the right, as set forth in the Ground Lease, to purchase the improvements constructed by Lessee on the Land at any time during the term of the Ground Lease in accordance with the provisions thereof.
3. Additional information concerning the provisions of the Ground 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 7300
Baton Rouge, Louisiana 70802
Attention: Vice President of Business and Finance

Lessee: Innovative Student Facilities, Inc.
412 West Alabama
Ruston, Louisiana 71270
Attention: Vice Chairperson

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 Ground 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 Supplemental Ground Lease are incorporated into this Memorandum by reference as though fully set forth herein, and both the Supplemental Ground Lease and this Memorandum shall be deemed to constitute a single instrument or document.

[Remainder of page intentionally left blank]

THUS DONE AND PASSED on the ____ of ____, 2022, in Ruston, Louisiana, in the presence of the undersigned, both competent witnesses, who herewith signs his name as Authorized Representative of the Board of Supervisors for the University of Louisiana System, and me, Notary.

WITNESSES:

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

Print Name: _____

By: _____
Dr. Leslie K. Guice, Board Representative

Print Name: _____

NOTARY PUBLIC

Name: _____

Notary ID/Bar Roll No. _____

THUS DONE AND PASSED on the ____ of ____, 2022, in Ruston, Louisiana, in the presence of the undersigned, both competent witnesses, who herewith signs his name as Authorized Representative of Innovative Student Facilities, Inc., and me, Notary.

WITNESSES:

INNOVATIVE STUDENT FACILITIES, INC.

Print Name: _____

By: _____
Chris Barr, Chairman

Print Name: _____

NOTARY PUBLIC

Name: _____

Notary ID/Bar Roll No. _____

EXHIBIT A TO MEMORANDUM OF GROUND LEASE

PROPERTY DESCRIPTION

HOUSING FACILITIES PROPERTY DESCRIPTION

Tract 1:

A certain tract or parcel of land being Lot 5 and 6 and the West 40 feet of Lot 4, Block 108 of Stubbs Addition to the Town of Ruston, Lincoln Parish, Louisiana, being more particularly described as follows, to-wit:

Commencing at a 1" iron pipe at the Southeast corner of the West 40 feet of Lot 4 of Stubbs Addition to the Town of Ruston as per subdivision plat recorded on Page 103 of the Plat Book of the Records of Lincoln Parish, Louisiana, said point being located on the North right-of-way line of West Mississippi Avenue (60' R.O.W.), said point also being the POINT OF BEGINNING, thence, proceed N86°42'09"W coincident with the South line of Block 108 of Stubbs Addition, and North right-of-way line of West Mississippi Avenue, a distance of 260.00 feet to the Southwest corner of Lot 6, to which point a 5/8" rebar bears N71°42'16"W, a distance of 0.58 feet; thence, proceed N03°17'51"E coincident with the East right-of-way line of Everett Street (60' R.O.W.) and West line of Lot 6, a distance of 260.00 feet to a 5/8" rebar at the Northwest corner thereof; thence, proceed S86°02'13"E coincident with the South right-of-way line of Alabama Street and the North line of Block 108, a distance of 260.02 feet to the Northeast corner of the West 40 feet to Lot 4 of Stubbs Addition; thence, proceed S03°17'49"W coincident with the East line of the West 40 feet of Lot 4, a distance of 256.98 feet to the POINT OF BEGINNING, containing 1.543 acres, more or less, and being more fully shown as Tract A on that map entitled "Plat of Survey, University Park Apartments / Phase II / Site II, Louisiana Tech Campus, City of Ruston, Lincoln Parish" dated September 11, 2007 and prepared by J. Walter Ballard, P.L.S.

Tract 2:

A certain tract or parcel of land being Lot 8 and 9, Block 107 of Stubbs Addition to the Town of Ruston, Lincoln Parish, Louisiana, being more particularly described as follows, to-wit:

Commencing at a 5/8" rebar at the Southeast corner of Lot 8 of Stubbs Addition to the Town of Ruston as per subdivision plat recorded on Page 103 of the Plat Book of the Records of Lincoln Parish, Louisiana, said point being located on the West right-of-way line of Everett Street (60' R.O.W.) and the North right-of-way line of KCS railroad, said point also being the POINT OF BEGINNING, thence, proceed N86°42'09"W coincident with the South line of Block 107, a distance of 200.00 feet to a 5/8" rebar at the Southwest corner of Lot 9 of Stubbs Addition; thence, proceed N03°17'51"E coincident with the West line of said Lot 9, a distance of 265.00 feet to a 5/8" rebar at the Northwest corner thereof, said point being located on the South right-of-way line of West Mississippi Avenue (60' R.O.W.); thence, proceed S86°42'09"E coincident with the North line of Block 107 and the South right-of-way line of West Mississippi Avenue, a distance of 200.00 feet to a 5/8" rebar at the Northeast corner of Lot 8, said point being located on the West right-of-way line of Everett Street; thence, proceed S03°17'51"W coincident with the East line of Lot 8 and West right-of-way line of Everett Street, a distance of 265.00 feet to the POINT OF BEGINNING, containing 1.217 acres, more or less, and being more fully shown as Tract B on that map entitled "Plat of Survey, University Park Apartments / Phase II / Site II, Louisiana Tech Campus, City of Ruston, Lincoln Parish" dated September 11, 2007 and prepared by J. Walter Ballard, P.L.S.

Tract 3:

A certain tract or parcel of land being Lot 6 and the West 30 feet of Lot 5, Block 107 of Stubbs Addition to the Town of Ruston, Lincoln Parish, Louisiana, Being more particularly described as follows, to-wit:

Commencing at a 5/8" rebar at the Northwest corner of Lot 6, Block 107 of Stubbs Addition to the Town of Ruston as per subdivision plat recorded on Page 103 of the Plat Book of the Records of Lincoln Parish, Louisiana, said point being located at the intersection of the East right-of-way line of Everett Street (60' R.O.W.) and the South right-of-way line of West Mississippi Avenue, said point also being the POINT OF BEGINNING, thence, proceed S86°42'09"E coincident with the North line of Block 107 and South right-of-way line of Everett Street, a distance of 140.00 feet to a 5/8" rebar; thence, proceed S03°17'51"W parallel with and 30.00 feet East of the East line of said Lot 6, a distance of 265.00 feet to a 1/2" iron pipe; thence, proceed N86°42'09"W coincident with the South line of Block 107 and the North right-of-way line of the KCS Railroad, a distance of 140.00 feet to a 5/8" rebar at the Southwest of said Lot 6, said point being located on the East right-of-way line of Everett Street; thence, proceed N03°17'51"E coincident with the East right-of-way line of Everett Street and the West line of Lot 6, a distance of 265.00 feet to the POINT OF BEGINNING, containing 0.852 acres, more or less, and being more fully shown as Tract C on that map entitled "Plat of Survey, University Park Apartments / Phase II / Site II, Louisiana Tech Campus, City of Ruston, Lincoln Parish" dated September 11, 2007 and prepared by J. Walter Ballard, P.L.S.

Tract 4:

A certain tract or parcel of land situated in the Northeast Quarter of the Southwest Quarter (NE 1/4 of the SW 1/4) of Section 23, Township 18 North, Range 3 West, Land District North of Red River, City of Ruston, Lincoln Parish, Louisiana, being more particularly described as follows, to-wit:

Commencing at a 5/8" rebar called to be 350.00 feet East of and S00°15'18"E, 669.79 feet from the Northwest corner of the NE 1/4 of the SW 1/4 of Section 23, Township 18 North, Range 3 West as shown on Revision 1 of that certain ALTA/ACSM Survey dated July 11, 2003, prepared by Benjamin C. Winn, P.L.S., said point being located on the North right-of-way line of Louisiana Highway 150 (West Alabama Avenue), said point also being the **POINT OF BEGINNING**, thence, proceed S89°45'35"W coincident with the North right-of-way line of Louisiana Highway 150 as per Right-of-Maps for State Project No. No. 831-07-20, prepared by J. F. Arnold, R.L.S., dated May 16, 1969, a distance of 189.35 feet to a 5/8" rebar at the point of curvature of a curve to the left; thence, proceed Westerly coincident with the North right-of-way line of Louisiana Highway 150 being a curve to the left having a radius of 951.73, the chord of which bears S88°21'25"W for a chord length of 46.60 feet and an arc length of 46.60 feet to a 5/8" rebar at its intersection with the East right-of-way line of Louisiana Highway 544 (Tech Drive) as per Right-of-way Maps for State Project No. 714-09-59 & 296-03-09, prepared by E. N. Broadnax, R.L.S., dated August 19, 1963; thence, proceed N35°55'06"W coincident with the East right-of-way line of Louisiana Highway 544 (LA 544), a distance of 57.97 feet; thence proceed Northerly coincident with the East right-of-way line of LA 544 being a curve concave to the West having a radius of 5,769.54 feet, the chord of which bears N00°37'10"E for a chord length of 201.75 feet and an arc length of 201.76 feet to a 5/8" rebar; thence, proceed N90°00'00"E, a distance of 225.61 feet to a 5/8" rebar; thence, proceed N00°00'00"E, a distance of 248.39 feet to a 5/8" rebar; thence, proceed N89°47'03"E, a distance of 133.01 feet to a 5/8" rebar; thence, proceed S00°53'19"W, a distance of 212.37 feet to a 5/8" rebar; thence, proceed N90°00'00"W, a distance of 88.83 feet to a 5/8" rebar on the West line of Tract "A" as shown on the above listed Winn Plat, thence, proceed S00°15'18"E coincident with the said West line of Tract "A", a distance of 131.10 feet to a 5/8" rebar; thence, proceed N89°44'42"E, a distance of 6.41 feet to a 5/8" rebar; thence, proceed S00°15'18"E, a distance of 115.00 feet to a 5/8" rebar; thence, proceed S89°44'42"W, a distance of 6.41 feet to a 5/8" rebar on the West line of Tract "A" as shown on the Winn

Plat; thence, proceed S00°15'18"E coincident with the said West line of Tract "A", a distance of 37.00 feet to the **POINT OF BEGINNING**, containing 2.194 acres, more or less, and being more fully shown on that map entitled "Plat of Survey, 2.194 Acre Tract Situated in the NE ¼ of SW ¼ of Section 23, T-18-N, R-3-W, City of Ruston, Lincoln Parish" dated September 14, 2007 and prepared by J. Walter Ballard, P.L.S.

707 W. Mississippi Avenue:

Beginning at a point on West Mississippi Avenue Ninety-nine and seven-tenths (99.7) feet East of the Northwest corner of Lot #11 of Block #107 of the Stubbs Addition Town of Ruston, Louisiana, run then East fifty (50) feet along West Mississippi Avenue, thence South between parallel lines about 265 feet to the north line of the right of way of I.C. Railroad.

711, 801, 802, and 803 W. Mississippi Avenue, Ruston, Louisiana:

Lincoln Parish, Louisiana
Township 18 North, Range 3 West

Section 23 – Beginning at the SE corner of the NE ¼ of SW ¼ as a starting point and run thence West 57.75 feet, thence North 211 feet, thence Northeast 65 feet, thence South 240.5 feet to starting point; and

A lot on West Mississippi Avenue, Ruston, Louisiana, described as:

Beginning at the NW corner of Lot 11, Block 107 of the Town of Ruston according to the plat of the Stubbs Addition to the Town of Ruston, Louisiana, of record in the Office of the Clerk of Court, Lincoln Parish, Louisiana, and run East 99.7 feet along West Mississippi Avenue, thence run South between parallel lines to the North line of the right-of-way of Illinois Central Railroad, a distance of 265 feet.

807 W. Mississippi Avenue:

A lot or parcel of land situated in the West suburbs of the Town of Ruston, Louisiana, described as follows: Beginning 7 rods west of the SE corner of the NE ¼ of SW ¼, Section 23 Township 18 North, Range 3 West, and run North 121 ½ feet as a starting point, thence West 240 feet, thence North 60 feet, thence East 240 feet, thence South 60 feet to starting point, being a lot 60 feet wide off of the North Side of W.R. Pratt's original lot.

A strip of land 15 feet wide north and south and 240 feet deep east and west off of the north side of the remainder of the original Pratt lot purchased by W.R. Pratt from J.F. O'Neal, August 29, 1911 and recorded in Conveyance Book X, page 576, Lincoln Parish, Louisiana. Said 15 foot strip being immediately south of and contiguous to the 60 feet sold off of the original Pratt lot by Sheriff's deed dated August 15, 1934, recorded in Conveyance Book #6, page 449 of the Conveyance Records of Lincoln Parish, Louisiana under foreclosure proceedings in Suit #10027 of the Civil Docket of the 3rd District Court for Lincoln Parish, Louisiana; Range 3 West, Lincoln Parish, Louisiana. Said land being in NE ¼ of SW ¼

Section 23, Township 18, Range 3 West, Lincoln Parish, Louisiana.

The North Half (N ½) of the following described property situated in the Town of Ruston, Lincoln Parish, Louisiana, to-wit: Beginning 57.75 feet West of the SE corner of NE ¼ of SW ¼ of Section 23, Township 18 North, Range 3 West, thence run West 57.75 feet, thence North 153.4 feet, thence in a Northeasterly direction 65 feet, thence south 182.9 feet to point of beginning, according to plat and survey of Roy T. Sessums, Civil Engineer, March 30, 1939.

703 W. Mississippi Avenue:

The following described lot situated in the Northeast Quarter of Southwest Quarter (NE ¼ of SW ¼) of Section 23, Township 18 North, Range 3 West, City of Ruston, Lincoln Parish, Louisiana, to-wit:

Beginning at a point 140 ½ feet due West for the Southeast corner of the NE ¼ of SW ¼ of said Section 23, thence run West a distance of 215 feet, thence run North a distance of 106 ½ feet, thence run East a distance of 215 feet, thence run South a distance of 106 ½ feet to the point of beginning, being the same property conveyed by Mrs. Blanche Banning Pratt, et al., to Francis L. Afeman under an act of sale filed for record under File No. N-37546 and recorded in Book 14 at Page 511 of the Conveyance Records of Lincoln Parish, Louisiana, AND the South Half (S ½) of the following described tract: Beginning 57.75 feet West of the Southeast corner of the NE ¼ of SW ¼ of said Section 23, thence run West a distance of 57.75 feet, thence run North a distance of 153.4 feet, thence run in a Northeasterly direction a distance of 65 feet, thence run South a distance of 182.9 feet to the point of beginning according to a plat and survey of Roy T. Sessums, Civil Engineer, March 30, 1939, being the same property conveyed by C. A. Reed to F. L. Afeman under an act of sale filed for record under File No. N-67848 and recorded in Book 25 at Page 486 of the Conveyance Records of Lincoln Parish, Louisiana, with all and singular the improvements thereon and all rights thereunto belonging.

ATHLETIC FACILITIES PROPERTY DESCRIPTION

Construction of eight new tennis courts on the following land:

That certain area of land, lying Southwesterly of the Louisiana Tech University track facility, Northerly of West Alabama Avenue, Easterly of the Aillet Field House and Southeasterly of the Aillet Stadium, situated in Section 23, Township 18 North – Range 3 West, Land District North of Red River, City of Ruston, Lincoln Parish, Louisiana, being more particularly described as follows:

With the POINT-OF-BEGINNING of herein described area of land, encompassing proposed new construction of tennis courts for Louisiana Tech University, represented by the Southwestern or Southernmost corner of the of the Louisiana Tech track facility's chain-link fence (as existing in June, 2007), and the Northern right-of-way limits of West Alabama Avenue, notwithstanding the actual position of said right-of-way, run thence, along said Northern right-of-way, Southwesterly for a distance of approximately 400 feet to the intersection with the Southeasterly projection of the Northeastern most building line of the Aillet Field House parking lot; thence, along said Southeasterly projection, Northwesterly for a distance of approximately 452 feet and to the intersection with the Southwesterly projection of the chain-link fence along the Southern side of the East stands of the Aillet Stadium; thence, along said Southwesterly edge projection, Northeasterly for a distance of approximately 148 feet and to the and to the corner of said fence; thence, along said fence, Northwesterly for a distance of approximately 37 feet and the intersection with the Southwesterly projection of a chain-link fence now encompassing the West stands for the aforesaid track facility; thence, along said Southwesterly projection and across Stadium Boulevard, Northeasterly for a distance of approximately 198 feet and to the corner of said chain-link fence; thence, along said fence and Northeastern side of the track stands, Southeasterly for a distance of approximately 475 feet and to the fence corner; thence, along said fence, Northeasterly for a distance of approximately 12 feet and to the fence corner and Southwestern chain-link fence of the aforesaid track facility; thence, along said fence, Southeasterly for a distance of approximately 141 feet and back to the POINT-OF-BEGINNING of herein described area of land, containing 4.41 acres of land, more or less, and being subject to any and all encumbrances thereon and/or of record.

The above description is prepared based upon electronic files of drawings for Tennis Court Relocation – Louisiana Tech University, dated February 26, 2007 by Tipton Associates-449 Westmoreland Drive, Baton Rouge, Louisiana 70806.

Renovation of the Jim Mize Track located at the northwest corner of the intersection of West Alabama Street and Tech Drive.

THIRD SUPPLEMENTAL
AGREEMENT TO LEASE WITH OPTION TO PURCHASE

by and between

INNOVATIVE STUDENT FACILITIES, INC.
(as Lessor)

and

BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM
(as Lessee)

Dated as of _____ 1, 2022

in connection with:

\$
Louisiana Local Government Environmental Facilities
and Community Development Authority Taxable Revenue Refunding Bonds
(Louisiana Tech University Student Housing and Recreational Facilities/
Innovative Student Facilities, Inc. Project)
Series 2022

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THIRD SUPPLEMENTAL
AGREEMENT TO LEASE WITH OPTION TO PURCHASE

This THIRD SUPPLEMENTAL AGREEMENT TO LEASE WITH OPTION TO PURCHASE (this “*Third Supplemental Facilities Lease*”), dated as of _____ 1, 2022 is entered into by and between INNOVATIVE STUDENT FACILITIES, INC., a Louisiana nonprofit corporation represented herein by its Chairman, Chris Barr (the “*Corporation*”) and the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM, a public constitutional corporation organized and existing under the laws of the State of Louisiana, represented herein by its duly authorized Board Representative, Dr. Leslie K. Guice (the “*Board*”), acting herein on behalf of Louisiana Tech University (the “*University*”) and supplements and amends that certain Agreement to Lease with Option to Purchase dated as of September 1, 2007 between the Corporation and the Board (the “*Original Facilities Lease*”), as supplemented and amended by that certain First Supplemental Agreement to Lease with Option to Purchase dated as of December 1, 2015 (the “*First Supplemental Facilities Lease*”), as further supplemented and amended by that certain Second Supplemental Agreement to Lease with Option to Purchase dated as of August 1, 2015 (the “*Second Supplemental Facilities Lease*” and, together with the Original Facilities Lease, the First Supplemental Facilities Lease and this Third Supplemental Facilities Lease, the “*Facilities Lease*”).

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 Revised Statutes 17:3217;

WHEREAS, the Board owns, or has under its supervision and management, the ground on which the University’s proposed additional student housing facilities and recreational facilities have been constructed;

WHEREAS, the Corporation is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201 *et seq.*) and an organization exempt from federal income tax under Section 501(a) of the Code as an organization designated in Section 501(c)(3) of the Code, 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 non-profit corporation, such as the Corporation, any portion of the campus or other immovable property under the supervision and management of the Board;

WHEREAS, the Board and the Corporation have entered into that certain Ground Lease Agreement dated as of September 1, 2007 (the “*Original Ground Lease*”), as supplemented and amended by the First Supplemental Ground Lease Agreement dated as of December 1, 2015 (the “*First Supplemental Ground Lease*”), as further supplemented and amended by a Second Supplemental Ground Lease Agreement dated as of _____ 1, 2022 (the “*Second Supplemental Ground Lease*” and, together with the Original Ground Lease and the First Supplemental Ground Lease, the “*Ground Lease*”) whereby the Board has leased the Property (as defined therein) to the Corporation;

WHEREAS, the Corporation has furthered the functions of the Board by causing the development, design, construction, and equipping of student housing and recreational facilities (the “*Facilities*”) on the University campus and all furnishings, fixtures, and equipment incidental or necessary in connection therewith on immovable property owned by or under the supervision and

management of the Board in the City of Ruston, Lincoln Parish, Louisiana, which Facilities have been leased to the Board on behalf of the University; and

WHEREAS, the construction of the Facilities was financed through the issuance of the \$51,670,000 Louisiana Local Government and Environmental Facilities and Community Development Authority Revenue Bonds (Louisiana Tech University Student Housing and Recreational Facilities/Innovative Student Facilities, Inc. Project) Series 2007 (the “*Series 2007 Bonds*”);

WHEREAS, in 2015 through the issuance of the \$43,020,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Louisiana Tech University Student Housing/Innovative Student Facilities, Inc.) Series 2015 (the “*Series 2015 Bonds*”), the Series 2007 Bonds were refunded; and

WHEREAS, in connection with the advance refunding of the Series 2015 Bonds through the issuance of the \$_____ Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Refunding Bonds (Louisiana Tech University Student Housing/Innovative Student Facilities, Inc.) Series 2022 (the “*Series 2022 Bonds*”), the Corporation and the Board desire to supplement the Second Supplemental Facilities Lease in accordance with Section 31 thereof and Section 8.3 of the First Supplemental Agreement (as hereinafter defined) by the execution of this Third Supplemental Facilities Lease to provide for references to the Series 2022 Bonds.

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 Third Supplemental 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 Series 2022 Indenture (as hereinafter defined). Other terms shall have the meanings assigned to them in other Sections of this Third Supplemental Facilities Lease.

“*Accountant*” shall mean an independent, nationally recognized certified public accountant or nationally recognized firm of independent certified public accountants.

“*Additional Bonds*” shall any bonds issued pursuant to Section 26 hereof and Article 5 of the Indenture.

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

“*Administrative Expenses*” shall mean the necessary, reasonable, and direct out-of-pocket expenses incurred by the Authority, the Trustee pursuant to the Indenture and the Agreement, as applicable, the compensation of the Trustee under the Indenture (including, but not limited to any annual administrative fee charged by the Trustee), all amounts due and owing to the Bond Insurer and the Surety Provider, the compensation of the Authority, and the necessary, reasonable, and direct out-of-pocket expenses of the Trustee incurred by the Trustee, as applicable, in the performance of its duties under the Indenture.

“*Agreement*” shall mean the Original Agreement, as supplemented and amended by the First Supplemental Agreement, as further supplemented and amended by that Second Supplemental Agreement, and including any additional amendments and supplements thereof and thereto as permitted thereunder.

“*Authority*” shall mean the Louisiana Local Government Environmental Facilities and Community Development Authority.

“*Auxiliary Facilities*” shall mean the buildings, land, equipment and other properties under the control, operation, or supervision of the University as the same may be modified from time to time as follows: (i) dormitories; (ii) apartments; (iii) food services; (iv) bookstore; (v) student center; and (vi) recreational facilities.

“*Auxiliary Obligations*” shall mean any obligations (whether present or future, contingent or otherwise, as principal or surety 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 or agreement that is secured by or payable from Auxiliary Revenues.

“*Auxiliary Revenues*” shall mean funds of the University that include: (i) the gross amount of all fees levied on all students at the University and such other revenues, funds, or income received from students or the public at large in connection with any undertaking, utilization, or operation of Auxiliary Facilities, including operation or management thereof by private entities on behalf of the University and unallocated revenues therefrom, prior to the payment of Current Expenses; and (ii) all Funds and Accounts held pursuant to the Board resolutions authorizing the Subordinate Lien Obligations. Auxiliary Revenues shall not include funds appropriated to the Board or the University by the Legislature of the State from time to time.

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

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

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

“*Board Representative*” shall mean any one of the persons designated and authorized in writing from time to time by the Board to represent the Board in exercising the Board’s rights and performing the Board’s obligations under this Third Supplemental Facilities Lease or the Ground 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 Vice President of Business and Finance or his or her designee, the President of the University, the Vice President for Finance and Administration of the University or any other representative designated by the resolution of the Board, of whom the Corporation has been notified in writing.

“*Bond Documents*” shall mean the Indenture, the Mortgage and the Agreement.

“*Bond Insurer*” shall mean [____], or any successor thereto or assignee thereof.

“*Bonded Revenue Fund*” shall mean the fund established by the resolutions authorizing the issuance of the Subordinate Lien Obligations by the Board, into which fund Auxiliary Revenues are deposited and which serves as security for the Subordinate Lien Obligations.

“*Bonds*” shall mean, collectively, the Non-refunded Series 2015 Bonds, the Series 2022 Bonds, and any Additional Bonds issued pursuant to a supplemental indenture as authorized hereby.

“*Budget*” shall mean the University’s budget as approved by the Board for any Fiscal Year during the Term.

“*Business Day*” shall mean any day other than (i) a Saturday, (ii) a Sunday, (iii) any other day on which banking institutions in New York, New York, or Ruston, Louisiana, are authorized or required not to be open for the transaction of commercial banking business, or (iv) a day on which the New York Stock Exchange or Federal Reserve is closed.

“*Casualty*” has the meaning set forth in Section 10 hereof.

“*CERCLA*” shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§9601 et seq.).

“*Claim*” collectively shall mean 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.

“*Corporation*” shall mean Innovative Student Facilities, Inc., a nonprofit corporation organized and existing under the laws of the State and an organization exempt from the payment of federal income tax under Section 501(a) of the Code, as an organization described on Section 501(c)(3) of the Code, 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 2015 Bonds.

“*Current Expenses*” means all necessary and reasonable expenses of maintaining and operating the Facilities, including all necessary current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance and all other expenses incidental to the operation of the Facilities and the parking facilities of the University in general, including the cost of services, utilities and personnel and all allocated general administrative expenses of the Board and any fee or charge imposed by the Board on the Facilities in connection with the issuance of Bonds, but shall exclude depreciation, Costs of Issuance and deposits to the Maintenance Reserve Fund.

“*Debt Service Coverage Ratio*” shall mean for the period in question, while any Bonds are Outstanding, the ratio determined by the Vice President for Finance and Administration of the University by dividing the funds received by the University as Pledged Revenues, including the revenues of the Facilities, less the cost of sales and Auxiliary Facilities operating and administrative expenses, for such period by the maximum annual debt service and payments on all Auxiliary Obligations outstanding. For purpose of the calculation of the Debt Service Coverage Ratio insurance proceeds (other than business interruption insurance) and condemnation proceeds shall not be deemed to be Pledged Revenues. For purposes of the calculations required by Section 26 hereof, any Policy Costs due and owing the Surety Provider shall be added to the maximum annual debt service and payments on all Auxiliary Obligations outstanding.

“*Debt Service Fund*” shall mean the Debt Service Fund created by Section 4.1 of the 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 Series 2022 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.

“Default or Delay Rental” shall mean and shall consist of: (i) all amounts, fees, or expenses that 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 counsel fees, 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 Supplemental Facilities Lease or incurred in obtaining possession of the Facilities after default by the Board that shall be due not later than thirty (30) days from notification that such Default or Delay Rentals are owed.

“Encumbrance” shall mean 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” 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 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 (“PCBs”), 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 mean any default specified in and defined as such by Section 21 hereof.

“Expiration Date” shall mean the earlier of September 1, 2047 or the date that all amounts owed under the Indenture have been paid.

“Expropriation” has the meaning set forth in Section 10 hereof.

“*Facilities*” shall mean the facilities described in Exhibit A attached hereto, and to the Agreement, as amended and supplemented in accordance therewith, that have been designed, constructed and equipped with the proceeds of the Series 2007 Bonds, including all furnishings, fixtures, and equipment incidental or necessary in connection therewith on the campus of the University.

“*Facilities Lease*” shall mean the Original Facilities Lease, as supplemented and amended by the First Supplemental Facilities Lease, as supplemented and amended by the Second Supplemental Lease, as further supplemented and amended by this Third Supplemental Lease, and as the same may be further amended or supplemented from time to time in accordance with its terms.

“*Fiscal Year*” shall mean the fiscal year of the University, which at the date of this Supplemental Facilities Lease is the period from July 1 to and including the following June 30.

“*First Supplemental Agreement*” shall mean the First Supplemental Loan and Assignment Agreement dated as of December 1, 2015, by and between the Authority and the Corporation

“*First Supplemental Facilities Lease*” shall mean the First Supplemental Agreement to Lease with Option to Purchase dated as of December 1, 2015, by and between the Corporation, as Lessor, and the Board, as Lessee

“*First Supplemental Ground Lease*” shall mean the First Supplemental Ground Lease dated as of December 1, 2015, by and between the Board, as Lessor, and the Corporation, as Lessee

“*First Supplemental Indenture*” shall mean the First Supplemental Trust Indenture dated as of December 1, 2015, by and between the Authority and the Trustee

“*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 Regulations*” shall mean 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*” shall mean the Original Ground Lease, as supplemented and amended by the First Supplemental Ground Lease, as further supplemented and amended by a Second Supplemental Ground Lease, and any amendment or supplement thereto entered into from time to time in accordance with the terms thereof.

“*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 Original Indenture, as supplemented and amended by the First Supplemental Indenture, as further supplemented and amended by the Second Supplemental Indenture, including any additional amendments and supplements thereof and thereto as permitted thereunder.

“*Interest Payment Date*” or “*interest payment date*” when used with respect to the Bonds, shall mean each April 1 and October 1, commencing _____ 1, 2023.

“*Legal Expenses*” shall mean 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*” shall mean all out-of-pocket costs and expenses incurred as a result of a 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.

“*Maintenance Reserve Fund*” shall mean the fund of that name established pursuant to Section 4.1 of the Indenture.

“*Mortgage*” shall mean the Act of Mortgage, Assignment of Leases and Security Agreement by the Corporation in favor of the Prior Trustee dated September 25, 2007, mortgaging the Corporation’s leasehold interest pursuant to the Ground Lease to the Trustee, as the same may be amended from time to time in accordance with the terms thereof.

“*Notice*” shall have the meaning set forth in Section 50 hereof.

“*Option to Purchase*” or “*Option*” shall mean the option to purchase the Corporation’s interest in the Facilities granted in Section 23 of this Third Supplemental Facilities Lease.

“*ORM*” has the meaning set forth in Section 9(b) hereof.

“*Other Parties*” shall mean a Person other than the Parties.

“*Outstanding*” or “*outstanding*” when used with reference to Bonds, shall mean all Bonds that have been authenticated and issued under the Indenture, except:

- (a) Bonds canceled by the Trustee pursuant to the Indenture;
- (b) Bonds for the payment of which moneys or Defeasance Obligations shall be held in trust for their payment by the Trustee as provided in the defeasance provisions of the 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 the Indenture;
- (d) Bonds in exchange for which other Bonds shall have been authenticated and delivered by the Trustee as provided in the Indenture; and

(e) for all purposes regarding consents and approvals or directions of Bondholders under the Agreement or the Indenture, Bonds held by or for the Authority, the Corporation or any person controlling, controlled by, or under common control with either of them.

“*Original Agreement*” shall mean the Loan and Assignment Agreement dated as of September 1, 2007 between the Authority and the Corporation.

“*Original Facilities Lease*” shall mean the Agreement to Lease with Option to Purchase dated as of September 1, 2007 between the Corporation and the Board.

“*Original Ground Lease*” shall mean the Ground Lease Agreement dated as of September 1, 2007 between the Board and the Corporation.

“*Original Indenture*” shall mean the Trust Indenture dated as of September 1, 2007 between the Authority and the Prior Trustee.

“*Parties*” shall mean, collectively, the Corporation and the Board.

“*Person*” shall mean all juridical persons, whether corporate or natural, including individuals, firms, trusts, corporations, associations, joint ventures, partnerships, and limited liability companies or partnerships.

“*Pledged Revenues*” shall mean the Auxiliary Revenues, and interest earnings on amounts on deposit in the Debt Service Reserve Fund.

“*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.

“*Property*” shall mean the immovable property more particularly described on Exhibit A attached to the Ground Lease and all improvements now or thereafter located thereon, including the Facilities as they are constructed and located thereon, together with all other rights and interests leased pursuant thereto.

“*Purchase Price*” shall have the meaning set forth in Section 23(e) hereof.

“*Refunded Bonds*” shall mean the Series 2015 Bonds maturing October 1, 20__ through and including October 1, 20__

“*Remediation*” shall mean any and all costs and expenses incurred directly or indirectly 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.

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

“*Revenues*” shall mean all revenues from the operation, ownership, and leasing of the Facilities and the Property, including without limitation, all collected rents and other charges for the use or occupancy of the Facilities, parking charges and revenues, utility charges, vending machine and laundry machine revenues obtained from the operation of the Facilities, condemnation awards and insurance proceeds, including, without limitation, rental or business interruption insurance proceeds and all rights to receive the same, whether in the form of accounts, general intangibles or other rights, whether now existing or owned or hereafter coming into existence or acquired, if any, and investment earnings thereon;

all issues, receipts and profits accruing and to accrue and due and to become due and payable and to be payable pursuant to this Third Supplemental Facilities Lease, excluding tenants' Security Deposit unless and until applied in satisfaction of tenants' obligations.

"Second Supplemental Agreement" shall mean the Second Supplemental Loan and Assignment Agreement dated as of ____ 1, 2022, by and between the Authority and the Corporation

"Second Supplemental Facilities Lease" shall mean the Second Supplemental Agreement to Lease with Option to Purchase dated as of August 1, 2016, by and between the Corporation, as Lessor, and the Board, as Lessee

"Second Supplemental Ground Lease" shall mean the Second Supplemental Ground Lease dated as of ____ 1, 2022, by and between the Board, as Lessor, and the Corporation, as Lessee

"Second Supplemental Indenture" shall mean the Second Supplemental Trust Indenture dated as of ____ 1, 2022, by and between the Authority and the Trustee

"Security Deposits" shall mean the amount of money collected by the Board from the tenants of the Facilities to pay for repairs pursuant to the applicable tenant/student lease.

"Series 2007 Bonds" shall mean \$51,670,000 of Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Louisiana Tech University Student Housing and Recreational Facilities/ Innovative Student Facilities, Inc. Project) Series 2007.

"Series 2015 Bonds" shall mean the \$43,020,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Louisiana Tech University Student Housing and Recreational Facilities/Innovative Student Facilities, Inc.) Series 2015.

"Series 2022 Bonds" shall mean the \$_____ Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Refunding Bonds (Louisiana Tech University Student Housing and Recreational Facilities/Innovative Student Facilities, Inc.) Series 2022, and such Series 2022 Bonds issued in exchange for such other Series 2015 Bonds pursuant to the Series 2022 Indenture or in replacement for mutilated, destroyed, lost, or stolen Series 2022 Bonds pursuant to the Series 2022 Indenture.

"State" shall mean the State of Louisiana.

"Subordinate Debt" shall mean any indebtedness that is secured by the Pledged Revenues on a basis that is junior and subordinate to the pledge of the Pledged Revenues to the payment obligations relating to the Bonds and any Additional Bonds.

"Subordinate Lien Obligations" shall mean the \$3,975,000 Board of Supervisors for the University of Louisiana System Revenue Refunding Bonds (Louisiana Tech University Project) Series 2012, which are secured by a pledge of Auxiliary Revenues subordinate to the pledge of the Bonds.

"Term" shall mean the term of this Third Supplemental Facilities Lease, as provided in Section 2 hereof.

"Third Supplemental Facilities Lease" shall mean this Third Supplemental Agreement to Lease with Option to Purchase dated as of ____ 1, 2022, by and between the Corporation, as Lessor, and the Board, as Lessee

“*Trustee*” shall mean the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under the Second Supplemental Indenture which may be designated (originally or as a successor) as Trustee for the Series 2022 Bonds issued and secured under the terms of the Second Supplemental Indenture, initially Argent Trust Company, a Texas state trust company.

“*University*” shall mean Louisiana Tech University.

“*University Representative*” shall mean the Vice President for Student Affairs of Louisiana Tech University.

“*Utility Service*” shall have the meaning set forth in Section 8 hereof.

“*Work*” shall have the meaning set forth in Section 12(a) hereof.

SECTION 2 Agreement to Lease: Term of Supplemental Facilities 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 Third Supplemental Facilities Lease, and the Board accepts possession of the Facilities, as constructed 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 understands and agrees that Rental shall accrue from the Commencement Date hereof in consideration of the mutual covenants and agreements entered by the Parties under the Ground Lease and the Agreement. The Term of this Third Supplemental Facilities Lease begins on the Commencement Date and ends on the Expiration Date; but this Third Supplemental Facilities Lease is automatically renewable for an additional term of up to five (5) years in the event that on the Expiration Date there is outstanding any unpaid principal and premium, if any, or interest on the Series 2022 Bonds, or any amount due and owing to the Bond Insurer or the Surety Provider, provided, however, this Third Supplemental Facilities Lease shall terminate prior to the Expiration Date upon the happening of any of the following events:

(a) repayment of the Series 2022 Bonds in full, including principal, premium, if any, interest and all Administrative Expenses with respect to the Series 2022 Bonds as set forth in the Indenture and the discharge of the lien and security interest of the Indenture, pursuant to the terms of 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) the Bond Insurer or Corporation’s exercise of its option to terminate upon the happening of any event described in this Third Supplemental Facilities Lease with respect to which the Corporation has such option, including without limitation a Default by the Board, as set forth in Section 30 hereof.

SECTION 3 Acknowledgments, Representations and Covenants of the Board. The Board represents and covenants and agrees as follows:

(a) The Board has full power and authority to enter into the Board Documents and the transactions contemplated thereby and agrees to perform all of its obligations under the Board Documents;

(b) The Board has been duly authorized to execute and deliver the Board Documents and further represents and covenants that the Board Documents constitute the valid and binding obligations of

the Board enforceable against the Board in accordance with their terms and that all requirements have been met and procedures have occurred in order to ensure the enforceability of the Board Documents 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 the Board Documents;

(c) The execution and delivery of the Board Documents, and compliance with the provisions 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 or its properties 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; 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 to the Corporation, 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 that in any way would adversely affect the validity or enforceability of the Board Documents;

(e) The use of the Facilities is essential to the operation of the University by providing modern housing and recreational facilities for students of the University. The Board presently intends to make all payments for use of the Facilities. There are no alternative facilities available for use as contemplated for the Facilities.

(f) The Board, on behalf of the University, hereby authorizes its fiscal agent bank to make transfers from the Bonded Revenue Fund in accordance with the Indenture and the Agreement.

(g) The Board covenants and agrees that, so long as any bonds, notes, or lease obligations remain outstanding that are payable from the Pledged Revenues (including, without limitation, its obligations under this Third Supplemental Facilities Lease), it will continue to require that the University establish and maintain such fees, rentals, rates, and charges relative to the Auxiliary Facilities, including, without limitation, the Facilities, and revise or cause to be revised the same, as necessary, as will be necessary to produce and assure for each Fiscal Year, a Debt Service Coverage Ratio of at least 1.10:1.00. 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. The Board further covenants that it will seek any required legislative approval necessary in order to comply with the provisions of the Indenture, the Ground Lease, and this Supplemental Facilities Lease.

(h) The Board covenants to make the Rental payments, unless excluded from the Budget by the Board as described in Section 6(e) hereof, before any other payments are made from the Bonded Revenue Fund, including the payments required on the Subordinate Lien Obligations.

(i) The Board covenants and agrees that, so long as any Bonds or obligations under this Supplemental Facilities Lease remain outstanding, it will continue to maintain the Bonded Revenue Fund.

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 by, and to carry out its obligations under the Board Documents and Bond Documents. 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 the Board Documents and the Supplemental Agreement;

(b) The execution and delivery of the Board Documents, 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, agreement or other agreement or instrument to which the Corporation is a party or by which the Corporation or its properties 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 that 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 that in any way would adversely affect the validity or enforceability of the Board Documents, the Supplemental Agreement or any agreement or instrument to which the Corporation is a party; and

SECTION 5 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.

(b) The Board further declares and acknowledges that the Corporation in connection with this Third Supplemental 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 Articles 2696 and 2697. 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 Articles 2696 and 2697, and the warranty imposed by Louisiana Civil Code Articles 2475, 2696, 2697 and 2700, 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.

(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 Third Supplemental 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. The Board affirmatively reserves its rights against all parties except the Corporation in this regard.

Rental.

(a) The Board, for and in consideration of the Corporation entering into the Ground Lease, constructing the Facilities in accordance with the Ground Lease and subleasing 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, at the times and in the manner set forth herein, such amounts constituting in the aggregate the total of the rental payable under this Third Supplemental Facilities Lease.

(b) Payments of Base Rental shall be due on the dates and in the amounts as hereinafter provided:

(i) Semiannually, on each March 15 and September 15 during the term of this Supplemental Facilities Lease, commencing _____ 15, 2023, in an amount equal to the sum of the principal of, premium, if any, and interest due and payable on the Bonds on the following April 1 or October 1, as the case may be; and

(ii) Prior to the dates required in the Indenture, into any of the funds or accounts established in the Indenture, an amount sufficient to make up any deficiency in any funds or accounts, including without limitation, as a result of a deficiency in any prior payment required to be made into such fund or account and to restore any loss resulting from investment or other causes from such fund or account and any other payment required to be made to such fund or account by the Indenture; and

(iii) Prior to the dates required in the Indenture, into the Maintenance Reserve Fund, an amount sufficient to meet the requirements of the Indenture; and

(iv) If necessary, the amount required to pay for the construction and initial furnishings and equipment of the Facilities.

(c) In addition to the Base Rental set forth herein, the Board agrees to pay as Additional Rental any and all costs and expenses, of every nature, character, and kind whatsoever, of the Corporation under the Agreement, the Facilities Documents, or the Mortgage and/or incurred 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 or the Property, including without limitation *ad valorem* taxes attributed to the Corporation on behalf of the Board or to 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, if any, 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 Third Supplemental 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 Property under the Ground Lease;

(vi) all Administrative Expenses owed to the Authority, the Bond Insurer and the Trustee;

(vii) Litigation Expenses, if any, incurred pursuant to Section 42 hereof;

(viii) any reimbursement amounts payable pursuant to Section 20 hereof or pursuant to any other provision hereof;

(ix) all costs sustained or incurred by the Corporation resulting from any and all Encumbrances, demands or liabilities arising on account of the Work;

(x) any and all professional fees and expenses incurred by the Corporation, including legal fees; and

(xi) any other costs, charges, and expenses commonly regarded as ownership, maintenance, and operating expenses, if any, incurred by the Corporation under this Third Supplemental 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 Trustee or the Corporation 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 Series 2022 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.

(e) Notwithstanding any other provision of this Supplemental Facilities Lease, the Board shall make payments under this Third Supplemental Facilities Lease, including, without limitation, payments of Base Rental, from Pledged Revenues or any other funds available to the Board, on behalf of the University. The Vice President for Business and Finance of the Board shall cause the University to include in the Budget and, if necessary, any amendments to the Budget, an amount sufficient to make the payments of Base Rental and Additional Rental described herein and, if such Budget is approved by the Board, Rental payments shall be made hereunder on behalf of the University in accordance with the Budget. Absent express action by the Board not approving a budget item for Base Rental and Additional Rental payable hereunder, each Budget shall conclusively be deemed to include such amounts. The Board shall deposit all Auxiliary Revenues in the Bonded Revenue Fund and make transfers to the Trustee from the Bonded Revenue Fund in accordance with this Third Supplemental Facilities Lease and the Indenture. Subject to the foregoing, the obligations of the Board to make payments pursuant to this Third Supplemental 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, until such time as the principal of, premium, if any, and interest on the Series 2022 Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with this Third Supplemental Facilities Lease, the Board shall not suspend or discontinue payment of Rental or any other payments pursuant to this Third Supplemental Facilities Lease for any cause, and shall continue to perform and observe all of its agreements contained in this Third Supplemental 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 approved by the Board 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 Third Supplemental 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, as applicable, or at such other place or places as may be established by the Corporation and/or the 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 Third Supplemental 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, or set-offs whatsoever of any kind, character, or nature; it being understood and agreed by the Board that the Board shall bear responsibility for the payment of all costs and expenses associated with the ownership, 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 Third Supplemental Facilities Lease, or assume any monetary obligation of the Board under this Supplemental Facilities Lease, or with respect to the Facilities.

SECTION 7 Operation, Alterations, Maintenance, Repair, Replacement, and Security Service.

(a) The Board and/or the University shall be responsible for procuring and maintaining or cause to be procured and maintained all services necessary or required in order to adequately operate the Facilities in accordance with the Permitted Use. The Board and/or the University shall continuously operate or cause to be operated the Facilities during the Term for the Permitted Use, and in accordance with all Governmental Regulations.

(b) The Board and/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 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 Corporation or some Other Party. All alterations, repairs, restorations, 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 Board and/or the University 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 Board; (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 Board and/or the University shall provide or cause to be provided all security service, custodial service, janitorial service, trash disposal, maintenance of grounds 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 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.

(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 Utility Services provided to the entire Facilities under such contract or contracts therefor 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 not be in Default under this Third Supplemental 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 Board shall cause to be secured and maintained at the Board's 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 will be not less than one hundred percent (100%) of the full replacement cost of the Facilities, without deduction for depreciation, but in no event will the amount of the insurance be at any time less than the full replacement cost of the Facilities, adjusted to comply with any applicable co-insurance provisions of any such insurance policy. If certain Facilities are damaged and the Board, through the Corporation, elects not to rebuild or replace, property coverage will revert to actual cash value of the particular Facility.

(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 \$5,000,000 in combined single limit liability coverage. Such comprehensive public liability insurance will specifically include, but

will not be limited to, sprinkler leakage and water damage legal liability each with respect to property of third parties.

(iii) Boiler and machinery insurance coverage against loss or damage by explosion of steam boilers, pressure vessels, and similar apparatus now or hereafter installed on the Facilities, in an amount not less than \$15,000,000 with deductible provisions not exceeding \$100,000 per accident. Such boiler and machinery insurance will specifically include, but will not be limited to, business interruption insurance.

(iv) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State, or any act hereafter enacted as an amendment thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the State or any agency thereof in connection with the particular Facilities and to cover full liability for compensation under any such act aforesaid, in an amount not less than \$500,000.

(v) Business income or business interruption insurance against loss of business income, including rental value, from the Facilities in the amounts currently provided in the insurance policies for the Facilities and as updated on a regular basis.

(b) Participation by the Board in the State's Office of Risk Management ("*ORM*") plan for self-insurance will be deemed to be compliance with the requirements of the Indenture and this Supplemental Facilities Lease. Except in the case of such self-insurance, all insurance required in the Indenture and all renewals of such insurance will be issued by companies authorized to transact business in the State, and rated at least A - Class VIII by Best's Insurance Reports (property liability). All insurance policies provided by the Board will expressly provide that the policies will not be canceled or altered without thirty (30) days' prior written notice to the Trustee and Bond Insurer; and will provide that no act or omission of the Board 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. The Board may satisfy its obligation under the Indenture by appropriate endorsements of its blanket or excess insurance policies.

(c) If the Board has made a good faith effort to obtain the above required coverages for the specified limits but is unable to secure such coverage levels because of unfavorable insurance market conditions, lower limits may be substituted with Bond Insurer consent.

(d) All policies of liability insurance that the Board is obligated to maintain according to this Third Supplemental Facilities Lease (other than any policy of worker's compensation insurance) will name the Corporation, the Trustee, the Bond Insurer and such other Persons or firms as the Board may be required to name from time to time as additional insureds. All public liability, property damage liability, and casualty policies maintained by the Board shall be written as primary policies.

(e) Proceeds of insurance received and/or the amount of any loss that is self-insured through the State's Office of Risk Management 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 and the Board hereby agrees to deliver all such insurance proceeds to the Trustee) for application in accordance with the provisions of Section 11 of this Third Supplemental Facilities Lease and the Indenture.

(f) The provisions of the Indenture as to insurance required to be procured and maintained will not limit or prohibit, or be construed as limiting or prohibiting, the Board from obtaining any other

insurance with the permission of the State's Office of Risk Management or as otherwise required by law with respect to the Facilities or the use and occupancy thereof that it may wish to carry, but in the event the Board will procure or maintain any such insurance not required by the Indenture, the cost thereof will be at the expense of the Board.

(g) The Corporation shall 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 Series 2022 Bonds.

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. The Board shall continue to be obligated to pay Base Rental and Additional Rental following the occurrence of any of the foregoing events.

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 Facility 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 (or in the case of self-insurance, as set forth in paragraph (b) below) 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. 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 in accordance with the terms of the Indenture.

(b) In the event that ORM insures the Facilities, the Board shall cause the Corporation to 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 replacements of the Facilities.

(c) 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 in accordance with the Indenture. In the event the proceeds are insufficient to redeem all Outstanding Bonds, the Board shall be responsible for such shortfall.

(d) 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 Sections 13.02 and 13.03 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 Trustee and applied to the prepayment of the Series 2022 Bonds in accordance with the terms of the Indenture and, upon the repayment of the Series 2022 Bonds in full and the discharge of the lien of the Indenture, this Third Supplemental Facilities Lease and the Ground Lease shall terminate.

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*”) done by the Board or caused to be done by the Board in or to the Facilities, and 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 Rental pursuant to Section 6 hereof.

(b) The Board shall, or shall cause the University to, cause the Facilities at all times to be free from all encumbrances that would materially affect the receipt of the Pledged Revenues, provided that the University may in good faith 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 Board obtains an injunction prohibiting, or otherwise prevents, the enforcement of such liens, assessments or other charges and any appeal therefrom, unless by nonpayment of any such items the Pledged Revenues would be materially endangered or the Facilities or any part thereof will be subject to loss or forfeiture to such an extent that Revenues are materially adversely affected, in which event the University will promptly pay and cause to be satisfied and discharged all such unpaid items.

(c) *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 Supplemental 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.

(d) *Notice of Non-responsibility.* The Corporation will have the right to post notices of Non-responsibility or similar written notices on the Facilities in order to protect the Facilities against any such claimants.

SECTION 13 Assignment and Sublease.

(a) The Board shall at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Third Supplemental 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 Third Supplemental Facilities Lease or to relieve the Board from any other obligations contained herein.

(b) The Board acknowledges and agrees that the Corporation shall, concurrently with the execution hereof, assign all of its right, title and interest in and to this Third Supplemental Facilities Lease, including without limitation its right to receive Base Rental payable hereunder, to the Authority pursuant to the Agreement, and the Authority will in turn assign its rights under this Third Supplemental 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 Third Supplemental Facilities Lease may be done by the Trustee under the Indenture.

(c) Except as set forth in Section 13(b) above and the Mortgage the Corporation shall not sell or assign its interest in the Facility or this Third Supplemental Facilities Lease without the prior written consent of the Board.

SECTION 14 Additions and Improvements.

(a) At the expiration of the Term or the earlier termination of this Supplemental Facilities Lease, all alterations, fixtures, improvements, and additions made to, in, or on the Facilities by the Board or the University, and all equipment placed upon the Facilities that are incorporated into or made component parts of the Facilities shall remain on the Facilities without compensation to the Corporation.

(b) Title to all property, furniture, equipment, fixtures, and other property installed at or placed upon the Facilities by the Board that is not incorporated into or made a component part of the Facilities shall 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, provided that the Board repairs any damage to the Facilities caused by such removal.

SECTION 15 Right of Entry. Representatives of the Corporation shall, subject to reasonable security precautions, and upon giving the Board not fewer 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 or a University Representative (i) to inspect the same, (ii) for any purpose connected with the rights or obligations of the Corporation under this Third Supplemental Facilities Lease, or (iii) for all other lawful purposes.

SECTION 16 Mortgage Prohibition. Except as set forth in the Indenture, or the Ground Lease 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.

(a) 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 Third Supplemental Facilities Lease, the Board agrees to fully attorn to and recognize any such successor as the Board's landlord under this Third Supplemental Facilities Lease upon the then existing terms of this Third Supplemental 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 Third Supplemental 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.

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 of the interest in 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 Supplemental Facilities Lease.

SECTION 19 Environmental Compliance and Indemnity.

(a) *Environmental Compliance.* The Board or the University shall operate or cause to be operated the Property and 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 Property or the Facilities, except for such Hazardous Substance as is necessary or useful to the operation of the Facilities and in strict compliance with the Environmental Requirements and directions of Governmental Authority. The Board shall not cause or permit any disposal or Release upon, in or about the Property or the Facilities, other than Releases involving only *de minimis* amounts of Hazardous Substance that could not lead to liability under Environmental Requirements.

(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 Property or 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 and in strict compliance with the Environmental Requirements and directions of Governmental Authority. 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 Property 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 Third Supplemental 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 Property and 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 Third Supplemental 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, presence, release, disposal, removal, or Remediation of any

Hazardous Substance located in or about the Facilities whether occurring before or during the Term or otherwise arising from the acts or omissions of the Board.

(c) The Board shall indemnify, defend, and hold the Corporation and the Bond Insurer harmless from and against any and all losses, claims, demands, actions, suits, damages, expenses, and costs which are brought or recoverable against, or suffered or incurred by the Corporation or the Bond Insurer resulting or arising from the breach of or noncompliance by the Board with the provisions of this Section 19.

SECTION 20 The Corporation's Reservation of Rights.

(a) The Corporation hereby reserves all of their 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 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 Third Supplemental 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 Third Supplemental 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 Third Supplemental 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 Third Supplemental Facilities Lease and the obligations of the Corporation thereunder, 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 Third Supplemental Facilities Lease, is expressly waived and released, except to the extent that such liability relates to any criminal acts, intentional misconduct, or fraud. 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 Third Supplemental Facilities Lease.

SECTION 21 Default by the Board.

(a) If (i) the Board, on behalf of the University, 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; or (ii) the Board shall fail to pay or

discharge any monetary obligation under this Third Supplemental Facilities Lease (other than the payment of Base Rental) as and when due, or within thirty (30) days after receipt of Notice from the Trustee or the Corporation that such sums are due and owing; or (iii) any warranty, representation or other statement by or on behalf of the Board contained in this Third Supplemental Facilities Lease or in any instrument furnished in compliance with or in reference to this Third Supplemental Facilities Lease is false or misleading in any material respect; or (iv) a petition is filed against the Board under any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within sixty (60) days after such filing, but the Trustee shall have the right to intervene in the proceedings prior to the expiration of such sixty (60) days to protect their interests and the interests of the owners of the Series 2022 Bonds; or (v) the Board filed a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under any such law; or (vi) the Board admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including, without limitation, a receiver, liquidator, or trustee) of the Board for any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than thirty (30) days, but the Trustee shall have the right to intervene in the proceedings prior to the expiration of such thirty (30) days to protect their interests and the interests of the owners of the Series 2022 Bonds; or (vii) 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 thirty (30) days (or such longer period as the Trustee may approve) with the approval of the Bond Insurer after written Notice thereof from the Corporation, the Trustee, the Bond Insurer and/or the University to the Board, provided, however that if the breach be of a nature that it cannot be cured in thirty (30) days, the 30 day period will be extended so long as the Board promptly commences action to cure such breach and proceeds diligently to completion of such cure but only if such extension would not materially adversely affect the interest of the Corporation or the Bondholders. If an Event of Default by the Board shall occur and be continuing, the Corporation shall have the right with the approval of the Bond Insurer but without any further demand or Notice, to terminate this Third Supplemental 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 Third Supplemental 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 Revenues have not been paid to the Corporation), and to enforce other obligations of the Board which survive termination of this Third Supplemental 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. The foregoing remedies of the Corporation are in addition to and not exclusive of any other remedy of the Corporation available at law or in equity. 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 Supplemental 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.

(b) Notwithstanding any other provision of this Third Supplemental Facilities Lease, in no event shall the Corporation have the right to accelerate the payment of any Base Rental payment hereunder.

SECTION 22 Cumulative Remedies.

(a) Each right and remedy provided for in this Third Supplemental Facilities Lease is cumulative and is in addition to every other right or remedy provided for in this Third Supplemental 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 Supplemental 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 Third Supplemental 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, the Bond Insurer or the Trustee in collecting any amounts and damages owing by the Board pursuant to the provisions of this Third Supplemental Facilities Lease or to enforce any provision of this Third Supplemental 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, the Bond Insurer or the Trustee will also be recoverable by the Corporation, the Bond Insurer or the Trustee from the Board. The waiver by the Corporation, the Bond Insurer or the Trustee 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.

(b) In the event of termination of this Third Supplemental Facilities Lease, the Board agrees to peaceably 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 (at the direction of the Bond Insurer) 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 Third Supplemental Facilities Lease.

SECTION 23 Option to Purchase. For and in consideration of the obligations of the Board under the Supplemental 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 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 Standard Time, on the Expiration Date, or upon the termination of this Third Supplemental 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 an Event of Default by the Board has occurred and is continuing under the Third Supplemental 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 this Third Supplemental Facilities Lease.

(d) *Exercise of Option.* The Board may exercise the Option herein granted at any time on or before expiration of the Term of the Option, on any Interest Payment Date on or after October 1, 20__ or on the date the Series 2022 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 the Facilities given not fewer than sixty (60) days prior to the date on which the Board desires to purchase the Facilities and deposit the Purchase Price (as hereinafter defined) with the Trustee.

(e) *Purchase Price.* The purchase price shall be equal to the principal of all Series 2022 Bonds then Outstanding plus the interest to accrue on such Series 2022 Bonds until the purchase date, plus any prepayment penalties, charges or costs for early prepayment or defeasance of the Series 2022 Bonds and to discharge the Indenture pursuant to Section 12.1 of the Indenture, and any Administrative Expenses owed prior to the purchase date (collectively, the “*Purchase Price*”).

(f) *Effect on Facilities Lease and Ground Lease.* Upon the purchase of the Corporation’s interest in the Facilities by the Board pursuant to this Option, this Supplemental Facilities Lease, and the Ground Lease shall terminate and all of the Corporation’s interest in the Property shall terminate.

(g) *Payment of Purchase Price.* The Board, concurrently with the giving of notice of its intention to exercise the Option herein granted, shall deposit an amount equal to the Purchase Price with the Trustee, as applicable.

(i) *Conveyance.* In the event of and upon the payment of the Purchase Price and any other sums due under this Third Supplemental Facilities Lease by the Board, the Corporation will on the purchase date execute and deliver to the Board a written cancellation of the Second Supplemental Ground Lease and the Third Supplemental Facilities Lease.

(ii) *Assignment of Contract Rights and Obligations.* The conveyance of the Corporation’s interest in the Facilities shall also effect a transfer and assignment of all rights, warranties, and liability of the Corporation under then existing contracts of any nature with respect to the Facilities.

(h) *Closing.* In the event that the Board elects to exercise the Option timely, 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 interest in the Facilities and of 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 place 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 Facilities.

(j) *No Warranty.* The Corporation shall convey its interest in the Facilities without any warranty whatsoever of any nature. The conveyance shall be without any warranty as to fitness and condition, as set forth in Section 5 of this Third Supplemental Facilities Lease. Language substantially similar to the language contained in Section 5 of this Third Supplemental Facilities Lease shall be incorporated into and made a part of any act translatative of title. 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 are expressly subject to the provisions of Section 21 of this Third Supplemental 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 contained in this Section 23.

(l) *Attorney's Fees.* Should either party employ an attorney or attorneys to enforce any of the provisions of this Section 23, or to protect its interest in any matter arising under this Section 23, or to recover damages for the breach of this Section 23, 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 Third Supplemental Facilities Lease, or to such other address as either party may designate in writing and delivered as provided in Section 50 of this Third Supplemental Facilities Lease.

(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 the Facilities sold 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 the Option.

(p) *Binding Effect:* The 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 Third Supplemental 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 Third Supplemental Facilities Lease shall not affect the remaining portions of this Third Supplemental Facilities Lease, or any part thereof.

SECTION 25 Redemption of Series 2022 Bonds. The Corporation agrees that it will not exercise its option to redeem any Series 2022 Bonds pursuant to the Agreement 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 Third Supplemental Facilities Lease, however, in no event shall the mandatory redemption of any Series 2022 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 Series 2022 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 Debt.

(a) While any Series 2015 Bonds remain outstanding, neither the Authority, the University, nor the Board will issue or incur or permit to be issued and incurred any additional Auxiliary Obligations that are secured on a parity with any Senior Bonds unless each of the following conditions have been satisfied:

(i) no Event of Default or event which with notice or lapse of time, or both, would constitute an Event of Default shall have occurred and be continuing or will occur upon the issuance or incurrence by the Board of any such obligations;

(ii) the Debt Service Coverage Ratio for the Senior Bonds for each of the last two completed Fiscal Years for which the audited financial statements of the Board are available shall not have been less than 1.25:1.00;

(iii) the Debt Service Coverage Ratio for the most recently completed Fiscal Year, adjusted by taking into account (x) any pro forma additional revenues and expenses to be realized in the future in connection with the facilities to be financed with the proposed additional Auxiliary Obligations, but only to the extent such amounts are approved by the Bond Insurer, and (y) the debt service on the proposed additional Auxiliary Obligations, would not have been less than 1.00:1.00;

(iv) provided, that the Authority, the University or the Board may issue or incur or permit to be issued or incurred such Auxiliary Obligations that are refunding bonds that provide debt service savings in each year following the issuance of such refunding bonds even if the conditions set forth in (ii) and (iii) above are not met; and

(v) a Board Representative shall have filed with the Trustee a certificate certifying that the above conditions have been met and setting forth in sufficient detail the computation thereof, along with such audited financial statements.

(b) Upon satisfaction of the conditions set forth in Section 26(a) and at the request of and at the expense of the Board, the Corporation shall take such action as may be required to effect the issuance of additional Auxiliary Obligations in such amount as the Board may request as permitted by and in accordance with the provisions of the Bond Documents, this Facilities Lease and the Ground Lease for any purpose permitted thereby.

(c) Subordinate Debt may be incurred without restrictions, provided that any such Subordinate Debt may not be accelerated and the holder of such Subordinate Debt shall not exercise any remedy in respect of any default with respect to such Subordinate Debt without the written consent of the Owners of the Senior Bonds. However, Subordinate Debt may only be incurred without the consent of the owners of the Subordinate Bonds if the Debt Service Coverage Ratio for the Subordinate Bonds for the most recently completed Fiscal Year, adjusted by taking into account (x) any pro forma additional revenues and expenses to be realized in the future in connection with the facilities to be financed with the proposed additional Subordinate Debt, and (y) the debt service on the proposed additional Subordinate Debt, would not have been less than 1.00:1.00.

SECTION 27 Execution. This Third Supplemental 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 Third Supplemental 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 Approval of Budget.

(a) In the event in any Fiscal Year the Board expressly refuses to approve the Budget containing sufficient funds to enable the payment of Base Rental and Additional Rental due during the next succeeding Fiscal Year, the Board will immediately notify the Corporation 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 budgeted funds, the Board shall no longer be obligated to make Rental Payments hereunder and the Corporation shall have the right, at its option, to terminate this Third Supplemental Facilities Lease 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 approved. 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 Third Supplemental 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 Series 2022 Bonds, as applicable, and the Board agrees that the Trustee shall be entitled to exercise all of the rights of the Corporation under this Section 29. This provision is operative notwithstanding any provisions of this Third Supplemental Facilities Lease to the contrary. The Board shall be considered in default hereunder if sufficient funds are lawfully approved for the payment of Rental required under this Third Supplemental Facilities Lease and the Board fails to use lawfully approved 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.

(b) Upon the termination of the Supplemental Facilities Lease and in the event the University is no longer operating the Facilities, all Revenues shall be collected by or on behalf of the Corporation. The Corporation shall or shall cause all Revenues collected by it to be deposited with the Trustee no later than the Business Day immediately following the day of collection.

SECTION 30 Exculpatory Provision.

(a) In the exercise of the powers of the Corporation and its trustees, officers, directors, employees and agents under this Third Supplemental 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, directors, 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 Third Supplemental Facilities Lease against any officer, director, 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 Third Supplemental Facilities Lease, except to the extent that such liability relates to any criminal act, intentional misconduct or fraud. Nothing in this Third Supplemental 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 Series 2022 Bonds under the Indenture, moneys derived pursuant to the Indenture and this Third Supplemental Facilities Lease and any other Revenues derived from the Facilities.

(b) 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 Third Supplemental Facilities Lease to the Board, or the breach of its obligations hereunder. The Corporation's liability under this Third Supplemental 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 Amendments. This Third Supplemental Facilities Lease may be amended only as permitted in Article VIII of the Agreement.

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 Third Supplemental 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 Trustee for the benefit of the holders or owners of the Series 2022 Bonds. The Board and the Corporation agree to execute in recordable form a memorandum of this Supplemental Facilities Lease in the form of Exhibit B attached hereto to be filed for record in Lincoln Parish, Louisiana.

SECTION 33 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 Third Supplemental 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 Third Supplemental Facilities Lease.

SECTION 35 No Waiver. The waiver by the Corporation of any agreement, condition, or provision contained in this Third Supplemental 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 Third Supplemental Facilities Lease, nor will any custom or practice that may arise between the Parties in the administration of the terms of this Third Supplemental 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 Third Supplemental 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 Third Supplemental 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 and the Bond Insurer's remedies and rights of recovery under Sections 10, 11, 19, 20 and 26 of this Third Supplemental Facilities Lease shall survive the Term, the termination of this Supplemental Facilities Lease and/or the purchase of the Corporation's interest in the Facilities by the Board under the Option.

SECTION 37 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 Third Supplemental Facilities Lease is unmodified and in full force and effect or, if there have been modifications, that this Third Supplemental 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 Third Supplemental 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 Third Supplemental Facilities Lease or an event which, with Notice or the passage of time, or both, would result in an Event of Default under this

Third Supplemental 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 38 Waiver of Jury Trial. The Corporation waives trial by jury in any action, proceeding, or counterclaim brought by either of the Parties to this Third Supplemental Facilities Lease against the other on any matters whatsoever arising out of or in any way connected with this Third Supplemental Facilities Lease, the relationship of the Corporation and the Board, the Board's or the University's use or occupancy of the Facilities, or any other Claims arising hereunder.

SECTION 39 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 40 Entire Agreement. This Third Supplemental Facilities Lease and 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 Third Supplemental Facilities Lease, have been made to the Board respecting the condition or the manner of operating the Facilities.

SECTION 41 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 42 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 Third Supplemental Facilities Lease, in exercising its rights to recover against the Board for loss or damage sustained in accordance with the provisions of this Third Supplemental Facilities Lease, or in any litigation or negotiation in which the Corporation shall, without its fault, become involved through or because of this Third Supplemental Facilities Lease.

SECTION 43 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. The Corporation agrees to indemnify and hold the Board harmless from and against any claims by any other broker, agent or other Person claiming a commission or other form of compensation by virtue of having dealt with the Corporation with regard to the leasing of the Facilities hereunder. The Board agrees to indemnify and hold the Corporation harmless from and against any claims by any broker, agent or other Person claiming a commission or other form of compensation by virtue of having dealt with the Board with regard to the leasing of the Facilities hereunder.

SECTION 44 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 Third Supplemental Facilities Lease or impose any liability on the Corporation. This Third Supplemental Facilities Lease does not grant any rights to light, view and/or air over the Facilities whatsoever.

SECTION 45 Binding Effect. The covenants, conditions, and agreements contained in this Third Supplemental Facilities Lease will bind and inure to the benefit of the Corporation and the Board and their respective permitted successors and assigns.

SECTION 46 Rules of Interpretation. The following rules shall apply to the construction of this Third Supplemental 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 Third Supplemental 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 Third Supplemental 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 Central 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 Third Supplemental Facilities Lease as a whole and not to any particular articles, section or subdivision hereof.

SECTION 47 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 48 Law Between the Parties. This Third Supplemental Facilities Lease shall constitute the law between the Parties, and if any provision of this Third Supplemental 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 Third Supplemental Facilities Lease shall control.

SECTION 49 Essentially. The Board hereby represents that the Facilities are essential to the operation of the University.

SECTION 50 Notices.

(a) 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:

Innovative Student Facilities
412 West Alabama

Ruston, Louisiana 71270
Attention: Vice Chairperson

with copies at the
same time to:

Robert E. Shadoin, Esq.
829 E. Georgia Avenue, Suite 3
P.O. Box 782
Ruston, Louisiana 71273-0782

The Board:

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

The University:

Louisiana Tech University
Post Office Box 3164
Ruston, Louisiana 71272
Attention: Vice President for Finance and Administration

Trustee:

Argent Trust Company, a Texas state trust company
500 E. Reynolds
Ruston, Louisiana 71270
Attention: Corporate Trust Department

Bond Insurer:

[_____]

SECTION 51 Conflict. In the event of a conflict between the provisions of this Third Supplemental Facilities Lease and the Bond Documents, the terms of the Bond Documents shall control.

SECTION 52 No Merger. There shall be no merger of the leasehold estate created by this Third Supplemental Facilities Lease with the fee simple estate of the Board in the Property nor shall there be any merger of the leasehold estate created by this Third Supplemental Facilities Lease or the fee simple estate of the Board in the Property with the leasehold estate created by the Ground Lease because one party or such party's transferee may acquire or shall hold directly or indirectly (a) fee simple interest in or to the Property (b) any interest in the leasehold estate created by or granted by the Ground Lease and/or (c) the leasehold estate created by this Third Supplemental Facilities Lease, and no such merger shall occur unless all entities having (i) any fee simple interest in or to the Property, (ii) any interest in the leasehold estate created or granted by the Ground Lease and (iii) any interest in the leasehold estate created by this Third Supplemental Facilities Lease, shall join in a written instrument effecting such merger and shall duly record same in the land records of the jurisdiction in which the Property is located.

SECTION 53 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 Bond Insurer, if any, and of the owners of all Bonds issued hereunder.

SECTION 54 Bond Insurance Provisions.

[TO COME]

IN WITNESS WHEREOF, the undersigned representative has signed this Third Supplemental Facilities Lease on behalf of the Board of Supervisors for the University of Louisiana System on the ____ day of ____, 2022.

WITNESSES:

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

By: _____
Dr. Leslie K. Guice, Board Representative

NOTARY PUBLIC

Name: _____

Notary ID/Bar Roll No. _____

IN WITNESS WHEREOF, the undersigned representative has signed this Third Supplemental Facilities Lease on behalf of Innovative Student Facilities, Inc., on the ____ day of ____, 2022.

WITNESSES:

INNOVATIVE STUDENT FACILITIES, INC.

By: _____
Chris Bar, Chairman

NOTARY PUBLIC

Name: _____

Notary ID/Bar Roll No. _____

EXHIBIT A
DESCRIPTION OF THE FACILITIES

The housing facilities consist of a 508-bed apartment style development contained in 150 two-bedroom and 52 four-bedroom units and two common areas. Each of the 13 apartment style buildings contain two or three stories. At least five percent (5%) of the total units are handicapped accessible. A total of 472 parking spaces have been provided as part of the development. The on-campus site comprises approximately ten (10) acres.

EXHIBIT B

FORM OF MEMORANDUM OF SUPPLEMENTAL FACILITIES LEASE

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

MEMORANDUM OF SUPPLEMENTAL FACILITIES LEASE

This Memorandum of Supplemental Facilities Lease (this “*Memorandum*”) is entered into by and between Innovative Student Facilities, Inc. (the “*Lessor*”) and the Board of Supervisors for the University of Louisiana System (the “*Lessee*”).

RECITALS

A. Lessor and Lessee entered into an Agreement to Lease with Option to Purchase dated as of September 1, 2007 (the “*Original Facilities Lease*”), as supplemented and amended by a First Supplemental Agreement to Lease with Option to Purchase dated as of December 1, 2007 (the “*First Supplemental Facilities Lease*”), as further supplemented by a Second Supplemental Agreement to Lease with Option to Purchase dated as of August 1, 2015 (the “*Second Supplemental Facilities Lease*” and, together with the Original Facilities Lease and the First Supplemental Facilities Lease, the “*Existing Facilities Lease*”), whereby Lessor did lease to Lessee, and Lessee did lease from Lessor, the immovable property more particularly described on Exhibit A attached hereto (the “*Land*”) and the improvements located thereon. The Original Facilities Lease is recorded in the records of the Lincoln Parish Clerk of Court at COB 1232, Page 173.

B. The Existing Facilities Lease has been supplemented and amended by a Third Supplemental Agreement to Lease with Option to Purchase dated as of _____ 1, 2022 between the Lessor and the Lessee (the “*Third Supplemental Facilities Lease*” and, together with the Existing Facilities Lease, the “*Facilities Lease*”).

C. 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 Facilities Lease.

LEASE TERMS

Specific reference is hereby made to the following terms and provisions of the Supplemental Facilities Lease:

1. The term of the Supplemental Facilities Lease commenced on December __, 2015 and shall continue until midnight on September 1, 2047, unless sooner terminated or extended as provided in the Facilities Lease.
2. Lessee has the right under the Facilities Lease to purchase the improvements constructed by Lessor on the Land at any time during the term of the Facilities Lease in accordance with the provisions thereof.
3. Additional information concerning the provisions of the Facilities Lease can be obtained from the parties at the following addresses:

Lessor: Innovative Student Facilities, Inc.
412 West Alabama
Ruston, Louisiana 71270
Attention: Vice Chairperson

Lessee: Board of Supervisors for the University of Louisiana System
1201 North 3rd Street, Suite 7300
Baton Rouge, Louisiana 70802
Attention: Vice President of Business and Finance

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 Facilities Lease and is not intended and shall not be construed to define, limit, or modify the Facilities Lease. All of the terms, conditions, provisions and covenants of the Supplemental Facilities Lease are incorporated into this Memorandum by reference as though fully set forth herein, and both the Supplemental Facilities Lease and this Memorandum shall be deemed to constitute a single instrument or document.

[Remainder of Page Intentionally Left Blank]

THUS DONE AND PASSED on the ____ of _____, 2022, in Ruston, Louisiana, in the presence of the undersigned, both competent witnesses, by Chris Barr, who herewith signs his name as Authorized Representative of Innovative Student Facilities, Inc., and me, Notary.

WITNESSES:

INNOVATIVE STUDENT FACILITIES, INC.

Print Name: _____

By: _____
Chris Barr, Chairman

Print Name: _____

NOTARY PUBLIC

Name: _____
Notary ID/Bar Roll No. _____

THUS DONE AND PASSED, on the ____ day of _____, 2022, in Ruston, Louisiana, in the presence both competent witnesses, by Chris Barr, who herewith signs his name as Authorized Representative of the Board of Supervisors for the University of Louisiana System, and me, Notary. .

WITNESSES:

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

By: _____
Dr. Leslie K. Guice, Board Representative

NOTARY PUBLIC

Name: _____
Notary ID/Bar Roll No. _____

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

FINANCE COMMITTEE

December 9, 2021

- Item I.3.** **Louisiana Tech University's** request for approval to enter into a Cooperative Endeavor Agreement with the City of Bossier and Parish of Bossier for the public purpose of constructing and managing the Louisiana Technology Research Institute Facility.

EXECUTIVE SUMAMRY

Louisiana Tech University is requesting permission to enter into a Cooperative Endeavor Agreement with the City of Bossier City ("City") and the Parish of Bossier ("Parish"), subject to review and approval of Board staff and legal counsel. The Cooperative Endeavor would allow the University to contribute funding in an amount not to exceed \$7,000,000 for the completion of construction and functional readiness of the Louisiana Technology Research Institute Facility ("Facility"), which is presently ongoing. In exchange, the University will receive a rent-free lease for the exclusive right to occupy, manage, and use the Facility for the public purpose of research and economic development. The lease will have an initial term of 30 years with two automatic 10-year renewals. The Facility will be three floors comprising approximately 78,000 square feet, with the second and third floor housing accredited classified space. The University will be responsible for all maintenance and operational costs of the Facility, which will be recouped through space-use fees and rental fees from third-parties who rent and sublease portions of the Facility. The Cooperative Endeavor promotes the University's public purpose of research and economic development and does not involve a gratuitous donation.

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 Louisiana Tech University's request to develop and execute such document, subject to review and approval of Board Staff and Legal Counsel, necessary to enter into a Cooperative Endeavor Agreement with the City of Bossier City and the Parish of Bossier.

BE IT FURTHER RESOLVED, that Louisiana Tech University shall obtain final review from University of Louisiana System staff and legal counsel to the Board prior to execution of documents.

BE IT FURTHER RESOLVED, that the President of Louisiana Tech University is hereby authorized to execute the Cooperative Endeavor Agreement described herein and any and all documents necessary.

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



LOUISIANA TECH UNIVERSITY

OFFICE OF THE PRESIDENT

November 11, 2021

LADIES AND GENTLEMEN OF THE BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM:

Part of the Mission of Louisiana Tech University ("University") is to foster and promote research, creative activity, public service, and workforce/economic development. The University wishes to enter a Cooperative Endeavor Agreement ("CEA") with the City of Bossier City ("City") and the Parish of Bossier ("Parish") in furtherance of that mission. The CEA includes a lease which grants the University the exclusive right to manage and operate the City-and-Parish-owned 78,000 square foot Louisiana Technology Research Institute Facility ("Facility") presently being constructed within the National Cyber Research Park within the City.

The National Cyber Research Park ("NCRP") is zoned for cyber research and development activities and represents a \$107 million dollar investment by the City, Parish, and the State of Louisiana. The NCRP is strategically located next to Barksdale Air Force Base and Phase I of the NCRP, a 64-acre tract, includes four buildings: the Cyber Innovation Center Headquarters, General Dynamics Information Technology's Bossier City Headquarters, the Bossier Parish Community College STEM building (which is presently co-occupied by BPCC and Louisiana Tech), and the Facility currently being constructed at issue in this proposed CEA.

In exchange for the exclusive use and control of the Facility for an initial term of thirty (30) years with two automatic ten (10) year renewal periods, the CEA authorizes the University to contribute up to \$7,000,000 to the City solely for the Facility's construction and functional readiness. The three-story Facility will include two floors of primarily classified space. The University intends to use the Facility for its own research needs and to service contracts requiring a security clearance. The University will also host qualified third parties through space-use agreements and rental agreements, thereby fostering workforce and economic development within the City and Parish.

Louisiana Tech University requests permission to proceed with finalizing and executing the attached Cooperative Endeavor Agreement, subject to approval of Board Staff and Legal Counsel.

Sincerely,

Leslie K. Guice
President

COOPERATIVE ENDEAVOR AGREEMENT WITH LEASE

BETWEEN

CITY OF BOSSIER CITY AND
PARISH OF BOSSIER THROUGH
BOSSIER PARISH POLICE JURY AS LESSOR

AND

LOUISIANA TECH UNIVERSITY AS LESSEE

COMMENCEMENT DATE: November 30, 2021

COOPERATIVE ENDEAVOR AGREEMENT WITH LEASE

THIS COOPERATIVE ENDEAVOR AGREEMENT WITH LEASE is made and entered into by and between:

CITY OF BOSSIER CITY, a political subdivision of the State of Louisiana, Bossier Parish, Louisiana, whose mailing address is 620 Benton Road, Bossier City, Louisiana 71171-5337 ("City")

AND

PARISH OF BOSSIER through BOSSIER PARISH POLICE JURY, a political subdivision of the State of Louisiana, Bossier Parish, Louisiana, whose mailing address is 204 Burt Boulevard, Benton, Louisiana 71006 ("Parish")

(Together hereinafter referred to as "Lessor");

AND

the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM, a public constitutional corporation organized and existing under the laws of the State of Louisiana, acting herein on behalf of Louisiana Tech University, represented herein by its duly authorized Board Representative, Dr. Leslie K. Guice, whose mailing address is P.O. Box 3168, Ruston, Louisiana 71272 (hereinafter referred to as either "University" or "Lessee");

under the terms of which Lessor and Lessee agree as set forth herein.

WITNESSETH:

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

WHEREAS, the City and Parish desires to cooperate with University as hereinafter provided;

WHEREAS, the public purpose is described as:

The City is constructing and the City and Parish own a facility to be known as the Louisiana Technical Research Institute facility. The facility, related parking areas, and any other common areas connected therewith are further described on Exhibit A and are hereinafter collectively referred to as the "Premises". The University is uniquely able to operate and manage the Premises.

The University will operate and manage the Premises as set forth herein to meet educational needs, provide cyber education, support research and development, support economic development, and engage in workforce development activities, all of which is within the role and scope of the University's, the City's, the Parish's, and the State's public mission.

Activities of University on the Premises furthers the City's and Parish's goals and brings value to the City and Parish, the community and region. As a whole the City, Parish, and University working together as herein described bring opportunities not available independently.

WHEREAS, this agreement and the collaborative efforts described herein does not involve a gratuitous expenditure of funds and the University has a reasonable expectation of receiving a benefit or value at least equivalent to any amount expended.

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

1. Leased Premises.

- 1.1 Lessor leases to Lessee and Lessee from Lessor, at the rental and on the terms and conditions hereinafter set forth, real property, infrastructure, and improvements situated in Bossier Parish, Louisiana, described on Exhibit "A," attached hereto. The Real Property is hereunder referred to as the "Leased Premises" or "Premises." Lessor represents and warrants it has good title to the Premises and that Lessor has not entered into any agreement that would prohibit or materially effect this lease.
- 1.2 Lessor has begun construction of a building on the Premises of approximately 78,000 sq. ft of advanced construction providing heightened and unique levels of survivability, redundancy, and hardness. ("Building") The Building is an improvement to the Premises and specifically included in and is subject to the terms of this Lease.
- 1.3 Condition of Property. Lessee accepts the condition of the Premises, in "as is" condition.

2. Term.

- 2.1 ENTRY PRIOR TO COMMENCEMENT DATE. Any entry onto or use of the Premises by Lessee prior to the Commencement Date shall be governed by all of the terms, covenants, and conditions of this Lease.
- 2.2 COMMENCEMENT DATE AND LEASE TERM. The Commencement Date shall be as provided for on Exhibit "B," attached hereto. The term of the Lease shall begin on the Commencement Date and shall continue for the term provided for in Exhibit "B."

3. Rent.

- 3.1 Lessee's obligations to Lessor as set forth in this Article 3 shall constitute the "Rent" for the lease. All parties agree that the Rent is adequate cause and consideration for the Lease.
- 3.2 In exchange for Lessee's exclusive use and operation of the Premises, the retention of excess revenues as set forth herein, Lessee's input in constructing the Building, and to ensure the Building meets the Lessee's needs, Lessee may contribute funds directly to the City to be used only for construction and operational readiness of the Building in an

amount not to exceed \$7,000,000. These funds may be delivered periodically (no more frequently than monthly) on a cost-reimbursable basis to the City for approved costs incurred and Lessor agrees to comply with all state and local rules, policies, and regulations regarding the costs incurred and the funds contributed. Lessor understands and agrees that Lessee's ability to contribute funding through this section is contingent upon the availability of funds designated for that purpose. Both parties agree to act in good faith in providing appropriate documentation to the other party when requested and as needed to accomplish the intent of this section. The Parties agree that the Lessee's right to substantially direct the Construction and Lessee's ability to exclusively operate and manage the Building is a critical component of Lessee's overall mission in Bossier Parish and for its national research efforts and constitute sufficient value received for any funds contributed to the construction. No part of any funds contributed by the University to the construction of the Facility are a donation and the University will receive adequate value for such funds contributed.

- 3.3 Lessee shall, during the term of this Lease, utilize its unique relationships, expertise, experience, and knowledge exclusively in the development, operation, and management of the Premises in a manner which maximizes the Lessee, City, Parish, and the State of Louisiana goal for the Premises.
- 3.4 Lessee shall be responsible for the full development, operation, and maintenance of the Premises and shall aggressively promote the Premises and sublease the Premises under terms and to persons and entities all of which, in Lessee's discretion, advance the Lessee, City, Parish, and State goals for the Premises.
- 3.5 All revenues derived by Lessee in excess of reasonable expenses generated from the Premises shall be used solely for the development, operation, programming, and maintenance of the Premises.
- 3.6 Lessee promises and agrees to pay, as additional Rent, (1) utilities, as provided for in Article 4; (2) expenses for maintenance, as provided for in Article 7; and (3) insurance, as provided for in Article 10.
- 4. Utilities. Lessee agrees to arrange for, and shall promptly pay when due, all fees, charges and deposits with respect to utilities used upon the Leased Premises. If Lessee fails to pay when due any such charges, Lessor may pay the same and any amounts so paid by Lessor shall thereupon become due the Lessor by Lessee as additional rent. Lessor shall not be liable in any way for the utility service to the Premises, and any interruption in service shall have no effect upon this Lease or Lessee's obligation to pay, as provided for herein. Therefore, any interruption in utility. service shall not constitute either a constructive or actual eviction or as a basis for any abatement of Rent.
- 5. Real Estate Taxes. Not applicable.
- 6. Lessee's Use Of Premises.

- 6.1 Permitted Use. The Premises may be used and occupied in any manner which, advances the Lessee, City, Parish, and State goal for the Premises using Lessee's reasonable judgment with concurrence as needed by the Cyber Innovation Center as the anchor tenant of the National Cyber Research Park. Further, Lessee and Lessor agree that the Premises shall only be used in a manner that satisfies all lawful requirements of the Premises, including bond obligations, state and local laws, etc.
- 6.2 Permits And Licenses. Lessee shall obtain at its cost and expense all permits and licenses required for the transaction of its business in the Premises. Lessee shall not violate any applicable law, ordinance, or governmental regulation now in force or which may hereafter be in force pertaining to the Premises.
- 6.3 Subletting and Assignment. Lessee shall have the right to assign the lease agreement in its entirety without the prior consent of Lessor only to an affiliated entity of Lessee. It is Lessee's express intent upon completion of construction of the Facility to assign this lease in its entirety to the Louisiana Tech Applied Research Corporation under the provisions and authority provided for in LA RS 17:3361. Any other assignment of the entirety of this lease shall require Lessor's written consent. Lessee shall have the right, without the Lessor's consent or approval, to sublet or rent all or part of the Facility so long as such sublessees or renters comply with and further the Permitted Use and goals of the Lessee, City, Parish, and State.
- 6.4 Prohibited Uses. Lessee shall not permit any waste or nuisance in or to the Premises at any time. Lessee shall not conduct or permit to be conducted any unlawful activity on the Premises. Lessee shall not, without Lessor's prior written consent, which consent shall not be unreasonably withheld or delayed:
- (a) Use the Premises in any way or do, fail to do, or permit any act, condition, or use in or about the Premises which causes an increase in the cost of Lessor's insurance premium or invalidates any insurance policy carried on the Premises or any other part of the Building;
 - (b) Damage or deface the walls, ceilings, floors, or any other part of the Premises;
 - (c) Conduct or permit within the Premises any fire, auction, or bankruptcy sales; or
 - (d) Permit any objectionable or unpleasant odors or loud noises to emanate from the Premises.

7. Maintenance and Repairs.

- 7.1 Lessee leases and accepts the Leased Premises in their condition as they exist at the beginning of the term of this Lease. Lessee acknowledges that the Leased Premises are in a good and satisfactory condition.
- 7.2 Lessee assumes, at Lessee's sole expense, the responsibility throughout the period this

Lease remains in effect for maintaining the Lease Premises in a good, orderly and safe condition and state of repair. Particularly, but without limitation, Lessee shall, at Lessee's sole expense, keep all buildings, parking areas, driveways, sidewalks and steps on the Leased Premises in good, safe and secure condition.

- 7.3 Lessee shall likewise, at Lessee's sole expense, maintain and keep in good condition and repair and in good normal working order the fixtures and facilities in the buildings or improvements on the Leased Premises or forming a part thereof, including, and without limitation thereto, the repair or replacement of any or all of the electrical, plumbing and mechanical systems, including, but not limited to air conditioning and heating equipment, fire protection systems, water lines, drain lines, water fountains, and all other fixtures or facilities located on the Leased Premises.
- 7.4 All such maintenance and repair by Lessee shall be of a class or quality which is equal to the original work or construction in the Leased Premises. Where practicable and allowable by all laws, rules, and regulations, Lessee will give preference to the Cyber Innovation Center, as the anchor tenant of the National Cyber Research Park, for maintenance services and related matters.
- 7.5 Lessee, at Lessee's sole expense, shall make all repairs, maintenance, upkeep and replacements to the Leased Premises as called for herein, whenever and as soon as needed. If Lessee fails, within five (5) calendar days immediately following the giving of written notice by Lessor, to proceed with due diligence to make repairs required to be made by Lessee, Lessor may make such repairs at the expense of Lessee. The expenses thereof incurred by Lessor shall be collectible as additional rent and payable to Lessor by Lessee within thirty (30) calendar days immediately after Lessor has served Lessee with written demand for payment. Said demand shall be accompanied with written evidence of the cost for said repairs or replacements.
- 7.6 Lessee shall permit Lessor and/or its authorized representative, to enter the Leased Premises and the buildings and improvements on or about the Leased Premises at all reasonable times during usual business hours for any one or more of the following purposes:
- (a) Inspecting the Leased Premises and the buildings and improvements thereon and of making any necessary repairs to the same;
 - (b) Performing any work therein that may be necessary to comply with any laws, ordinances, rules, regulations or requirements of any public authority; or
 - (c) Performing any work that may be necessary to prevent waste or deterioration in connection with the Leased Premises for which Lessee is obligated hereunder, but has failed, to make, perform or prevent.
8. Alterations. Lessee shall make no capital installations, alterations, additions or improvements in or to the Leased Premises (collectively referred to as "Lessee Improvements"), without written consent of Lessor. Any alterations or additions, including any

fixtures or equipment made a part of or installed to the interior or exterior of the Premises by either party shall, upon the termination of this Lease for whatever reason, become the property of Lessor and be surrendered with the Premises. Notwithstanding the foregoing, Lessee may install unattached, movable trade fixtures, and may remove same upon termination of this Lease. Despite the foregoing, Lessee shall have the right to place signage on the exterior of the Building and on the Premises.

9. Liability.

9.1 Lessee agrees to indemnify, defend and hold Lessor harmless against any and all claims, liability, loss, cost, damages or expense, including court costs and reasonable attorney's fees, related to the Premises directly caused by: (1) Lessee's occupation of the Premises, conduct of its business, or any other activity permitted or suffered by the Lessee in and about the Premises; (2) any default, breach, violation or nonperformance of this Lease, or any of its terms, covenants, and conditions; (3) any penalty, damage, or charge incurred or imposed by reason of any violation of law, statute, ordinance or governmental rule, regulation or requirement now or hereafter in force, by Lessee, or any officer, agent, employee, guest, customer, sub-lessee, assignee, or invitee of Lessee; and (4) any act, omission, or negligence of Lessee, or any officer, agent, employee, guest, customer, sub-lessee, assignee, or invitee of Lessee, including any act, omission, or negligence resulting in injury or death. Lessee shall not be liable for damages to the extent caused by the negligence or intentional acts of Lessor, its officers, agents, employees, or assigns.

9.2 In connection with the foregoing, Lessee upon notice from Lessor shall defend any claim at Lessee's expense by counsel reasonably satisfactory to Lessor.

10. Insurance.

10.1 During the term of this Lease or any extension thereof, Lessor shall procure, carry and maintain, at its sole cost and expense, a risk of direct physical loss special form policy with a deductible not to exceed Ten Thousand and no/100 Dollars (\$10,000.00), insuring the buildings and other improvements located on the Leased Premises in an amount equal to or greater than One Hundred (100%) of the estimated full replacement value of such buildings and improvements, without depreciation; and

10.2 During the term of this Lease or any extension thereof, Lessee shall procure, carry and maintain, at its sole cost and expense, a Commercial General Liability insurance policy against claims for bodily injury, death or damage to property occurring in, on or about the Leased Premises, with such insurance to afford protection in an aggregate limit of not less than \$3,000,000.00 with respect to bodily injury or death arising out of any one occurrence or for damage or injury to property occurring in, on or about the Leased Premises.

10.3 All policies of insurance provided for herein shall be:

- (a) Issued by insurance companies qualified to do business in the State of

Louisiana; and

(b) Amended to add as additional insureds, Lessor and such other persons or firms as Lessor specifies from time to time.

Executed copies of such policies of insurance and certificates thereof shall be delivered to the other party prior to delivery of possession of the Leased Premises to Lessee and, with respect to any changes of policies or insurers, within fifteen (15) days following any such change. If any such policy shall expire or terminate, renewal or additional policies shall be obtained and maintained by the Lessee in like manner and to like extent. All policies of insurance delivered to the Lessor must contain a provision that the insurer of the policy shall give to Lessor twenty (20) days' notice in writing in advance of any cancellation or lapse of the policy or the effective date of any reduction in the amounts of insurance.

- 10.4 In the event that either party fails to procure and/or maintain any insurance required by this Article 10, or fails to carry insurance required by law or governmental regulation, the other party may (but without obligation to do so) at any time to from time to time, and without notice, procure such insurance and pay the premiums therefor, in which event the breaching party shall repay to the non-breaching party all sums so paid, and any incidental costs or expenses incurred in connection therewith, within ten (10) days following a written demand to the breaching party for such payment.

11. Damage or Destruction.

- 11.1 If any of the buildings located on the Leased Premises are damaged by any peril covered by insurance required to be maintained in Section I0.1, then the following provisions contained in this Section 11.1 shall apply:

(a) In the event of the total destruction of all of the building, this Lease shall automatically terminate as of the date of such casualty.

(b) In the event of partial destruction of a building, Lessor shall be responsible for repairing such damage and restoring the building or the Leased Premises, except in the circumstances hereinafter provided. If a building is damaged and:

(i) the repair or restoration thereof, in Lessor's opinion, cannot be completed within ninety (90) days of commencement of repair or restoration;

(ii) the repair or restoration is not covered by insurance, or the estimated cost thereof exceeds the insurance proceeds available for repair or restoration plus any amount which Lessee is obligated or elects to pay for such repair or restoration;

(iii) the estimated cost of repair or restoration of the building

exceeds fifty percent (50%) of the full replacement cost of the building;
or

(iv) the building cannot be restored except in a substantially different structural or architectural form than existed before the damage and destruction;

then Lessor shall have the option to either terminate this Lease or to repair or restore the Leased Premises or the building.

(c) If a building located on the Leased Premises is partially destroyed and, as a direct result thereof, Lessee is unable to operate its business from the Leased Premises for a period of thirty (30) consecutive days from the date of such partial destruction, Lessee shall have the option to terminate this Lease as provided herein.

In the event that Lessor or Lessee, as the case may be, elects pursuant to the terms of this Section to terminate this Lease, the party terminating the Lease shall give notice to the other party within forty-five (45) days after the occurrence of such damage, terminating this Lease as of the date specified in such notice, which date shall not be less than thirty (30) nor more than sixty (60) days after the giving of such notice.

In the event such notice is given, this Lease shall expire and all interest of Lessee in the Leased Premises shall terminate on the date specified in the notice.

11.2 Upon any termination of this Lease under any of the provisions of this Article 11, the parties shall be released thereby, without further obligation to the other, from the date of possession of the Leased Premises is surrendered to the Lessor, except for items which have theretofore accrued and are then unpaid.

11.3 If any of the buildings located on the Leased Premises are partially destroyed as a result of any cause, then the following provisions shall apply:

(a) If Lessee is not obligated to, or does not elect to, pay for repair and restoration of same, Lessor may elect to terminate this Lease; and

(b) If Lessee is unable to operate its business from the Leased Premises for a period of thirty (30) consecutive days from the date of such partial destruction, Lessee may elect to terminate this Lease.

11.4 If the Leased Premises, or any portion thereof, are damaged or destroyed by any cause, Lessee shall give immediate written notice thereof to Lessor.

11.5 In the event Lessee is unable to operate its business from the Leased Premises for a period of thirty (30) consecutive days from the date of any formally declared state of emergency, natural disaster, or declaration of martial law, Lessee shall have

the option to terminate this Lease as provided herein.

12. Eminent Domain.

- 12.1 In the event all or any portion of the Leased Premises is taken by any governmental authority under the exercise of its right of eminent domain or similar right (or by act in lieu thereof), any award granted (or sums paid in lieu thereof) which is attributable to Lessor's right, title and interest in and to the Leased Premises shall belong entirely to Lessor; provided that any award granted (or sums paid in lieu thereof) which is attributable to Lessee's leasehold interest in the Leased Premises shall belong entirely to Lessee.
- 12.2 Subject to the provisions of Section 12.1, if such taking of the Leased Premises is total, this Lease shall terminate upon the taking.
- 12.3 In the event of a partial or temporary taking, rent shall be proportionately abated as of the date of such taking; provided that, if such partial or temporary taking shall substantially and materially interfere with Lessee's use of the Leased Premises for the purpose of operating Lessee's business, Lessee shall have the option, to be exercised by notice in writing to Lessor within fifteen (15) days after the taking, of terminating this Lease.

13. Lessee's Additional Agreements.

- 13.1 Lessee agrees at its own sole expense to:
 - (a) Keep the Leased Premises (including without limitation, exterior and interior portion of all windows, doors and all other glass) in a neat and clean condition;
 - (b) Regularly tend, water, weed, trim and maintain in good order and condition all, if any, landscaped and planted areas on the Leased Premises;
 - (c) Keep at all times all grounds, parking and loading areas and sidewalks on the Leased Premises in a broom clean, neat, orderly manner free of trash, weeds and debris;
 - (d) Promptly comply with all laws, ordinances, rules and regulations of governmental authorities (including zoning, building, fire and safety laws and codes) affecting the Leased Premises, unless the compliance would require alteration of the buildings located on the Leased Premises; and
 - (e) Handle and dispose of all rubbish, garbage and waste from Lessee's operations in accordance with regulations established by governmental authorities.
- 13.2 Lessee agrees that it shall not at any time without first obtaining Lessor's prior written consent:

(a) Subject the interest of Lessee hereunder to any mortgage, lien, security interest or other encumbrance;

(b) Perform any act or carry on any practice which may damage, mar, or deface the Leased Premises; or

(c) Use, occupy, do or permit anything to be done in the Leased Premises which will cause structural damage to any building, or which would constitute a public or private nuisance, or which will violate any present or future laws, regulations, ordinances or requirements (ordinary or extraordinary, foreseen or unforeseen) of the federal, state, parish or municipal governments, or of any department, subdivisions, bureaus or officers thereof, or of any other governmental, public or quasi-public authorities now existing or hereafter having jurisdiction in the Leased Premises.

14. Default By Lessee.

14.1 Any one or more of the following events or occurrences shall constitute a default by Lessee of the Lease, to-wit:

(a) The failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Lessee where such failure shall continue for a period of thirty (30) days after written notice thereof from Lessor to Lessee;

(b) The failure by Lessee to make any payment of additional rent or any other payment required to be made by Lessee hereunder, as and when due, where such failure shall continue for a period of fifteen (15) days after written notice thereof from Lessor to Lessee;

(c) If a petition in bankruptcy is filed by Lessee;

(d) If proceedings under any bankruptcy or debtor's relief law shall be filed against Lessee; or

(e) If proceedings are taken by or against Lessee seeking the appointment of a receiver or similar relief.

14.2 In the event of a default by Lessee, Lessor may, in addition to any other right or rights which Lessor may have under the provisions of this Lease or by law, and the Lessor's option:

(a) Proceed for past due installments of additional rent only, reserving its right to proceed later for the remaining installments;

(b) Declare all of the unpaid installments of additional rent at once due and payable, whereupon the whole thereof shall become and be immediately due and payable, anything herein to the contrary notwithstanding, and proceed to

enforce its legal remedies hereunder; and

(c) Declare this Lease to be terminated and immediately expel Lessee, without, however, waiving Lessor's right to collect all installments of additional rent and other payments due or owing for the period up to the time Lessor regains occupancy.

- 14.3 All rights and remedies of Lessor under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by this Lease or by law. The exercise by Lessor of any right or remedy shall not impair Lessor's standing to exercise any other right or remedy.
15. Default By Lessor. In the event of any failure on the part of Lessor to comply with any one of the terms, covenants or conditions of the Lease within fifteen (15) days after the giving by Lessee to Lessor of written notice of such failure to comply, then Lessor shall be in default and Lessee shall have the option of declaring the Lease to be terminated. No indulgence on the part of Lessee shall be construed or held to be a waiver of any of its rights hereunder or prevent it from demanding the fulfillment of any of the renewal provisions of the Lease or the exercise of any of its rights of any kind.
16. Failure to Insist on Strict Performance. The failure of either party to insist, in any one or more instances, upon a strict performance of any covenant of this Lease shall not be construed as a waiver or relinquishment thereof, but the same shall continue and remain in full force and effect.
17. Surrender of Premises Upon Termination of Lease. Upon termination of this Lease, Lessee shall:
- (a) Immediately surrender possession of the Leased Premises, including buildings and all surroundings grounds, to Lessor in a good, clean, neat, orderly and broom-clean condition, free of all trash and debris;
 - (b) Deliver all equipment and all keys to the Leased Premises to Lessor;
 - (c) Surrender to Lessor all buildings and improvements on the Leased Premises, including, but not limited to, outside grounds, sidewalks, parking and drives, which shall be in the same condition received by Lessee at the commencement of this Lease, ordinary wear and tear excepted;
 - (d) Surrender to Lessor all electrical, plumbing, air-conditioning and heating systems, all mechanical equipment, all fire protection equipment and all doors located on the Leased Premises in the same condition received by Lessee at the commencement of this Lease, ordinary wear and tear excepted.
18. Expenses and Attorney's Fees. Should either Lessor or Lessee employ an attorney to institute

a legal proceeding against the other party for the purpose of collecting any monies due hereunder or in enforcing any of the provisions hereof, the non-prevailing party in any action pursued in courts of competent jurisdiction (the finality of which is not legally contested) shall pay to the prevailing party all reasonable costs and expenses, including attorney's fees, expended or incurred in connection with such a proceeding.

19. General Provisions.

- 19.1 Any notice to be given under this Lease by Lessor to Lessee or by Lessee to Lessor shall be considered as duly given if made in writing, addressed to the other party and mailed by registered or certified mail, postage prepaid, to the address of the other party as first hereinabove set forth, or to such address of Lessor as Lessor may from time to time designate in writing, or to such address of Lessee as Lessee may from time to time designate in writing.
- 19.2 Unless the context otherwise requires, when used herein the singular includes the plural, and vice versa, and the masculine includes the feminine and neuter, and vice versa.
- 19.3 Except as otherwise provided herein, this Lease is binding upon and inures to the benefit of the parties hereto, their successors and assigns.
- 19.4 Captions are inserted for convenience only and shall not be given any legal effect. Any reference to a designated Subsection, Section or Article is to the subsection, section or article of this Lease so designated.
- 19.5 This Lease is declared to be a Louisiana contract, and all of the terms thereof shall be construed according to the laws of the State of Louisiana.
- 19.6 This Lease may be signed in any number of counterparts with the same effect as if the signatures were on the same instrument. This Lease shall not be binding until it is signed by all parties and approved by any and all appropriate authorities.
- 19.7 It is intended that each section of this Lease shall be viewed as separate and divisible, and, in the event any section of this Lease or portion thereof shall be held or be invalid or unenforceable, the remainder of the section and the remaining sections shall continue to be in full force and effect.
- 19.8 It is specifically understood and agreed to by the parties hereto that this Lease constitutes the entire Lease and understanding between the parties hereto and that there have been no representations, warranties, covenants or conditions made by any party except for those specified and contained in this Lease. Further, the parties agree that this Lease cannot be changed, modified, altered or terminated except in writing signed by all parties. The following exhibits have been attached to and incorporated into this Lease:

Exhibit "A" - Description of the Leases Premises

Exhibit "B" - Lease Term

- 19.9 Each of the parties hereto specifically warrants and acknowledges that he or it has read fully this entire Lease and understands and agrees to each provision contained herein.
- 19.10 Memorandum Of Lease. Contemporarily with the execution of this Lease, Lessor and Lessee shall execute and deliver a Memorandum of Lease which Lessee may record in the records of Bossier Parish, Louisiana. The Memorandum of Lease shall set forth the description of the Premises, the initial term and the option terms of the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Cooperative Endeavor Agreement with Lease in multiple counterparts, each of which shall have the force and effect of an original, in the presence of the undersigned competent witnesses on the date set forth below their names, effective as of the ____ day of _____, 2021.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the undersigned representative has signed this Cooperative Endeavor Agreement with Lease on behalf of the Board of Supervisors for the University of Louisiana System (“Lessee”) on the ____ day of _____, 2021.

WITNESSES:

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM:

_____ By: _____
Dr. Leslie K. Guice, Board Representative

Print Name

Print Name

IN WITNESS WHEREOF, the undersigned representative has signed this Cooperative Endeavor Agreement with Lease on behalf of City of Bossier City (“Lessor”) on the ____ day of _____, 2021.

WITNESSES:

CITY OF BOSSIER CITY:

By: _____

Print Name

Print Name

IN WITNESS WHEREOF, the undersigned representative has signed this Cooperative Endeavor Agreement with Lease on behalf of Parish of Bossier (“Lessor”) on the ____ day of _____, 2021.

WITNESSES:

PARISH OF BOSSIER:

By: _____

Print Name

Print Name

STATE OF LOUISIANA

PARISH OF LINCOLN

BE IT KNOWN, that on this _____ day of _____, 2021, before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

DR. LESLIE K. GUICE

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 a duly appointed 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:

_____ By: _____
Dr. Leslie K. Guice, Board Representative

Print Name

Print Name

NOTARY PUBLIC

Name: _____

Notary ID/Bar Roll No. _____

My Commission Expires _____

STATE OF LOUISIANA

PARISH OF BOSSIER

BE IT KNOWN, that on this ____ day of _____, 2021, 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/she is the _____ of City of Bossier City (the “Lessor”), and that the aforesaid instrument was signed by him/her, on this date, on behalf of the Lessor and that the above named person acknowledges the approval of said instrument to be the free act and deed of the Lessor.

WITNESSES:

CITY OF BOSSIER CITY:

By: _____

Print Name

Print Name

NOTARY PUBLIC

Name: _____

Notary ID/Bar Roll No. _____

My Commission Expires _____

STATE OF LOUISIANA

PARISH OF BOSSIER

BE IT KNOWN, that on this ____ day of _____, 2021, 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/she is the _____ of Parish of Bossier (the “Lessor”), and that the aforesaid instrument was signed by him/her, on this date, on behalf of the Lessor and that the above named person acknowledges the approval of said instrument to be the free act and deed of the Lessor.

WITNESSES:

PARISH OF BOSSIER:

By: _____

Print Name

Print Name

NOTARY PUBLIC

Name: _____

Notary ID/Bar Roll No. _____

My Commission Expires _____

EXHIBIT "A" LEASED PREMISES

EXHIBIT "B" - COOPERATIVE ENDEAVOR AGREEMENT WITH LEASE TERM

A. Commencement Date. The Commencement Date of this Cooperative Endeavor Agreement with Lease shall be _____, __, 2021.

B. Term. The term of this Cooperative Endeavor Agreement with Lease begins on the Commencement Date and continues for a period of thirty (30) years, unless terminated pursuant to the terms, covenants, and conditions of this Cooperative Endeavor Agreement with Lease, prior thereto.

C. Additional Term. This Cooperative Endeavor Agreement with Lease shall automatically renew for two consecutive ten (10) year renewal periods unless Lessee provides written notice of its election of non-renewal prior to the end of the primary term or, if appropriate, the first renewal period.



I.4.

November 17, 2021

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

Re: Request to Revise the Current Crow-Allen Scholarship Award Amount

Dear Dr. Henderson:

Northwestern State University is submitting the attached *Request to Revise the Current Crow-Allen Scholarship Award Amount* to be placed on the agenda for approval at the December 2021 Board Meeting.

Thank you for your consideration.

Sincerely,

Dr. Marcus Jones
President

Attachment



NORTHWESTERN STATE

Office of Financial Aid

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

RE: Crow-Allen Scholarship

Dear Dr. Henderson:

Northwestern State University is respectfully requesting a revision to the current Crow-Allen Scholarship award amount. This revision would increase awards from \$500 per semester to \$1500 per semester. This increase would begin with the Spring 2022 semester. The criteria would not change.

Criteria:

A student applying to or currently enrolled at Northwestern State University that possesses a strong commitment to pursue a bachelor's degree. Consideration will be given to those applicants that have at least one of the following characteristics:

1. Achieved academic excellence;
2. Demonstrated integrity and perseverance in overcoming adversity;
3. Have an outstanding record in co-curricular and community activities;
4. Demonstrated critical financial need;
5. Exhibit qualities of truth, courage, and fellowship;
6. An individual seeking re-entry into the work force or advancement within a career field.

Duration of Award:

Up to four academic years (Fall and Spring only) depending upon academic classification upon initial award.

Amount of Award:

\$1,500 per semester/\$3,000 per academic year.

Criteria to Maintain Award:

2.5 Semester grade point average and maintain full-time enrollment.

Number available per year:

Dependent upon market rate of return on endowed funds.

INSTITUTION: NORTHWESTERN STATE UNIVERSITY

Type of Scholarships	Scholarship Value per Semester	Scholarship Length	Recipient Criteria	Academic Progress
Crow - Allen Scholarship	\$1500 per Semester \$3000 per year	Up to 4 years	Pursue a Bachelor's degree and on of the six: 1 - achieved academic excellence 2 - demonstrate integrity/perseverance in overcoming adversity 3 - outstanding record in co-curricular/community activities	Full-Time Status 2.5 Semester GPA

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

FINANCE COMMITTEE

December 9, 2021

Item I.4. **Northwestern State University's** request for approval to increase its Crow-Allen Scholarship award amount.

EXECUTIVE SUMMARY

On October 8, 2008, Northwestern State University received \$4.4 million for a natural gas lease of university property in DeSoto Parish. This tract of land was donated to Northwestern by the late Mr. John Henry Crow.

Louisiana Revised Statute 17:3367 requires revenues from leased property to be used for the benefit of the university where the leased property is located. Northwestern allocated approximately \$2.4 million of these funds for an endowment for student scholarships. The endowment and the scholarships are named for Mr. John Henry Crow and Dr. Art Allen.

Northwestern State University is requesting approval to increase the Crow-Allen Scholarship award amount from \$500 per semester to \$1,500 per semester. This increase would begin with the Spring 2022 semester. Award criteria for the scholarship would not change.

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 Northwestern State University's request to increase the award amount of the Crow-Allen Scholarship from \$500 per semester to \$1,500 per semester.



I.4.

November 17, 2021

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

Re: Request to Revise the Current Crow-Allen Scholarship Award Amount

Dear Dr. Henderson:

Northwestern State University is submitting the attached *Request to Revise the Current Crow-Allen Scholarship Award Amount* to be placed on the agenda for approval at the December 2021 Board Meeting.

Thank you for your consideration.

Sincerely,

Dr. Marcus Jones
President

Attachment



NORTHWESTERN STATE

Office of Financial Aid

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

RE: Crow-Allen Scholarship

Dear Dr. Henderson:

Northwestern State University is respectfully requesting a revision to the current Crow-Allen Scholarship award amount. This revision would increase awards from \$500 per semester to \$1500 per semester. This increase would begin with the Spring 2022 semester. The criteria would not change.

Criteria:

A student applying to or currently enrolled at Northwestern State University that possesses a strong commitment to pursue a bachelor's degree. Consideration will be given to those applicants that have at least one of the following characteristics:

1. Achieved academic excellence;
2. Demonstrated integrity and perseverance in overcoming adversity;
3. Have an outstanding record in co-curricular and community activities;
4. Demonstrated critical financial need;
5. Exhibit qualities of truth, courage, and fellowship;
6. An individual seeking re-entry into the work force or advancement within a career field.

Duration of Award:

Up to four academic years (Fall and Spring only) depending upon academic classification upon initial award.

Amount of Award:

\$1,500 per semester/\$3,000 per academic year.

Criteria to Maintain Award:

2.5 Semester grade point average and maintain full-time enrollment.

Number available per year:

Dependent upon market rate of return on endowed funds.

INSTITUTION: NORTHWESTERN STATE UNIVERSITY

Type of Scholarships	Scholarship Value per Semester	Scholarship Length	Recipient Criteria	Academic Progress
Crow - Allen Scholarship	\$1500 per Semester \$3000 per year	Up to 4 years	Pursue a Bachelor's degree and on of the six: 1 - achieved academic excellence 2 - demonstrate integrity/perseverance in overcoming adversity 3 - outstanding record in co- curricular/community activiies	Full-Time Status 2.5 Semester GPA

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

FINANCE COMMITTEE

December 9, 2021

Item I.5. **University of Louisiana at Monroe's** request for approval to amend the University's existing lease agreement with Barnes and Noble College Bookstores, LLC, and implement the First Day Complete Program.

EXECUTIVE SUMMARY

BARNES & NOBLE CONTRACT AMENDMENT

The University of Louisiana at Monroe requests approval to amend its existing contract with Barnes & Noble, its contracted bookstore operator. The original contract was entered on November 12, 2015, and this first amendment would become effective on July 1, 2022. Notable matters addressed in the amendment are as follows:

Annually, Barnes & Noble would pay ULM the greater of the following guaranteed amount or Calculated Commission:

- Guaranteed Amount: Contract Years 2-10: \$250,000
- Calculated Commission:
 - 13.6% of all Gross Sales of General Merchandise up to \$3 million
 - 14.6% of all Gross Sales of General Merchandise from \$3-5 million
 - 15.6% of all Gross Sales of General merchandise over \$5 million

And

10% of all gross sales of First Day Complete Program and Digital Products

If annual gross sales materially decrease as a result of legislation, conflicting or other campus agreements, material changes in ULM policy or the business model of the industry, removal by ULM of significant programs or departments, declining enrollment at ULM (defined as 5% or more over the prior year), or other reasons outside the reasonable control of Barnes & Noble, the parties agree to renegotiate the financial terms of the agreement, including a reduction in the commission percentages.

ULM will provide Barnes & Noble with a daily export file with the required SIS student export data to support the personal experience for faculty and students, enable Barnes & Noble to provide its products and services to ULM, and to send bookstore-related information to ULM students.

Barnes & Noble will provide ULM with exclusive online services through the Bookstore website including fulfillment of the First Day Complete Program and any distance learning material needs during the term of this agreement.

In the event of cancellation of the agreement, ULM will repurchase, or require a successor contractor to purchase, (a) Barnes & Noble College's non-rental inventory at cost in the same manner as purchased by Barnes & Noble College and (b) Barnes & Noble College's rental inventory outstanding at the time of the transition at the buyback value (50% of the retail price).

In the event of termination of this agreement for any reason, ULM will either provide (1) a secure space in or near the Bookstore during the last two weeks of the then-current term or semester to allow Barnes & Noble College to collect from students all outstanding Rental Materials and (2) reasonable support related to such returns, including but not limited to communications to students.

Should ULM change logo or contracted athletic apparel provider/licensee, ULM will either give Barnes & Noble College six (6) months' written notice or will allow Barnes & Noble College to automatically deduct from commissions the cost of unsold emblematic merchandise.

Barnes & Noble will manage the First Day Complete Program, a Barnes & Noble inclusive access textbook rental program, on behalf ULM. Barnes & Noble will be responsible for the procurement of desired textbooks and course materials from faculty course material orders for required course materials each term in accordance with course material adoptions through the Adoption and Insights Portal.

FIRST DAY COMPLETE PROGRAM

In order to expand textbook affordability to students, the University of Louisiana at Monroe would like to implement the First Day Complete Program, a Barnes & Noble inclusive access program, for all courses beginning with the Fall 2022 semester. The First Day Complete Program would include course textbook costs with tuition and fees creating an average of 40-50% savings for students while retaining the academic freedom for faculty to choose the best materials for their courses. Course materials would be available to students on their first day of class. The students' cost for the required course materials would be twenty-five dollars (\$25) per credit hour per semester. Students would have the option of opting-out of the program and securing materials on their own. If students do not opt-out, they would be charged for the course materials. ULM, working with Barnes & Noble, will educate students about the First Day Complete Program.

ULM would be responsible for providing functioning links on its Learning Management System and for providing suitable secure space for inventory management, student package delivery and pickup for the First Day Complete Program. ULM would also provide Barnes & Noble with student course information and upload each student's complete course schedule, including associated credit hours, eligibility status for the Complete Program, and any additional data required by Barnes & Noble in order to implement the First Day Complete Program.

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 University of Louisiana at Monroe's request to amend the University's existing lease agreement with Barnes & Noble College Bookstores, LLC and implement the First Day Complete Program.

BE IT FURTHER RESOLVED, that the President of University of Louisiana at Monroe is hereby authorized to execute the amendment described herein and any and all documents necessary.

**Office of the President**

University Library 632 | 700 University Avenue | Monroe, LA 71209-3000

P 318.342.1010 | F 318.342.1019 | ulm.edu

November 12, 2021

Dr. James B. Henderson, President
University of Louisiana System
1201 Third Street, 7-300
Baton Rouge, LA 70802

Dear Dr. Henderson:

I am requesting consideration and approval to amend the University's existing lease agreement with Barnes & Noble College Bookstores, LLC, and implement the First Day Complete Program. The First Day Complete Program bundles costs with tuition and fees, creating an average of 40-50% savings for students, while retaining the academic freedom for faculty to choose the best materials for their courses. The student's price for the required course materials will be twenty five (\$25) dollars per credit hour per semester. Students will have the option to opt out of the program and secure materials on their own.

If I may be of further assistance, please let me know.

Sincerely,

Ronald L. Berry, DBA
President

#TAKEFLIGHT

**Amendment No. 1 to
Agreement for Bookstore Services
Between
Board of Supervisors of the University of Louisiana System on Behalf of
University of Louisiana at Monroe
And
Barnes & Noble College Booksellers, LLC**

Effective July 1, 2022 ("Effective Date"), this Amendment No. 1 ("Amendment") to the Agreement for Bookstore Services dated November 12, 2015 ("Agreement") is hereby entered into by and between Board of Supervisors of the University of Louisiana System on behalf of University of Louisiana Monroe and Barnes & Noble College Booksellers, LLC according to the following terms and conditions. All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

1. **Section 3. University of Louisiana Monroe Shall Provide to Barnes & Noble at University of Louisiana Monroe's Expense** of the Agreement is hereby amended by adding the following as new subsection (g):

(g) A daily export file with the required SIS student export data (including student email addresses) to support a personal experience for faculty and students and enable Barnes & Noble to both provide its products and services to University of Louisiana Monroe, including the Adoption and Insights Portal ("AIP"), and send Bookstore-related information and personalized content to University of Louisiana Monroe's students

2. **Section 13 a). Services Expected** of the Agreement is hereby amended by deleting the last sentence of such subsection and replacing it with the following:

Barnes & Noble will provide exclusive on-line services through the Bookstore website including fulfillment of the First Day® Complete Program (as defined below) and any distance learning material needs during the term of this Agreement.

3. **Sections 19. Repurchase of Inventory (On hand)** of the Agreement is hereby amended by deleting this section in its entirety and replacing it with "Intentionally omitted".

4. **Section 20. Repurchase of Inventory (Outstanding Rentals)** of the Agreement is hereby amended by deleting this section in its entirety and replacing it with the following:

In the event of cancellation of this Agreement, University of Louisiana Monroe shall repurchase, or require a successor contractor to purchase, (a) Barnes & Noble College's non-rental inventory at cost in the same manner as purchased by Barnes & Noble College and (b) Barnes & Noble College's rental inventory outstanding at the time of the transition at the buyback value (50% of the retail price).

In the event of termination of this Agreement for any reason, University of Louisiana Monroe shall provide (1) a secure space in or near the Bookstore during the last two weeks of the then-current term or semester to allow Barnes & Noble College to collect from students all outstanding Rental Materials and (2) reasonable support related to such returns, including but not limited to communications to students. Alternatively, if University of Louisiana Monroe chooses not to provide such space and support, University of Louisiana Monroe shall assume and be wholly responsible for all of Barnes & Noble College's liability to the publishers related to the textbooks on consignment during the applicable term or semester, including but not limited to financial obligations with regard to the returns or non-returns of textbooks.

Should University of Louisiana Monroe change logo or contracted athletic apparel provider/licensee, University of Louisiana Monroe will either give Barnes & Noble College six (6) months written notice or will allow Barnes & Noble College to automatically deduct from commissions due the cost of unsold emblematic merchandise.

5. **Section 22. Guaranteed Payment / Percentage of Sales:** of the Agreement is hereby amended by deleting such section in its entirety and replacing it with the following:

On an annualized basis, Barnes & Noble will pay University of Louisiana Monroe the greater of the following:
(A) Guaranteed Amount or (B) Calculated Commission.

A. Guaranteed Amount:

Contract Years 2-10: \$250,000

A. Calculated Commission:

13.6% of all Gross Sales of General Merchandise up to \$3,000,000

14.6% of all Gross Sales of General Merchandise from \$3,000,000 to \$5,000,000

15.6% of all Gross Sales of General Merchandise over \$5,000,000

And

10% of all gross sales of First Day[®] and Digital Products

In any contract period that is less than a complete year, the payments shall be based on Calculated Commission.

“Gross Sales of General Merchandise” is defined as all collected in-store and online/website sales of general merchandise and trade books, including the amounts earned from Contractor’s marketing programs and relationships with its brand partners, less voids, refunds, sales tax, campus debit card fees, computer hardware sales, contractually discounted sales (such as discounted department and faculty/ staff sales), pass-through income, merchandise sales at less than a 20% initial gross margin and other merchandise mutually designated as non-commissionable.

“Gross Sales of First Day[®] and Digital Products” is defined as all collected in-store and online/website sales of (i) eTextbooks, (ii) pure digital products, and (iii) course materials within the LMS, whether through the First Day[®] or First Day[®] Complete programs or any other course material sales outside of such programs, less voids, refunds, sales tax, and handling fees associated with non-return of rental textbooks.

If annual Gross Sales shall materially decrease as a result of legislation, conflicting or other campus agreements, material changes in University of Louisiana Monroe policy or the business model of the industry (such as digital books or direct publisher sales), removal by University of Louisiana Monroe of significant programs or departments, declining enrollment at University of Louisiana Monroe (defined as decreased full- and part-time student enrollment of five percent (5%) or more over the prior year), or other reasons outside the reasonable control of Contractor, the parties agree to renegotiate the financial terms of the Agreement, including a reduction in the commission percentages above.

6. The Agreement is hereby amended by adding new **Section 35, First Day[®] Complete Program** as follows:

Section 35. First Day[®] Complete Program

- a) In order to expand affordability to students, University of Louisiana Monroe agrees to implement the First Day® “Complete Program” (inclusive access) for all courses beginning with Fall 2022 semester using a per credit pricing format.

(i) Barnes & Noble Responsibilities.

1. Barnes & Noble will manage the First Day® Complete program on behalf of University of Louisiana Monroe and will be responsible for the procurement of desired textbooks and course materials. Barnes & Noble shall fill faculty course material orders (adoptions) for required course materials each term only in accordance with course material adoptions through the Adoptions and Insights Portal (or any new adoption tool Barnes & Noble introduces (“AIP”) by faculty or authorized department designees that adhere to the schedule below. Barnes & Noble shall not be responsible for the delivery of course materials that are not adopted using AIP (or any new adoption tool Barnes & Noble introduces) or that do not meet the following deadlines:
 - a. On or before April 1st for the fall semester
 - b. On or before October 1st for the spring semester
 - c. On or before February 15th for the summer semester
2. At a minimum starting two weeks prior to the deadline, Barnes & Noble will deliver daily reporting on courses without course material adoptions to University of Louisiana Monroe’s compliance designee for follow-up with faculty.
3. For any course material adoptions that are not turned in by the above deadlines, Barnes & Noble will use commercially reasonable efforts to provide such course materials by the first day of the course but cannot guarantee delivery. Course materials will be provided in either rental (new or used) or digital format, at Barnes & Noble sole discretion, in order to maintain the value of the Complete Program.
4. Two weeks after the end of each semester (“Grace Period”), Barnes & Noble will notify University of Louisiana Monroe of any Rental Materials not returned by students.
 - a. The list will identify the names of students who have not returned their Rental Materials.
 - b. University of Louisiana Monroe will work with Barnes & Noble to encourage those students to resolve their accounts with Barnes & Noble (e.g., University of Louisiana Monroe will place a hold on the student account(s), message student(s) via all available communication methods, etc.) in order to maintain the value of the Complete Program.
 - c. In the event a student does return Rental Materials, Barnes & Noble reserves the right to require student payment of an appropriate rental replacement fee (75% of the new course material selling price) and/or identify the student ineligible for the Complete Program in future semesters.

(ii) University of Louisiana Monroe Responsibilities.

1. University of Louisiana Monroe shall place the necessary electronic links on its learning management system (LMS) no later than (2) two weeks prior to the start of the term. At least

- two (2) weeks prior to the start of the term, University of Louisiana Monroe shall audit all electronic links on its learning management system (LMS) to ensure they are functional.
2. University of Louisiana Monroe is solely responsible, at its expense, for providing mutually agreed upon secured space, in addition to space within the Bookstore, for inventory management and student package delivery and pickup for the Complete Program.
 3. By electronic transmission, University of Louisiana Monroe shall provide Barnes & Noble the course schedule with enrollment information on a daily basis.
 4. Delivered to an SFTP server on a daily basis and in a format provided by Barnes & Noble or through an SIS integration, University of Louisiana Monroe also shall upload each student's complete course schedule, including associated credit hours, eligibility status for the Complete Program, and any additional data required by Barnes & Noble in order to implement the Complete Program. At a minimum, University of Louisiana Monroe shall begin dropping the file no later than twelve (12) weeks out from the course start date through the end of the registration period for each course.
 5. University of Louisiana Monroe in collaboration with Barnes & Noble shall be responsible for communicating to students all non-returned rental policies.
- (iii) Joint Responsibilities. The parties agree to work together to negotiate publishers' pricing of textbooks and course materials.
- (iv) Included and Excluded Materials.
1. The Complete Program will include only required course materials in print rental or digital formats. The Bookstore, at its sole discretion, will determine which course materials (i) may be retained by a student and (ii) which are considered rentals requiring students to return them at the end of the semester (collectively, "Rental Materials").
 2. The following items are excluded from the Complete Program: adopted school supplies, kits, uniforms, art supplies, calculators, non-required course materials, or items deemed not a textbook. In addition, the Complete Program does not include shipping costs for delivery to students outside of the Bookstore or designated locations on campus.
- (v) Communications. University of Louisiana Monroe and Bookstore will work together to promote understanding of the Complete Program. All communication and marketing regarding the Complete Program will be the responsibility of University of Louisiana Monroe. Barnes & Noble will work with University of Louisiana Monroe to help educate, promote, and communicate the Complete Program to the students in multiple formats. University of Louisiana Monroe shall not issue any external communications, including but not limited to press releases, without the prior written consent of the Corporate Communications department of Barnes & Noble.
- (vi) Financial Terms.
1. The price per credit per semester for all students shall be \$25, which University of Louisiana Monroe agrees to pay Barnes & Noble in accordance with this Section notwithstanding any applicable opt-out or other legal obligations of University of Louisiana Monroe.

2. On a monthly basis after the add/drop period for all courses, Barnes & Noble will bill University of Louisiana Monroe the price per credit (**\$25**) for all courses for all students, with the parties hereby acknowledging and agreeing the price is an average across all courses and shall apply regardless of how many or whether course materials are being used in a particular course. Barnes & Noble invoice will be based on University of Louisiana Monroe registrar's final enrollment information by credit hour. University of Louisiana Monroe will remit payment to Barnes & Noble within 30 days of receipt of the invoice.
- a. Barnes & Noble shall have the right to audit the registrar's records in the event that Barnes & Noble reasonably believes the enrollment information reported by University of Louisiana Monroe deviates from actual enrollment.
 - b. If the results from the audit prove any final enrollment counts are higher than the counts provided by University of Louisiana Monroe, Barnes & Noble shall invoice University of Louisiana Monroe for the additional charges.
 - c. If the results from the audit prove any final enrollment counts are lower than the counts provided by University of Louisiana Monroe, Barnes & Noble shall provide a credit to University of Louisiana Monroe.
 - d. At no time during an audit shall either party fail to perform their agreed upon services or responsibilities, including payment on outstanding invoices, with regard to the Complete Program.
3. On an annual basis beginning with the completion of the first year of the Complete Program, both parties agree to mutually evaluate and determine the price per credit and other financial terms. The evaluation is based on faculty course materials adopted for the fall and spring semesters, taking into consideration changes in the amount of consumables or to overall title count. Any changes to the per credit price will be agreed upon by the parties no later than March with an effective date starting with the fall semester.

7. Except as expressly modified above, all other terms and conditions of the Agreement shall remain the same.
8. This Amendment may be signed and sent electronically by the parties. All signed counterparts will be deemed originals and together shall constitute the entire Amendment.

Agreed as of the Effective Date:

University of Louisiana at Monroe (ULM)

Barnes & Noble College Booksellers, LLC

Name: _____

Name: _____

Title: _____

Title: Senior Vice President of Stores

Date: _____

Date: _____