



CLOSING DOCUMENTS

Refunding of

\$7,450,000

CERTIFICATES OF PARTICIPATION

Evidencing Proportionate Interests in Rental Payments to be Made
Pursuant to a Lease Agreement between
BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM AND
SEMPRA ENERGY SERVICES COMPANY,
AS ASSIGNED TO MORGAN KEEGAN & COMPANY, INC.

Closed: June 28, 2012

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

www.joneswalker.com

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Certificates	The Above-Captioned Issue of Certificates
Board	Board of Supervisors for the University of Louisiana System
University	Southeastern Louisiana University
Counsel to the Board	DeCuir, Clark & Adams, L.L.P.
Company	Honeywell Building Solutions SES Corporation, successor by merger to Sempra Energy Services Company
Placement Agent	Morgan Keegan & Company, Inc.
Bond Counsel	Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P.
Escrow Agent	Hancock Bank of Louisiana
Escrow Agent Counsel	Gregory A. Pletsch & Associates
Purchaser	Regions Capital Advantage, Inc.
Purchaser Counsel	Crawford Lewis, P.L.L.C
Verification Agent	The Arbitrage Group, Inc.

I. FINANCING DOCUMENTS:

1. Lease Agreement dated as of December 19, 2001 between the Board and the Company
2. Contract for Energy Services Agreement dated as of December 19, 2001 between the Board and the Company
3. Lessor Assignment Agreement dated as of December 19, 2001 between the Company and Morgan Keegan & Company, Inc.
4. Assignment Agreement dated as of June 28, 2012 between Morgan Keegan & Company, Inc. and the Purchaser
5.
 - (a) Escrow Deposit Agreement dated as of June 28, 2012 between the Board and the Escrow Agent
 - (b) Certificate of Instruction to Redeem Certificates
 - (c) Notice of Defeasance
6. Purchase and Payment Agreement dated June 28, 2012 between the Board and the Purchaser
7. Investment Letter dated June 28, 2012 executed by the Purchaser
8. Tax and Arbitrage Certificate dated June 28, 2012 executed by the Board

II. PROCEEDINGS OF THE BOARD:

9. A resolution adopted on June 28, 2012 entitled:

“A RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF AN AMENDED AND RESTATED LEASE AGREEMENT AMENDING THE LEASE AGREEMENT PREVIOUSLY EXECUTED IN CONNECTION WITH THE LEASE FROM SEMPRA ENERGY SERVICES COMPANY OF CERTAIN EQUIPMENT ON THE CAMPUS OF SOUTHEASTERN LOUISIANA UNIVERSITY IN CONNECTION WITH THE REFINANCING OF CERTAIN OBLIGATIONS RELATED TO THE LEASE; AUTHORIZING THE EXECUTION OF AN AGREEMENT PROVIDING FOR MATTERS RELATED TO SUCH REFINANCING; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.”

III. CLOSING CERTIFICATES:

10. General Certificate of the Board
11. Consent of Morgan Keegan to and Acknowledgment of Assignment between Morgan Keegan and the Board
12. Consent to Termination of Assignment and Discharge of Trust Agreement by Whitney Bank
13. Consent of the Company to Assignment of Lease Agreement
14. Consent of the Board and Morgan Keegan Regarding Escrow Verification
15. Non-litigation certificates of:
 - (a) East Baton Rouge Parish Clerk of Court regarding (i) the Board and (ii) the University
 - (b) USDC - Middle District Clerk of Court regarding (i) the Board and (ii) the University.
 - (c) Tangipahoa Parish Clerk of Court regarding (i) the Board and (ii) the University.
 - (d) USDC - Eastern District Clerk of Court regarding (i) the Board and (ii) the University.

IV. LEGAL OPINIONS:

16. Opinion of Bond Counsel
17. Defeasance Opinion of Bond Counsel
18. Opinion of Counsel to the Board

V. MISCELLANEOUS:

19. Form 8038-G and Return Receipt evidencing mailing
20. Certificates of Insurance
21. Cross Receipt of the Purchaser and the Escrow Agent

22. Verification Report of the Verification Agent dated June 28, 2012
23. Debt Service Schedule, Series 2012
24. Debt Service Schedule regarding Prior Certificates of Participation

Lease Agreement

This Lease Agreement is made and entered into as of December 19, 2001, between Sempra Energy Services Company, as Lessor, whose mailing address is 2500 CityWest Blvd., Suite 1800, Houston, Texas 77042 and the Board of Supervisors for the University of Louisiana System, acting with and on behalf of Southeastern Louisiana University, as Lessee, whose mailing address is 150 Third Street, Third Floor, Baton Rouge, Louisiana 70801.

For and in consideration of the mutual promises and agreements herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions:** Unless the context otherwise clearly requires, the following terms shall have the respective meanings set forth below for all purposes of this Lease Agreement:

"Acquisition Fund" means the fund of that name established and administered pursuant to the Trust Agreement.

"Additional Payments" means any amounts (other than Rental Payments) required to be paid by Lessee pursuant to the terms of this Lease Agreement or pursuant to any provision of the Trust Agreement.

"Arbitrage Certificate" means the Arbitrage Certificate executed by Lessee relating to this Lease Agreement and the Equipment.

"Certificate of Final Completion and Acceptance" means a certificate in substantially the form attached hereto as Exhibit C and which shall be delivered by Lessee to Lessor upon final completion of the fabrication and installation of the Equipment as provided in Paragraph 9 hereof.

"Code" means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder.

"Dated Date" means December 19, 2001.

"Equipment" means: (a) the equipment identified on Exhibit A attached hereto; (b) any property substituted, renewed, repaired or replaced or as additions, improvements, accessions and accumulations to any of such equipment; and (c) any accessories, equipment, parts and appurtenances appertaining or attached to any of such equipment or from time to time incorporated therein or installed thereon.

"Event of Default" is defined in Paragraph 24 hereof.

"Event of Nonappropriation" means a nonrenewal of the term of this Lease Agreement by Lessee, determined by the failure or refusal of Lessee or the legislature of the State to appropriate

moneys sufficient to pay the Rental Payments and reasonably estimated Additional Payments for the next succeeding Renewal Term as provided herein.

"Fiscal Period" means the annual or biennial period used from time to time by Lessee for its financial accounting and budgeting purposes. Lessee's current Fiscal Period is set forth in Exhibit A attached hereto.

"Initial Term" means the period from the Dated Date to midnight of the last day of Lessee's current Fiscal Period.

"Lease Agreement" means this Lease Agreement and all of the schedules and exhibits attached hereto, as supplemented and amended from time to time in accordance with Paragraph 31 hereof.

"Leased Equipment Price" means the total cost of the Equipment, including all delivery charges, installation charges, legal fees, financing costs, recording and filing fees and other costs necessary to vest full, clear legal title in Lessor, subject to the ownership rights granted to Lessee as set forth in this Lease Agreement, and otherwise incurred in connection with the financing provided by the lease of such Equipment as herein provided.

"Legally Appropriated Funds" means funds that Lessee and the legislature of the State duly appropriates for the purpose of making Payments under this Lease Agreement and moneys held in the Acquisition Fund.

"Lessee" means the entity referred to as Lessee in the first paragraph of this Lease Agreement.

"Lessor" means initially Sempra Energy Services Company and, after each assignment pursuant to Paragraph 27 hereof, (b) the then current assignee or transferee of any right, title or interest of Lessor in and to the Equipment, the Acquisition Fund or this Lease Agreement (including Rental Payments) pursuant to Paragraph 27 hereof, but does not include any entity solely by reason of that entity retaining or assuming any obligation of Lessor to perform hereunder.

"Net Proceeds" means the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including attorneys' fees) incurred in the collection of such claim or award.

"Payments" means the Rental Payments and the Additional Payments, collectively.

"Purchase Option Price" means the price determined pursuant to Paragraph 6 hereof at which Lessee may purchase from Lessor all of the Equipment on any Rental Payment date prior to the scheduled payment of all Rental Payments to be paid hereunder.

"Renewal Term" means each successive period, in addition to the Initial Term, that is coextensive with Lessee's Fiscal Period and for which Lessee has extended the term of this Lease Agreement as provided in Paragraph 3 hereof.

"Rental Payments" means the amounts (allocable to a principal component and an interest component) payable by Lessee pursuant to Paragraph 4 hereof, as payments for the Leased Equipment Price.

"Reserve Fund" means the Reserve Fund established under the Trust Agreement.

"Services Agreement" means that certain Energy Survey and Services Agreement dated as of December 19, 2001 by and between Sempra Energy Services Company and Lessee.

"State" means the State of Louisiana.

"Trust Agreement" means the Trust Agreement, dated as of December 19, 2001 by and between Morgan Keegan & Company, Inc., as assignee of this Lease Agreement, and the Trustee.

"Trustee" means Hancock Bank of Louisiana, in its capacity as trustee under the Trust Agreement, and its successors.

"University" means Southeastern Louisiana University.

2. Agreement to Lease Equipment: Lessor hereby agrees to lease to Lessee and Lessee hereby agrees to lease from Lessor the Equipment upon the terms and conditions set forth herein.

3. Term: The Initial Term of this Lease Agreement shall commence as of the Dated Date and expire at midnight on the last day of Lessee's then current Fiscal Period. Beginning at the expiration of the Initial Term, the term of this Lease Agreement shall automatically be extended upon the successive appropriation by Lessee and the legislature of the State of amounts sufficient to pay Rental Payments and reasonably estimated Additional Payments during the next succeeding Renewal Term for the number of Renewal Terms, each coextensive with Lessee's Fiscal Period, as are necessary for all Rental Payments identified on Exhibit B attached hereto to be paid in full, unless this Lease Agreement is terminated as provided in Paragraph 25 hereof.

The term of this Lease Agreement will expire upon the first to occur of: (a) the expiration of the Initial Term or any Renewal Term during which an Event of Nonappropriation occurs; (b) the day after the last scheduled Rental Payment shown on Exhibit B attached hereto is paid in full; (c) the day after the related Purchase Option Price is paid in full pursuant to Paragraph 6 hereof, except as otherwise therein provided; or (d) an Event of Default and a termination of Lessee's rights hereunder as provided in Paragraph 25 hereof.

4. Rental Payments: Lessee hereby agrees to pay Rental Payments with respect to the Equipment (but only from Legally Appropriated Funds) to Lessor at Lessor's mailing address set

forth above (or at such other address as may be designated from time to time pursuant to Paragraph 27 hereof) in the amounts and on the dates specified in Exhibit B attached hereto. Rental Payments made by check will be accepted subject to collection.

Lessee's obligation to make Rental Payments and to pay any Additional Payments payable under this Lease Agreement constitutes a current obligation payable exclusively from Legally Appropriated Funds and shall not be construed to be an indebtedness within the meaning of any applicable constitutional or statutory limitation or requirement. Lessee has not pledged its full faith and credit to make any Rental Payments or any Additional Payments under this Lease Agreement, and Lessee shall not permit any person or entity (including the federal government) to guarantee any Rental Payments under this Lease Agreement.

5. Agreement to Seek Appropriations; Notice of Event of Nonappropriation: Lessee agrees that the Vice President for Administration and Finance for the University will do all things lawfully within such official's power to include amounts to make Payments hereunder in each of the University's annual or biennial budget (as appropriate) to be submitted to Lessee and to the State legislature.

Lessee's obligation to make Payments under this Lease Agreement is contingent upon having appropriated funds from which such Payments lawfully may be paid. If Lessee or the legislature of the State fails to provide appropriated funds for the payment of the Rental Payments and Additional Payments coming due during the immediately succeeding Fiscal Period, then Lessee will immediately notify Lessor of such Event of Nonappropriation and Lessee shall not be obligated for the payment of Payments under this Lease Agreement beyond the then current Renewal Term.

In case of an Event of Nonappropriation hereunder, the parties hereto agree that such Event of Nonappropriation, though not an Event of Default hereunder, shall constitute non-performance by Lessee hereunder, and Lessor shall be entitled to terminate this Lease Agreement pursuant to Paragraph 25 hereof.

6. Purchase Option: Lessee shall have the option to purchase all of Lessor's interest in the Equipment (in whole but not in part) on any Rental Payment Date, *provided, however,* (i) Lessee is not in default under this Lease Agreement; (ii) Lessee gives written notice to Lessor of its intention to exercise this option at least 30 days prior to the Rental Payment Date on which the option is to be exercised; (iii) there is a specific Purchase Option Price shown on Exhibit B attached hereto on that Rental Payment Date; and (iv) on the applicable Rental Payment Date, Lessee shall deposit with Lessor an amount equal to all Rental Payments, Additional Payments and any other amounts then due or past due (including, but not limited to, the Rental Payment due on the applicable Rental Payment Date and all accrued interest) together with the applicable Purchase Option Price as set forth on Exhibit B attached hereto. The closing shall be on the Rental Payment Date or, if such day is not a business day, on the first business day preceding the Rental Payment Date at the office of Lessor or such other place as Lessor may direct.

Upon receipt of the Purchase Option Price and any other Payments which are due by Lessee to Lessor under this Lease Agreement, Lessor shall release all rights of Lessor hereunder in and to the

Equipment. Lessee agrees that its purchase of the Equipment is without representations or warranties of any kind and in "AS-IS, WHERE-IS" condition.

7. Essentiality: Lessee's present intention is to make Rental Payments and Additional Payments hereunder for the Initial Term and all Renewal Terms as long as it has Legally Appropriated Funds. In that regard, Lessee represents that (a) the use and operation of the Equipment is essential to its proper, efficient and economic governmental operation and (b) the functions performed by the Equipment could not be transferred to other equipment available for its use. Lessee does not currently intend to sell or otherwise dispose of the Equipment or any interest therein prior to the last Rental Payment (including all Renewal Terms) scheduled to be paid hereunder.

8. PARAGRAPH INTENTIONALLY LEFT BLANK

9. Fabrication and Installation: Sempra Energy Services Company shall procure, fabricate and install the Equipment in accordance with the Services Agreement. As soon as practicable after the fabrication and installation of the Equipment, Lessee shall furnish Lessor with a Certificate of Final Completion and Acceptance substantially in the form attached hereto as Exhibit C. Execution of the Certificate of Final Completion and Acceptance by any employee, official or agent of Lessee designated by Lessee as having authority in the premises or having managerial, supervisory or procurement duties with respect to equipment of the same general type as the Equipment shall constitute acknowledgment of the completion of the fabrication and installation of the Equipment on behalf of Lessee. Regardless of whether Lessee has furnished a Certificate of Final Completion and Acceptance pursuant to this Paragraph 9, by making a Rental Payment after the fabrication and installation of the Equipment pursuant to this Lease Agreement, Lessee shall be deemed to have acknowledged the final completion of the Equipment on the date of such Rental Payment for purposes of this Lease Agreement. All Rental Payments paid prior to delivery of the Certificate of Final Completion and Acceptance shall be credited to Rental Payments as they become due as shown on the Rental Payment Schedule attached as Exhibit B hereto.

10. Disclaimer of Warranties: Sempra Energy Services Company warrants the Equipment as provided in the Services Agreement. Any assignee of Sempra Energy Services Company pursuant to Paragraph 27 hereof, not being the manufacturer, seller, fabricator or installer of any of the Equipment, nor a dealer in any of such Equipment, has not made and does not make any warranty, representation or covenant, express or implied, as to any matter whatever relating to the Equipment, including but not limited to: the merchantability of the Equipment or its fitness for any particular purpose, the design or condition of the Equipment, the quality or capacity of the Equipment, the workmanship in the Equipment, that the Equipment is free from redhibitory or latent defects or vices under Louisiana Civil Code Articles 2475 and 2520 through 2548, compliance of the Equipment with the requirement of any law, rule, specification or contract pertaining thereto or patent infringement. Lessee accordingly agrees not to assert any claim whatsoever against such assignee based thereon. Lessee specifically declares and acknowledges that, with respect to any such assignee, 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 2475 and 2520 through 2548. Lessee further agrees, regardless of cause, not to assert any

claim whatsoever against such assignee for any direct, indirect, consequential, incidental or special damages or loss, of any classification.

11. Title to Equipment: Title to the Equipment shall remain in Lessor or its assigns, subject to the rights of Lessee to purchase the Equipment pursuant to Paragraph 6 of this Lease Agreement. It is the intent of the parties hereto that title to the Equipment remain in Lessor or its assigns as authorized by the Louisiana Lease of Movables Act (La. R.S. 9:3301 et seq.). As authorized by La. R.S. 9:3304, the Equipment described on Exhibit A attached hereto shall to the full extent allowed by law remain movable property, regardless of whether it is or is deemed to be affixed or attached to any immovable property. Lessee, at its expense, will protect and defend Lessor's title to the Equipment and will keep the Equipment free and clear from any and all claims, liens, encumbrances and legal processes of Lessee's creditors and other persons. If Lessee has made all Rental Payments owed under this Lease Agreement and is otherwise not in default, Lessee shall acquire title to the Equipment at the end of the term of this Lease Agreement, and Lessor or its assigns shall deliver to Lessee documents transferring all of its rights in and to the Equipment and evidencing the termination of this Lease Agreement.

12. Tax Covenants; Tax Indemnity Payments: Lessee agrees that it will not take any action that would cause the interest component of Rental Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes, nor will it omit to take or cause to be taken, in a timely manner, any action, which omission would cause the interest component of Rental Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes, including, without limitation, the calculation and payment of any rebate payments owed to the United States Treasury. Lessee agrees to complete and file in a timely manner an information reporting return (Form 8038-G) in the form attached as Exhibit D hereto with respect to this Lease Agreement as required by the Code. Lessee hereby agrees to execute the Arbitrage Certificate pertaining to arbitrage and other tax issues arising in connection with this Lease Agreement in form and substance satisfactory to Lessor.

Lessee represents that neither Lessee nor any agency or unit of Lessee has on hand any property, including cash and securities, that is legally required or otherwise restricted (no matter where held or the source thereof) to be used directly or indirectly to acquire the Equipment. Lessee has not and will not establish any funds or accounts (no matter where held or the source thereof) the use of which is legally required or otherwise restricted to pay directly or indirectly Rental Payments under this Lease Agreement, other than the Acquisition Fund and the Reserve Fund. Lessor and Lessee certify and covenant to each other and to the owners from time to time of Lessor's interests in this Lease Agreement that, so long as any Rental Payments remain unpaid hereunder, moneys on deposit in the Acquisition Fund and the Reserve Fund will not be used in a manner that will cause this Lease Agreement to be classified as "arbitrage bonds" within the meaning of Section 148(a) of the Code.

It is Lessor's and Lessee's intention that this Lease Agreement not constitute a "true" lease for federal income tax purposes, and, therefore, it is Lessor's and Lessee's intention that Lessee be considered the owner of the Equipment for federal income tax purposes.

13. Use of Equipment, Inspection and Reports: During the term of this Lease Agreement, Lessee shall be entitled to quiet enjoyment of the Equipment and may possess and use the Equipment in accordance with this Lease Agreement, provided that Lessee is in compliance in all respects with the terms of this Lease Agreement and that such possession and use are in conformity with all applicable laws, any insurance policies and any installation requirements (including environmental specifications) or warranties of the manufacturer, seller, fabricator and/or installer with respect to the Equipment. Lessor shall have the right, upon reasonable prior notice to Lessee and during regular business hours, to inspect the Equipment at the premises of Lessee or wherever the Equipment may be located. Lessee shall promptly notify Lessor of any alleged encumbrances on the Equipment or any accident allegedly resulting from the use or operation thereof or any claim relating thereto.

During the term of this Lease Agreement and at Lessor's request, Lessee shall provide Lessor, no later than ten days prior to the end of each Fiscal Period (commencing with the Lessee's current Fiscal Period), or, if the State legislature's appropriation bill has not been signed by the Governor at such time, as soon as the Governor signs the appropriation bill, with current budgets or other proof of appropriation for the ensuing Fiscal Period and such other information relating to Lessee's ability to continue the term of this Lease Agreement and each Lease for the next succeeding Renewal Term as may be reasonably requested by Lessor.

During the term of this Lease Agreement, Lessee shall furnish or cause to be furnished to Lessor, at Lessee's expense, as soon as available and in any event not later than 180 days after the close of each biennial period the audited financial statements of Lessee as at the close of and for such biennial period, all in reasonable detail, audited by and with the report of Lessee's auditor.

14. Notice Filing: Lessee agrees to execute and to deliver to Lessor upon request a financing statement that complies with La. R.S. 10-9:101 et seq. (the "UCC"). Lessor may file or record such financing statement with respect to this Lease Agreement and the Equipment so as to give notice to any interested parties. However, it is specifically understood that such filing is for notice purposes only and that the UCC does not apply to this Lease Agreement and that this Lease Agreement does not grant any security interest or other lien rights in and to the Equipment.

15. Risk of Loss: All risk of loss, damage, theft or destruction to each item of Equipment shall be borne by Lessee. No such loss, damage, theft or destruction of the Equipment, in whole or in part, shall impair the obligations of Lessee hereunder (including, but not limited to, the obligation to pay Rental Payments when due), all of which shall continue in full force and effect subject to the terms of this Lease Agreement. If (a) the Equipment or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof is taken under the exercise of the power of eminent domain, Lessee shall immediately notify Lessor. Lessee and Lessor shall cause the Net Proceeds of any insurance claim or condemnation award to be applied, at Lessor's option, to (i) the prompt repair, restoration, modification or replacement of such Equipment or (ii) the payment in full of the related then applicable Purchase Option Price and any other payments or other amounts owed hereunder or, if less than all of the Equipment is damaged, destroyed or taken, the payment of a proportionate portion of the then applicable Purchase Option Price relating to such Equipment. Any balance of Net

Proceeds remaining after completion of such work or payment of such Purchase Option Price and any other Payments or other amounts owed hereunder shall be paid promptly to Lessee. If the Net Proceeds are insufficient to pay the costs of such repair, restoration, modification or replacement or to pay such Purchase Option Price and any other Payments or other amounts owed hereunder in full, Lessee shall, at Lessor's direction, either complete the work or pay the then applicable Purchase Option Price and any other Payments or other amounts owed hereunder in full and in either case pay any cost in excess of the amount of Net Proceeds, but only from Legally Appropriated Funds.

Notwithstanding the foregoing paragraph, provided that Lessee has maintained sufficient insurance coverage to repair, restore, modify or replace the Equipment, Lessee and Lessor shall cause the Net Proceeds of any insurance claim or condemnation award to be applied, at Lessee's option, to the (i) prompt repair, restoration, modification or replacement of such Equipment, or (ii) the payment in full of the related then applicable Purchase Option Price, or if less than all of the Equipment is affected, the proportionate amount of the applicable Purchase Option Price as described above in this Section 15.

16. Insurance: (a) In the event that Lessee is not self-insured as hereinafter provided, Lessee, at its expense, shall throughout the term of this Lease Agreement keep or cause the University to keep the Equipment insured against theft, fire, collision (in the case of vehicles) and such other risks as may be customary for each item of Equipment in the amounts and for the coverage set forth in Exhibit B hereto, with carriers acceptable to Lessor, under a policy or policies containing a loss payable endorsement in favor of Lessor, and affording to Lessor such additional protection as Lessor shall reasonably require. Lessee shall further, at its expense, maintain or cause the University to maintain in effect throughout the term of this Lease Agreement a policy or policies of comprehensive public liability and property damage insurance and boiler and machinery insurance in the amounts and for the coverage set forth in Exhibit B hereto, with carriers satisfactory to Lessor. All such insurance shall name Lessor as an additional insured and loss payee. The policies required hereby shall provide that they may not be canceled or materially altered without at least 30 days prior written notice to Lessor. Lessee shall deliver or cause the University to deliver to Lessor copies or other evidence satisfactory to Lessor of each insurance policy and each renewal thereof. Failure by Lessor to request evidence of such insurance policies or renewals, or otherwise to verify the existence of such insurance, shall not constitute a waiver of the requirements hereof. Lessor shall have the right, on behalf of itself and Lessee, to make claim for, receive payment of and execute and endorse all documents, checks or drafts received in payment for loss or damage under said insurance policies.

(b) If the University is self-insured with respect to equipment such as the Equipment, Lessee shall cause the University to maintain during the term of this Lease Agreement an actuarially sound self-insurance program in form satisfactory to Lessor and shall provide evidence thereof in form and substance satisfactory to Lessor. Lessor acknowledges that self-insurance through the self-insurance fund administered by the Louisiana Office of Risk Management providing the coverages set forth in this paragraph shall be satisfactory to Lessor: (1) Coverage for broad form all risk blanket property damage insurance against the loss or damage to any portion of the Equipment and the other items or components installed by Sempra Energy Services Company under the Services Agreement and considered permanently installed on the University's campus for insurance purposes by the Louisiana Office of Risk Management in an amount not less than the repair or replacement cost

thereof. (2) Coverage for broad form all risk blanket property damage insurance against loss or damage to the remaining portion of the Equipment and the other items or components installed by Sempra Energy Services Company under the Services Agreement and not considered permanently installed on the University's campus for insurance purposes by the Louisiana Office of Risk Management in an amount not less than the actual cash value thereof. (3) Comprehensive Boiler and Machinery Coverage in an amount not less than the repair or replacement cost thereof. (4) Coverage for liability for personal injury and property damage in an amount of not less than \$5,000,000 in combined single limit liability coverage.

17. Use of the Equipment: Lessee shall use the Equipment in a careful and proper manner, in compliance with all applicable laws and regulations and the Services Agreement. Sempra Energy Services Company agrees to perform the services with respect to the Equipment set forth in the Services Agreement. Without the prior written consent of Lessor, Lessee shall not make any alterations, modifications or attachments to the Equipment which cannot be removed without materially damaging the functional capabilities or economic value of the Equipment nor shall Lessee attach or incorporate the Equipment to any other item of equipment in such a manner that the Equipment becomes or may be deemed to have become an accession to or part of such other item of equipment. Such alterations, modifications or attachments shall become part of the Equipment.

18. Taxes: Unless Lessee has provided Lessor with evidence necessary to sustain an exemption therefrom, Lessee shall timely pay all assessments, license fees, taxes (including sales, use, excise, personal property, ad valorem, stamp, documentary and other taxes) and all other governmental charges, fees, fines, or penalties whatsoever, whether payable by Lessor or Lessee, now or hereafter imposed by any governmental body or agency on or relating to the Equipment, the Acquisition Fund, the Rental Payments or the use, registration, rental, shipment, transportation, delivery, ownership or operation of the Equipment and on or relating to this Lease Agreement; *provided, however*, that the foregoing shall not include any federal, state or local income or franchise taxes of Lessor.

19. Lessor's Performance of Lessee's Obligations: If Lessee shall fail to duly and promptly perform any of its obligations hereunder, Lessor may, at its option, after giving Lessee ten (10) days prior written notice of such failure, perform any act or make any payment that Lessor deems necessary for the maintenance and preservation of the Equipment and Lessor's interests therein, including, but not limited to, payments for satisfaction of liens, repairs, taxes, levies and insurance. All expenses incurred by Lessor in performing such acts and all such payments made by Lessor together with late charges as provided in Paragraph 20 below, and any reasonable legal fees incurred by Lessor in connection therewith, shall be payable by Lessee to Lessor on demand. The performance of any act or payment by Lessor as aforesaid shall not be deemed a waiver or release of any obligation or default on the part of Lessee.

20. Late Charges: Should Lessee fail to duly pay any part of any Rental Payment or other sum to be paid to Lessor hereunder (including, but not limited to, any amounts due as a result of Lessor's exercise of its rights under Paragraph 25 hereof) on the date on which such amount is due hereunder,

then Lessee shall pay to Lessor late charges on such delinquent payment from the date that is ninety-one (91) days after the due date thereof until paid at the rate of 12% per annum or the rate set each year pursuant to La. R.S. 13:4202 or any successor statute governing the payment by state agencies of late fees, whichever is less.

21. Indemnification: Lessee assumes liability for, agrees to and does hereby indemnify, protect and hold harmless Lessor, Trustor and Trustee and their respective agents, employees, officers, directors, parents, subsidiaries and stockholders from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses (including reasonable attorney's fees), of whatsoever kind and nature, arising out of the use, condition (including, but not limited to, latent and other defects and whether or not discoverable by Lessee or Lessor), operation, ownership, selection, delivery, storage, leasing or return of any item of Equipment, regardless of where, how and by whom operated, or any failure on the part of Lessee to accept the Equipment or otherwise to perform or comply with any conditions of this Lease Agreement. The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the expiration or termination of the term of this Lease Agreement. Lessee is an independent contractor and nothing contained herein shall authorize Lessee or any other person to operate any item of Equipment so as to incur or impose any liability or obligation for or on behalf of Lessor. Notwithstanding anything herein to the contrary, any indemnity amount payable by Lessee pursuant to this Paragraph 21 shall be payable solely from Legally Appropriated Funds and only to the extent allowed by law. Notwithstanding the foregoing, nothing contained in this Paragraph shall affect any obligations or agreements of Sempra Energy Services Company, the original Lessor hereunder, contained in the Services Agreement.

22. No Offset; Unconditional Obligation: This Lease Agreement is "triple net". Lessee agrees that the Rental Payments and Additional Payments provided for herein shall be an absolute net return to the Lessor free and clear of any expenses, charges, taxes or set-offs whatsoever of any kind, character or nature; it being understood and agreed to by the Lessee that the Lessee shall bear responsibility for the payment of all costs and expenses associated with the possession, management, operation, and maintenance of the Equipment. Lessee's obligation to pay all Rental Payments and Additional Payments hereunder shall be absolute and unconditional under any and all circumstances subject to the terms and conditions of this Lease Agreement. Without limiting the generality of the foregoing, Lessee shall not be entitled to any abatement of rent or reduction thereof or setoff against rent, including, but not limited to, abatements, reductions or setoffs due to any present or future claims of Lessee against Lessor hereunder or otherwise; nor, except as otherwise expressly provided herein, shall this Lease Agreement terminate, or the respective obligations of Lessor or Lessee be otherwise affected, by reason of any defect in or damage to or loss or destruction of all or any of the Equipment from whatsoever cause, any claims arising under the Services Agreement, the taking or requisitioning of the Equipment by condemnation or otherwise, the lawful prohibition of Lessee's use of the Equipment, the interference with such use by any private person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease Agreement, or lack of right, power or authority of Lessor to enter into this Lease Agreement or any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessor or Lessee or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the Rental Payments and Additional

Payments payable by Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall expire or be terminated pursuant hereto (including upon the occurrence of an Event of Nonappropriation) or until the Equipment has been returned to the possession of Lessor as herein provided (for all purposes of this Lease Agreement any item of Equipment shall not be deemed to have been returned to Lessor's possession until all of Lessee's obligations with respect to the return, transportation and storage thereof have been performed). To the extent permitted by applicable law, Lessee hereby waives any and all rights that it may now have or that at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease Agreement or any of the items of Equipment except in accordance with the express terms hereof.

23. Representations and Warranties of Lessee: Lessee hereby represents and warrants to and agrees with Lessor that:

(a) Lessee is a state or a political subdivision thereof within the meaning of Section 103(c) of the Code.

(b) Lessee has the power and authority under applicable law to enter into the transactions contemplated by this Lease Agreement, the Services Agreement and the Trust Agreement and has been duly authorized to execute and deliver this Lease Agreement and the Services Agreement and to carry out its obligations hereunder and thereunder. This Lease Agreement, assuming due authorization, execution and delivery thereof by Lessor, constitutes the legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms, except as enforceability may be limited by laws of general application affecting the rights and remedies of creditors. Attached hereto as Exhibit F is a full, true and correct copy of a resolution or other appropriate official action of Lessee's governing body specifically authorizing Lessee to execute and deliver this Lease Agreement and the Services Agreement. Attached hereto as Exhibit G is a full, true and correct copy of an Incumbency Certificate relating to the authority of the officers who have executed and delivered this Lease Agreement and the Services Agreement on behalf of Lessee, and attached hereto as Exhibit H is a form of an opinion of Lessee's legal counsel regarding the legal, valid and binding nature of this Lease Agreement and the Services Agreement on Lessee and certain other related matters. Attached hereto as Exhibit I is a certificate evidencing Lessee's ownership of the land on which the Equipment shall be used.

(c) All requirements have been met and procedures have occurred in order to ensure the enforceability of this Lease Agreement and the Services Agreement, and Lessee has complied with such public bidding or request for proposal requirements, if any, as may be applicable to the transactions contemplated by this Lease Agreement, the Services Agreement and the Trust Agreement.

(d) Lessee is not subject to any legal or contractual limitation or provision of any nature whatsoever that in any way limits, restricts or prevents Lessee from entering into this Lease Agreement and the Services Agreement or performing any of its obligations hereunder or thereunder, except to the extent that such performance may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(e) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting Lessee, nor to the best knowledge of Lessee is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Lease Agreement, the Services Agreement and the Trust Agreement or any other agreement or instrument to which Lessee is a party and which is used or contemplated for use in the consummation of the transactions contemplated by this Lease Agreement and the Services Agreement. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by Lessee of this Lease Agreement and the Services Agreement or in connection with the carrying out by Lessee of its obligations hereunder and thereunder have been obtained.

(f) The payment of the Rental Payments or any portion thereof is not (under the terms of this Lease Agreement or any underlying arrangement) directly or indirectly (i) secured by any interest in property used or to be used in any activity carried on by any person other than a state or local governmental unit or payments in respect of such property; or (ii) on a present value basis, derived from payments (whether or not to Lessee) in respect of property, or borrowed money, used or to be used in any activity carried on by any person other than a state or local governmental unit. The Equipment and any buildings to which the Equipment is attached or which the Equipment services will not be used, directly or indirectly, in any activity carried on by any person other than a state or local governmental unit, except for such arrangements as have been disclosed to Lessor prior to the effective date of this Lease Agreement. No portion of the price for the Equipment will be used, directly or indirectly, to make or finance loans to any person other than Lessee. Lessee has not entered into any management or other service contract with respect to the use and operation of the Equipment and any buildings to which the Equipment is attached or which the Equipment services, except for such contracts as have been disclosed to Lessor prior to the effective date of this Lease Agreement.

(g) The entering into and performance of this Lease Agreement and the Services Agreement will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Equipment or the Acquisition Fund pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound, except as herein provided.

(h) Lessee is acquiring the Equipment for use within the campus of the University.

(i) The useful life of the Equipment will not be less than the stated full term of this Lease Agreement.

(j) Lessee has entered into this Lease Agreement and the Services Agreement for the purpose of leasing the Equipment and not for the purpose of refinancing any outstanding obligation of Lessee more than 90 days in advance of its payment or prepayment date. The price for the

Equipment will be paid directly from the Acquisition Fund to the manufacturer, seller or supplier thereof, and no portion of the price for the Equipment will be paid to Lessee as reimbursement for any expenditure paid by Lessee more than 60 days prior to the execution and delivery of this Lease Agreement.

(k) Lessee has made sufficient appropriations or has other Legally Appropriated Funds to pay all Rental Payments due during the Initial Term of this Lease Agreement.

24. Events of Default: Each of the following events constitutes an "Event of Default" hereunder:

(a) Lessee fails to pay in full any Rental Payment or Additional Payment due on any date upon which such Rental Payment or Additional Payment is due;

(b) Failure by Lessee to maintain insurance required by this Lease Agreement;

(c) Actual or attempted sale, lease or encumbrance of any of the Equipment or the making of any levy, seizure or attachment thereof or thereon;

(d) Lessee fails to comply with any other agreement or covenant of Lessee hereunder or under the Arbitrage Certificate for a period of 30 days following receipt of written notice of violation of such agreement or covenant and demand that such violation be remedied;

(e) Lessee institutes any proceedings under any bankruptcy, insolvency, reorganization or similar law or a receiver or similar officer is appointed for Lessee or any of its property;

(f) Any warranty, representation or statement that Lessee made in writing in connection with this Lease Agreement or the Services Agreement is found to be incorrect or misleading in any material respect on the date made; or

(g) Breach by Lessee of or default under any lease, loan, agreement or other obligation between Lessor and Lessee.

The occurrence of an Event of Nonappropriation hereunder shall not constitute an Event of Default hereunder.

25. Lessor's Rights Upon Event of Default or Event of Nonappropriation: The continuation of this Lease Agreement is contingent upon the appropriation of funds by Lessee and the legislature to fulfill the requirements of the Lease Agreement. If the legislature or Lessee fails to appropriate sufficient monies to provide for the continuation of the Lease Agreement, the Lease Agreement shall terminate on the last day of the Fiscal Period for which funds have been appropriated. Such termination shall be without penalty or expense to the Lessee except for payments that have been earned prior to the termination date. Immediately upon the occurrence of an Event of Default or immediately after the expiration of the Initial Term or any Renewal Term during which an Event of Nonappropriation occurs, Lessor may terminate Lessee's rights hereunder

and in any such event, Lessee hereby agrees to promptly transfer and surrender the Equipment to Lessor at the location on the campus of the University where the Equipment is located. Such right of transfer and other rights as specifically provided in this Paragraph 25 if there occurs an Event of Nonappropriation shall constitute the sole remedies available to Lessor if an Event of Nonappropriation occurs. If Lessor is entitled to be transferred the Equipment hereunder, Lessee shall permit Lessor or its agents to enter the premises where such Equipment is then located. In the event of any such transfer, Lessee shall execute and deliver such documents as may reasonably be required to transfer its interest in and possession of such Equipment to Lessor, free and clear of all liens and interests to which such Equipment may have become subject.

Any termination of this Lease Agreement at Lessor's option as provided in this Paragraph 25 shall take effect at the end of the Initial Term or the Renewal Term then in effect, unless Lessor (at its option) elects to terminate this Lease Agreement on an earlier date.

At the time of transfer, if any portion of the Equipment is damaged or otherwise made less suitable for the purposes for which it was manufactured than when fabricated and installed for Lessee, Lessee agrees, at its option, to (a) repair and restore such Equipment to the same condition in which it was accepted by Lessee (reasonable wear and tear excepted) or (b) pay to Lessor the reasonable costs of such repair and restoration.

If Lessor terminates this Lease Agreement pursuant to this Paragraph 25 or an Event of Nonappropriation occurs and Lessee in any way prevents Lessor from removing the Equipment after the Initial Term or any Renewal Term during which the Event of Default or Event of Nonappropriation occurs or if Lessee otherwise refuses to pay Rental Payments due during a Renewal Term for which Lessee and the legislature has appropriated sufficient Legally Appropriated Funds to pay such Rental Payments, Lessor shall be entitled to bring such action at law or in equity to recover damages attributable to such holdover period during which Lessee in any way prevents Lessor from removing the Equipment or to the remainder of such Renewal Term for which such appropriations have been made.

If an Event of Default occurs, Lessor shall also be entitled to exercise any or all remedies that Lessor may have at law or in equity, including the exercise of any rights and remedies to which Lessor is entitled with respect to any funds held under the Trust Agreement and hereunder.

No right or remedy herein conferred upon or reserved to Lessor is exclusive of any right or remedy herein or at law or in equity or otherwise provided or permitted with respect to a financing lease subject to appropriation, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time.

No waiver of or delay or omission in the exercise of any right or remedy herein provided or otherwise available to Lessor shall impair, affect or be construed as a waiver of its rights thereafter to exercise the same. Any single or partial exercise by Lessor of any right hereunder shall not preclude any other or further exercise of any right hereunder.

26. No Sale, Assignment or Other Disposition by Lessee: Lessee agrees not to: (a) sell, assign, transfer, lease, sublease, pledge or otherwise encumber or suffer a lien or encumbrance upon or against any interest in this Lease Agreement or the Equipment; (b) remove the Equipment from its Equipment Location identified in Exhibit A attached hereto; or (c) enter into any contract or agreement with respect to the use and operation of any of the Equipment other than the Services Agreement by any person other than Lessee, without Lessor's prior written consent in each instance. Lessee shall at all times remain liable for the performance of the covenants and conditions on its part to be performed, notwithstanding any assigning, transferring or other conveyance that may be made with such consent. Lessee shall take no action that may adversely affect the excludability from gross income for federal income tax purposes of any portion of the interest component of the Rental Payments. Notwithstanding the foregoing, Lessee's interest in the Agreement or the Equipment may be assigned by operation of law without the consent of Lessor if there is a change in the governing or managing board for the University, provided such new governing or managing board assumes all of the obligations of Lessee hereunder.

27. Assignment by Lessor: Lessor may, at any time and from time to time, assign, transfer or otherwise convey all or any part of its interest in the Equipment or this Lease Agreement, including Lessor's rights to receive the Rental Payments or any part thereof (in which event Lessee agrees to make all Rental Payments thereafter to the assignee designated by Lessor), to terminate this Lease Agreement or Lessee's rights hereunder, and to receive the transfer of the Equipment and exercise Lessor's other rights under Paragraph 25 hereof. Any such assignment, transfer or conveyance may be to a trustee for the benefit of owners of certificates of participation. No such assignment, transfer or conveyance shall be effective until Lessee's registration agent shall have received a written notice of assignment that discloses the name and address of each such assignee and forwarded same to Lessee; *provided, however,* that if such assignment is made to a bank or trust company as trustee or paying or escrow agent for owners of certificates of participation with respect to the Rental Payments payable hereunder, it shall thereafter be sufficient that a copy of the agency or trust agreement shall have been deposited with Lessee's registration agent until Lessee's registration agent shall have been advised that such agency or trust agreement is no longer in effect. During the term of this Lease Agreement, Lessee shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code. For this purpose, Lessee appoints Lessor to act as its registration agent, which appointment Lessor hereby accepts. Lessor agrees on Lessee's behalf to maintain such record of all assignments.

Lessee agrees, if so requested, to acknowledge each such assignment in writing within 15 days after request therefor, but such acknowledgment shall in no way be deemed necessary to make any assignment effective. Lessee further agrees that any moneys or other property received by Lessor as a result of any such assignment, transfer or conveyance shall not inure to Lessee's benefit.

Nothing in this Lease Agreement shall be construed as providing recourse to Sempra Energy Services Company for any aspect of the financing related to the Services Agreement. The Services Agreement sets forth all responsibilities of Sempra Energy Services Company related thereto.

Lessor and Lessee hereby consent to the assignment by Lessor of its rights under this Lease Agreement to Morgan Keegan & Company, Inc. (the "Assignee") pursuant to the Lessor Assignment Agreement, dated as of the date hereof, from the Lessor (as assignor) to the Assignee, and to the further assignment thereof by Assignee to Hancock Bank of Louisiana, as trustee (the "Trustee") pursuant to the Assignment Agreement dated as of December 19, 2001 by and between the Assignee and the Trustee.

28. Costs: Lessee shall pay Lessor all costs and expenses, including reasonable attorney's fees and costs related to the transfer of the Equipment (including, without limitation, the costs and expenses to deliver possession of the Equipment) incurred by Lessor in enforcing any of the terms, conditions or provisions of this Lease Agreement. Lessee shall pay all ongoing yearly fees and expenses of the Trustee under the Trust Agreement pursuant to Section 8.4 thereof.

29. Severability; Remedies: If any provision of this Lease Agreement is or becomes invalid, illegal or unenforceable, such invalidity, illegality or unenforceability will not affect the other provisions of this Lease Agreement, which shall be valid and enforceable to the fullest extent permitted by law.

Lessor's right to the return of the Equipment under Paragraph 25 hereof in the event there occurs an Event of Nonappropriation hereunder is not intended as a penalty clause but rather Lessee hereby acknowledges that the provisions of Paragraph 25 hereof were negotiated and agreed to by Lessor and Lessee in consideration for Lessee's unilateral right hereunder to terminate this Lease Agreement by not appropriating funds necessary to make Payments hereunder for any succeeding Fiscal Period. Lessee hereby acknowledges that the Payments made by Lessee during each Fiscal Period hereunder are reasonably proportionate to the value of Lessee's possession of such Equipment during such Fiscal Period, taking into account, among other things, (i) the fair and reasonable rental value of the Equipment during such Fiscal Period and (ii) the decrease in the value of the Equipment during such Fiscal Period. Notwithstanding the foregoing, in the event that a court of competent jurisdiction renders a final judgment which is not appealed to the effect that any of the provisions of this Lease Agreement constitute a penalty under applicable law, the parties hereby agree that this Lease Agreement shall automatically be amended so as to delete or modify those provisions in this Lease Agreement so deemed to constitute a penalty pursuant to such judgment to the extent necessary to make such provisions not constitute a penalty and such provision, as modified, and the other provisions of this Lease Agreement shall remain in full force and effect and enforceable to the fullest extent permitted by law.

30. Notices: All notices, reports and other documents provided for in this Lease Agreement shall be deemed to have been given or made when delivered (including by facsimile transmission) or three days after being mailed by certified mail, postage prepaid, addressed to Lessor or Lessee at their respective mailing addresses set forth above or such other addresses as either of the parties hereto may designate in writing to the other from time to time for such purpose.

31. Amendments: This Lease Agreement and the schedules and exhibits attached hereto constitute the entire agreement between Lessor and Lessee with respect to the Equipment and the subject matter hereof. No term or provision of this Lease Agreement may be changed, waived,

amended or terminated except by a written agreement signed by both Lessor and Lessee, except that Lessor may insert the serial numbers on Exhibit A attached hereto of any item of Equipment after delivery thereof.

32. Construction: This Lease Agreement shall in all respects be governed by and construed in accordance with the laws of the State in which Lessee is located. The titles of the Paragraphs of this Lease Agreement are for convenience only and shall not define or limit any of the terms or provisions hereof. Time is of the essence of this Lease Agreement in each of its provisions.

33. Parties: The provisions of this Lease Agreement shall be binding upon, and (subject to the limitations of Paragraph 26 hereof) shall inure to the benefit of, the assigns, representatives and successors of Lessor and Lessee, including, without limitation, the Assignee and the Trustee.

34. Counterparts: This Lease Agreement may be executed in several counterparts, each of which when executed shall be deemed to be an original, but all together shall constitute but one and the same agreement.

35. Interest: A portion of each Rental Payment will be allocated to interest as set forth in the Rental Payment Schedule attached as Exhibit B hereto. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges. The rate of such interest is not intended to exceed the maximum rate or amount of interest permitted by applicable law. If the interest exceeds such maximum, then at Lessor's option, if permitted by law, the interest payable will be reduced to the legally permitted maximum amount of interest, and any excessive interest will be used to reduce the principal amount of Lessee's obligation or be refunded to Lessee.

Lessee hereby acknowledges that it has read and understands this Lease Agreement.

In Witness Whereof, Lessor and Lessee have each caused this Lease Agreement to be duly executed and delivered as of the date first above written.

Lessor: Sempra Energy Services Company

Signature: 

Name Printed: Erbin B. Keith, JD, PE

Title: President

Date: December 19, 2001

**Lessee: Board of Supervisors for the
University of Louisiana System**


Signature: 

Name Printed: Andre G. Coudrain

Title: Chairman

Date: December 19, 2001

ACKNOWLEDGED BY:

Signature: 

Name Printed: Stephen Smith

Title: Vice President for Administration and Finance,
Southeastern Louisiana University

Date: December 19, 2001

LIST OF EXHIBITS

1. Equipment Description (Exhibit A)
2. Rental Payment Schedule (Exhibit B)
3. Acceptance Certificate (Exhibit C)
4. Form 8038G (Exhibit D)
5. Insurance Coverage Requirements (Exhibit E)
6. Form of Authorizing Resolution (Exhibit F)
7. Incumbency Certificate of Lessee (Exhibit G)
8. Opinion of Lessee's Counsel (Exhibit H)
9. Certificate of Ownership of Premises (Exhibit I)

EXHIBIT A EQUIPMENT DESCRIPTION

To Lease Agreement dated as of December 19, 2001, (the "Agreement") by and between Sempra Energy Services Company ("Lessor") and the Board of Supervisors for the University of Louisiana System ("Lessee").

1. Description of the Equipment:

Lighting Modifications – Lighting retrofits will be installed in buildings throughout the campus. Major improvements include upgrades of linear fluorescent fixtures to new electronic ballasts and T-8 lamps. The majority of incandescent fixtures will be replaced with energy efficient compact fluorescent fixtures. Occupancy sensors will be installed to minimize the fixture run-hours when classrooms are not occupied. The majority of the existing incandescent exit signs will be converted to Light Emitting Diode (LED) exit signs.

Installation of New Chillers - Three (3) new chillers with a capacity of 250 tons each will be installed in the Student Union Building. Three (3) new 250 ton cooling towers will also be installed to serve the new chillers. The Student Union mechanical room will also receive new chilled water and condenser water pumps. A refrigerant exhaust fan and associated ductwork will also be installed in the Student Union Building.

Two (2) new 100-ton chillers will be installed at D. Vickers Hall mechanical room. A new refrigerant exhaust fan and ductwork will also be installed in the mechanical room.

One (1) new 90-ton chiller will be installed at Clark Hall as well as a refrigerant exhaust fan and ductwork.

One (1) new cooling tower will be installed to replace the existing cooling tower serving Clark Hall.

One (1) new 600-ton chiller will be installed at the University Center as well as a refrigerant exhaust fan and ductwork.

One (1) new 230-ton screw chiller will be installed at Sims Memorial Library as well as a refrigerant exhaust fan and ductwork.

Installation of new Variable Frequency Drives (VFDs) - A total of sixty three (63) VFDs will be installed on air-handling units and pump motors in 14 buildings throughout the campus. The work will include expanding the existing Energy Management Control System (EMCS) to control the new VFDs.

EMCS Integration - The existing energy management control systems (EMCS) will be integrated into a single EMCS by the installation of new hardware controllers and associated software. The EMCS will be connected using the existing University's LAN system.

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EMCS Integration - The existing energy management control systems (EMCS) will be integrated into a single EMCS by the installation of new hardware controllers and associated software. The EMCS will be connected using the existing University's LAN system.

Installation of new Packaged Rooftop Units -- Two (2) new packaged rooftop air conditioning units will be installed on the roof at the College of Business Building. The units will each have a cooling capacity of two (2) tons. A four (4) ton and one and a half (1.5) ton rooftop units will be installed at the Twelve Oaks Cafeteria.

- 2. Serial Number(s)* (if available/applicable): Serial numbers are not available at this time.
- 3. For purposes of the Agreement, "State" means the State of Louisiana.
- 4. Lessee's current Fiscal Period extends from July 1 to June 30.

Lessee: Board of Supervisors for the University of Louisiana System

Lessor: Sempra Energy Services Company

Signature: *Andre G. Caudrain, chairman*

Signature: *[Signature]*

Name Printed: Andre G. Caudrain

Name Printed: Erbin B. Keith, JD, PE

Title: Chairman

Title: President

Date: December 19, 2001

Date: December 19, 2001

* Lessee authorizes Lessor to insert serial number of Equipment when determined by Lessor as provided in Paragraph 31 of the Agreement.

Acknowledged:

Signature: *Stephen Smith*

Stephen Smith,
Vice President for Administration and Finance,
Southeastern Louisiana University

Date: December 19, 2001

EXHIBIT B
RENTAL PAYMENT SCHEDULE

To Lease Agreement dated as of December 19, 2001, (the "Agreement") by and between Sempra Energy Services Company ("Lessor") and the Board of Supervisors for the University of Louisiana System, acting with and on behalf of Southeastern Louisiana University ("Lessee").

The Rental Payments shall be made for the Equipment as follows:

<u>Payment Number</u>	<u>Rental Payment Date</u>	<u>Net Rental Payment Amount</u>	<u>Interest Amount (1)</u>	<u>Principal Amount</u>
1	1/1/02	\$0.00	\$0.00	\$0.00
2	2/1/02	\$0.00	\$0.00	\$0.00
3	3/1/02	\$0.00	\$0.00	\$0.00
4	4/1/02	\$0.00	\$0.00	\$0.00
5	5/1/02	\$0.00	\$0.00	\$0.00
6	6/1/02	\$0.00	\$0.00	\$0.00
7	7/1/02	\$0.00	\$0.00	\$0.00
8	8/1/02	\$0.00	\$0.00	\$0.00
9	9/1/02	\$0.00	\$0.00	\$0.00
10	10/1/02	\$0.00	\$0.00	\$0.00
11	11/1/02	\$0.00	\$0.00	\$0.00
12	12/1/02	\$0.00	\$0.00	\$0.00
13	1/1/03	\$0.00	\$0.00	\$0.00
14	2/1/03	\$52,146.17	\$29,581.77	\$22,272.73
15	3/1/03	\$52,146.17	\$29,581.77	\$22,272.73
16	4/1/03	\$52,146.17	\$29,581.77	\$22,272.73
17	5/1/03	\$52,146.17	\$29,581.77	\$22,272.73
18	6/1/03	\$52,146.17	\$29,581.77	\$22,272.73
19	7/1/03	\$52,146.17	\$29,581.77	\$22,272.73
20	8/1/03	\$52,146.17	\$29,581.77	\$22,272.73
21	9/1/03	\$52,146.17	\$29,581.77	\$22,272.73
22	10/1/03	\$52,146.17	\$29,581.77	\$22,272.73
23	11/1/03	\$52,146.17	\$29,581.77	\$22,272.73
24	12/1/03	\$52,146.17	\$29,581.77	\$22,272.73
25	1/1/04	\$51,760.94	\$28,969.27	\$22,500.00
26	2/1/04	\$51,760.94	\$28,969.27	\$22,500.00
27	3/1/04	\$51,760.94	\$28,969.27	\$22,500.00
28	4/1/04	\$51,760.94	\$28,969.27	\$22,500.00
29	5/1/04	\$51,760.94	\$28,969.27	\$22,500.00
30	6/1/04	\$51,760.94	\$28,969.27	\$22,500.00
31	7/1/04	\$51,760.94	\$28,969.27	\$22,500.00
32	8/1/04	\$51,760.94	\$28,969.27	\$22,500.00
33	9/1/04	\$51,760.94	\$28,969.27	\$22,500.00

34	10/1/04	\$51,760.94	\$28,969.27	\$22,500.00
35	11/1/04	\$51,760.94	\$28,969.27	\$22,500.00
36	12/1/04	\$51,760.94	\$28,969.27	\$22,500.00
37	1/1/05	\$51,806.77	\$28,181.77	\$23,333.33
38	2/1/05	\$51,806.77	\$28,181.77	\$23,333.33
39	3/1/05	\$51,806.77	\$28,181.77	\$23,333.33
40	4/1/05	\$51,806.77	\$28,181.77	\$23,333.33
41	5/1/05	\$51,806.77	\$28,181.77	\$23,333.33
42	6/1/05	\$51,806.77	\$28,181.77	\$23,333.33
43	7/1/05	\$51,806.77	\$28,181.77	\$23,333.33
44	8/1/05	\$51,806.77	\$28,181.77	\$23,333.33
45	9/1/05	\$51,806.77	\$28,181.77	\$23,333.33
46	10/1/05	\$51,806.77	\$28,181.77	\$23,333.33
47	11/1/05	\$51,806.77	\$28,181.77	\$23,333.33
48	12/1/05	\$51,806.77	\$28,181.77	\$23,333.33
49	1/1/06	\$51,706.77	\$27,248.44	\$24,166.67
50	2/1/06	\$51,706.77	\$27,248.44	\$24,166.67
51	3/1/06	\$51,706.77	\$27,248.44	\$24,166.67
52	4/1/06	\$51,706.77	\$27,248.44	\$24,166.67
53	5/1/06	\$51,706.77	\$27,248.44	\$24,166.67
54	6/1/06	\$51,706.77	\$27,248.44	\$24,166.67
55	7/1/06	\$51,706.77	\$27,248.44	\$24,166.67
56	8/1/06	\$51,706.77	\$27,248.44	\$24,166.67
57	9/1/06	\$51,706.77	\$27,248.44	\$24,166.67
58	10/1/06	\$51,706.77	\$27,248.44	\$24,166.67
59	11/1/06	\$51,706.77	\$27,248.44	\$24,166.67
60	12/1/06	\$51,706.77	\$27,248.44	\$24,166.67
61	1/1/07	\$51,573.44	\$26,281.77	\$25,000.00
62	2/1/07	\$51,573.44	\$26,281.77	\$25,000.00
63	3/1/07	\$51,573.44	\$26,281.77	\$25,000.00
64	4/1/07	\$51,573.44	\$26,281.77	\$25,000.00
65	5/1/07	\$51,573.44	\$26,281.77	\$25,000.00
66	6/1/07	\$51,573.44	\$26,281.77	\$25,000.00
67	7/1/07	\$51,573.44	\$26,281.77	\$25,000.00
68	8/1/07	\$51,573.44	\$26,281.77	\$25,000.00
69	9/1/07	\$51,573.44	\$26,281.77	\$25,000.00
70	10/1/07	\$51,573.44	\$26,281.77	\$25,000.00
71	11/1/07	\$51,573.44	\$26,281.77	\$25,000.00
72	12/1/07	\$51,573.44	\$26,281.77	\$25,000.00
73	1/1/08	\$51,785.94	\$25,244.27	\$26,250.00
74	2/1/08	\$51,785.94	\$25,244.27	\$26,250.00
75	3/1/08	\$51,785.94	\$25,244.27	\$26,250.00
76	4/1/08	\$51,785.94	\$25,244.27	\$26,250.00

77	5/1/08	\$51,785.94	\$25,244.27	\$26,250.00
78	6/1/08	\$51,785.94	\$25,244.27	\$26,250.00
79	7/1/08	\$51,785.94	\$25,244.27	\$26,250.00
80	8/1/08	\$51,785.94	\$25,244.27	\$26,250.00
81	9/1/08	\$51,785.94	\$25,244.27	\$26,250.00
82	10/1/08	\$51,785.94	\$25,244.27	\$26,250.00
83	11/1/08	\$51,785.94	\$25,244.27	\$26,250.00
84	12/1/08	\$51,785.94	\$25,244.27	\$26,250.00
85	1/1/09	\$51,894.06	\$24,102.40	\$27,500.00
86	2/1/09	\$51,894.06	\$24,102.40	\$27,500.00
87	3/1/09	\$51,894.06	\$24,102.40	\$27,500.00
88	4/1/09	\$51,894.06	\$24,102.40	\$27,500.00
89	5/1/09	\$51,894.06	\$24,102.40	\$27,500.00
90	6/1/09	\$51,894.06	\$24,102.40	\$27,500.00
91	7/1/09	\$51,894.06	\$24,102.40	\$27,500.00
92	8/1/09	\$51,894.06	\$24,102.40	\$27,500.00
93	9/1/09	\$51,894.06	\$24,102.40	\$27,500.00
94	10/1/09	\$51,894.06	\$24,102.40	\$27,500.00
95	11/1/09	\$51,894.06	\$24,102.40	\$27,500.00
96	12/1/09	\$51,894.06	\$24,102.40	\$27,500.00
97	1/1/10	\$51,920.31	\$22,878.65	\$28,750.00
98	2/1/10	\$51,920.31	\$22,878.65	\$28,750.00
99	3/1/10	\$51,920.31	\$22,878.65	\$28,750.00
100	4/1/10	\$51,920.31	\$22,878.65	\$28,750.00
101	5/1/10	\$51,920.31	\$22,878.65	\$28,750.00
102	6/1/10	\$51,920.31	\$22,878.65	\$28,750.00
103	7/1/10	\$51,920.31	\$22,878.65	\$28,750.00
104	8/1/10	\$51,920.31	\$22,878.65	\$28,750.00
105	9/1/10	\$51,920.31	\$22,878.65	\$28,750.00
106	10/1/10	\$51,920.31	\$22,878.65	\$28,750.00
107	11/1/10	\$51,920.31	\$22,878.65	\$28,750.00
108	12/1/10	\$51,920.31	\$22,878.65	\$28,750.00
109	1/1/11	\$51,912.50	\$21,620.83	\$30,000.00
110	2/1/11	\$51,912.50	\$21,620.83	\$30,000.00
111	3/1/11	\$51,912.50	\$21,620.83	\$30,000.00
112	4/1/11	\$51,912.50	\$21,620.83	\$30,000.00
113	5/1/11	\$51,912.50	\$21,620.83	\$30,000.00
114	6/1/11	\$51,912.50	\$21,620.83	\$30,000.00
115	7/1/11	\$51,912.50	\$21,620.83	\$30,000.00
116	8/1/11	\$51,912.50	\$21,620.83	\$30,000.00
117	9/1/11	\$51,912.50	\$21,620.83	\$30,000.00
118	10/1/11	\$51,912.50	\$21,620.83	\$30,000.00
119	11/1/11	\$51,912.50	\$21,620.83	\$30,000.00

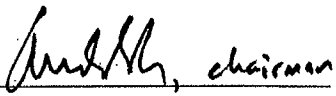
120	12/1/11	\$51,912.50	\$21,620.83	\$30,000.00
121	1/1/12	\$51,850.00	\$20,308.33	\$31,250.00
122	2/1/12	\$51,850.00	\$20,308.33	\$31,250.00
123	3/1/12	\$51,850.00	\$20,308.33	\$31,250.00
124	4/1/12	\$51,850.00	\$20,308.33	\$31,250.00
125	5/1/12	\$51,850.00	\$20,308.33	\$31,250.00
126	6/1/12	\$51,850.00	\$20,308.33	\$31,250.00
127	7/1/12	\$51,850.00	\$20,308.33	\$31,250.00
128	8/1/12	\$51,850.00	\$20,308.33	\$31,250.00
129	9/1/12	\$51,850.00	\$20,308.33	\$31,250.00
130	10/1/12	\$51,850.00	\$20,308.33	\$31,250.00
131	11/1/12	\$51,850.00	\$20,308.33	\$31,250.00
132	12/1/12	\$51,850.00	\$20,308.33	\$31,250.00
133	1/1/13	\$51,537.50	\$18,745.83	\$32,500.00
134	2/1/13	\$51,537.50	\$18,745.83	\$32,500.00
135	3/1/13	\$51,537.50	\$18,745.83	\$32,500.00
136	4/1/13	\$51,537.50	\$18,745.83	\$32,500.00
137	5/1/13	\$51,537.50	\$18,745.83	\$32,500.00
138	6/1/13	\$51,537.50	\$18,745.83	\$32,500.00
139	7/1/13	\$51,537.50	\$18,745.83	\$32,500.00
140	8/1/13	\$51,537.50	\$18,745.83	\$32,500.00
141	9/1/13	\$51,537.50	\$18,745.83	\$32,500.00
142	10/1/13	\$51,537.50	\$18,745.83	\$32,500.00
143	11/1/13	\$51,537.50	\$18,745.83	\$32,500.00
144	12/1/13	\$51,537.50	\$18,745.83	\$32,500.00
145	1/1/14	\$51,579.17	\$17,120.83	\$34,166.67
146	2/1/14	\$51,579.17	\$17,120.83	\$34,166.67
147	3/1/14	\$51,579.17	\$17,120.83	\$34,166.67
148	4/1/14	\$51,579.17	\$17,120.83	\$34,166.67
149	5/1/14	\$51,579.17	\$17,120.83	\$34,166.67
150	6/1/14	\$51,579.17	\$17,120.83	\$34,166.67
151	7/1/14	\$51,579.17	\$17,120.83	\$34,166.67
152	8/1/14	\$51,579.17	\$17,120.83	\$34,166.67
153	9/1/14	\$51,579.17	\$17,120.83	\$34,166.67
154	10/1/14	\$51,579.17	\$17,120.83	\$34,166.67
155	11/1/14	\$51,579.17	\$17,120.83	\$34,166.67
156	12/1/14	\$51,579.17	\$17,120.83	\$34,166.67
157	1/1/15	\$51,954.17	\$15,412.50	\$36,250.00
158	2/1/15	\$51,954.17	\$15,412.50	\$36,250.00
159	3/1/15	\$51,954.17	\$15,412.50	\$36,250.00
160	4/1/15	\$51,954.17	\$15,412.50	\$36,250.00
161	5/1/15	\$51,954.17	\$15,412.50	\$36,250.00
162	6/1/15	\$51,954.17	\$15,412.50	\$36,250.00


163	7/1/15	\$51,954.17	\$15,412.50	\$36,250.00
164	8/1/15	\$51,954.17	\$15,412.50	\$36,250.00
165	9/1/15	\$51,954.17	\$15,412.50	\$36,250.00
166	10/1/15	\$51,954.17	\$15,412.50	\$36,250.00
167	11/1/15	\$51,954.17	\$15,412.50	\$36,250.00
168	12/1/15	\$51,954.17	\$15,412.50	\$36,250.00
169	1/1/16	\$51,808.33	\$13,600.00	\$37,916.67
170	2/1/16	\$51,808.33	\$13,600.00	\$37,916.67
171	3/1/16	\$51,808.33	\$13,600.00	\$37,916.67
172	4/1/16	\$51,808.33	\$13,600.00	\$37,916.67
173	5/1/16	\$51,808.33	\$13,600.00	\$37,916.67
174	6/1/16	\$51,808.33	\$13,600.00	\$37,916.67
175	7/1/16	\$51,808.33	\$13,600.00	\$37,916.67
176	8/1/16	\$51,808.33	\$13,600.00	\$37,916.67
177	9/1/16	\$51,808.33	\$13,600.00	\$37,916.67
178	10/1/16	\$51,808.33	\$13,600.00	\$37,916.67
179	11/1/16	\$51,808.33	\$13,600.00	\$37,916.67
180	12/1/16	\$51,808.33	\$13,600.00	\$37,916.67
181	1/1/17	\$51,579.17	\$11,704.17	\$39,583.33
182	2/1/17	\$51,579.17	\$11,704.17	\$39,583.33
183	3/1/17	\$51,579.17	\$11,704.17	\$39,583.33
184	4/1/17	\$51,579.17	\$11,704.17	\$39,583.33
185	5/1/17	\$51,579.17	\$11,704.17	\$39,583.33
186	6/1/17	\$51,579.17	\$11,704.17	\$39,583.33
187	7/1/17	\$51,579.17	\$11,704.17	\$39,583.33
188	8/1/17	\$51,579.17	\$11,704.17	\$39,583.33
189	9/1/17	\$51,579.17	\$11,704.17	\$39,583.33
190	10/1/17	\$51,579.17	\$11,704.17	\$39,583.33
191	11/1/17	\$51,579.17	\$11,704.17	\$39,583.33
192	12/1/17	\$51,579.17	\$11,704.17	\$39,583.33
193	1/1/18	\$51,564.58	\$9,606.25	\$41,666.67
194	2/1/18	\$51,564.58	\$9,606.25	\$41,666.67
195	3/1/18	\$51,564.58	\$9,606.25	\$41,666.67
196	4/1/18	\$51,564.58	\$9,606.25	\$41,666.67
197	5/1/18	\$51,564.58	\$9,606.25	\$41,666.67
198	6/1/18	\$51,564.58	\$9,606.25	\$41,666.67
199	7/1/18	\$51,564.58	\$9,606.25	\$41,666.67
200	8/1/18	\$51,564.58	\$9,606.25	\$41,666.67
201	9/1/18	\$51,564.58	\$9,606.25	\$41,666.67
202	10/1/18	\$51,564.58	\$9,606.25	\$41,666.67
203	11/1/18	\$51,564.58	\$9,606.25	\$41,666.67
204	12/1/18	\$51,564.58	\$9,606.25	\$41,666.67
205	1/1/19	\$51,856.25	\$7,397.92	\$44,166.67

206	2/1/19	\$51,856.25	\$7,397.92	\$44,166.67
207	3/1/19	\$51,856.25	\$7,397.92	\$44,166.67
208	4/1/19	\$51,856.25	\$7,397.92	\$44,166.67
209	5/1/19	\$51,856.25	\$7,397.92	\$44,166.67
210	6/1/19	\$51,856.25	\$7,397.92	\$44,166.67
211	7/1/19	\$51,856.25	\$7,397.92	\$44,166.67
212	8/1/19	\$51,856.25	\$7,397.92	\$44,166.67
213	9/1/19	\$51,856.25	\$7,397.92	\$44,166.67
214	10/1/19	\$51,856.25	\$7,397.92	\$44,166.67
215	11/1/19	\$51,856.25	\$7,397.92	\$44,166.67
216	12/1/19	\$51,856.25	\$7,397.92	\$44,166.67
217	1/1/20	\$51,598.75	\$5,057.08	\$46,250.00
218	2/1/20	\$51,598.75	\$5,057.08	\$46,250.00
219	3/1/20	\$51,598.75	\$5,057.08	\$46,250.00
220	4/1/20	\$51,598.75	\$5,057.08	\$46,250.00
221	5/1/20	\$51,598.75	\$5,057.08	\$46,250.00
222	6/1/20	\$51,598.75	\$5,057.08	\$46,250.00
223	7/1/20	\$51,598.75	\$5,057.08	\$46,250.00
224	8/1/20	\$51,598.75	\$5,057.08	\$46,250.00
225	9/1/20	\$51,598.75	\$5,057.08	\$46,250.00
226	10/1/20	\$51,598.75	\$5,057.08	\$46,250.00
227	11/1/20	\$51,598.75	\$5,057.08	\$46,250.00
228	12/1/20	\$51,598.75	\$5,057.08	\$46,250.00
229	1/1/21	\$51,772.50	\$2,605.83	\$49,166.67
230	2/1/21	\$51,772.50	\$2,605.83	\$49,166.67
231	3/1/21	\$51,772.50	\$2,605.83	\$49,166.67
232	4/1/21	\$51,772.50	\$2,605.83	\$49,166.67
233	5/1/21	\$51,772.50	\$2,605.83	\$49,166.67
234	6/1/21	\$51,772.50	\$2,605.83	\$49,166.67
235	7/1/21	\$51,772.50	\$2,605.83	\$49,166.67
236	8/1/21	\$51,772.50	\$2,605.83	\$49,166.67
237	9/1/21	\$51,772.50	\$2,605.83	\$49,166.67
238	10/1/21	\$51,772.50	\$2,605.83	\$49,166.67
239	11/1/21	\$51,772.50	\$2,605.83	\$49,166.67
240	12/1/21	\$51,772.50	\$2,605.83	\$49,166.67
Totals		<u>\$11,751,141.64</u>	<u>\$4,238,433.31</u>	<u>\$7,450,000.00</u>

**Lessee: Board of Supervisors for the
University of Louisiana System**

**Lessor: Sempra Energy Services
Company**

Signature:  chairman

Signature: 

Name Printed: Andre G. Coudrain

Name Printed: Erbin B. Keith, JD, PE

Title: Chairman


Title: President

Date: December 19, 2001

Date: December 19, 2001

* Assumes all Rental Payments and Additional Payments otherwise due on that date have been paid.

Acknowledged:

Signature: 

Name Printed: Stephen Smith

Title: Vice President for Administration and Finance,
Southeastern Louisiana University

Date: December 19, 2001

EXHIBIT C
CERTIFICATE OF FINAL COMPLETION AND ACCEPTANCE

Lessee: Board of Supervisors for the University of Louisiana System, acting with and on behalf of Southeastern Louisiana University, represented herein by the Vice President for Administration and Finance, an officer duly authorized to sign this Certificate of Completion and Acceptance.

The Undersigned Acknowledges and Represents that:

1. The Equipment identified in Exhibit A to the above-referenced Agreement is fabricated, delivered, installed and available for use and is placed in service as of the Final Acceptance Date indicated below.

2. Such Equipment is in good operating condition and repair and is accepted as satisfactory in all respects for purposes of the Agreement.

Acceptance Date: _____

Signature: _____

Name Typed or Printed: Stephen Smith

Title: Vice President for Administration and Finance,
Southeastern Louisiana University

(Rev. November 2000)

Department of the Treasury Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority. Includes fields for Issuer's name, Issuer's employer identification number, Number and street, Room/suite, Report number, City, town, or post office, state, and ZIP code, Date of issue, Name of issue, CUSIP number, Name and title of officer or legal representative, and Telephone number of officer or legal representative.

Part II Type of Issue (check applicable box(es) and enter the issue price). Includes checkboxes for Education, Health and hospital, Transportation, Public safety, Environment, Housing, Utilities, and Other (Energy Retrofit).

Part III Description of Obligations. Table with columns: (a) Final maturity date, (b) Issue price, (c) Stated redemption price at maturity, (d) Weighted average maturity, (e) Yield.

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount). Table with columns for various categories of proceeds and their amounts.

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.). Includes fields for remaining weighted average maturity, date of issue, and date of refunding.

Part VI Miscellaneous. Includes fields for state volume cap, guaranteed investment contract, pooled financings, and issuer designations.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Signature of issuer's authorized representative: Andre G. Coudrain, Date: 12-19-2001.

b. Public Liability Insurance evidenced by a Certificate of Insurance, naming the Lessor and/or its Assignee as Additional Insured, with the following minimum coverages:

\$5,000,000 per person

\$5,000,000 aggregate bodily injury liability

\$5,000,000 property damage liability

OR

2. Pursuant to Paragraph 16 of the Agreement, the University is self-insured for all risk, physical damage and public liability and will provide proof of such self-insurance in letter form together with a copy of the statute authorizing this form of insurance.

3. Proof of insurance coverage will be provided to Lessor or its Assignee prior to the time the Equipment is delivered to Lessee.

Lessee: Board of Supervisors for the University of Louisiana System

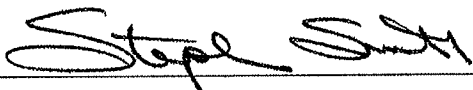
Signature:  chairman

Name Printed: Andre G. Coudrain

Title: Chairman

Date: December 19, 2001

Certified by:

Signature: 

Name Printed: Stephen Smith

Title: Vice President for Administration and Finance,
Southeastern Louisiana University

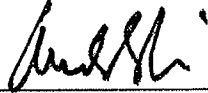
Date: December 19, 2001

EXHIBIT F
LESSEE'S CERTIFICATE

Re: Lease Agreement dated as of December 19, 2001 (the "Agreement") by and between Sempra Energy Services Company ("Lessor") and the Board of Supervisors for the University of Louisiana System, acting with and on behalf of Southeastern Louisiana University (the "University") ("Lessee").

I, the undersigned, the duly appointed, qualified and acting Secretary of the above-captioned Lessee do hereby certify this 19th day of December, 2001, as follows:

1. Lessee did at a regular or special meeting of the governing body of the Lessee held April 27, 2001 by motion duly made, seconded and carried, in accordance with all requirements of law, approve the form, terms and provisions and authorize the execution and delivery of the above-referenced Agreement and all schedules and exhibits attached thereto on its behalf by the following named representative(s) of the Lessee, to wit:

<u>Andre G. Coudrain</u>	<u>Chairman</u>	
Typed Name of Person(s)	Title	Signature
Signing Lease Documentation		

2. The above-named representative of the Lessee held at the time of such authorization and holds at the present time the office set forth above.
3. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute an Event of Default (as defined in the Agreement) exists as of the date hereof.
4. All insurance required in accordance with the Agreement is currently maintained by Lessee.
5. The University has, in accordance with the requirements of law, fully budgeted and the Lessee has appropriated sufficient funds for the current budget year to make the Rental Payments scheduled to come due during the current budget year and to meet its other obligations under the Agreement and such funds have not been expended for other purposes.
6. The approval of Lessee referenced in Section 1 above has not been in any way modified, amended or revoked and is in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I hereunto set my hand the day and year first above written.

By: Sally Clausen
Signature of Secretary
Sally Clausen
(Typewritten name of Secretary above)

Acknowledged by:

Signature: Stephen Smith

Name Printed: Stephen Smith

Title: Vice President for Administration and Finance
Southeastern Louisiana University

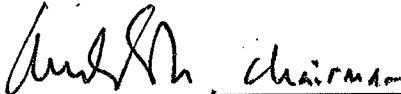
Date: December 19, 2001

EXHIBIT G
INCUMBENCY CERTIFICATE OF LESSEE

The undersigned, the duly authorized representative of the named Lessee under that certain Lease Agreement dated as of December 19, 2001 (the "Agreement"), with Sempra Energy Services Company, as Lessor, hereby certifies as follows in accordance with the requirements of the Agreement. Capitalized terms used herein have the same meaning as in the Agreement.

I hold the position noted under my signature, and I have all authority necessary to execute and deliver this Certificate. The following officer is duly elected or appointed, and the signature above the name and title is true and correct and, where required, has been filed with the appropriate officials of the State.

LESSEE: Board of Supervisors for the University of Louisiana System, acting with and on behalf of Southeastern Louisiana University

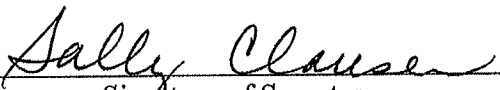


Signature of Party to Execute Lease Agreement

Andre G. Coudrain
Name Printed

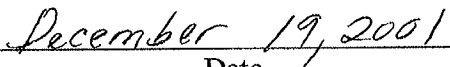
Chairman
Title

In Witness Whereof, I have executed and delivered this certificate as of this 19th day of December, 2001.



Signature of Secretary

Sally Clausen
Name Printed



Date

DeCUIR & CLARK, L.L.P.

ATTORNEYS AT LAW
1961 GOVERNMENT STREET
BATON ROUGE, LOUISIANA 70806

WINSTON G. DECUIR, SR.
LINDA LAW CLARK
TROY A. HUMPHREY

(225) 346-8716
FAX (225) 336-1950

OF COUNSEL
MICHAEL R. D. ADAMS
DOMOINE D. RUTLEDGE

December 19, 2001

Board of Supervisors for the University of Louisiana System
Baton Rouge, Louisiana

Morgan Keegan & Company, Inc.
New Orleans, Louisiana

Hancock Bank
Baton Rouge, Louisiana

Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P.
Baton Rouge, Louisiana

Ambac Assurance Corporation
New York, New York

\$7,450,000
Certificates of Participation
Evidencing Proportionate Interests
in Rental Payments to be Made Pursuant to a Lease Agreement
by and between the Board of Supervisors for the University of Louisiana
System and Sempra Energy Services Company,
as Assigned to Morgan Keegan & Company, Inc.

Ladies and Gentlemen:

We have acted as counsel to the Board of Supervisors for the University of Louisiana System, acting with and on behalf of Southeastern Louisiana University (the "Board") in connection with the issuance and sale of the above captioned certificates (the "Certificates") executed and delivered pursuant to a Trust Agreement made and entered into by Morgan Keegan & Company, Inc., as trustor (the "Trustor"), and Hancock Bank of Louisiana, as trustee (the "Trustee"). Proceeds of the sale of the Certificates will be used to finance the acquisition and installation of certain energy saving equipment (the "Equipment") on the campus of Southeastern

Louisiana University (the "University") by the Board under a Lease Agreement (the "Lease Agreement") dated December 19, 2001 by and between the Board, as lessee, and Sempra Energy Services Company ("Sempra"), as lessor.

The equipment is being installed on the campus of the University by Sempra pursuant to that certain Energy Services Agreement dated December 19, 2001 by and between Sempra and Lessee (the "Energy Services Agreement"). In consideration for the lease of the Equipment, Lessee has agreed to pay to Sempra or its assigns the Rental Payments identified on Exhibit B to the Lease Agreement.

In connection therewith, we have examined all proceedings of the Board approving and authorizing the execution and delivery of the Lease Agreement, the Energy Services Agreement, the Tax Regulatory Agreement and Arbitrage Certificate dated December 19, 2001 by and between the Board and the Trustee (the "Tax Agreement") and any and all agreements and documents executed by the Board and ancillary thereto as required to effect the purposes thereof (collectively, the "Board Documents"), the Official Statement dated December 10, 2001 relating to the Certificates and the resolution adopted by the Board on April 27, 2001 (the "Resolution"). We have also examined such other agreements, documents and certificates, opinions of the related parties and have made such examinations of law, as we have deemed necessary or advisable in rendering the opinions set forth herein.

Based on the foregoing, we are of the opinion that:

1. The Board is a public constitutional corporation duly created and validly existing under the laws of the State of Louisiana, with full power and authority to own its properties and to conduct its business and affairs, particularly to adopt the Resolution authorizing the Board Documents, to execute, deliver and perform its obligations under the Board Documents and to conduct the business now being conducted by it, the Board having taken all requisite action required to authorize the execution and delivery thereof and the consummation of the transactions contemplated thereby.
2. The Board Documents constitute legal, valid and binding obligations of the Board enforceable in accordance with their respective terms except insofar as the enforcement thereof may be limited by applicable bankruptcy, reorganization, moratorium, insolvency, liquidation or other laws affecting creditors' rights generally, by general principles of equity and as otherwise set forth herein.
3. To the best of our knowledge and after reasonable inquiry, there is no action, suit, proceeding, inquiry or investigation at law or in equity by or before any court or public board or body pending or, to our knowledge, threatened, against or affecting the Board that in any way questions or affects the validity of the Board Documents or any proceedings taken by the Board

in connection therewith, or seeks to restrain or enjoin the issuance or delivery of the Board Documents, or that might result in a materially adverse change in the condition (financial or otherwise), business or affairs of the Board wherein an unfavorable decision, ruling or find would adversely affect the validity or enforcement of the Board Documents or the power of the Board to make payments due under the Lease Agreement. Please be advised that while there may be lawsuits pending involving the Board itself, it is not possible for us to confer with every attorney handling such matters. Furthermore, it would be impossible to predict the outcomes of such cases. However, to the extent that there are adverse judgments in excess of any Board insurance policy limit, such judgments could be satisfied only through an appropriation by the Louisiana Legislature because Board assets are not available to satisfy such judgments.

4. The Board's adoption of the Resolution and execution and delivery of the Board Documents and compliance with the provisions thereof under the circumstances contemplated thereby, (i) do not and will not conflict with, breach or violate the terms and provisions of, or constitute a default under any existing constitutional provision, law or administrative rule or regulation, decree, order or judgment to which the Board is subject, or (ii) to the best of our knowledge, after due and reasonable inquiry and based on certifications and representations of officials of the Board, do not and will not in any material respect, conflict with, or constitute, on the part of the Board, a material breach of or material default under any agreement, indenture, mortgage, lease, deed of trust, note or other instrument to which the Board is subject or by which it or its properties are bound.

5. No approval or other action by any governmental authority or agency, other than approvals or actions already sought and obtained, is required in connection with the execution or performance by the Board of the Board Documents.

6. Based upon our participation in the preparation of the Official Statement regarding this transaction, and without having undertaken to determine independently the accuracy or completeness of the statements contained therein, we have no reason to believe that the statements with respect to the Board and the University contained in the Official Statement under the headings entitled "THE BOARD" and "THE UNIVERSITY" contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

This opinion is rendered solely to the addressees hereof in connection with the captioned transaction and may not be relied upon by any person for any other purpose without our prior written consent. Further copies of this letter may not be circulated or furnished to any part, and neither this letter nor the opinions set forth herein may be quoted or referred to in any report or document furnished to any other party without our prior written consent.

The opinions set forth herein are subject to the following qualifications and limitations.

- (A) The opinions set forth in this letter are given as of the date hereof and we do not undertake to report or advise you or any other person of any changes in law, statutes or jurisprudence in any matter set forth herein. The opinion is limited to the matters expressly stated herein and no opinion may be inferred or implied beyond the matters expressly stated herein.
- (B) We are qualified to practice law in the State of Louisiana and the foregoing opinions are limited exclusively to the presently effective laws of the State and the Federal Laws of the United States of America in effect on and as of the date hereof and no opinion is expressed herein as to any matter governed by the laws of other jurisdictions.
- (C) We have assumed the accuracy of and compliance with representations, warranties and covenants of the Board, the University and the other parties, or their officers, representatives or agents, contained in the Board Documents or made in connection with the entering into of the Board Documents delivered in connection with this transaction. We have relied upon the opinion of Gregory A. Pletsch & Associates, Baton Rouge, Louisiana, counsel to the Trustee, with respect to the corporate power of the Trustee to enter into and the due authorization, execution and delivery by the Trustee of the documents described above to which it is a party and the binding effect thereof on the Trustee. We have additionally relied on the opinion of Jones, Walker, Waechter, Poitevant, Carrere & Denegre, L.L.P., Baton Rouge, Louisiana, counsel to Trustor, with respect to due authorization, execution and delivery by Trustor of the documents described above to which it is a party and the binding effect thereof on the Trustor.
- (D) We have not made an inquiry or investigation with respect to compliance with applicable federal and state securities laws and regulations. No opinion is extended and we specifically disclaim any opinion to the following: (i) the excludability of interest on the Certificates from federal or state income taxes; (ii) the applicability or compliance with federal or state securities laws; or (iii) the creation or perfection of any lien or security interest purported to be created pursuant to any Board document.

For the purpose of this opinion, our services as counsel to the Board have not extended beyond the examinations and expressions of the conclusions referred to herein. In addition in rendering the foregoing opinion with respect to enforceability of the various agreements to which the Board is a party, we have assumed that such agreements are enforceable against the parties thereto other than the Board. This opinion is not offered nor shall it be construed as a guarantee or warranty nor has the firm of DeCuir & Clark, L.L.P. performed or been asked to perform any title examinations with respect to the Equipment nor has the undersigned expressed or issued an

Board of Supervisors for the University
of Louisiana System
December 19, 2001
Page 5

opinion as to the title herein or otherwise.

Sincerely,

DECUIR AND CLARK, L.L.P.


LINDA LAW CLARK

EXHIBIT I
CERTIFICATE OF OWNERSHIP OF PREMISES

Section 1. The Board of Supervisors for the University of Louisiana System, acting with and on behalf of Southeastern Louisiana University ("Lessee") hereby certifies and agrees that:

- (a) The Equipment, additions and accessions thereto and substitutions thereof (the "Equipment") covered by Lease Agreement dated as of December 19, 2001 (together, the "Agreement") by and between Lessee and Sempra Energy Services Company ("Lessor") shall be located on the campus of Southeastern Louisiana University (the "University") located in Hammond, Louisiana (the "Premises").
- (b) Lessee is the sole record owner ("Owner") of the Premises; and
- (c) If Lessee is indicated above as being Owner of the Premises, the Premises are free and clear of all liens and encumbrances.

Section 2. For valuable consideration, the receipt of which is hereby acknowledged, the Owner hereby consents to the installation of the Equipment on the Premises and agrees that the Equipment is and shall at all times remain subject to Lessor's rights under the Agreement. The Owner agrees that Lessor and/or its assigns may enter the Premises and cause the Equipment or any item or items thereof to be removed at any time pursuant to the provisions of the Agreement. The Owner shall have no rights to assert and shall not assert any claims of any kind or nature against the Equipment.


The Owner waives and relinquishes unto Lessor and/or its assigns each and every right Owner now has or shall hereafter have in and to the Equipment, including (without limitation) any right to levy or distraint for rent any claims to or assertion of title in the Equipment. The Owner certifies that it is the sole record owner of the Premises and that the only liens or encumbrances on the Premises are as follows:

The Owner warrants that the foregoing is not inconsistent with any other agreements with respect to the Premises to which the Owner is a party.

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This waiver and consent shall be binding upon the heirs, representatives, successors and assigns of the Owner.

**Owner: Board of Supervisors of the
University of Louisiana System**

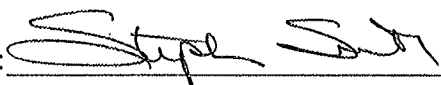
Signature: 

Name Printed: Andre G. Coudrain

Title: Chairman

Date: December 19, 2001

Acknowledged by:

Signature: 

Name Printed: Stephen Smith

Title: Vice President for Administration and Finance,
Southeastern Louisiana University

Date: December 19, 2001

**CONTRACT FOR
ENERGY SERVICES AGREEMENT**

This Energy Services Agreement ("ESA") is made and entered as of this 19th day of December, 2001, (the "effective date") by and between **Board of Supervisors for the University of Louisiana System, acting with and on behalf of Southeastern Louisiana University** whose mailing address is 150 Third Street, Third Floor, Baton Rouge, Louisiana 70801 and Sempra Energy Services ("SES"), (formerly known as CES/Way), a Texas corporation with its principal place of business at 2500 CityWest Blvd., Suite 1800, Houston, Texas 77042.

RECITALS

WHEREAS, Owner owns and occupies certain real property and buildings described in attached Exhibit "A," (hereinafter collectively called the "Buildings");

WHEREAS, Owner has retained SES to do an energy survey and analysis of potential energy conservation measures ("ECMs") at the Buildings, including an analysis of the ECMs' implementation cost, estimated energy savings, estimated operations and maintenance savings, and financing options and SES has prepared a report (the "Report") that sets forth SES's energy survey, analysis of potential ECMs and recommended ECMs along with the ECMs' implementation cost, estimated energy savings, estimated operations and maintenance materials savings, financing options and other details pertinent to the recommended ECMs; and for this Work (defined below) Owner agrees to pay SES a fee;

WHEREAS, Owner has accepted the Report, SES is willing to design, and install upon portions of the Buildings the ECMs recommended by SES in the Report and to provide monitoring and other services described in the Report; including executing the Lease Agreement between Owner as Lessee and SES as Lessor, dated as of December 19, 2001 (the "Lease Agreement"), and the Lessor Assignment Agreement, dated as of December 19, 2001 (the Lease Assignment").

WHEREAS, Owner wants to retain SES to design and install the ECMs and provide monitoring and other services described in the Report, and for these services (collectively, the "Work") Owner agrees to pay SES the fees described herein and in the Report; and

NOW THEREFORE, in consideration of these premises and the mutual promises and agreements herein expressed, Owner and SES agree as follows:

ARTICLE 1. GENERAL PROVISIONS

1.1 The Contract Documents. The "Contract Documents" set forth below represent the entire and integrated agreement between the parties hereto and supersede prior negotiations, representations or agreements, either written or oral. The Contract Documents, except amendments or modifications issued after the Effective Date, are enumerated as follows:

- .1 The ESA (including the Recitals);
- .2 Exhibit "A" - The Equipment/Buildings;
- .3 Exhibit "B" - The Survey and Report;
- .4 Exhibit "C" - The ECMs;
- .5 Exhibit "D" - Phase "A" Compensation to SES;
- .6 Exhibit "E" - The Schedule;
- .7 Exhibit "F" - Payment and Performance Bonds;
- .8 Exhibit "G" - Schedule of Values;
- .9 Exhibit "H" - Scope of Phase "B" Work;
- .10 Exhibit "I" - Phase "B" Fee Calculation Formula and Methodology;
- .11 Exhibit "J" - The Guarantee;
- .12 Exhibit "K" - The Baseline;
- .13 Exhibit "L" - Owner's Maintenance and Operation Responsibilities;
- .14 Exhibit "M" - Standards of Performance;
- .15 Exhibit "N" - Insurance;
- .16 Exhibit "O" - Termination Fee,
- .17 Exhibit "P" - Financing and Ownership;
- .18 Exhibit "Q" - Operating Run Schedule;
- .19 Exhibit "R" - Owner's Request for Proposal issued December 14, 1998;
- .20 Exhibit "S" - SES' RFP Response dated February 24, 1999;
- .21 Exhibit "T" - Contract between SES and SLU dated February 2, 2000;
- .22 Exhibit "U" - SES' Detailed Facility Audit for Southeastern Louisiana University dated June 16, 2000.
- .23 Exhibit "V" - Lease Agreement between SES and the Board of Supervisors of the University of Louisiana System, dated as of December 19, 2001.
- .24 Exhibit "W" - Lessor Assignment Agreement between SES and Morgan Keegan & Company Inc. dated as of December 19, 2001.

1.2 Order of Precedence. In case of any inconsistency or conflict between the provisions of the ESA and any terms and conditions of any of the other documents comprising the Contract Documents, the provisions of the ESA will control. Concerning the Contract Documents, the order of precedence is as follows:

- .1 The ESA (including Recitals);
- .2 Exhibits "A" through "W" to the ESA;
- .3 Owner's Request for Proposal issued December 14, 1998
- .4 SES RFP Response dated February 24, 1999
- .5 Contract between SES and SLU dated February 2, 2000
- .6 SES' Detailed Facility Audit for SLU dated June 16, 2000

1.3 Amendments or Modifications to the Contract Documents. The Contract Documents may only be amended or modified by the procedures set forth in the ESA, the procedures set forth in the Exhibits, or by written modification signed by both parties.

1.4 No Third Party Beneficiary. The ESA and the other Contract Documents will not be construed to create a contractual or beneficial relationship of any kind between anyone other than the parties to the ESA.

1.5 Term of the ESA. The term of the ESA will commence on the Effective Date and will continue through the term of Phase "B" (as defined in Article 4 below). The term of this ESA will begin on the Effective Date and will continue after that for twenty (20) years.

1.6 Scope of Work. The parties will perform the Work in two phases. Phase "A" Work will be the design, engineering, procurement, fabrication, and installation of the ECMs more fully described in Article 3 below. Phase "B" Work will be the monitoring and other services more fully described in Article 4 below. The Work done by SES under the ESA is hereinafter sometimes referred to as the "Work."

1.7 Taxes. SES hereby agrees that the responsibility for payment of taxes from the funds thus received under this ESA and/or legislative appropriation shall be SES' obligation and identified under Federal tax identification number __74-2040062. Owner shall be responsible for all sales and ad valorem taxes associated with the use and ownership of the equipment.

1.8 Ownership. All records, reports, documents and other material delivered or transmitted to SES by Owner shall remain the property of Owner, and shall be returned by SES to the Owner, at SES's expense, at termination or expiration of this ESA. Subject to Articles 3.7 and 22.2, all records, reports, documents, or other material related to this ESA and/or obtained or prepared by SES in connection with the performance of the services contracted for herein shall become the property of Owner, and shall, upon request, be returned by SES to Owner, at SES's expense, at termination or expiration of this ESA subject to Articles 3.7 and 22.2.

1.9 Auditors. It is hereby agreed that the Legislative Auditor of the State of Louisiana and/or the Office of the Governor, Division of Administration auditors and Southeastern Louisiana University auditors shall have the option of auditing all accounts of SES that relate to this contract.

1.10 Discrimination Clause. SES agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and SES agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

SES agrees not to discriminate in its employment practices, and will render services under this ESA without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

Any act of discrimination committed by SES, or failure to comply with these statutory obligations when applicable shall constitute an Event of Default hereunder and subject SES to termination pursuant to Article 25 hereunder.

ARTICLE 2. THE AUDIT

2.1 The Audit was performed under the Contract included herein as Exhibit T and was completed on June 16, 2000.

2.2 SES will invoice Owner the agreed upon sum of two hundred and sixty thousand dollars (\$260,000.00) for the Report fee due under Exhibit T and Owner will make payment to SES within thirty (30) days of the first Phase "A" construction draw.

ARTICLE 3. PHASE "A" - THE IMPLEMENTATION PHASE

3.1 Scope of Phase "A" Work. During Phase "A," SES will design, engineer, procure, fabricate and install the ECMs described in Exhibit "C" as listed to buildings in Exhibit A.

3.2 Schedule. SES anticipates doing Phase "A" Work according to the schedule (the "Schedule") set forth in Exhibit "E." SES will notify Owner if SES determines that SES will not meet the Schedule and will specify in the notice the corrective action, if any, planned by SES.

3.3 Performance and Payment Bonds. SES will provide a bond covering the faithful performance of Phase "A" Work (a performance bond) and payment of obligations arising under the Phase "A" Work (a payment bond). Copies of the bonds will be attached as Exhibit "F". Notwithstanding any contrary inference the bonds only cover the procurement, fabrication and installation portions of the Phase "A" Work. The bonds do not cover any other portions of the Work or any of SES' other obligations under the Contract Documents, including but not limited to, SES' savings guarantee described in Article 5 below.

3.4 Substantial Completion. "Substantial Completion" of an individual ECM is the stage in the progress of the Phase "A" Work on an individual ECM or designated portion of the ECM is sufficiently complete so that the ECM can be used for its intended purpose. Substantial Completion of all Phase "A" Work is the stage in the progress of all of the Phase "A" Work when all of the ECMs or designated portions of the ECMs are sufficiently complete so that all of the ECMs can be used for their intended purpose and the value of the uncompleted Phase "A" Work does not exceed five percent (5%) of the total value of all Phase "A" Work. SES will deliver to Owner a written "Notice of Substantial Completion" for each individual ECM and a separate "Notice of Substantial Completion" for all of the Phase "A" Work.

3.5 The Notice of Substantial Completion. The Notices of Substantial Completion will establish the date of Substantial Completion of each individual ECM and the Substantial Completion of the Phase "A" Work. The Notices of Substantial Completion will include an itemized list of the unfinished ECM Work (the "punch-list"), the value of the punch-list items, and the time within which SES anticipates completing the punch-list items.

3.6 Final Completion. The date of Final Completion of an individual ECM is the date Owner executes the "Certificate of Final Completion and Acceptance" for the individual ECM or the date Final Completion of the individual ECM is deemed to have occurred, whichever is earlier. The date of Final Completion of all Phase "A" Work is the date of Final Completion of the last individual ECM. Final Completion of an individual ECM will be established as described below.

- .1 Owner will, within fourteen (14) business days after receipt of SES's Notice of Substantial Completion, or such other time set forth in SES' Notice of Substantial Completion, inspect the Phase "A" Work covered by the notice and, (i) execute and deliver to SES a Certificate of Final Completion and Acceptance, or (ii) if good cause exists for doing so, notify SES that Final Completion has not occurred. Owner's notice will describe in detail all reasons for Owner's determination that Final Completion has not occurred and attach all supporting documents and calculations.
- .2 If necessary, SES will take such corrective action to cause Final Completion to occur and will deliver to Owner a revised Notice of Substantial Completion. Owner will have fourteen (14) business days after receipt of the revised Notice of Substantial Completion to: (i) execute and deliver to SES a Certificate of Final Completion and Acceptance; or (ii) if good cause exists for doing so, notify SES that Final Completion has not occurred. Owner's notice will describe in detail all reasons for Owner's determination that Final Completion has not occurred and attach all supporting documents and calculations.

- .3 The parties will repeat the procedure described in Article 3.6.2 above as necessary until Owner executes and delivers a Certificate of Final Completion and Acceptance to SES, which certificate will not be withheld unreasonably.
- .4 If Owner does not send notice to SES that Final Completion has not occurred within the time described in Article 3.6.1 or 3.6.2 above, then Final Completion of an individual ECM or of all of the ECMs will be deemed to have occurred on the date set forth in the last Notice of Substantial Completion from SES.

3.7 Compensation to SES for Phase "A" Work. Owner will pay SES for SES' performance of the Phase "A" Work the sums set forth in Exhibit "D," subject to additions and deductions as provided in the Contract Documents. Based upon Applications for Payment submitted to Owner by SES, Owner will make progress payments to SES for Phase "A" Work as provided below.

- .1 The period covered by each "Application for Payment" will be one calendar month ending on the last day of the month. Provided Owner receives an Application for Payment not later than the last day of a month, Owner will make payment to SES not later than the thirtieth (30) day of the following month. If Owner receives an Application for Payment after the last day of the month, Owner will make payment to SES by thirty (30) days after Owner receives the Application for Payment.
- .2 The Schedule of Values, attached as Exhibit "G," will be used as a basis for progress payments to SES.
- .3 The Applications for Payment will be prepared in a form comparing the value of the Phase "A" Work performed as of the end of the period covered by the Application for Payment to the Schedule of Values. The Report fee will be included in the first Application for Payment.
- .4 The amount of each progress payment will be the value of the Phase "A" Work done as of the end of the period covered by the Application for Payment including purchased equipment and materials stored on-site, minus the aggregate of previous payments made by Owner to SES for the Phase "A" Work.
- .5 Final payment less retainage, constituting a final progress payment for the entire unpaid balance of the Phase "A" Work, will be made by Owner to SES within thirty (30) days after the date of Final Completion of all Phase "A" Work.

ARTICLE 4. PHASE "B" - THE POST-COMPLETION PHASE

4.1 Term. Phase "B" will start on the "Commencement Date" which is the first day of the month after the month in which Final Completion of all Phase "A" Work and will continue after that for the number of years set forth in Exhibit "J."

4.2 Scope of Phase "B" Work. During Phase "B," SES will perform the monitoring and other services described in this ESA and Exhibit "H."

4.3 Payments to SES for Phase "B" Work. Owner will, starting on the Commencement Date and continuing through the term of Phase "B," pay SES the fees described in Exhibit "T" (the "Phase "B" Fee"). SES will calculate and invoice the Phase "B" fee monthly:

- .1 SES will calculate the Phase "B" Fee according to the formulas and methodology described in Exhibit "I."
- .2 Owner will pay the Phase "B" Fee to SES within thirty (30) days of the invoice date.

ARTICLE 5. SES' SAVINGS GUARANTEE

5.1 The Guarantee. "Cumulative Energy Savings" means the total energy, mechanical maintenance materials and lighting materials savings realized by Owner during the term of the ESA. Starting on the Commencement Date, SES guarantees that Owner will realize Cumulative Energy Savings equal to or greater than the SES guarantee amount set forth in Exhibit "J" (the "Guarantee"). SES and Owner will calculate energy savings and reconcile the Guarantee in the manner described below.

5.2 Interim Savings. "Interim Savings" are those savings in energy, mechanical maintenance materials, and lighting materials for the period between the Effective Date and the Commencement Date. For the period between the Effective Date and the Final Completion Date of an individual ECM, the savings in energy ("Pre-completion Savings") will accumulate as part of the Cumulative Energy Savings to be applied toward the Guarantee and Owner will retain the Pre-completion Savings for its own use. For the period between the Final Completion Date of an individual ECM and the Commencement Date, the savings in energy ("Post-completion Savings") will accumulate as part of the Cumulative Energy Savings to be applied toward the Guarantee. On or before the sixtieth (60th) day after the Commencement Date SES will send Owner a statement of the Interim Savings calculated according to the formulas and methodology described in Exhibit "I."

5.3 Calculation and Documentation of Savings. Within sixty (60) days after the first anniversary of the Commencement Date and on each yearly anniversary after that during the term of Phase "B," SES will determine the total energy savings for the immediately preceding year according to the

methodology and formulas set forth in Exhibit "I." The Interim Savings will be added to the savings calculations made on the first anniversary of the Commencement Date. SES will send Owner a copy of the calculations within thirty (30) days after the anniversary of the completion date.

5.4 Reconciliation.

- .1 The parties will reconcile the Guarantee each year during Phase "B" of the Work.
- .2 During the first three (3) years of the ESA, if the energy savings for any of such years exceed the guaranteed savings for any such year, SES' may carry-over the excess savings as a credit during such three (3) year period.
- .3 In the event the energy savings plus any carry-over are less than the guaranteed savings amount projected for the year, and if (i) Owner is not in default and (ii) the ESA has not been terminated, SES will, at Owner's election either: (i) pay Owner the difference between the actual energy savings, including carry-over savings during the first three (3) years of the ESA, and the guaranteed energy savings, for that year; or (ii) carry-over this amount to a future year for reconciliation later.
 - a. If Owner elects to be paid the difference in a year, and for the first three (3) years, the energy savings plus the cumulative past guarantee payments made by SES exceed the guarantee amount, the excess in an amount up to, but in no event greater than, the cumulative past guarantee payments made by SES to Owner will, at SES' election either: (i) be paid by Owner to SES; or (ii) be carried over to a future year within such three (3) year period for reconciliation later.
- .4 SES may apply any monies due to Owner from SES under the Guarantee to any unpaid balances due between SES and Owner that may exist under this ESA or any other agreement with SES.

5.5 Adjustments to the Guarantee. Notwithstanding any inference to the contrary, the Guarantee will be adjusted to account for utility rates and tariffs and other Material Changes. In the event a utility or energy company providing utilities and/or energy to Owner modifies its method of billing during the term of the ESA, SES will be entitled to adjust the Guarantee and the energy savings calculations to equate the modified billing method with the method in effect at the Effective Date. Additionally, the utility and energy rates in effect at the time of the Effective Date will be the "floor" rates. Accordingly, all utility and energy savings calculations required by the Contract Documents will be based on the higher of: (i) the utility and energy rates in effect as of the Effective Date or (ii) the utility and energy rates in effect on the date of the calculation. The Guarantee, utility and energy savings calculations will also be adjusted as provided in Article 7 below.

5.6 Termination. At SES' election, the Guarantee is voidable if the ESA is terminated or if Owner is in default under the ESA.

ARTICLE 6. ENERGY CONSUMPTION BASELINE

The energy or utility baseline (the "Baseline") is the Buildings' pre-ESA energy and/or utility demand and consumption as described in Exhibit "K." The Baseline includes the energy and/or utility demand and consumption and other information that allows Baseline demand and consumption to be compared to post-ESA demand and consumption.

ARTICLE 7. ADJUSTMENTS TO THE BASELINE.

7.1 Material Changes. A Material Change will include, but is not limited to, any change in the following that reasonably could be expected to increase or decrease energy usage at the Buildings by more than two percent (2%) annually, or projected savings by more than five percent (5%) annually (whichever is less), including:

- .1 changes in the use of the Buildings;
- .2 changes in (a) the hours of operation of the Building, (b) any equipment in Buildings, or (c) any energy or utility consuming system contained in the Buildings;
- .3 changes in the occupancy of the Buildings;
- .4 changes to the Standards of Performance;
- .5 changes to the structure, building components or architectural features of the Buildings;
- .6 changes in the quantity or types of equipment used in the Buildings;
- .7 modification, renovation, or construction to the Buildings;
- .8 changes to the ECMs;
- .9 Owner's failure to follow its operating and maintenance Responsibilities;
- .10 any casualty or condemnation of the Buildings described in Article 12 below;

- .11 damages or destruction of the ECMs described in Article 13 below;
- .12 change orders described in Article 14 below;
- .13 changed conditions described in Article 15 below; and
- .14 any other conditions affecting energy or utility demand or consumption in the Buildings.

7.2 Reported Material Changes. Owner will notify SES of all actual or proposed Material Changes and their anticipated effect on energy use. The notice must be delivered to SES no less than ninety (90) days before any actual or proposed Material Change occurs, except Material Changes that occur or may occur because of a bona fide emergency or other occurrence not within the control of Owner in which event Owner will give such notice to SES within forty-eight (48) hours after the emergency or occurrence.

7.3 Unreported Material Changes. Starting on the Commencement Date and assuming no Material Change(s) in the Buildings or in their operations, energy consumption should not change materially from year to year. Therefore, if actual savings are ninety five percent (95%) or less of projected savings, or if energy consumption for any month increases by two percent (2%) or more from the energy consumption for the same month of the preceding year after adjustment for changes to climatic conditions, then such increases will be subject to review by SES and Owner to decide whether such increases result from a Material Change or another reason, either of which will require an adjustment to the Baseline.

7.4 Adjustments to the Baseline. The Baseline will be equitably adjusted to account for all reported or unreported Material Changes. Adjustments to the Baseline will apply retroactively to the date the Material Change occurred and will be reconciled on SES' next invoice to Owner. Any disputes between SES and Owner as to the amount of the adjustment will be settled by a mutually acceptable engineering firm. However, should the parties not choose such a firm within forty-five(45) days of the dispute, the dispute will be resolved pursuant to Article 27 below.

ARTICLE 8. EQUIPMENT MAINTENANCE AND UPGRADE

8.1 SES Maintenance Responsibilities. SES will only provide the specific maintenance, repairs, and adjustments to the ECMs set forth in Exhibit "H." However, should the need for maintenance or repairs arise from neglect, negligence or misconduct of Owner or any employee or other agent of Owner then after ten (10) days written notice by certified mail, SES may, at its election, perform maintenance, repairs and make adjustments to the ECMs and charge Owner for these services applicable with the laws of the State of Louisiana. SES will invoice Owner for such charges and the

charges will be itemized with reasonable detail. Owner will pay the SES' invoice within thirty (30) days of the invoice date.

8.2 Owner Operating and Maintenance Responsibilities. Owner will not move, modify, remove, adjust, alter or change the ECMs, or any part of them, during the term of this ESA, without prior written direction or approval of SES, except if there is an occurrence reasonably deemed by Owner or SES to be a bona fide emergency. However, Owner will adjust, operate, and maintain the portions of ECMs pursuant to Exhibit "L." Beyond those responsibilities in Exhibit "L," Owner will maintain the Buildings in good repair and will use its best efforts to protect and preserve the ECMs and the operating condition of all mechanical systems, electrical systems, lighting systems and other energy consuming systems in the Buildings.

8.3 Malfunction and Emergencies. Owner will notify SES or its designee within twenty-four (24) hours after Owner's actual knowledge of the occurrence of any or all of the following:

- .1 any malfunction in the operation of the ECMs or any other energy-consuming equipment, including Owner's equipment;
- .2 any interruption or alteration of the energy supply to the Buildings;
- .3 any alteration, modification or change in the ECMs or their operation;
- .4 any alteration, modification or change in the Buildings or their use;
- .5 any damage to the Buildings or the ECMs; or
- .6 any other condition or occurrence that pertains to the Building's energy usage or the utilities serving the Buildings.

8.4 Upgrading or Altering the Equipment. SES will have the right during the term of this ESA to maintain, make adjustments, enhance, repair, replace and change the ECMs, revise any procedures, or carry out other energy saving actions in the Buildings. Replacements, substantial alterations or additions of ECMs, will become a part of the ECMs. All replacements, deletions, alterations, or additions of ECMs, or revisions to the procedures will be described in a supplemental exhibit or exhibits to be provided in writing to Owner and incorporated into the ESA.

ARTICLE 9. STANDARDS OF PERFORMANCE

SES, in doing the Work will do so consistent with the generally accepted engineering standards and principles for heating, cooling, water heating, and lighting and as described in Exhibit

“M.” SES's determination and interpretation of the appropriate engineering standards and principles is conclusive unless substantially inconsistent with Exhibit “M.”

ARTICLE 10. OWNER'S COMPLIANCE WITH PROCEDURES

SES has entered this ESA in reliance upon the prospect of earning compensation based on projected savings in energy used at the Buildings. The parties agree that projected savings will not likely be obtained unless certain procedures, maintenance and methods of operation designed for energy conservation are carried out and followed by Owner on a regular and continuous basis. Accordingly, Owner agrees that it will carry out the energy conservation procedures, maintenance and methods of operation set forth on Exhibit “L.” SES will have the right once each month, with or without prior notice, to inspect the Buildings to find out whether Owner is complying with its obligations. SES' inspection rights include the right to photograph and videotape the inspection.

Owner will make the Buildings available to SES and its agents for and during each said monthly inspection, and will have the right to witness each said inspection. Upon written request, Owner may receive copies of any inspection report, photographs or videotape prepared concerning the inspection, at a reasonable reproduction cost.

ARTICLE 11. CLOSING OF BUILDINGS

Except for emergencies, Owner will give SES a minimum of ninety (90) days notice of its intent to close any of the Buildings covered by this ESA for a period of three hundred sixty-five (365) days or longer. In emergencies, Owner will give notice when reasonably possible.

ARTICLE 12. CASUALTY OR CONDEMNATION OF BUILDINGS

Construction or restoration of a Building following or necessitated by fire, flood, or other casualty, or any condemnation affecting any portion of any Building, will be deemed a Material Change, and the provisions of Article 7 above will apply. If the casualty or condemnation renders most of any Building uninhabitable or unusable and, in the case of a casualty, Owner does not reconstruct or restore the effected portion within one hundred and eighty days from the date of such casualty, SES will have the option to terminate this ESA with respect to that Building by a notice to Owner. Owner will make a good faith effort to have the ECMs included in any condemnation award or insurance proceeds. The mere occurrence of a casualty or condemnation will not affect, modify, impair, or limit Owner's obligation to make payments to SES for the Work

ARTICLE 13. DAMAGE TO OR DESTRUCTION OF THE ECMS

If any portions of the ECMs are damaged, destroyed, or stolen, and if the same is not caused by the negligence or willful acts of SES, its servants, agents, or employees, Owner will hire SES at competitive rates, to the extent permitted by the laws of the State of Louisiana, to repair or replace

the effected ECMs. Owner assumes all liability for damage not caused by the negligence or willful acts of SES, its servants, agents or employees.

ARTICLE 14. CHANGE ORDERS

A Change Order is a written instrument signed by an authorized representative of Owner and SES, stating their agreement to: (1) change the terms of the ESA or other Contract Documents, (2) change the Work, (3) adjust the fees, and/or (4) adjust the schedule. Upon receipt of a Change Order and evidence that sufficient contingency funds have or will be available to pay for the Change Order, SES will go on with the change.

ARTICLE 15. CHANGED CONDITIONS

If conditions are encountered at the Buildings that are (i) subsurface or otherwise concealed physical conditions that are at variance with those indicated in Owner's documents or other information furnished by Owner, or (ii) unknown physical conditions of an unusual nature, which are at variance with those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the ESA, then notice by the observing party will be given to the other party promptly before the conditions are disturbed and in no event later than thirty (30) days after the first observance of the conditions. Owner will promptly investigate such condition and, where appropriate, will approve equitable changes to the ESA.

ARTICLE 16. INSURANCE

SES and Owner will maintain during the term of the ESA insurance coverages described in Exhibit "N."

ARTICLE 17. TERMINATION FEE

After the commencement of Phase "B" and upon sixty (60) days written notice to SES, the Owner may, at its option, terminate this ESA and by that terminate all services to be done by SES under this ESA, by paying SES the earned but unpaid Phase "A" payments, the earned but unpaid Phase "B" payments and the Termination Fee set forth in Exhibit "O". Upon the Owner's final payment of these sums to SES, the ESA will terminate with no further liability by either party to the other party.

ARTICLE 18. REPRESENTATIONS AND WARRANTIES

18.1 Each party warrants and represents to the other that:

- 1.1 it has all requisite power, authority, licenses, permits, and franchises, corporate or otherwise, to execute and deliver this ESA and perform its obligations hereunder;

- .2 its execution, delivery, and performance of this ESA have been duly authorized and all necessary corporate action to consummate the transactions contemplated hereunder have been completed, and this ESA has been duly executed and delivered for it by the signatories so authorized, and it constitutes its legal, valid, and binding obligation;
- .3 its execution, delivery, and performance of this ESA shall not result in a breach or violation of, or constitute a default under, any agreement, lease, or instrument to which it is a party or by which it or its properties may be bound or affected; and
- .4 it has not received any notice, nor to the best of its knowledge is there pending or threatened any notice, of any violation of any applicable laws, ordinances, regulations, rules, decrees, awards, permits, or orders that would materially and adversely affect its ability to perform hereunder.

18.2 Owner hereby warrants, represents, and promises that:

- .1 it intends to continue to use the Buildings in a manner similar to its present use, and to the same extent;
- .2 to the best of its knowledge and ability, it has provided or will provide timely to SES all applicable records requested by SES and the information set forth therein is, and all information in other records to be subsequently provided pursuant to this ESA will be, true and accurate in all material respects and not contain any omissions necessary to prevent the information provided from being misleading; and
- .3 it has not entered any contracts or agreements with other persons or entities regarding the provision of energy management services or concerning servicing any of the energy related equipment in the Buildings for management or servicing of pre-existing equipment that will duplicate or conflict with the Work provided by SES under the ESA and will not do so during the term of the ESA.

18.3 SES warrants that for one (1) year from the date of Substantial Completion of an ECM, new equipment and materials provided by SES as part of the ECM will be of good quality and new unless otherwise required or permitted by the Contract Documents, that the Phase "A" Work concerning the ECM will be free from defects not inherent in the quality required or permitted, and that the Phase "A" Work will conform to the requirements of the Contract Documents. Phase "A" Work concerning the ECM not conforming to these requirements and found defective within one year of the date of Substantial Completion will be considered defective and will be repaired or replaced at SES' election. SES will not be liable for any defects in the ECMs first appearing or called to SES'

attention more than one year after Substantial Completion. SES's warranty excludes remedy for damages or defect caused by abuse, improper or insufficient maintenance, improper operation, or normal wear and tear. SES will not be responsible for equipment, materials, work, or maintenance, performed or provided by Owner or Owner's other contractors. Manufacturers' warranties, and any other warranty beyond one year from the date of Substantial Completion, if any, are assigned to Owner, but not assumed by SES. THE WARRANTY SET FORTH IN THIS ARTICLE IS GIVEN INSTEAD OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, ARISING FROM THIS ESA OR BY LAW. ALL OTHER WARRANTIES, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE SPECIFICALLY EXCLUDED. SES will extend the benefit of all applicable manufacturer's warranties obtained by SES to Owner to the extent legally permissible.

ARTICLE 19. ENVIRONMENTAL HAZARDS

19.1 If SES encounters in or around the Buildings material reasonably believed to be asbestos, radon, polychlorinated biphenyl (PCB), di (2-ethylhexyl) phthalate (DEHP) or any other pollutant or any other hazardous substances as that term is defined in 42 U.S.C. § 9601 (14) which has not been rendered harmless to SES' reasonable satisfaction, SES will stop the Work in the area affected and report the conditions to Owner. The Work in the affected area will not be resumed except by written agreement between Owner and SES. SES will not be required to do any Work relating to the materials described in this article. The cost of removal and disposal of the materials described in this article shall be born solely by Owner.

19.2 Any hazardous wastes generated by or resulting from the Work will be disposed of by Owner in accordance with all local, state, and federal laws and regulations. SES shall coordinate its activities to facilitate proper disposal by Owner. In this regard SES will place lighting ballasts and lamps that are (i) replaced as part of the Work and (ii) are contaminated with PCBs or mercury, into a hazardous waste designated container provided by Owner at the building where the Work takes place. SES will reimburse Owner for the reasonable and necessary cost of disposing of PCB contaminated ballasts and mercury contaminated lamps according to local, state, and federal laws and regulations. Owner acknowledges that SES is not the generator of the hazardous waste nor is SES arranging for their transportation or disposal.

19.3 INDEMNIFICATION. TO THE FULLEST EXTENT PERMITTED BY LAW, OWNER SHALL INDEMNIFY AND HOLD HARMLESS SES, ITS EMPLOYEES, AGENTS AND SUBCONTRACTORS, FROM AND AGAINST ALL CLAIMS, DAMAGES, LOSSES AND EXPENSES, INCLUDING BUT NOT LIMITED TO CONSULTANTS' FEES AND ATTORNEYS' FEES, ARISING OUT OF OR RESULTING FROM THE PERFORMANCE OF THE WORK IN BUILDINGS AFFECTED BY THE MATERIALS DESCRIBED IN ARTICLE 19.1 ABOVE, INCLUDING BUT NOT LIMITED TO ANY CLAIMS, DAMAGES, LOSSES AND EXPENSES ARISING OUT OF THE OWNERSHIP, TRANSPORTATION

(WHETHER BY RAIL, TRUCK, AIR AND/OR OTHER MEANS) AND/OR DISPOSAL OF ANY OF THE MATERIALS DESCRIBED IN ARTICLE 19.1 ABOVE.

ARTICLE 20. SES AND SUBCONTRACTORS

20.1 Status of SES. SES will perform and execute the ESA as an independent contractor to Owner and will not be an agent or employee of Owner for any purpose.

20.2 Subcontracts and Subcontractors. SES will have the right to have the Work, any portion of it, or any other obligation of SES undertaken concerning the Work, ECMs, the ESA or other Contract Documents accomplished by subcontractors pursuant to subcontracts between SES and such subcontractors. Subcontractors, if any, will be selected by SES and SES will be solely responsible for the performance of the Subcontractors. SES will pay each Subcontractor according to the terms of the subcontract between SES and the respective Subcontractor.

ARTICLE 21. PERMITS, APPROVALS AND COORDINATION

21.1 Permits and Approvals. Unless otherwise provided by the Contract Documents, SES will secure and pay for all permits concerning SES' Work. Owner will use its best efforts to help SES in obtaining all necessary permits and approvals for the Work.

21.2 Coordination. SES and Owner agree to coordinate the Work to reduce interference with the performance of the Work of Owner and its employees taking place at the Buildings.

ARTICLE 22. OWNERSHIP

22.1 Ownership of the ECMs. Upon the Commencement Date, ownership of the ECMs will inure to the party or parties designated on Exhibit "P."

22.2 Ownership of Proprietary Property Rights. Owner will not acquire any interest in any formulas, patterns, devices, secret inventions or processes, copyright, patent, other intellectual or proprietary rights, inventions or processes, or similar items of property that are or may be used concerning the Equipment.

22.3 Ownership of Existing Equipment and Materials. Despite anything in the Contract Documents to the contrary, Title and Ownership of the equipment and materials presently existing at the Buildings at the time of execution of this ESA will remain in the sole possession of Owner.

22.4 INDEMNIFICATION. SES WILL PROTECT, DEFEND, INDEMNIFY AND HOLD OWNER HARMLESS AGAINST AND FROM ALL CLAIMS, JUDGMENTS, AMOUNTS

PAID IN SETTLEMENT, COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES RELATING TO ALLEGED PATENT OR COPYRIGHT INFRINGEMENT, MISAPPROPRIATION OF PROPRIETARY RIGHTS, OR TRADE SECRETS OR SIMILAR CLAIMS, RESULTING FROM ACTIONS TAKEN BY SES OR THEIR VENDORS OR SUBCONTRACTORS CONCERNING THIS ESA.

ARTICLE 23. DEFAULT

23.1 Default by Owner. The occurrence of any one of the following events shall constitute an "Event of Default" by Owner.

- .1 The failure by Owner to pay SES or its designee any sum due under this ESA within thirty days after notice has been given by SES to Owner of any such failure;
- .2 The failure by Owner to maintain the ECMs, the Buildings and/or Owner's equipment as required by the ESA to the extent that said failure causes SES to be in default under this ESA; or
- .3 The failure by Owner to materially perform or comply with the terms and conditions of this ESA, provided that such failure (other than the failure to pay sums due) will not be a default if it is corrected or cured by Owner within thirty days after SES has given notice to Owner demanding that such failure to perform be cured, and SES is compensated for any loss suffered because of the said failure

23.2 Default by SES. The occurrence of any of the following events shall constitute an "Event of Default" by SES.

- .1 The failure of the ECMs to materially provide the Standards of Performance set forth in Exhibit "M"; if the failure is due solely to the fault of the ECMs with no other contributing or concurrent cause. Any such failure described in this paragraph will be deemed cured if SES takes steps to correct or cure within ninety (90) days after Owner has given notice to SES demanding that such failure to perform be cured; or
- .2 The failure by SES to materially perform or comply with the terms and conditions of this ESA. Any such failure will be deemed cured if SES takes steps to correct or cure the nonperformance or noncompliance within ninety (90) days after Owner has given notice to SES demanding that such failure to perform be cured.
- .3 The failure by SES to pay Owner or its designee any sum due under this ESA within thirty days after notice has been given by Owner to SES of any such failure.

ARTICLE 24. REMEDIES UPON DEFAULT BY OWNER

In case of Default by Owner under Article 23.1, subject to the provisions of Article 27 below, SES may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of Owner to comply with the terms and conditions of this ESA; provided that SES shall give Owner written notice specifying Owner's failure and a reasonable opportunity for Owner to cure the defect.

ARTICLE 25. REMEDIES UPON DEFAULT BY SES

25.1 Termination for Cause. Owner may terminate this ESA for cause upon thirty (30) days written notice based upon the failure of SES to comply with the terms and conditions of the ESA; provided that Owner shall give SES written notice specifying SES' failure and providing a reasonable opportunity for SES to cure the defect; and provided further that SES shall not be deemed in default so long as SES continues to exercise diligent efforts to overcome the cause of the failure.

SES shall be entitled to full compensation, including earned fees, for all installed work and actual demobilization costs, cancellation charges for equipment, restocking charges for unused materials, and the like, through and until the date that an uncured event of default occurs.

25.2 Termination for Convenience. Owner may terminate this ESA at any time without penalty upon thirty (30) days written notice to SES or negotiating with SES an effective date thereof. SES shall be entitled to full compensation, including earned fee, for all installed work and actual demobilization costs, cancellation charges for equipment, restocking charges for unused materials, and the like, through the termination date.

ARTICLE 26. INDEMNIFICATION

SES AND OWNER WILL INDEMNIFY, DEFEND AND HOLD EACH OTHER HARMLESS FROM ALL CLAIMS, ACTIONS, COSTS, EXPENSES, DAMAGES AND LIABILITIES, INCLUDING ATTORNEYS' FEES, CONSULTANT FEES AND EXPERT WITNESS FEES, ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF THAT PARTY'S EMPLOYEES OR AGENTS. HOWEVER, NEITHER PARTY WILL INDEMNIFY THE OTHER AGAINST CLAIMS, DAMAGES, EXPENSES, OR LIABILITIES RESULTING FROM ALLEGED, CLAIMED, OR CONCURRENT NEGLIGENCE OR MISCONDUCT OF THE OTHER PARTY. THE DUTY TO INDEMNIFY WILL CONTINUE IN FULL FORCE AND EFFECT DESPITE THE EXPIRATION OR TERMINATION OF THIS ESA, AND WILL EXIST WITH RESPECT TO ANY CLAIMS BASED ON FACTS OR CONDITIONS THAT OCCURRED BEFORE ANY SAID TERMINATION.

ARTICLE 27. DISPUTES, ARBITRATION AND LITIGATION

27.1 Payment Disputes. Owner and SES agree to use their best efforts to promptly resolve any disputes regarding Applications for Payment, invoices, reconciliation statements, and payment so that payments to SES are not unnecessarily delayed. Accordingly, within ten (10) business days of receipt of an Application for Payment, invoice, or reconciliation statement from SES, Owner will notify SES of the following: (i) all objections, in whole or part, Owner has with the Application for Payment, invoice, or reconciliation statement; (ii) the specific dollar amount that Owner disputes, and (iii) the specific dollar amount that Owner does not dispute. Owner will also attach all

documents and calculations upon which Owner relies to support its objections. In all instances, Owner will pay SES the undisputed portion of the Application for Payment, invoice, or reconciliation statement within the periods set forth in the ESA. SES's acceptance of a payment in an amount less than that stated in its Application for Payment, invoice, or reconciliation statement is not a concession by SES that the full amount stated is not due and owing. The parties will resolve the disputed portion of the Payment(s) or any other dispute according to Sections 27.2 and 27.3.

27.2 **Claims or Controversies.** Any claim or controversy arising out of this ESA shall be resolved in accordance with La. R.S. 39:1524-1526, namely:

- .1 **Commissioner of Administration.** Prior to the institution of any action in a court concerning any contract, claim or controversy, the Commissioner of Administration of the State of Louisiana, with the concurrence of the Attorney General, may compromise, pay, or otherwise adjust the claim by or against or a controversy with SES relating to this ESA under their respective authority, including a claim or controversy based on breach of contract, mistake, misrepresentation, or other cause for contract modification or rescission. The Commissioner of Administration may, pursuant to rules and regulations promulgated by the Office of Contractual Review, issue, negotiate, or accept changes in the terms and conditions of a contract. When authorized, such compromise, payments, or adjustments shall be promptly paid; however, subject to any limitations or conditions imposed by rule or regulation, the Commissioner of Administration shall charge back all or any portion of such payments to the Owner.
- .2 **Action on Contract Claims.** If a claim or controversy between SES and Owner is not resolved by mutual agreement, the Commissioner of Administration, or his designee, shall promptly issue a decision in writing. A copy of that decision shall be mailed or otherwise furnished to SES, shall state the reasons for the action taken, and shall inform SES of its right to judicial relief as provided pursuant to La. R.S. 39:1525. The decision shall be final and conclusive unless (i) it is fraudulent, (ii) SES institutes suit pursuant to La. R.S. 39:1526, or (iii) the Commissioner has failed to give SES reasonable opportunity (ninety (90) days) to resolve the claim or controversy to the Commissioner's satisfaction prior to issuing the final decision. If the Commissioner of Administration, or his designee, does not issue a written decision within one hundred twenty days after written request for a final decision, or within such longer period as may be established in writing by the Owner and SES, then SES may proceed as if an adverse decision had been received.

27.3 **Litigation.** The parties agree that all disputes in any way relating to, arising under, connected with, or incident to the Agreement, and over which federal courts have subject matter jurisdiction, will be litigated, if at all, after all administrative remedies are exhausted including those required by Section 27.2 above, exclusively in the 19th Judicial District Court of the State of Louisiana, and, if necessary, the corresponding appellate courts. The parties further agree that all disputes in any way relating to, arising under, connected with, or incident to the Agreement, and over which the federal courts do not have subject matter jurisdiction, will be litigated, if at all, exclusively in the courts of

the State of Louisiana, East Baton Rouge Parish, and if necessary, the corresponding appellate courts. The Parties expressly subject themselves to the personal jurisdiction of the State of Louisiana.

27.4 Attorneys' Fees, etc. Attorneys' fees, expert witness fees, arbitration fees, arbitrators' compensation and expenses, court costs and all other reasonable and necessary costs of any arbitration or lawsuit will be recovered by the prevailing party to any dispute besides other relief granted.

27.5 Performance During Disputes. Pending final resolution of a claim or dispute (other than Payment disputes as set forth in Section 27.1), unless otherwise agreed in writing, SES will go on with performance of the Work and Owner will continue to make payments according to the Contract Documents, subject to SES's reservation of its rights: Should SES elect to proceed with the Work prior to a final resolution of the claim or dispute, SES shall not be deemed to have waived any claim or dispute, or to exercise any other rights under the Contract Documents.

ARTICLE 28. NOTICES

All notices required by the ESA or Contract Documents to be given by one party to the other shall be effective only when sent in writing, either hand delivered or mailed by registered or certified mail, return receipt requested, addressed as follows:

TO SES:

Sempra Energy Services
2500 CityWest Blvd., Suite 1800
Houston, Texas 77042
Attention: President

With Copy To

Sempra Energy Services
2500 CityWest Blvd., Suite 1800
Houston, Texas 77042

Attention: Wm. Lynn Crawford, Vice President

With Copy To:

Sempra Energy Solutions
101 Ash Street
San Diego, California 92101
Attention: General Counsel

TO Owner:

Board of Supervisors for the University of Louisiana System
with and on behalf of
Southeastern Louisiana University State Office Building
150 Third Street
Third Floor

Baton Rouge, LA 70801

J. Douglas Lee
University of Louisiana System
State Office Building

150 Third Street
Third Floor
Baton Rouge, LA 70801

Stephen Smith
Southeastern Louisiana University
SLU10709
Hammond, LA 70402

or such other addresses as either party may hereinafter designate by written notice to the other. Notices are deemed delivered or given and become effective upon delivery in person to the individual to whom it is addressed, or three days after deposit in the U. S. mail.

ARTICLE 29. CONDITIONS BEYOND CONTROL OF THE PARTIES

29.1 Force Majeure. If SES or Owner shall be unable to reasonably perform any of its obligations under this ESA due to acts of God, insurrections or riots, or similar "force majeure" events, this ESA shall remain in effect, but the non-performing party's obligations shall be suspended until the said event shall have ended. Alternatively, the ESA may be terminated by either party upon ten days notice to the other party, in which event neither party shall have any further liability to the other.

29.2 Regulatory Risk. This ESA is made in accordance with relevant regulations currently in force; however, if any federal, state, or municipal government or regulatory authority, including, without limitation, a public utility commission, should for any reason enter an order, modify its rules or codes, or take any action whatever, that disallows or reduces incentive payments by utility or energy companies for supply and/or demand side measures, such incentives may be discontinued or

modified by the utility or energy companies. In such case, SES is not responsible for replacing the incentive. Owner acknowledges and accepts sole responsibility for this regulatory risk.

29.3 Risk of Loss. Owner agrees to bear the entire risk of loss with respect to any damage, destruction, loss or theft of the ECMs, unless such is caused through the gross or negligent act or omission of SES or their agents or subcontractors.

ARTICLE 30. LOCATION AND ACCESS

Owner shall provide sufficient rent-free space in the Buildings for the installation and operation of the ECMs, and shall exercise reasonable due diligence to protect such ECMs from harm, theft, or misuse. Owner shall provide access to the Buildings for SES or its authorized subcontractors, vendors, and agents to perform any function related to this ESA during regular business hours, or such other reasonable hours as may be requested by SES. Owner shall permit access to SES and its agents for the purpose of making emergency repairs or corrections as SES may, in its discretion, determine are needed. SES shall be required to provide Owner with reasonable notice before accessing any building.

ARTICLE 31. NO WAIVER

The failure of either party to insist upon the strict performance of the terms and conditions hereof shall not constitute or be construed as a waiver or relinquishment of either party's right to thereafter enforce the same in accordance with this ESA in the event of a continuing or subsequent default on the part of the other party.

ARTICLE 32. SEVERABILITY

In the event that any clause or provision of this ESA or any part thereof shall be declared invalid, void or unenforceable by any court having jurisdiction, such invalidity shall not affect the validity or enforceability or the remaining portions of this ESA unless the result would be manifestly inequitable or unconscionable.

ARTICLE 33. ASSIGNMENT

33.1 By SES. SES shall not assign any interest in this contract by assignment, transfer, or novation, other than to its affiliate company, without prior written consent of Owner. This provision shall not be construed to prohibit SES or its affiliate from assigning its bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the Owner. Other than the assignment of payments due or to become due SES, SES' subcontracting of all or a portion of the Work, or as otherwise permitted under the ESA, SES shall

not assign, delegate, or transfer any of the personal services it is required to perform in the ESA without the express prior written approval of Owner, said consent not to be unreasonably withheld SES shall notify Owner in writing of any assignments of payments, if applicable.

33.2 By Owner. Owner may transfer or assign the ESA and its rights and obligations herein to a successor or to a purchaser of the Buildings or an interest therein, provided said successor or purchaser assumes, in writing, all of Owner's past and future obligations under the ESA, and also satisfies SES, in SES's sole discretion, except as provided by law, that the successor or purchaser is financially sound and able to perform Owner's obligations under the ESA.

ARTICLE 34. FURTHER DOCUMENTS

The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this ESA.

ARTICLE 35. HEADINGS

Headings and subtitles used throughout this ESA are for the purpose of convenience only, and no heading or subtitle shall modify or be used to interpret the text of any section.

ARTICLE 36. LATE PAYMENT

Interest on all payments due over ninety-one (91) days and owing under the ESA, except for the carry-over energy savings described in Article 5.4 above, shall bear interest at 12% (twelve percent) per annum or the rate set each year pursuant to La. R.S. 13:4202 or any successor statute governing the payment by state agencies of its late fees, whichever is less.

ARTICLE 37. APPLICABLE LAW

The parties agree that Louisiana law exclusively shall govern all terms of this ESA.

ARTICLE 38. COMPLIANCE WITH APPLICABLE LAW

The parties shall perform their obligations hereunder in compliance with any and all applicable federal, state, and local laws, rules, and regulations.

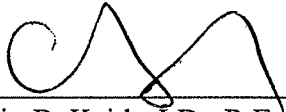
ARTICLE 39. ENTIRE AND EXCLUSIVE AGREEMENT

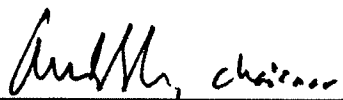
This ESA consists of the terms and conditions set forth in the text and the exhibits attached to this ESA, which are incorporated by this reference. Except as provided in other written

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto subscribe their names to this instrument on the date and year first written above.

SEMPRA ENERGY SERVICES

BOARD OF SUPERVISORS
FOR
THE UNIVERSITY OF LOUISIANA SYSTEM

By: 
Erbin B. Keith, J.D., P.E.
President

By: 
Chairman

Date: December 19, 2001

Date: December 19, 2001


ATTEST:

ATTEST:

By: _____

By: _____

ACKNOWLEDGED BY:


Stephen Smith
Vice President for Administration and Finance
Southeastern Louisiana University

APPROVED
Office of the Governor
Office of Contractual Review


DEC 17 2001

DIRECTOR

EXHIBIT AThe Equipment

1. Lighting Modifications – Lighting retrofits will be installed in buildings throughout the campus. Major improvements include upgrades of linear fluorescent fixtures to new electronic ballasts and T-8 lamps. The majority of incandescent fixtures will be replaced with energy efficient compact fluorescent fixtures. Occupancy sensors will be installed to minimize the fixture run-hours when classrooms are not occupied. The majority of the existing incandescent exit signs will be converted to Light Emitting Diode (LED) exit signs.

2. Installation of New Chillers - Three (3) new chillers with a capacity of 250 tons each will be installed in the Student Union Building. Three (3) new 250 ton cooling towers will also be installed to serve the new chillers. The Student Union mechanical room will also receive new chilled water and condenser water pumps. A refrigerant exhaust fan and associated ductwork will also be installed in the Student Union Building

Two (2) new 100-ton chillers will be installed at D. Vickers Hall mechanical room. A new refrigerant exhaust fan and ductwork will also be installed in the mechanical room.

One (1) new 90-ton chiller will be installed at Clark Hall as well as a refrigerant exhaust fan and ductwork.

One (1) new cooling tower will be installed to replace the old cooling tower servicing Clark Hall.

One (1) new 600-ton chiller will be installed at the University Center as well as a refrigerant exhaust fan and ductwork.

One (1) new 230 ton screw chiller will be installed at Sims Memorial Library as well as a refrigerant exhaust fan and ductwork.

3. Installation of new Variable Frequency Drives (VFDs) - A total of sixty three(63) VFDs will be installed on air-handling units and pump motors in 14 buildings throughout the campus. The work will include expanding the existing Energy Management Control System (EMCS) to control the new VFDs.

4. EMCS Integration - The existing energy management control systems (EMCS) will be integrated into a single EMCS by the installation of new hardware controllers and associated software. The EMCS will be connected using the existing University's LAN system.


5. Installation of new Packaged Rooftop Units - Three (3) new packaged rooftop air conditioning units will be installed on the roof at the College of Business Building. The units will each have a cooling capacity of two (2) tons. A four (4) ton and one and a half (1.5) ton rooftop units will be installed at the Twelve Oaks Cafeteria.

All buildings listed are located in Hammond, Louisiana.

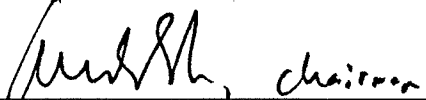
BUILDINGS**ECMs**

Anzalone Hall	Lighting, Programmable T-Stats
Athletic Building	Lighting
Biology Building	Lighting, VSDs
Building A	Lighting
Building C	Lighting
Building D	Programmable T-Stats
Campbell Hall	Lighting, connect to Mini Plant C, VSDs
Cardinal – Newman Hall	Lighting
Child Development Center	Lighting, Programmable T-Stats
Clark Hall	Lighting, Chiller Replacement, Cooling Tower
Clark Hall Annex	Lighting
College of Business – Norval Garrett	EMCS, VSDs, Rooftop Units
D. Vickers Hall	Lighting, Chiller Replacement
Development House – REACH Building	Lighting
Dyson Hall	Lighting, VSDs
East Strawberry Stadium	Lighting, EMCS
Foundry	Lighting
Hammond Hall	Lighting
Honors Center	Lighting
Horticulture Center	Lighting
Kinesiology & Health Studies Building	Lighting, VSDs
McClimans Hall	Lighting, EMCS, connect to Mini Plant C, VSDs
McGehee Hall	Lighting, VSD
McKneely Hall	Lighting, Programmable T-Stats
Meade Hall	Lighting
Mims Hall	Lighting
Music Annex	Lighting, VSDs, connect to Mini Plant C
Nursing School	Lighting
Physical Plant & Annex	Lighting
Pottle Hall	Lighting, VSDs, connect to Mini Plant C, Humidistat
Purchasing Warehouse	Lighting
Pursley Hall	EMCS, VSDs
Recreation Center	Lighting
Science Building Annex	Lighting, VSDs
Service Center	Lighting
Sims Memorial Library	Lighting, VSDs, Humidistat, Chiller Replacement
Southeastern Hall	Lighting
Substation	Lighting
Tinsley Hall & Annex	Lighting
Twelve Oaks Dining Facility	Lighting, EMCS, VSDs, Rooftop Units
University Center	Lighting, VSDs, EMCS, Chiller Replacement
University Police & Visitor Information	Lighting, Programmable T-Stats
War Memorial Student Union & Annex	Lighting, EMCS, New Mini Plant C Location, VSDs
West Strawberry Stadium	Lighting
White Hall	Lighting, VSDs
Wilson Hall	Lighting, EMCS

Initials by representatives of both organizations indicate incorporation of this Exhibit into the Energy Services Agreement.

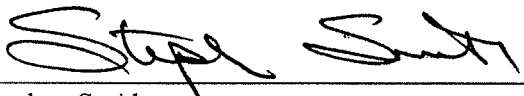


Agreed for Semptra Energy Services



Agreed for Board of Supervisors for The University of Louisiana System

ACKNOWLEDGED BY:



Stephen Smith
Vice President for Administration and Finance
Southeastern Louisiana University

EXHIBIT B**DETAILED FACILITY AUDIT**

The Detailed Facility Audit Report, prepared by SES, dated June 16, 2000, and subsequent modifications outlined herein will serve as the basis for the physical description of the Energy Conservation Measures, defined in Exhibits A, B, & C except as noted below.

The following ECMs were removed from the scope of this project.

Chiller Relocation 1: SES was to replace the 80-ton air-cooled chiller in McGehee with the existing 110-ton chiller currently serving Pottle Music Building. Now Owner will perform this work after SES' Work is completed.

Chiller Relocation 2: SES was to replace the water-cooled chiller in Dyson Hall with the existing 60-ton air-cooled chiller currently serving Campbell Hall. Now Owner will perform this work after SES' Work is complete. The existing DX air handling unit in Dyson Hall will also be converted to chilled water by Owner.

Chiller Relocation 3: SES was to replace the existing air-cooled chiller in the Health Center with the existing 50-ton chiller currently serving the Student Union Addition. Now Owner will perform this work after SES' Work is complete.

Mini-plant D: SES was to convert the existing chiller plant located in Pursley Hall into a miniplant, designated Miniplant D. The existing chillers and cooling towers (that currently serve Pursley Hall and Science Building Annex) were to remain. Since this equipment has excess capacity, cooling loads were to be added. The miniplant would have served Pursley Hall, Science Building Annex, Biology Building and White Hall. Owner may perform this work after SES's Work is complete.

Sims Library Chiller Replacement: SES was to replace the two existing chillers in Sims Library with new screw chillers of similar capacity (230 tons each). Owner may perform this work after SES' Work is complete.

Alumni Center. SES was to upgrade the existing lighting fixtures.

Carter-Harris. SES was to upgrade the existing lighting fixtures.

Health Center. SES was to upgrade the existing lighting fixtures and schedule equipment off via the EMCS.

Holloway-Smith Dormitory. SES was to upgrade the existing lighting fixtures.

Lee Hall. SES was to upgrade the existing lighting fixtures and install VFDs on chilled water pumps.

Tucker Hall. SES was to upgrade the existing lighting fixtures.

The following ECMs were added to the scope of this project.

EMS Integration: The existing energy management system (EMS) network will be modified and extended. The communication between buildings will utilize the University's

University's existing Ethernet LAN with TCP/IP protocol, one server and up to eight University designated clients. Wonderware or an equivalent open protocol software, will be installed on all computers. This protocol will provide access over the Internet.

University Center Chiller Replacement: SES will replace the existing 600-ton water-cooled chiller in the University Center with new chiller of similar capacity.

Nursing School Lighting Retrofit. The nursing facility in Baton Rouge will have extensive lighting modifications.

Sims Library Chiller Replacement. SES will replace one of the existing chillers with a new screw chiller of similar capacity (230 tons).

Initials by representatives of both organizations indicate incorporation of this Exhibit into the Energy Services Agreement.



Agreed for Sempra Energy Services



Agreed for Board of Supervisors for The University of Louisiana System

ACKNOWLEDGED BY:



Stephen Smith
Vice President for Administration and Finance
Southeastern Louisiana University

EXHIBIT C

THE ENERGY CONSERVATION MEASURES

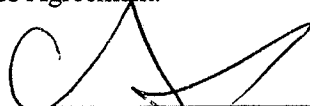
C.1 The following is a list of Energy Conservation Measures (hereafter "ECMs"). ECMs are those measures that SES will design, engineer, procure, fabricate and install in the Buildings outlined in Exhibit A. These ECMs are described in detail in the Detailed Report.

Description
1. Lighting Modifications 2. D. Vickers Chiller Replacements, Rooftop Units 3. New Mini Plant C (located in the Student Union) 4. Clark Hall Chiller Replacement 5. VSDs on Fans & Pumps 6. Equipment Scheduling 7. EMS Integration 8. University Center Chiller Replacement 9. Sims Memorial Library Chiller Replacement

C.2 After Final Completion, SES will furnish Owner record schematic drawings of the following:

1. Piping
2. Wiring
3. Major HVAC equipment
4. Controls
5. Performance test reports and
6. Operation and maintenance manuals.

Initials by representatives of both organizations indicate incorporation of this Exhibit into the Energy Services Agreement.



 Agreed for Sempra Energy Services



 Agreed for Board of Supervisors for The University of Louisiana System

ACKNOWLEDGED BY:



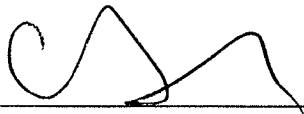
 Stephen Smith
 Vice President for Administration and Finance
 Southeastern Louisiana University

EXHIBIT D

PHASE "A" COMPENSATION TO SEMPRA ENERGY SERVICES

Pursuant to Section 3.7 of this ESA, OWNER agrees to pay SES Progress Payments for the Phase A Work at a total cost of six million, seven hundred thirty one thousand one hundred eighty four dollars and 00/100 (\$6,731,184) as detailed in EXHIBIT G. Such amount may be amended from time to time by written change orders issued by OWNER. Progress payment requests, with the approval of Southeastern Louisiana University's Vice President for Administration and Finance, will be forwarded to the funding source for disbursements.

Initials by representatives of both organizations indicate incorporation of this Exhibit into the Energy Services Agreement.

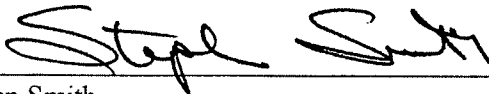


Agreed for Sempra Energy Services



Agreed for Board of Supervisors for The University of Louisiana System

ACKNOWLEDGED BY:



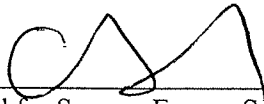
Stephen Smith
Vice President for Administration and Finance
Southeastern Louisiana University

EXHIBIT E**THE SCHEDULE**

E.1 SES anticipates that it will perform the Phase "A" Work during the eighteen (18) months following the Effective Date and/or approval of the ECMs for construction by Southeastern Louisiana University, whichever is later. This time allows for all necessary engineering, equipment acquisition and installation. From time to time, schedule modifications may be required to coordinate shutdowns and minimize disruption of building occupants. The schedule will be extended for delays that arise from causes beyond the control and without the fault or negligence of SES, including but not restricted to the following:

- i) Acts of God;
- ii) Acts of Owner or its employees, agents or consultants;
- iii) Acts of other contractors in the performance of a contract with Owner;
- iv) Fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather or other perils causing damage to the project;
- v) Change Orders, including delay in issuing or approving same;
- vi) Delays associated with Owner's inspection or investigation pertaining to the Work;
- vii) Delays pertaining to environmental hazards or latent defects;
- viii) Delays arising from Owner's default, and
- ix) Delays due to the actions or inaction of regulatory agencies and others over whom SES has no control.

Initials by representatives of both organizations indicate incorporation of this Exhibit into the Energy Services Agreement.




Agreed for Semptra Energy Services



Agreed for Board of Supervisors for The University of Louisiana System

ACKNOWLEDGED BY:



Stephen Smith
Vice President for Administration and Finance
Southeastern Louisiana University

EXHIBIT F

PAYMENT AND PERFORMANCE BONDS

Attached hereto are the samples of payment and performance bonds that SES will execute with Southeastern Louisiana University following full execution of these Exhibits.

Initials by representatives of both organizations indicate incorporation of this Exhibit into the Energy Services Agreement.

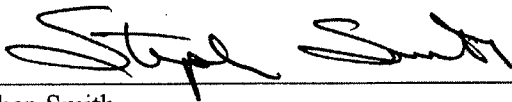


Agreed for Sempra Energy Services



Agreed for Board of Supervisors for The University of Louisiana System

ACKNOWLEDGED BY:



Stephen Smith
Vice President for Administration and Finance
Southeastern Louisiana University

PERFORMANCE BOND (See instructions on reverse)	DATE BOND EXECUTED (Must be same or later than date of contract)	FORM APPROVED OMB NO. 9000-0045
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Public reporting burden for this collection of information is estimated to average 25 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretariat (VRS), Office of Federal Acquisition Policy, GSA, Washington, D.C. 20405; and to the Office of Management and Budget, Paperwork Reduction Project (9000-0045), Washington, D.C. 20503.

PRINCIPAL (Legal name and business address)	TYPE OF ORGANIZATION ("X" one) <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> CORPORATION STATE OF INCORPORATION																				
SURETY(IES) (Name(s) and business address(es))	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="4" style="text-align: center;">PENAL SUM OF BOND</th> </tr> <tr> <td style="width:25%;">MILLIONS)</td> <td style="width:25%;">THOUSAND(S)</td> <td style="width:25%;">HUNDRED(S)</td> <td style="width:25%;">CENTS</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td colspan="2">CONTRACT DATE</td> <td colspan="2">CONTRACT NO.</td> </tr> <tr> <td colspan="2"> </td> <td colspan="2"> </td> </tr> </table>	PENAL SUM OF BOND				MILLIONS)	THOUSAND(S)	HUNDRED(S)	CENTS					CONTRACT DATE		CONTRACT NO.					
PENAL SUM OF BOND																					
MILLIONS)	THOUSAND(S)	HUNDRED(S)	CENTS																		
CONTRACT DATE		CONTRACT NO.																			

OBLIGATION:
 We, the Principal and Surety(ies), are firmly bound to the United States of America (hereinafter called the Government) in the above penal sum. For payment of the penal sum, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally. However, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us. For all other purposes, each Surety binds itself, jointly and severally with the Principal, for the payment of the sum shown opposite the name of the Surety. If no limit of liability is indicated, the limit of liability is the full amount of the penal sum.

CONDITIONS:
 The principal has entered into the contract identified above.
THEREFORE:

The above obligation is void if the Principal -
 (a) Performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of the contract during the original term of the contract and any extensions thereof that are granted by the Government, with or without notice to the Surety(ies), and during the life of any guaranty required under the contract, and (2) performs and fulfills all the undertakings, covenants, terms conditions, and agreements of any and all duly authorized modifications of the contract that hereafter are made. Notice of those modifications to the Surety(ies) are waived.

(b) Pays to the Government the full amount of the taxes imposed by the Government, if the said contract is subject to the Miller Act, (40 U.S.C. 270a-270e), which are collected, deducted, or withheld from wages paid by the Principal in carrying out the construction contract with respect to which this bond is furnished.

WITNESS:
 The Principal and Surety(ies) executed this performance bond and affixed their seals on the above date.

PRINCIPAL				
SIGNATURE(S)	1.	2.	3.	Corporate Seal
	(Seal)	(Seal)	(Seal)	
NAME(S) & TITLE(S) (Type@)	1.	2.	3.	
INDIVIDUAL SURETY(IES)				
SIGNATURE(S)	1.	2.		(Seal)
	(Seal)			
NAME(S) (Type@)	1.	2.		
CORPORATE SURETY(IES)				
SURETY A	NAME & ADDRESS	STATE OF INC.		LIABILITY LIMIT
				\$
	SIGNATURE(S)	1.	2.	
NAME(S) & TITLE(S) (Type@)	1.	2.		

PAYMENT BOND (See instructions on reverse)	DATE BOND EXECUTED (Must be same or later than date of contract)	FORM APPROVED OMB NO. 9000-0045
Public reporting burden for this collection of information is estimated to average 25 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretariat (VRS), Office of Federal Acquisition Policy, GSA, Washington, D.C. 20405; and to the Office of Management and Budget, Paperwork Reduction Project (9000-0045), Washington, D.C. 20503.		
PRINCIPAL (Legal name and business address)	TYPE OF ORGANIZATION ("X" one)	
	<input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> CORPORATION	
SURETY(IES) (name(s) and business address(es))	STATE OF INCORPORATION	
	PENAL SUM OF BOND	
	MILLIONS	THOUSAND(S)
	CENTS	
	CONTRACT DATE	CONTRACT NO.

OBLIGATION:

We, the Principal and Surety(ies), are firmly bound to the United States of America (hereinafter called the Government) in the above penal sum. For payment of the penal sum, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally. However, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us. For all other purposes, each Surety binds itself, jointly and severally with the Principal, for the payment of the sum shown opposite the name of the Surety. If no limit of liability is indicated, the limit of liability is the full amount of the penal sum.

CONDITIONS:

The above obligation is void if the Principal promptly makes payment to all persons having a direct relationship with the Principal or a subcontractor of the Principal for furnishing labor, material or both in the prosecution of the work provided for in the contract identified above, and any authorized modifications of the contract that subsequently are made. Notice of those modifications to the Surety(ies) are waived.

WITNESS:

The principal and Surety(ies) executed this payment bond and affixed their seals on the above date.

PRINCIPAL				
SIGNATURE(S)	1.	2.	3.	Corporate Seal
	(Seal)	(Seal)	(Seal)	
NAME(S) & TITLE(S) (Type Ⓞ)	1.	2.	3.	
INDIVIDUAL SURETY(IES)				
SIGNATURE(S)	1.	2.		
		(Seal)		(Seal)
NAME(S) (Type Ⓞ)	1.	2.		
CORPORATE SURETY(IES)				
SURETY A	NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	SIGNATURE(S)	1.	2.	
	NAME(S) & TITLE(S) (Type Ⓞ)	1.	2.	

EXHIBIT G**SCHEDULE OF VALUES**

1. The following initial breakdown will be used to generate applications for Phase A payments to SES from OWNER or OWNER'S Lessor based upon the percentage of completion of the ECM. Prior to commencement of the Work, SES will provide OWNER with a detailed schedule of values for each ECM to account for the cost of the mobilization, engineering and various stages of the Work coordinated with a detailed critical path type schedule of the Work progress. Applications for Payment shall be made in the format of AIA Form G702 & G703, attached hereto as Attachment 1 to Exhibit G.

Item	Description	\$ Value
1.	Detailed Facility Audit Fee	260,000
2.	Upgrade Lighting	1,561,207
3	D. Vickers Chiller Replacements	248,524
4.	Mini Plant C (Student Union)	1,609,100
5.	Clark Hall Chiller Replacement	173,206
6.	Variable Speed Drives on Fans and Pumps	1,138,962
7	Scheduling of Equipment	130,730
8.	EMCS Integration	782,732
9.	University Center Chiller Replacement	524,208
10.	Sims Memorial Library Chiller Replacement	213,946
11.	Performance and Payment Bonds	88,569
	TOTAL	\$6,731,184

Payments shall include all project costs, including equipment suitably stored on the jobsite or in an OWNER approved vendor's warehouse or other such facility that OWNER can inspect and verify material quantities. The parties recognize that some equipment may require progress payments to manufacturers during the manufacturing process and these draws will be recognized as "costs". The above costs include a contingency amount of \$320,159 (5%).

2. SES agrees to share equally with SLU any remaining funds that are available after the following major bid packages are awarded.
- 2.1 Mechanical subcontract
 - 2.2 Electrical subcontract
 - 2.3 Controls subcontract
 - 2.4 Chiller purchase
 - 2.5 VSD purchase
 - 2.6 Lighting subcontract

SLU agrees that with their equal share of the unused funds, SLU will increase the scope of SES' Work included in this ESA.

3. SLU hereby represents the following:

3.1 Student Union - The Student Union contains 87,321 square feet of space. SLU has leased 17,510 square feet of space in the Student Union to Aramark, 9,279 square feet of space in the Student Union Follett Bookstore and has leased 1,057 square feet of space in the Student Union to Xerox, for a total of 27,846 square feet (collectively, the "Private Use Space").

3.2 Public Buildings - McClimans Hall contains 26,188 square feet of space, Pottle Hall contains 23,271 square feet of space, the Music Building Annex contains 34,317 square feet of space, Recital Hall contains 5,744 square feet of space and Campbell Hall contains 10,850 square feet of space. There are no leases or other documents or arrangements giving any private entity any special rights to use or manage any portion of McClimans Hall, Pottle Hall, the Music Building Annex, Recital Hall or Campbell Hall (collectively, the "Public Buildings"). There is a total of 100,370 square feet in the Public Buildings.

4. Based on paragraph 3 above, SES hereby represents the following:

4.1 As part of that certain Energy Services Agreement (the "ESA") by and between Sempra and the Board of Supervisors for the University of Louisiana System (the "Board"), acting with and on behalf of SLU, dated as of December 10 2001, Sempra is installing on the campus of SLU a mini chilled water plant consisting of three [3] chillers (the "Mini Plant"), which will service the Student Union, McClimans Hall, Pottle Hall, the Music Building Annex, Recital Hall and Campbell Hall. The total cost of the Mini Plant, including installation, is \$1,609,100. \$288,114 of the total cost of the Mini Plant relates to piping from the plant solely to the Public Buildings, which leaves \$1,320,986 to be allocated between the Public Buildings and the Private Use Space.

4.2 As part of the ESA, SES is also installing the following work in the Private Use Space:

- i. Lighting valued at \$10,281
- ii. Other equipment valued at \$96,381, and
- iii. Controls to schedule the HVAC equipment valued at \$12,600

4.3 The items in 4.1 and 4.2 above consist of all the work that SES is installing in the private use space.

4.4 The installed cooling capacity of the Mini Plant will be 750 tons (three 250 ton chillers). The calculated maximum cooling load on the Mini Plant is 700 tons. The calculated maximum cooling load of the Private Use Space is 64 tons.

Initials by representatives of both organizations indicate incorporation of this Exhibit into the Energy Services Agreement.

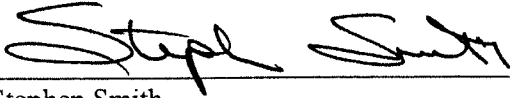


Agreed for Semptra Energy Services



Agreed for Board of Supervisors for The University of Louisiana System

ACKNOWLEDGED BY:



Stephen Smith
Vice President for Administration and Finance
Southeastern Louisiana University

TO OWNER: PROJECT: _____
 FROM CONTRACTOR: VIA ARCHITECT: _____

APPLICATION NO.: _____
 PERIOD TO: _____
 PROJECT NOS.: _____

Distribution to:
 OWNER
 ARCHITECT
 CONTRACTOR

CONTRACT DATE: _____

CONTRACT FOR: _____

CONTRACTOR'S APPLICATION FOR PAYMENT
 Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM \$ _____

2. Net change by Change Orders \$ _____

3. CONTRACT SUM TO DATE (Line 1 + 2) \$ _____

4. TOTAL COMPLETED & STORED TO DATE \$ _____
 (Column G on G703)

5. RETAINAGE:
 a. _____% of Completed Work \$ _____
 (Columns D + E on G703)
 b. _____% of Stored Material \$ _____
 (Column F on G703)
 Total Retainage (Line 5a + 5b or Total in Column I of G703) \$ _____

6. TOTAL EARNED LESS RETAINAGE \$ _____
 (Line 4 less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT \$ _____
 (Line 6 from prior Certificate)

8. CURRENT PAYMENT DUE \$ _____

9. BALANCE TO FINISH, INCLUDING RETAINAGE \$ _____
 (Line 3 less Line 6)

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
TOTALS		
NET CHANGES by Change Order		

CONTRACTOR: _____

By: _____ Date: _____

State of: _____
 County of: _____
 Subscribed and sworn to before me this _____ day of _____

Notary Public: _____
 My Commission expires: _____

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ _____
 (Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.



CAUTION: You should use an original AIA document which has this caution printed in red. An original assures that changes will not be obscured as may occur when documents are reproduced.

CONTINUATION SHEET

AIA DOCUMENT G703 (Instructions on reverse side)

AIA Document G702, APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractor's signed Certification, is attached.
 In tabulations below, amounts are stated to the nearest dollar.
 Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO.:
 APPLICATION DATE:
 PERIOD TO:
 ARCHITECT'S PROJECT NO.:

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		E THIS PERIOD	F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE) RATE)
			FROM PREVIOUS APPLICATION (D + E)						



CAUTION: You should use an original AIA document which has this caution printed in red. An original assures that changes will not be obscured as may occur when documents are reproduced.

EXHIBIT H

SCOPE OF PHASE "B" WORK

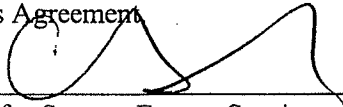
- H.1 Monitoring. SES will provide monitoring as described below.
 - .1 Remote communication with the energy management and control system on a regular basis and physically inspecting the equipment to verify that all ECMs are operating as intended;
 - .2 Calculation of energy savings and reconciliation of energy savings.
 - .3 Quarterly discussions with building operating engineers on optimizing energy savings from SES' installed measures and other potential conservation opportunities.
 - .4 Annual review of Owner's inventory of replacement parts for lamps and ballasts to assure long term savings persistence.

- H.2 Training. SES agrees to provide twenty-four (24) hours of training to Owner's personnel at, or shortly after, initial installation. This training may be provided by equipment vendors. In addition to initial training, for the first year after final completion of Phase A construction, SES will provide up to twenty-four (24) hours of training at no charge to Owner beginning on the first year anniversary of final completion of Phase A, construction, and continuing through the term of the ESA.

- H.3 Maintenance. SES has no maintenance responsibilities.

- H.4 Access to EMS. Owner agrees SES will have full access to any automated energy management system(s) installed as part of this program for the purpose of monitoring energy use and controlling equipment operation. This shall specifically include setting up, modifying, downloading historical operation data (i.e. trend logs), revisions to operating schedules and temperature setpoints, demand limiting and other such strategies to minimize energy use while maintaining required comfort conditions. Such access shall include telephone interface into EMS panels or where applicable, computer workstations. Hardware and software necessary for such interface shall be provided under the project with no additional expense to Owner.

Initials by representatives of both organizations indicate incorporation of this Exhibit into the Energy Services Agreement

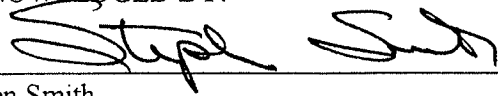


Agreed for Sempra Energy Services



Agreed for Board of Supervisors for The University of Louisiana System

ACKNOWLEDGED BY:



Stephen Smith
Vice President for Administration and Finance
Southeastern Louisiana University

EXHIBIT I**PHASE B COMPENSATION CALCULATION
FORMULA AND METHODOLOGY****MONTHLY SAVINGS CALCULATION****I. INTRODUCTION:**

During Phase "B", the annual savings calculation is used to determine the value of the energy consumption and mechanical maintenance materials and lighting materials expense avoided by the conservation project and the ongoing operational assistance. The energy, mechanical maintenance materials and lighting materials savings for each ECM are to be stipulated to for the duration of Phase "B" unless indicated as "measured" below:

II. SAVINGS BY ECM


- A. Lighting – Energy savings are stipulated to equal \$314,741 per year. Related maintenance savings are agreed to equal \$20,000 per year. One twelfth of the combination of these two will be credited per month following completion of this ECM.
- B. D Vickers Chiller Replacements/Rooftop Units – Energy savings are stipulated to equal \$4,294 per year. Related maintenance savings are agreed to equal \$3,479. One twelfth of the combination of these two will be credited per month following completion of this ECM.
- C. Mini Plant # C (Student Union) – Energy savings are stipulated to equal \$12,980 per year. Related maintenance savings are agreed to equal \$6,220. One twelfth of the combination of these two will be credited per month following completion of this ECM.
- D. Clark Hall Chiller Replacement – Energy savings are stipulated to equal \$1138 per year. Related maintenance savings are agreed to equal \$486. One twelfth of the combination of these two will be credited per month following completion of this ECM.
- E. VSDs on Fans & Pumps – Energy savings will be measured for one year and are estimated to be \$144,383 per year. One twelfth of this amount will be credited per month following completion of this ECM.
- F. Scheduling of Equipment – Energy savings are stipulated to equal \$70,168 per year. One twelfth of this amount will be credited per month following completion of this ECM.
- G. EMS Integration – Energy savings are stipulated to equal \$68,500 per year. One twelfth of this amount will be credited per month following completion of this ECM.
- H. University Center Chiller Replacement – Energy savings are stipulated to equal \$4,460 per year. One twelfth of this amount will be credited per month following completion of this ECM.
- I. Sims Library Chiller Replacement – Energy savings are stipulated to equal \$1,626 per year. One twelfth of this amount will be credited per month following completion of this ECM.

III. PHASE B FEE


Each quarter beginning with the commencement of Phase B (as defined in the ESA), following completion of the savings calculations, Owner will pay SES a Phase B fee, calculated as follows:

For the first year following project completion, Owner shall pay SES a Phase B fee equal to \$27,608. For the second year following project completion, Owner should pay SES a Phase B fee of \$15,512. Thereafter for the remaining term of Phase B, Owner shall pay SES a Phase B fee of \$15,512 adjusted. This phase B fee will be adjusted annually on the anniversary of the commencement of Phase B, based on the Average National Consumer Price Index, as published by the US Department of Commerce for the most recently available month preceding each anniversary date of the signing of the ESA. For example, if the CPI for the previous most recent available month was 126 and the base CPI at the date of execution of the ESA was 120, the base year's annual service fee would be increased by $126/120 = 1.05$ or 5% for the next 12 month billing periods. If the US Department of Commerce discontinues publishing the CPI, the parties agree to adopt an equitable substitute index for the CPI.

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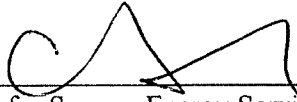
EXHIBIT J

THE GUARANTEE

Savings Guarantees. Over the term of the ESA, SES guarantees, according to the terms of Article 5 of the ESA, that Owner will realize Cumulative Energy Savings in an amount equal to the total lease payments noted below:

Total Construction Cost											\$6,642,615		
Performance Bond (if required)											\$88,569		
Earnings on Acquisition Fund Deposit											(\$51,462)		
Finance Fees to Lessor (Legal, insurance, placement, closing, etc.)											\$307,247		
Construction Interest											\$365,359		
Debt Service Reserve Fund Requirement											\$0		
TOTAL AMOUNT FINANCED											\$7,352,328		
Projected Savings					Payments by SLU								
	Energy	Lighting	Mechanical		Total	Customer	Net	Performance		Total	Projected Net		
	Savings	Material	Maintenance		Lease	Contribution	Lease	Phase	M&V	Net	Cash Flow to		
Year		Savings	Mat'l Savings	Total	Payments	Funding	Payment	compensatio	Costs	Payments	\$	%	
1	2	3	4	5	6	7	8	9	10	11	12	13	
0	\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
1	\$622,290	\$20,000	\$10,185	\$652,474	\$573,608	\$0	\$573,608	\$0	\$27,608	\$601,216	\$51,259	8%	
2	\$622,290	\$20,600	\$10,490	\$653,380	\$621,131	\$0	\$621,131	\$0	\$15,512	\$636,643	\$16,737	3%	
3	\$622,290	\$21,218	\$10,805	\$654,313	\$621,681	\$0	\$621,681	\$0	\$15,977	\$637,659	\$16,654	3%	
4	\$622,290	\$21,855	\$11,129	\$655,273	\$620,481	\$0	\$620,481	\$0	\$16,457	\$636,938	\$18,335	3%	
5	\$622,290	\$22,510	\$11,463	\$656,263	\$618,881	\$0	\$618,881	\$0	\$16,950	\$635,832	\$20,431	3%	
6	\$622,290	\$23,185	\$11,807	\$657,282	\$621,431	\$0	\$621,431	\$0	\$17,459	\$638,890	\$18,392	3%	
7	\$622,290	\$23,881	\$12,161	\$658,332	\$622,729	\$0	\$622,729	\$0	\$17,983	\$640,711	\$17,620	3%	
8	\$622,290	\$24,597	\$12,526	\$659,413	\$623,044	\$0	\$623,044	\$0	\$18,522	\$641,566	\$17,847	3%	
9	\$622,290	\$25,335	\$12,902	\$660,527	\$622,950	\$0	\$622,950	\$0	\$19,078	\$642,028	\$18,499	3%	
10	\$622,290	\$26,095	\$13,289	\$661,674	\$622,200	\$0	\$622,200	\$0	\$19,650	\$641,850	\$19,824	3%	
11	\$622,290	\$26,878	\$13,688	\$662,856	\$618,450	\$0	\$618,450	\$0	\$20,240	\$638,690	\$24,166	4%	
12	\$622,290	\$27,685	\$14,098	\$664,072	\$618,950	\$0	\$618,950	\$0	\$20,847	\$639,797	\$24,276	4%	
13	\$622,290	\$28,515	\$14,521	\$665,326	\$623,450	\$0	\$623,450	\$0	\$21,472	\$644,922	\$20,404	3%	
14	\$622,290	\$29,371	\$14,957	\$666,617	\$621,700	\$0	\$621,700	\$0	\$22,116	\$643,816	\$22,801	3%	
15	\$622,290	\$30,252	\$15,406	\$667,947	\$618,950	\$0	\$618,950	\$0	\$22,780	\$641,730	\$26,217	4%	
16	\$622,290	\$31,159	\$15,868	\$669,317	\$618,775	\$0	\$618,775	\$0	\$23,463	\$642,238	\$27,078	4%	
17	\$622,290	\$32,094	\$16,344	\$670,727	\$622,275	\$0	\$622,275	\$0	\$24,167	\$646,442	\$24,285	4%	
18	\$622,290	\$33,057	\$16,834	\$672,181	\$619,185	\$0	\$619,185	\$0	\$24,892	\$644,077	\$28,103	4%	
19	\$622,290	\$34,049	\$17,339	\$673,677	\$621,270	\$0	\$621,270	\$0	\$25,639	\$646,909	\$26,768	4%	
20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total	\$11,823,501	\$ 502,337	\$ 255,813	\$ 12,581,651	\$11,751,142	\$0	\$11,751,142	\$0	\$390,813	\$12,141,954	\$439,697	3%	
PV@6%	\$6,059,658	\$233,935	\$119,130	\$6,412,723	\$6,003,874	\$0	\$6,003,874	\$0	\$187,997	\$6,191,871	\$220,852		
Notes:													
1	The projections reflect the economic benefits over a 20 year term including the construction period (yr. 0)												
2	Based on an calculated estimate.												
3	Lighting material savings based on an estimate approved by Owner. Assumes a 3% annual inflation												
4	Mechanical material savings based on an estimate approved by Owner. Assumes a 3% annual inflation												
5	Sum of Energy and Maintenance savings.												
6	Paid monthly after Commencement Date (construction completion) of project based on \$6,642,615 construction cost projected over above years.												
7													
8	Net lease payment as per Morgan Keegan Debt Service Schedule is guaranteed by SES to be less than total savings.												
9													
10	Represents projected M&V payments to be made by SLU												
11	Represents total projected payments to be made by SLU												
12	Represents net cash flow to the SLU												

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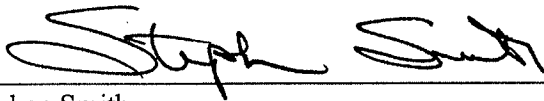


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Agreed for Board of Supervisors for The University of Louisiana System

ACKNOWLEDGED BY:



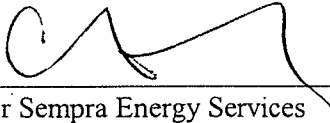
Stephen Smith
Vice President for Administration and Finance
Southeastern Louisiana University

EXHIBIT K

PART I: BASELINE MODELS DEVELOPMENT PROCEDURE

The baseline, for the purpose of measuring the savings from the variable speed drives (VSDs), is the energy consumed by the motors receiving VSDs in the buildings listed in Exhibit A during the years 1998 and 1999.

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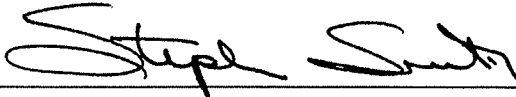


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Vice President for Administration and Finance
Southeastern Louisiana University

EXHIBIT L**OWNER'S MAINTENANCE AND OPERATION RESPONSIBILITIES**

The Parties agree that projected savings will not likely be obtained unless certain procedures, maintenance and methods of operation designed for energy conservation are carried out and followed by the University on a regular and continuous basis. SES will have the right, with or without prior notice, to inspect and perform metering on the Buildings to find out whether the University is complying with its obligations. Inspection rights include the right to photograph and videotape the inspection. The University will make the Buildings available during each said monthly inspection and will have the right to witness each inspection. Upon written request, the University may receive copies of any inspection report, photographs, or videotape prepared concerning the inspection, at a reasonable reproduction cost.

The University has read and understands the following maintenance recommendations and agrees to modify the energy baseline to account for changes in operating conditions. The University understands that energy savings and utility incentive payments may not be realized if Owner does not maintain the ECMs or properly operate the ECMs.

Description of Required Maintenance for Southeastern Louisiana University

Southeastern Louisiana University maintenance personnel or their maintenance subcontractors will perform routine, preventive and repair maintenance on all replacement and associated equipment pursuant to the manufacturer's recommendations. A specific listing of the recommended maintenance practices to be performed to optimize equipment performance has been developed according to manufacturers recommendations. This listing takes into account the needs of the equipment as well as the capabilities and staffing of Southeastern Louisiana University's maintenance personnel.

Recommended Maintenance Procedures for Southeastern Louisiana University

1. Lighting

As Required

- Replace lamps and ballasts on a regular schedule with a wattage level equal to or less than the one being replaced.
- Perform maintenance and preventive maintenance per manufacturers instructions.

2. Variable Speed Drives

Annually

- Check power connections to drive for good contact.

Bi-Annually

- Check drive fault log if provided with unit.

3. Chillers

Daily

- Check and record all operating pressures, temperatures, and refrigerant levels.
- Check compressor lube oil systems, oil levels, and temperatures.
- Check cooler, refrigerant/chilled water leaving temperature approach.

As Required

- Inspect, test and calibrate operating and safety controls as required.

- Perform maintenance and preventive maintenance per manufacturers instructions.

Quarterly

- Check purge system operation.

Daily

- Check Refrigerant charge by viewing refrigerant sight glass.

Annually

- Check piping system for leaks.
- Annual inspection to include all of the above plus the following:
 - (1) Compressor Lubrication System
 - (a) Test compressor oil as necessary.
 - (b) Replace oil filters.
 - (c) Replace compressor oil charge if required.
 - (d) Meg oil pump motor.
 - (e) Check and clean oil heater and sump.
 - (f) Clean the strainer in oil cooler water supply.
 - (2) Condenser
 - (a) Remove condenser head, blank end only.
 - (b) Inspect tubes and end sheets for fouling, corrosion, etc.
 - (c) Brush clean once per year.
 - (d) Check and clean condenser water strainers.
 - (3) Purge Unit
 - (a) Clean and inspect all valves.
 - (b) Drain and flush purge shell.
 - (c) Clean orifices.
 - (d) Drain compressor oil if applicable.
 - (e) Clean oil separator and purge drum.
 - (f) Replace oil charge.

As Required

- Lubricate per manufacturers instructions.

4. Cooling Towers

Weekly

- Test water for proper levels of chemical treatment.

Monthly

- Visually check fan blades gearbox and drive shaft for excessive vibration.
- Visually check for lube oil leaks.
-

Annually

- Visually inspect tower structural elements and casing for signs of unusual wear. Any penetration of gelcoat must be repaired. Make sure all fasteners are tight.
- Test Vibration cutout switch for proper operation if provided with unit.
- Replace gearbox lube oil.

5. Cooling Coils

Annually

- Cleaning – All coils must be clean and free of dirt and debris for proper efficiency and performance. A vacuum cleaner or stiff brush may be used to clean coil surfaces. If the coil is extremely dirty or has oil accumulations on the fins, a mild soap solution should be sprayed over the fins and then flushed with clear water.
- Drainage – Make sure that the evaporator coil drain pan is clear of debris and will allow proper drainage of condensate. Condenser section should be checked for debris and dirt accumulations around the inside bottoms of the condenser coils that would restrict water drainage.

6. Outside and Return Air Dampers

Dampers:

- Check for damper blades seal at edges when closed.
- Blades should pivot freely on pins.

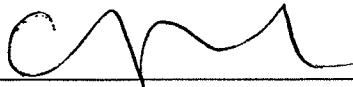
Controls:

- Perform functional check of the motor and controls.
- Check setting of Minimum Fresh Air potentiometer.
- Record proper static pressure.

7. Thermostats and Time Clocks.

- Night set back thermostat – Check for proper mounting and set point (S.P.55°F).
- Time Clock – Manually open and close time clock contacts and make sure unit operates only during “ON” cycle. Check time dial for correct setting for each day. Make sure all trip screws are tight.

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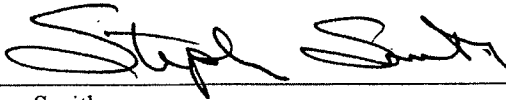


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ACKNOWLEDGED BY:



Stephen Smith
Vice President for Administration and Finance
Southeastern Louisiana University

EXHIBIT M**STANDARDS OF PERFORMANCE**

The equipment provided by SES in connection with the ECMs will be selected to provide the standards of service and comfort set forth below. SES makes no representation or warranty concerning existing equipment and systems. Accordingly, SES will not be responsible if standards of service are not achieved because of inadequacies or problems with existing equipment or systems.

COMFORT

The ECMs providing cooling will be designed and installed with the capacity (where applicable) to provide a space temperature of at least 75 degrees Fahrenheit (^oF) and not more than 78^oF. During unoccupied periods, temperatures may be set back to a maximum of 84^oF. Notwithstanding the foregoing, capacity of new equipment will be consistent with that of replaced equipment.


VENTILATION

Ventilation rates within the structures shall not be degraded below current settings unless it can be shown that further reductions will be in compliance with all applicable building codes SES has not verified code compliance, etc.


LIGHTING

Lighting shall at minimum meet the requirements set forth by the Illuminating Engineers Society (IES) during occupied hours in student-occupied spaces. Unoccupied lighting levels shall be as currently provided by existing emergency circuits. Customer directed increases in lighting levels may be required in selected areas. Any impact from such changes will be as provided elsewhere in this Agreement.

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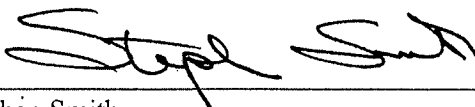


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Southeastern Louisiana University

EXHIBIT N
INSURANCE

For the term of Phase A, SES shall purchase and maintain insurance that will protect SES from claims set forth below which may arise out of or result from SES operations under the Agreement and for which SES may be legally liable.

- .1 claims under worker's or workmen's compensation disability benefit and other similar employee benefit acts which are applicable to the Work to be performed;
- .2 claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;
- .3 claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;
- .4 claims for damages insured by usual personal injury liability coverage which are sustained (1) by a person as a result of an offense directly or indirectly related to employment of such person by the Contractor, or (2) by another person;
- .5 claims for damages, other than to the Work itself, because of injury to or destruction of tangible property;
- .6 claims for damages because of bodily injury, death of a person or property damages arising out of ownership, maintenance or use of a motor vehicle; and

The limits of liability shall be as follows:

<u>Type of Coverage</u>	<u>Maximum Limits of Liability</u>
1. Workers Compensation and Employer's Liability:	\$500,000 each accident
	\$500,000 disease - Policy Limit
	\$500,000 disease - Each Employee
2. General Liability (occurrence):	
1. General Aggregate	\$2,000,000
2. Products - Comp/Op Agg.	\$1,000,000
3. Personal Injury	\$1,000,000
4. Each Occurrence	\$1,000,000
5. Fire Damage (Any one fire)	\$100,000
6. Med. Exp. (Any one person)	\$5,000
3. Automobile Liability: any auto	
1. Combined Single Limit	\$1,000,000
4. Excess Liability (Umbrella Form):	\$5,000,000 each occurrence
	\$5,000,000 aggregate
5. Professional Liability: errors and omissions (claims made):	\$1,000,000

The policies are to contain, or be endorsed to contain, that the Agency, its officers, officials, employees, Boards and Commissions and volunteers are to be added as "additional insureds" as respects liability arising out of activities performed by and on behalf of the Contractor; products and completed operations of the Contractor, premises owned, occupied or used by the Contractor.

Owner's Insurance Requirements. Owner shall be responsible for purchasing and maintaining Owner's liability insurance which shall include contractual liability insurance applicable to Owner's obligations under the Contract Documents. Owner shall purchase and maintain property insurance insuring the Buildings and all equipment therein on a replacement cost basis including cost to cover professional fees without voluntary deductibles. Such property insurance shall be maintained, unless otherwise agreed to in writing by the parties, until the end of the term of the Agreement. Property insurance shall be:

- an all-risk policy form
- shall insure against the perils of fire including:
- extended coverage
- physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, false-work, earthquake, and flood, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirement
- shall cover reasonable compensations for SES services and expenses required as a result of such insured loss.

Owner, at Owner's option, may purchase and maintain such insurance as will insure Owner against loss of use of Owner's property due to fire or other hazards, however caused. Owner waives all rights of action against SES and its subcontractors for loss of use of Owner's property, including consequential, special, indirect, or speculative losses due to fire and other hazards however caused, whether or not Owner has obtained such insurance.

Waivers of Subrogation. Owner and SES waive all rights against each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other for damages caused by fire or other perils to the extent covered by property insurance, except such rights as they have to proceeds of such insurance held by Owner as fiduciary. The property insurance required by the Agreement shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

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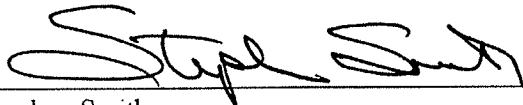


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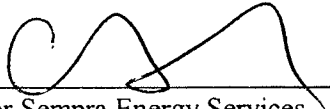
EXHIBIT O**TERMINATION FEE**

The Owner shall be responsible for payment of the Termination Fee as defined in Article 17 of this ESA. The Termination Fee will be calculated by referring to the table below. If an effective date falls between two dates specified below, the Termination Fee shall be determined by linear interpolation of the bracketing values.

Beginning of Year	Termination Fee
1	\$76,083
2	\$51,592
3	\$52,158
4	\$52,685
5	\$53,162
6	\$53,590
7	\$53,960
8	\$54,265
9	\$54,503
10	\$54,662
11	\$54,740
12	\$54,725
13	\$54,610
14	\$54,386
15	\$54,045
16	\$53,574
17	\$52,964
18	\$52,203
19	\$51,278
20	\$0

Owner's obligation to pay the above termination fees are subject to annual appropriations by the Legislature of the State on the same basis as appropriations made for payment of Rental Payments under the Lease Agreement.

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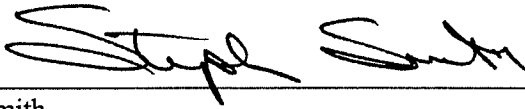


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Southeastern Louisiana University

EXHIBIT P

FINANCING AND OWNERSHIP

OWNER will execute a lease document to secure funding for this project. The moneys derived from this lease shall be the source for payment to SES for performing the Phase A portion of the Work and the audit as set forth in EXHIBIT G. Owner understands and agrees that the lease obligation is a separate and independent obligation of Owner. Owner's obligation to make lease payment shall be independent of the parties obligations under this agreement.

Ownership of all equipment shall be as defined in the lease.

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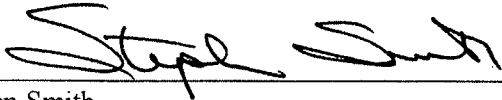


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EXHIBIT Q

SCHEDULING FOR SOUTHEASTERN LOUISIANA UNIVERSITY'S BUILDING HVAC SYSTEMS
 After Implementation of Sempra Energy Services Energy Conservation Project

Anazalone

Unit No.	Area served	Weekday Schedule	Weekend Schedule	Holiday Schedule
AHU-3	1st floor offices	6AM - 10PM	OFF	OFF

Child Development

Unit No.	Area served	Weekday Schedule	Weekend Schedule	Holiday Schedule
AHU-1	Whole building	6AM - 6PM	OFF	OFF

College of Business (CBUS)

Unit No.	Area served	Weekday Schedule	Weekend Schedule	Holiday Schedule
AHU 1	Northwest classrooms and offices	6AM - 9PM	6AM - 10PM	OFF
AHU 2	Northwest classrooms and offices	6AM - 9PM	6AM - 10PM	OFF
AHU 3	Northwest classrooms and offices	6AM - 9PM	6AM - 10PM	OFF
AHU 4	Small Business Development Center - offices	24 HRS	24 HRS	OFF
AHU 5	Small Business Development Center - work areas	24 HRS	24 HRS	OFF

East Stadium

Unit No.	Area served	Weekday Schedule	Weekend Schedule	Holiday Schedule
AHU-2	First floor print shop and drawing room	4AM - 10PM	6AM - 10PM	8AM - 2PM
AHU-4	Offices in Arts Gallery annex	4AM - 10PM	6AM - 10PM	8AM - 2PM
AHU-5	Arts Gallery annex	4AM - 10PM	6AM - 10PM	8AM - 2PM

Unit No.	Area served	Weekday Schedule	Weekend Schedule	Holiday Schedule

McClimans

Unit No.	Area served	Weekday Schedule	Weekend Schedule	Holiday Schedule
AHU-2	Second floor classrooms	4AM - 11PM	6AM - 10PM	8AM - 2PM
AHU-3	Second floor classrooms	4AM - 11PM	6AM - 10PM	8AM - 2PM
AHU-5	First floor classroom/auditorium	4AM - 11PM	6AM - 10PM	8AM - 2PM

McKneely Hall

Unit No.	Area served	Weekday Schedule	Weekend Schedule	Holiday Schedule
AHU-1	North side of the 2nd floor	6AM - 9PM	8AM - 3PM	8AM - 3PM
AHU-2	South side of the 2nd floor	6AM - 9PM	8AM - 3PM	8AM - 3PM

NC Building D

Unit No.	Area served	Weekday Schedule	Weekend Schedule	Holiday Schedule
DX-1, 2	Whole building	5AM - 10PM	OFF	OFF

Police and Visitors Building

Unit No.	Area served	Weekday Schedule	Weekend Schedule	Holiday Schedule
AHU-1	West side of the building	6AM - 8PM	8AM - 3PM	8AM - 3PM
AHU-2	Entry way, visitors desk and south offices	6AM - 8PM	8AM - 3PM	8AM - 3PM
AHU-3	Middle offices	6AM - 8PM	8AM - 3PM	8AM - 3PM
AHU-4	North side of the building	6AM - 8PM	8AM - 3PM	8AM - 3PM
AHU-5	Police Offices - 24 hour operations	24HR	24HR	24HR

Pursely

Unit No.	Area served	Weekday Schedule	Weekend Schedule	Holiday Schedule
AHU-3	Lecture Hall first floor	5AM - 9PM	OFF	OFF
AHU-9	Lecture Hall on the second floor	5AM - 9PM	OFF	OFF

Student Union

Unit No.	Area served	Weekday Schedule	Weekend Schedule	Holiday Schedule
AHU-1W	Post office and hallway	5AM - 8PM	8AM - 2PM	8AM - 2PM
AHU-1E	Food court and offices	5AM - 12AM	8AM - 12AM	8AM - 12AM
AHU-2E	Ballroom, meeting rooms and offices	5AM - 12AM	8AM - 12AM	8AM - 12AM
Fan Coils	Offices on 1st and 2nd floors	24HR	24HR	24HR
DX unit	Copy Store	5AM - 8PM	8AM - 2PM	8AM - 2PM
DX unit	Just Paws	5AM - 8PM	8AM - 2PM	8AM - 2PM
AHU-2	Theatre	5AM - 12AM	6AM - 12AM	6AM - 12AM
AHU-3	Student lounge and conference rooms	5AM - 12AM	8AM - 12AM	8AM - 12AM
AHU-4	Career planning	5AM - 8PM	6AM - 8PM	6AM - 8PM
AHU-5	Bookstore	5AM - 10PM	6AM - 10PM	6AM - 10PM
AHU-6	Game room and bookstore	5AM - 10PM	6AM-10PM	6AM-10PM

Twelve Oaks Cafeteria

Unit No.	Area served	Weekday Schedule	Weekend Schedule	Holiday Schedule
AHU 1	West Dining Room and Offices	5AM - 10PM	5AM - 10PM	OFF
AHU 2	West Dining Room	5AM - 10PM	5AM - 10PM	OFF
AHU 3	East Dining Room and Adjacent Areas	5AM - 10PM	5AM - 10PM	OFF
AHU 4	West Kitchen	OFF (as needed)	OFF (as needed)	OFF (as needed)
AHU 5	East Kitchen	OFF (as needed)	OFF (as needed)	OFF (as needed)

Wilson Hall

Unit No.	Area served	Weekday Schedule	Weekend Schedule	Holiday Schedule
AHU-1	Offices, classrooms and hallway	5AM - 11PM	8AM - 5PM	8AM - 5PM
AHU-2	Main Lab and Lab Offices	24HR	24HR	24HR
AHU-3	Classroom/Lab on Northwest corner	5AM - 11PM	8AM - 5PM	8AM - 5PM

Initials by representatives of both organizations indicate incorporation of this Exhibit into the Energy Services Agreement.



Agreed for Sempra Energy Services



Agreed for Board of Supervisors for The University of Louisiana System

ACKNOWLEDGED BY:



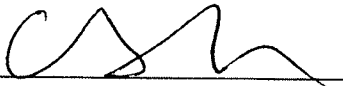
Stephen Smith
Vice President for Administration and Finance
Southeastern Louisiana University

EXHIBIT R

OWNER'S REQUEST FOR PROPOSAL ISSUED DECEMBER 14, 1998

Southeastern Louisiana University's Request for Proposal is included herein by reference.

Initials by representatives of both organizations indicate incorporation of this Exhibit into the Energy Services Agreement.

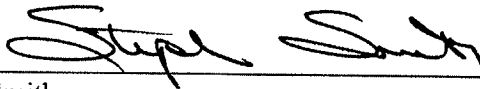


Agreed for Sempra Energy Services



Agreed for Board of Supervisors for The University of Louisiana System

ACKNOWLEDGED BY:



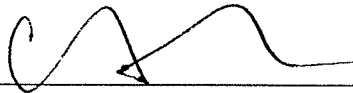
Stephen Smith
Vice President for Administration and Finance
Southeastern Louisiana University

EXHIBIT S

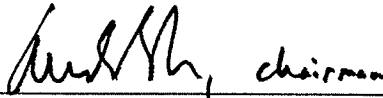
SES' RFP RESPONSE DATED FEBRUARY 24, 1999

SES' Response to SLU's Request for Proposal is included herein by reference.

By signature below both parties hereby agree on the contents this Exhibit and incorporate same into the Energy Services Agreement.

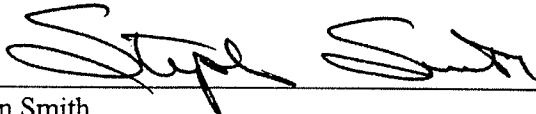


Agreed for Semptra Energy Services



Agreed for Board of Supervisors for The University of Louisiana System

ACKNOWLEDGED BY:




Stephen Smith
Vice President for Administration and Finance
Southeastern Louisiana University

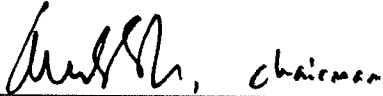
EXHIBIT T

CONTRACT BETWEEN SES AND SLU DATED FEBRUARY 2, 2000

Contract between SES and SLU dated February 2nd, 2000, is included herein by reference.
By signature below both parties hereby agree on the contents of this Exhibit and incorporate same into the Energy Services Agreement.



Agreed for Sempra Energy Services



Agreed for Board of Supervisors for The University of Louisiana System

ACKNOWLEDGED BY:



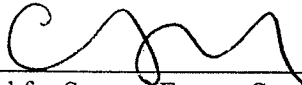
Stephen Smith
Vice President for Administration and Finance
Southeastern Louisiana University

EXHIBIT U

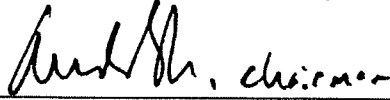
**SES' DETAILED FACILITY AUDIT FOR SOUTHEASTERN LOUISIANA UNIVERSITY
DATED JUNE 16, 2000**

Exhibit "U" – SES Detailed Facility Audit for Southeastern Louisiana University dated June 16, 2000 is included herein by reference.

By signature below both parties hereby agree on the contents of this Exhibit and incorporate same into the Energy Services Agreement.

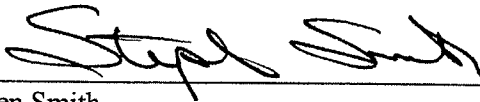


Agreed for Sempra Energy Services



Agreed for Board of Supervisors for The University of Louisiana System

ACKNOWLEDGED BY:



Stephen Smith
Vice President for Administration and Finance
Southeastern Louisiana University

EXHIBIT V

LEASE AGREEMENT BETWEEN SES AND THE BOARD OF SUPERVISORS OF THE UNIVERSITY OF LOUISIANA SYSTEM, DATED AS OF December 19, 2001

Exhibit "V" – Lease Agreement between SES and the Board of Supervisors of the University of Louisiana System, dated as of December 19, 2001, is included herein by reference.

By signature below both parties hereby agree on the contents of this Exhibit and incorporate same into the Energy Services Agreement.

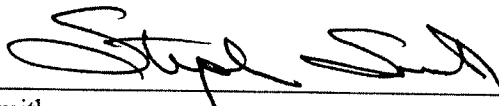


Agreed for Sempra Energy Services



Agreed for Board of Supervisors for The University of Louisiana System

ACKNOWLEDGED BY:



Stephen Smith
Vice President for Administration and Finance
Southeastern Louisiana University

EXHIBIT W

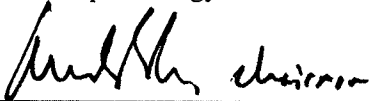
LESSOR ASSIGNMENT AGREEMENT BETWEEN SES AND MORGAN KEEGAN & COMPANY INC. DATED AS OF December 19, 2001

Exhibit "W" – Lessor Assignment Agreement between SES and Morgan Keegan & Company, Inc. dated as of December 19, 2001, is included herein by reference.

By signature below both parties hereby agree on the contents of this Exhibit and incorporate same into the Energy Services Agreement.

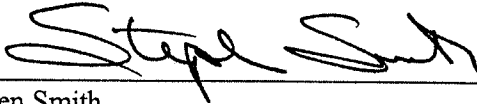


Agreed for Sempra Energy Services



Agreed for Board of Supervisors for The University of Louisiana System

ACKNOWLEDGED BY:



Stephen Smith
Vice President for Administration and Finance
Southeastern Louisiana University

LESSOR ASSIGNMENT AGREEMENT

This Lessor Assignment Agreement (this "Lessor Assignment") is made as of December 19, 2001, by and between SEMPRA ENERGY SERVICES COMPANY, a corporation duly organized and validly existing under the laws of the State of Texas, whose mailing address is 2500 City West Boulevard, Suite 1800, Houston, Texas 77042 ("Sempra" or "Assignor"), and MORGAN KEEGAN & COMPANY, INC., a corporation duly existing under the laws of the State of Tennessee, whose mailing address is 900 Poydras Street, Suite 1300, New Orleans, Louisiana 70112 (the "Assignee").

WITNESSETH:

WHEREAS, the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM, acting with and on behalf of Southeastern Louisiana University as lessee (the "University or "Lessee"), has entered into that certain Lease Agreement, dated as of December 19, 2001 (the "Lease Agreement") with Sempra, as lessor, pursuant to which Sempra agreed to lease to Lessee certain equipment and other personal property (the "Equipment") in consideration for the payment by Lessee of certain payments (the "Rental Payments") with respect to the Equipment; and

WHEREAS, the Equipment is being installed by Lessor pursuant to that certain Contract for Energy Services Agreement dated as of December 19, 2001 by and between Sempra and Lessee (the "Services Agreement"); and

WHEREAS, Sempra is authorized under the Lease Agreement to assign its right, title and interest in and to the Lease Agreement to Assignee as herein provided, including, but not limited to, Assignor's right to receive Rental Payments and other amounts payable by Lessee thereunder; and

WHEREAS, Assignor desires to assign to Assignee, and Assignee desires to purchase, but solely from the proceeds of sale of the Certificates of Participation (the "Certificates") executed and delivered pursuant to that certain Trust Agreement, dated as of even date herewith (the "Trust Agreement"), executed by Assignee, as trustor, and Hancock Bank of Louisiana, the trustee (the "Trustee"), all of Assignor's right, title and interest in and to the Lease Agreement (including, but not limited to, its right to receive the Rental Payments) upon the terms and conditions stated below; provided that nothing in this Lessor Assignment may be construed as providing recourse to Assignor for any aspect of the financing related to the Lease Agreement and the Services Agreement;

NOW, THEREFORE, in consideration of the premises, the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. *Assignment; Payment of Purchase Price.* (a) Assignor hereby assigns to Assignee, its successors and assigns, forever, without recourse, all of Assignor's right, title, interest, estate, claims and demands as Lessor (i) in, to and under the Lease Agreement, together with the Exhibits attached thereto and any amendments, supplements, documents and other instruments relating thereto, and all rights, powers,

privileges, options and other benefits of Assignor as Lessor under the Lease Agreement, including, but not limited to, (A) the immediate and continuing right to receive and collect all Rental Payments, insurance proceeds, and all other payments and amounts due thereunder (collectively, the "Assigned Payments"), (B) the right to make all waivers and agreements and to enter into any amendments relating to the Lease Agreement or any provision thereof, and (C) the right to take such action upon the occurrence of an event of default or event of nonappropriation under the Lease Agreement or an event of default that, with the lapse of time or the giving of notice or both, would constitute an event of default or event of nonappropriation under the Lease Agreement; (ii) in and to the Equipment, including, but not limited to, any title thereto now owned or hereafter acquired under the Lease Agreement, together with all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment described in the Lease Agreement, whether now owned or hereafter acquired, except such thereof as is or remains the property of the Lessee under the Lease Agreement, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of such Equipment, except such thereof as is or remains the property of the Lessee under the Lease Agreement, together with all the rents, issues, income, profits, proceeds and avails therefrom; and (iii) all right, title and interest of Assignor in, to and under the Lease Agreement related to the foregoing, subject, however, to the rights of Lessee under the Lease Agreement. This Lessor Assignment is absolute and unconditional and is not intended to be merely the grant of a security interest to Assignee.

(b) In consideration of the sale, transfer, and assignment provided in subparagraph (a) of this Paragraph 1, Assignee has caused to be paid, solely from the proceeds of the sale of the Certificates, in immediately available funds the sum of \$7,263,300.85 (representing the principal amount of the Certificates of \$7,450,000, less original issue discount of \$97,671.65, and less underwriter's discount of \$89,027.50), the receipt and sufficiency of which is hereby acknowledged, by depositing such amount in the Certificate Proceeds Fund established pursuant to the Trust Agreement. The amount of \$6,897,941.95 will be deposited to the Acquisition Fund and the amount of \$365,358.90 will be deposited into the Capitalized Interest Account of the Acquisition Fund, each as established pursuant to the Trust Agreement.

2. *Payments.* Simultaneously with this Lessor Assignment, Assignee is assigning all interests in the Lease Agreement assigned to Assignee pursuant to this Assignment to Hancock Bank of Louisiana, as Trustee. Upon receipt of the purchase price, Assignor shall authorize and direct Lessee, in writing, to pay to Assignee and its successors and assigns, all Rental Payments due or to become due under the Lease Agreement from and after the date of this Lessor Assignment by forwarding such payments to the Trustee to the following address and account:

Hancock Bank of Louisiana
ABA #065400153
DDA Account #0700924
Attn: Corporate Trust
Ref: Southeastern Louisiana University Retrofit

By its signature on that certain Consent to and Acknowledgment of Assignment dated as of December 19, 2001, Lessee has consented to the assignment herein provided and has agreed to pay the Assigned Payments to Assignee when due and payable.

3. *Warranties and Covenants.* Assignor hereby represents, warrants and covenants to and with Assignee that:

(a) Assignor is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, with corporate powers and authority to own its properties and carry on its operations as now being conducted.

(b) Assignor has full power, authority and legal right to enter into and perform its obligations under this Lessor Assignment and the Lease Agreement. The execution, delivery and performance of this Lessor Assignment and the Lease Agreement have been duly authorized by all necessary action on the part of Assignor, do not require any stockholder approval or the approval and consent of any trustee or holder of any indebtedness or obligation of Assignor or any such required approvals and consents have heretofore been duly obtained, and the foregoing do not contravene any law, governmental rule, regulation, order or ordinance of any governmental entity having jurisdiction over and binding on Assignor or the articles of incorporation or bylaws of Assignor and do not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement or instrument to which Assignor is a party or by which it or its property is bound.

(c) There are no pending or, to the best of Assignor's knowledge, threatened actions or proceedings before any court or administrative agency that will materially adversely affect the condition, business or operation of Assignor or the ability of Assignor to perform its obligations under this Lessor Assignment or the Lease Agreement.

(d) This Lessor Assignment vests in Assignee full right, title and interest in and to the Lease Agreement and the right to receive the Assigned Payments, in each instance free and clear of all claims, liens, security interests and encumbrances of any kind or character, except the rights of Lessee under the Lease Agreement, and the same shall be and remain free of all claims, liens, security interests and encumbrances arising through any act or omission of Assignor or any person claiming by, through or under it.

(e) Assignor has complied and will comply with, and duly and promptly perform, all of the obligations and duties of Assignor under this Lessor Assignment, the Lease Agreement and all related documents and instruments.

(f) The original counterpart of the Lease Agreement and the Services Agreement delivered to Assignee herewith constitutes the entire writing, obligation and agreement between Assignor and Lessee respecting the Equipment, the lease thereof, the payment therefor by the Lessee and the title thereto.

(g) Assignor has not assigned, sold, transferred, pledged or otherwise granted an interest, and hereby covenants that it will not assign, sell, transfer, pledge or otherwise grant an interest, in or to the whole or any part of the right, title, interest, estate, claims or demands sold, transferred, delivered and assigned pursuant to this Lessor Assignment, the Trust Agreement, and the Lease Agreement to anyone other than Assignee, including, but not

limited to, the Lease Agreement, the Assigned Payments and the Equipment. Assignor will make appropriate notations on its books and records with entries regarding the Lease Agreement indicating the entering into of this Lessor Assignment.

(h) To the best of our knowledge, no event of default or receipt of notice of nonappropriation, has occurred and is continuing under the Lease Agreement, and no event has occurred that, with the lapse of time or the giving of notice or both, would constitute an event of default or receipt of notice of nonappropriation under the Lease Agreement. No Rental Payment under the Lease Agreement has yet become due and payable or has been paid in advance of its due date.

(i) The term of the Lease Agreement does not exceed the reasonably expected useful life of the Equipment.

(j) Assignor will indemnify and hold Assignee, its successors and assigns, harmless from and against all claims, losses, costs and expenses arising from or growing out of (i) the failure of Assignor to keep or perform any of its warranties, covenants or agreements contained in this Lessor Assignment, or (ii) a breach by Assignor of any representations made by Assignor in this Lessor Assignment.

(k) Assignor has not claimed and does not expect to claim any exclusions, deductions, credits or other benefits (such as depreciation) under the federal tax laws as "owner" of the Equipment for federal tax purposes.

4. *Further Assurances.* (a) Assignor, from time to time, at the request of Assignee, and at Assignor's cost and expense, shall execute and deliver such further acknowledgments, agreements and instruments of assignment, transfer and assurance, including, but not limited to, bills of sale for the Equipment and do all such further acts and things as may be reasonably necessary or appropriate in the opinion of Assignee to give effect to the provisions hereof and to further confirm the rights, titles and interests hereby sold, assigned and transferred to Assignee.

(b) Assignor expressly agrees that Assignee may assign its right, title and interest in this Lessor Assignment to Hancock Bank of Louisiana in its capacity as trustee under the Trust Agreement and to the Trustee's successors and assigns.

5. *Severability; Rights Cumulative.* If any part of this Lessor Assignment shall be contrary to any law that Assignee might seek to apply or enforce or should otherwise be defective, the other provisions hereof shall not be affected thereby but shall continue in full force and effect, to which end they are hereby declared severable. All rights, remedies and powers of Assignee hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all rights, remedies and powers given hereunder, or in or by any other instrument or any other law now existing or hereafter enacted.

6. *Notices.* Any notice required or permitted to be given by Assignor or Assignee to the other shall be deemed to have been given upon the actual receipt thereof or on the third day after it is deposited in the United

States mail, certified mail, return receipt requested, with proper postage prepaid, whichever is the earlier, and addressed to the party at such address as shown at the beginning of this Lessor Assignment or at such other address as one party shall hereafter furnish to the other in writing.

7. *Headings.* The headings of the paragraphs of this Lessor Assignment are for convenience only and shall not be used to interpret or construe this Lessor Assignment.


8. *Entirety; Amendments.* This Lessor Assignment contains the entire agreement between Assignor and Assignee with respect to the subject matter hereof and supersedes all prior agreements and understandings relating thereto. No other agreements will be effective to change, modify or terminate this Lessor Assignment in whole or in part unless such agreement is in writing and duly executed by Assignor and Assignee. No representations, inducements, promises or agreements, oral or otherwise, that are not embodied herein (or any other written instrument or document delivered pursuant hereto or in connection herewith) will be of any force or effect.

9. *Parties Bound.* This Lessor Assignment shall be binding on Assignor and its successors and assigns, and shall inure to the benefit of Assignee and its successors and assigns.

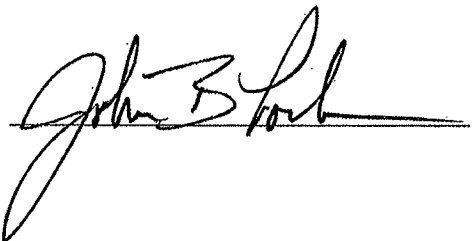
10. *Governing Law.* The substantive laws of the State of Louisiana shall govern the validity, construction, enforcement and interpretation of this Lessor Assignment and the rights of the parties hereunder.

11. *Event of Default Under the Lease Agreement.* Assignor shall have no liability of any nature or kind to Assignee or the owners of any Certificates executed and delivered pursuant to the Trust Agreement with respect to the occurrence of an Event of Default under the Lease Agreement resulting from the action or the failure to act of the Lessee, whether such default consists of failure to pay monies, breach of covenant or otherwise.

SEMPRAENERGY SERVICE COMPANY,
as Assignor

By: 
Erbin B. Keith, JD, PE
President

MORGAN KEEGAN & COMPANY, INC.
as Assignee

By: 

ASSIGNMENT AGREEMENT

This ASSIGNMENT AGREEMENT (this "*Assignment*") is made as of June 28, 2012, by and between MORGAN KEEGAN & COMPANY, INC., New Orleans, Louisiana (the "*Assignor*"), and REGIONS CAPITAL ADVANTAGE, INC., a Tennessee Corporation (the "*Assignee*").

WITNESSETH:

WHEREAS, the Board of Supervisors for the University of Louisiana System, acting with and on behalf of Southeastern Louisiana University, as lessee (the "*Board*"), has entered into that certain Lease Agreement, dated as of December 19, 2001 (the "*Lease Agreement*") with Honeywell Building Solutions SES Corporation, successor by merger to Sempra Energy Services Company, as lessor (the "*Company*"), pursuant to which the Company agreed to lease to the Board certain equipment and other personal property (the "*Equipment*") in consideration for the payment by the Board of certain payments (the "*Rental Payments*") with respect to the Equipment;

WHEREAS, the Equipment was installed by the Company pursuant to that certain Contract for Energy Services Agreement dated as of December 19, 2001 by and between the Company and the Board (the "*Energy Services Agreement*");

WHEREAS, in order to finance amounts due to the Company under the Energy Services Agreement, the Company assigned its right, title and interest in and to the Lease Agreement to Morgan Keegan and Company, Inc. (the "*Lessor Assignment*"), including, but not limited to the Company's rights to receive Rental Payments and other amounts payable by the Board thereunder, provided, however, that the Company did not, pursuant to the Lessor Assignment, delegate its obligations or duties thereunder, in return for payment of amounts owed to the Company under the Energy Services Agreement from the \$7,450,000 Certificates of Participation Evidencing Proportionate Ownership Interest in Rental Payments to be Made Pursuant to a Lease Agreement between the Board of Supervisors for the University of Louisiana System and Sempra Energy Services Company, as assigned to Morgan Keegan & Company Inc. (the "*Certificates*") issued by the Assignor in December of 2001;

WHEREAS, the Rental Payments under the Lease Agreement were structured to match the debt service payments on the Certificates;

WHEREAS, in order to refinance the Certificates, Regions Capital Advantage, Inc. has agreed to purchase (the "*Purchase*") the right, title and interest of Morgan Keegan under the Lease (the "*Lease Interest*"), the proceeds of which will be used to redeem the Certificates prior to maturity on December 1, 2012 (the "*Redemption Date*");

WHEREAS, Assignor has obtained the consent of the Company to assign its right, title and interest in and to the Lease Agreement to Assignee as herein provided, including, but not limited to, Assignor's right to receive Rental Payments and other amounts payable by the Board thereunder;

WHEREAS, Assignor desires to assign to Assignee, and Assignee desires to purchase (but solely from the proceeds of the Purchase, all of Assignor's right, title and interest in and to the Lease Agreement (including, but not limited to, its right to receive the Rental Payments) upon the terms and conditions stated below; and

WHEREAS, nothing in this Assignment shall be construed as providing recourse to the Company for any or part of the financing related to the Services Agreement because the Energy Services Agreement sets forth all responsibilities of the Company related thereto.

NOW, THEREFORE, in consideration of the premises, the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. *Assignment; Payment of Purchase Price.* (a) Assignor hereby assigns to Assignee, its successors and assigns, forever, without recourse to Assignor, all of Assignor's right, title, interest, estate, claims and demands: (i) in, to and under the Lease Agreement, together with the Exhibits attached thereto and any amendments, supplements, documents and other instruments relating thereto, and all rights, powers, privileges, options and other benefits of Assignor under the Lease Agreement pursuant to the Lessor Assignment, including, but not limited to, (A) the immediate and continuing right to receive and collect all Rental Payments, insurance proceeds, and all other payments and amounts due thereunder (collectively, the "*Assigned Payments*"), (B) the right to make all waivers and agreements and to enter into any amendments relating to the Lease Agreement or any provision thereof, and (C) the right to take such action upon the occurrence of an event of default or event of nonappropriation under the Lease Agreement or an event of default that, with the lapse of time or the giving of notice or both, would constitute an event of default or event of nonappropriation under the Lease Agreement; (ii) in and to the Equipment, including, but not limited to, any title thereto now owned or hereafter acquired under the Lease Agreement, together with all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment described in the Lease Agreement, whether now owned or hereafter acquired, except such thereof as is or remains the property of the Board under the Lease Agreement, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of such Equipment, except such thereof as is or remains the property of the Board under the Lease Agreement, together with all the rents, issues, income, profits, proceeds and avails therefrom; and (iii) all right, title and interest of Assignor in, to and under the Lease Agreement related to the foregoing, subject, however, to the rights of Board under the Lease Agreement. This assignment is absolute and unconditional and is not intended to be merely the grant of a security interest to Assignee.

(b) In consideration of the sale, transfer, and assignment provided in subparagraph (a) of this Paragraph 1, Assignee has caused to be paid, solely from the proceeds of the Purchase, in immediately available funds the sum of \$4,880,250 the receipt and sufficiency of which is hereby acknowledged, by the deposit of such amount in the Escrow Fund established pursuant to the Escrow Deposit Agreement dated as of June 1, 2012 between the Board and Whitney Bank, as escrow trustee

(the “*Escrow Agreement*”). The Assignee has also caused to be paid the sum of \$89,750 to the Escrow Agent to be used to pay the costs of refinancing the Certificates.

2. *Payments.* Assignor has authorized and directed the Board, in writing, to pay to Assignee and its successors and assigns, all Rental Payments due or to become due under the Lease Agreement from and after the date of this Assignment by forwarding such payments to the Trustee to the following address and account:

Regions Capital Advantage, Inc.
1900 Fifth Avenue, North, Suite 2400
Birmingham, Alabama 35203
ABA # 062000019
Account # 0107024142
Attention: Regions Equipment Finance Department - (205) 264-4778

By its signature on that certain Consent to and Acknowledgment of Assignment dated as of June 26, 2012, the Company has consented to the assignment herein provided and the Board has agreed to pay the Assigned Payments to Assignee when due and payable.

3. *Warranties and Covenants.* Assignor hereby represents, warrants and covenants to and with Assignee that:

(a) Assignor has full power, authority and legal right to enter into and perform its obligations under this Assignment and the Lease Agreement. The execution, delivery and performance of this Assignment and the Lease Agreement have been duly authorized by all necessary action on the part of Assignor, do not require any stockholder approval or the approval and consent of any trustee or holder of any indebtedness or obligation of Assignor or any such required approvals and consents have heretofore been duly obtained, and the foregoing do not contravene any law, governmental rule, regulation, order or ordinance of any governmental entity having jurisdiction over and binding on Assignor or the articles of incorporation or bylaws of Assignor and do not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement or instrument to which Assignor is a party or by which it or its property is bound.

(b) There are no pending or, to the best of Assignor’s knowledge, threatened actions or proceedings before any court or administrative agency that will materially adversely affect the condition, business or operation of Assignor or the ability of Assignor to perform its obligations under this Assignment or the Lease Agreement.

(c) This Assignment vests in Assignee full right, title and interest in and to the Lease Agreement and the right to receive the Assigned Payments, in each instance free and clear of all claims, liens, security interests and encumbrances of any kind or character, except the rights of the Board under the Lease Agreement, and the same shall be and remain free of all claims, liens, security interests and encumbrances arising through any act or omission of Assignor or any person claiming by, through or under it.

(d) Assignor has complied and will comply with, and duly and promptly perform, all of the obligations and duties of Assignor under this Assignment, the Lease Agreement and all related documents and instruments.

(e) The original counterpart of the Lease Agreement and the Services Agreement delivered to Assignee herewith constitutes the entire writing, obligation and agreement between Assignor and the Board respecting the Equipment, the lease thereof, the payment therefor by the Board and the title thereto.

(f) Assignor has not assigned, sold, transferred, pledged or otherwise granted an interest, and hereby covenants that it will not assign, sell, transfer, pledge or otherwise grant an interest, in or to the whole or any part of the right, title, interest, estate, claims or demands sold, transferred, delivered and assigned pursuant to this Assignment, the Trust Agreement, and the Lease Agreement to anyone other than Assignee, including, but not limited to, the Lease Agreement, the Assigned Payments and the Equipment. Assignor will make appropriate notations on its books and records with entries regarding the Lease Agreement indicating the entering into of this Assignment.

(g) No event of default or event of nonappropriation has occurred and is continuing under the Lease Agreement, and no event has occurred that, with the lapse of time or the giving of notice or both, would constitute an event of default or event of nonappropriation under the Lease Agreement. No Rental Payment under the Lease Agreement has yet become due and payable or has been paid in advance of its due date.

(h) Assignor will indemnify and hold Assignee, its successors and assigns, harmless from and against all claims, losses, costs and expenses arising from or growing out of (i) the failure of Assignor to keep or perform any of its warranties, covenants or agreements contained in this Assignment, or (ii) a breach by Assignor of any representations made by Assignor in this Assignment.

(i) Assignor has not claimed and does not expect to claim any exclusions, deductions, credits or other benefits (such as depreciation) under the federal tax laws as “owner” of the Equipment for federal tax purposes.

4. *Further Assurances.* Assignor, from time to time, at the request of Assignee, and at Assignor’s cost and expense, shall execute and deliver such further acknowledgments, agreements and instruments of assignment, transfer and assurance, including, but not limited to, bills of sale for the Equipment and do all such further acts and things as may be reasonably necessary or appropriate in the opinion of Assignee to give effect to the provisions hereof and to further confirm the rights, titles and interests hereby sold, assigned and transferred to Assignee.

5. *Severability; Rights Cumulative.* If any part of this Assignment shall be contrary to any law that Assignee might seek to apply or enforce or should otherwise be defective, the other provisions hereof shall not be affected thereby but shall continue in full force and effect, to which

end they are hereby declared severable. All rights, remedies and powers of Assignee hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all rights, remedies and powers given hereunder, or in or by any other instrument or any other law now existing or hereafter enacted.

6. *Notices.* Any notice required or permitted to be given by Assignor or Assignee to the other shall be deemed to have been given upon the actual receipt thereof or on the third day after it is deposited in the United States mail, certified mail, return receipt requested, with proper postage prepaid, whichever is the earlier, and addressed to the party at such address as shown at the beginning of this Assignment or at such other address as one party shall hereafter furnish to the other in writing.

7. *Headings.* The headings of the paragraphs of this Assignment are for convenience only and shall not be used to interpret or construe this Assignment.

8. *Entirety; Amendments.* This Assignment contains the entire agreement between Assignor and Assignee with respect to the subject matter hereof and supersedes all prior agreements and understandings relating thereto. No other agreements will be effective to change, modify or terminate this Assignment in whole or in part unless such agreement is in writing and duly executed by Assignor and Assignee. No representations, inducements, promises or agreements, oral or otherwise, that are not embodied herein (or any other written instrument or document delivered pursuant hereto or in connection herewith) will be of any force or effect.

9. *Parties Bound.* This Assignment shall be binding on Assignor and its successors and assigns, and shall inure to the benefit of Assignee and its successors and assigns.

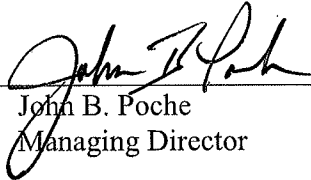
10. *Governing Law.* The substantive laws of the State of Louisiana shall govern the validity, construction, enforcement and interpretation of this Assignment and the rights of the parties hereunder.

11. *Event of Default Under the Lease Agreement.* Assignor shall have no liability of any nature or kind to Assignee with respect to the occurrence of an Event of Default under the Lease Agreement resulting from the action or the failure to act of the Board, whether such default consists of failure to pay monies, breach of covenant or otherwise.

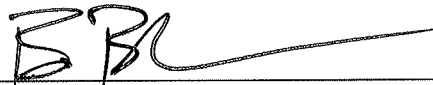
12. *Counterparts.* This Assignment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement as of the date above written.

MORGAN KEEGAN & COMPANY, INC.,
as Assignor

By: 
John B. Poche
Managing Director

REGIONS CAPITAL ADVANTAGE,
INC., as Assignee

By: 
Bo Buckner
Senior Vice President

ESCROW DEPOSIT AGREEMENT

This ESCROW DEPOSIT AGREEMENT (this “*Escrow Agreement*”), dated as of June 1, 2012 by and between the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM, acting on behalf of Southeastern Louisiana University (the “*Board*”), a public constitutional corporation created pursuant to the laws of the State of Louisiana (the “*State*”), and WHITNEY BANK, in the City of Baton Rouge, Louisiana, a State banking corporation, duly authorized to exercise corporate trust powers in the State, as escrow agent (the “*Escrow Agent*”):

WITNESSETH:

WHEREAS, the Board has entered into that certain Lease Agreement, dated as of December 19, 2001 (the “*Lease Agreement*”) with Honeywell Building Solutions SES Corporation, successor by merger to Sempra Energy Services Company, as lessor (the “*Company*”), pursuant to which the Company agreed to lease to the Board certain equipment and other personal property (the “*Equipment*”) in consideration for the payment by the Board of certain payments (the “*Rental Payments*”) with respect to the Equipment;

WHEREAS, the Equipment was installed by the Company pursuant to that certain Contract for Energy Services Agreement dated as of December 19, 2001 by and between the Company and the Board (the “*Energy Services Agreement*”);

WHEREAS, in order to finance amounts due to the Company under the Energy Services Agreement, the Company assigned its right, title and interest in and to the Lease Agreement (the “*Lessor Assignment*”) to Morgan Keegan and Company, Inc. (“*Morgan Keegan*”), including, but not limited to the Company’s rights to receive Rental Payments and other amounts payable by Board thereunder, provided, however, that the Company did not, pursuant to the Lessor Assignment, delegate its obligations or duties thereunder, in return for payment of amounts owed to the Company under the Energy Services Agreement from the \$7,450,000 Certificates of Participation Evidencing Proportionate Ownership Interest in Rental Payments to be Made Pursuant to a Lease Agreement between the Board of Supervisors for the University of Louisiana System and Sempra Energy Services Company, as assigned to Morgan Keegan & Company Inc. (the “*Certificates*”) issued by the Morgan Keegan in December of 2001;

WHEREAS, Morgan Keegan and Company, Inc., as trustor (the “*Trustor*”) entered into a Trust Agreement dated as of December 19, 2001 (the “*Trust Agreement*”) with Whitney Bank, a State banking corporation formerly known as Hancock Bank of Louisiana, as trustee (the “*Trustee*”) pursuant to which the Certificates were issued and secured;

WHEREAS, in order to refinance the Certificates, Regions Capital Advantage, Inc. has agreed to purchase (the “*Purchase*”) the right, title and interest of Morgan Keegan under the Lease (the “*Lease Interest*”), the proceeds of which will be used to redeem the Certificates prior to maturity on December 1, 2012 (the “*Redemption Date*”);

WHEREAS, the Board has found and determined that refunding the outstanding Certificates would be advantageous to the Board; and

WHEREAS, a portion of the proceeds from the Purchase, together with other available funds of the Board as described herein, shall be placed in escrow with the Escrow Agent and, together with the interest earned from the investment thereof, will be sufficient to pay the principal of, redemption premium of 1.0% and interest on the Certificates a maturity or the prior redemption thereof.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, and in order to provide for the aforesaid refunding, the parties hereto agree as follows:

SECTION 1. Establishment of Escrow Fund. There is hereby created and established with the Escrow Agent, a special and irrevocable Escrow Fund designated “Board of Supervisors for the University of Louisiana System, Southeastern Louisiana University 2001 Certificates of Participation Refunding Escrow Fund” (the “*Escrow Fund*”) to be held in the custody of the Escrow Agent separate and apart from other funds of the Board and the Escrow Agent. Capitalized terms used herein and not otherwise defined shall have the meaning given such terms by the Lease.

SECTION 2. Deposits to Escrow Fund; Application of Moneys.

(a) As of June 28, 2012 (the “*Closing Date*”), the Board has caused to be deposited in the Escrow Fund and the Escrow Agent hereby acknowledges receipt of the sum of \$4,880,250 consisting of proceeds of the Purchase. The funds on deposit in the Escrow Fund shall be applied to the payment of principal of, premium and interest due upon the redemption of the Certificates on December 1, 2012 (the “*Redemption Date*”).

(b) The Arbitrage Group, Inc. (the “*Verification Agent*”) has verified pursuant to the verification report and opinion of the Verification Agent dated June 28, 2012, which is attached as Exhibit A hereto (the “*Closing Verification Report*”) that the cash deposited to the Escrow Fund on the Closing Date is sufficient to pay the principal of, premium and interest due upon the redemption of the Certificates on the Redemption Date without investment thereof. However, after the Closing Date, the Escrow Agent shall apply the moneys described above to the purchase of the obligations described in a subsequent verification report delivered by the Verification Agent (the “*Subsequent Verification Report*” and, together with the Closing Verification Report, the “*Verification Report*”). The obligations listed in the Verification Report and any other direct obligations of the United States of America are hereinafter referred to as the “*Government Obligations*”. Pending the purchase of the Government Obligations, the Escrow Agent shall hold the cash deposited to the Escrow Fund on the Closing Date uninvested. All documents evidencing the book entries of the Government Obligations (together with the reinvestment obligation described in Section 5 below) shall be held by the Escrow Agent and appropriate evidence thereof shall be furnished by the Escrow Agent to the Board. As evidenced by the Verification Report, the Government Obligations (together with the reinvestment obligation described in Section 5 below) shall mature in principal amounts and pay interest in such amounts and at such times so that sufficient moneys will be available from such Government

Obligations (together with other moneys on deposit in the Escrow Fund) to pay, as the same are due, the principal of and interest on the Certificates. The Board, on the basis of the mathematical verification of the Verification Agent has heretofore found and determined that the investments described in said Verification Report (together with the reinvestment obligation described in Section 5 below) are adequate in yield and maturity date in order to provide the necessary moneys for such purposes.

(c) In the event that, on the Closing Date, there is not delivered to the Escrow Agent any Government Obligation described in the Verification Report, the Escrow Agent shall accept delivery of cash and/or replacement obligations that are direct, non-callable obligations of the United States of America (collectively, “*Replacement Obligations*”) described in paragraph (d) of this Section, in lieu thereof, and shall hold such Replacement Obligations in the Escrow Fund until the Government Obligations described in the Verification Report that were not delivered on the Closing Date. The Escrow Agent shall return to the supplier thereof any Replacement Obligations in exchange for and upon receipt of the Government Obligations set forth in the Verification Report for which such Replacement Obligations described in such paragraph (d) were substituted. The Escrow Agent shall have no power or duty to invest any moneys held in the Escrow Fund or to make substitutions of the Government Obligations held in the Escrow Fund or to hereafter sell, transfer or otherwise dispose of such Government Obligations, except pursuant to the following subparagraph (d).

(d) Except as provided in Section 5, an obligation shall qualify as a Replacement Obligation or other permitted substitution obligation only if:

(i) such Replacement Obligation is in an amount, and/or matures in an amount (including any interest received thereon), which together with any cash or other Replacement Obligations substituted for the Government Obligations listed in the Verification Report, is equal to or greater than the amount payable on the maturity date of the Government Obligation listed in the Verification Report for which the substitution occurred;

(ii) such Replacement Obligation matures on or before the next date on which the Government Obligations listed in the Verification Report that are substituted for will be required for payment of principal of or interest on the Certificates; and

(iii) the Escrow Agent shall have been provided with (A) a mathematical verification of the Verification Agent or of a firm of nationally recognized independent certified public accountants that the Replacement Obligations are sufficient to pay the principal of and interest on the Certificates as shown by the Verification Report and (B) an opinion of nationally recognized bond counsel to the effect that the substitution is permitted hereunder and has no adverse effect on the exclusion from gross income for federal income tax purposes of interest on the Certificates.

(e) To the extent that the Government Obligations mature before December 1, 2012, the Escrow Agent may invest for the benefit of the Board such cash in other Government Obligations provided that the investment in such other Government Obligations matures on or before dates pursuant to Section 6 in such amounts as to equal or exceed the Section 6 requirements and that such

investment does not cause the Certificates to be “arbitrage bonds” under the Internal Revenue Code of 1986, as amended.

(f) The Escrow Agent shall collect and receive the interest accruing and payable on the Government Obligations and the maturing principal amounts of the Government Obligations as the same are paid and credit the same to the Escrow Fund, so that the interest on and the principal of the Government Obligations, as such are paid, will be available to make the payments required pursuant to Section 6 hereof.

(g) In the event there is a deficiency in the Escrow Fund, the Escrow Agent shall notify the Board of such deficiency, and the Board shall immediately remedy such deficiency by paying to the Escrow Agent the amount of such deficiency. The Escrow Agent shall not be liable for any such deficiency, except as may be caused by the Escrow Agent’s negligence or willful misconduct.

(h) In any case where the Escrow Agent is instructed to purchase United States Treasury Obligations - State and Local Government Series (“*SLGS*”), the Escrow Agent shall, by at least seven (7) days (or such different time as may hereafter be established by regulations of the United States Bureau of Public Debt) prior to such date, execute and file with a Federal Reserve Bank or Branch a subscription for the purchase and issue of such *SLGS* with such terms as may be required to effect such purchase on such date.

SECTION 3. Reserved.

SECTION 4. Deposit to Escrow Fund Irrevocable. The deposit of the moneys in the Escrow Fund shall constitute an irrevocable deposit of said moneys exclusively for the benefit of the owners of the Certificates and such moneys and Government Obligations shall be held in escrow and shall be applied solely to the payment of the principal of, premium and interest on the Certificates as the same mature and become due or are redeemed. Subject to the requirements set forth herein for the use of the Escrow Fund and the moneys and investments therein, the Board covenants and agrees that the Escrow Agent shall have full and complete control and authority over and with respect to the Escrow Fund and moneys and investments therein and the Board shall not exercise any control or authority over and with respect to the Escrow Fund and the moneys and investments therein.

SECTION 5. Use of Moneys.

(a) The Escrow Agent shall apply the moneys deposited in the Escrow Fund and the Government Obligations in accordance with the provisions hereof. The Escrow Agent shall have no power or duty to invest any moneys held hereunder, or to make substitutions of the Government Obligations held hereunder or to sell, transfer or otherwise dispose of the Government Obligations acquired hereunder, except as provided in 2(d) and (e) above.

(b) The liability of the Escrow Agent for the payment of the amounts to be paid hereunder shall be limited to the principal of and interest on the Government Obligations and cash available for such purposes in the Escrow Fund. Any amounts held as cash in the Escrow Fund shall be held in

cash without any investment thereof, not as a deposit with any bank, savings and loan or other depository.

(c) The amounts released under the Trust Agreement and deposited in the Escrow Fund will be deemed allocated to the earliest maturing investments in the Escrow Fund and will be deemed allocated to pay the first debt service payment on the Certificates paid from the Escrow Fund.

SECTION 6. Payment of Certificates. The Escrow Agent shall receive the matured principal of and the interest on the Governmental Obligations as the same are payable. On the Redemption Date, the Escrow Agent shall transmit to the Trustee under the Trust Agreement, in immediately available funds, sufficient amounts for the payment of the principal, premium and interest on the Certificates as it becomes due or upon redemption on said date.

SECTION 7. Notice of Defeasance. The Escrow Agent, as trustee under the Trust Agreement, has received instructions from the Board to redeem the Certificates on the Redemption Date in substantially the form attached as Exhibit C hereto. The Trustee will cause the notice of defeasance in the form attached hereto as Exhibit B to be mailed to the registered owners of the Certificates. The Trustee will also cause the notice of redemption in the form attached hereto as Exhibit D to be mailed to the registered owners of the Certificates at least twenty-five (25) days but not more than forty-five (45) days prior to the Redemption Date for the Certificates.

SECTION 8. Remaining Moneys in Escrow Fund. Upon the retirement of the Certificates, any amounts remaining in the Escrow Fund shall be paid to the Board, as its property free and clear of the trust created by the Trust Agreement and this Agreement.

SECTION 9. Rights of Owners of Certificates. The escrow created hereby shall be irrevocable and the owners of the Certificates shall have a beneficial interest and a first, prior and paramount claim on all moneys and Government Obligations in the Escrow Fund until paid out, used and applied in accordance with this Agreement.

SECTION 10. Fees of Escrow Agent.

(a) In consideration of the services rendered by the Escrow Agent under this Agreement, the Board has paid to the Escrow Agent its reasonable fees and expenses, and the Escrow Agent hereby acknowledges (i) receipt of such payment and (ii) that it shall have no lien whatsoever upon any moneys in the Escrow Fund. In no event shall the Board be liable to any person by reason of the transactions contemplated hereby other than to the Escrow Agent as set forth in this Section 10. The Board hereby agrees to pay, or cause to be paid, any other fees and expenses which may be owed to the Escrow Agent from moneys other than those in the Escrow Fund.

(b) The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of

the moneys and securities deposited therein, the purchase of those Government Obligations listed in the Verification Report, the retention of the Government Obligations or the proceeds thereof or any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any act, omission or error of the Escrow Agent made in good faith and without negligence in the conduct of its duties.

SECTION 11. Records and Reports. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Government Obligations deposited to the Escrow Fund and all proceeds thereof. With respect to each investment of the proceeds of Government Obligations, the Escrow Agent shall record, to the extent applicable, the purchase price of such investment, its fair market value, its coupon rate, its yield to maturity, the frequency of its interest payment, its disposition price, the accrued interest due on its disposition date and its disposition date. Such books shall be available for inspection at reasonable hours and under reasonable conditions by the Board and the owners of the Certificates. The Escrow Agent shall deliver to the Board within thirty (30) days after the Redemption Date on the Certificates, a report of each transaction relating to the Escrow Fund.

SECTION 12. Successor Escrow Agents.

(a) If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as Escrow Agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Board, by appropriate order, shall promptly appoint an Escrow Agent to fill such vacancy.

(b) Any successor Escrow Agent shall execute, acknowledge and deliver to the Board and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Board shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties. The Escrow Agent shall pay over to its successor Escrow Agent a proportional part of the Escrow Agent's fee hereunder.

(c) The Escrow Agent may be removed at any time by an instrument or concurrent instrument in writing delivered to the Escrow Agent by the Board.

SECTION 13. Amendments. This Agreement may be amended with the consent of the Board and the Escrow Agent: (a) to correct ambiguities, (b) to strengthen any provision hereof which is for the benefit of the owners of the Certificates or (c) to sever any provision hereof which is deemed to be illegal or unenforceable; provided that this Agreement shall not be amended unless the holders of all of the Certificates consent to such amendment, and provided further that this Agreement shall not

be amended unless the Board shall deliver an opinion of nationally recognized bond counsel, that such amendments will not cause the Certificates to be “arbitrage bonds”.

SECTION 14. Enforcement. The Board and the Trustee for the Certificates shall have the right to take all actions available under law or equity to enforce this Agreement or the terms hereof.

SECTION 15. Successors Bound. All covenants, promises and agreements in this Agreement shall bind and inure to the benefit of the respective successors and assigns of the Board, the Escrow Agent and the owners of the Certificates, whether so expressed or not.

SECTION 16. Louisiana Law Governing. This Agreement shall be governed by the applicable laws of the State of Louisiana.

SECTION 17. Termination. This Agreement shall terminate when all of the Certificates have been paid as aforesaid and any remaining moneys have been paid to the Board.

SECTION 18. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Board or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 19. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be one and the same instrument.

SECTION 20. Release of Lien of Indenture. In reliance upon the Verification Report and upon the opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., as Bond Counsel, dated June 28, 2012, and delivered to certain parties, the Trustee under the Trust Agreement hereby acknowledges that the moneys and investments in the Escrow Fund satisfy the requirements of the Trust Agreement relating to the defeasance of the Certificates and agrees to deliver to the Board forthwith such instruments as are requested of it to evidence the Trustee’s release of the lien of the Trust Agreement and the documents relating thereto with respect to the Certificates, including the Consent to Termination of Assignment and Discharge of Trust Agreement in the form attached hereto as Exhibit E. Notwithstanding the fact that the lien of the Trust Agreement has been released with respect to the Certificates, the Trustee shall continue to perform those duties under the Trust Agreement that are necessary for the payment, registration, transfer and exchange of the Certificates incidental to the office of Paying Agent and Registrar.

SECTION 21. Verification of the Escrow Fund. The Verification Report shows (a) the payments of the principal of and interest on the investments and moneys in the Escrow Fund, (b) the total of the principal of and interest on the Certificates hereby required to be paid to and including the Redemption Date in the amounts and on the dates indicated, and (c) the cumulative balance in the Escrow Fund after each payment is made from the Escrow Fund. With the Verification Report, the

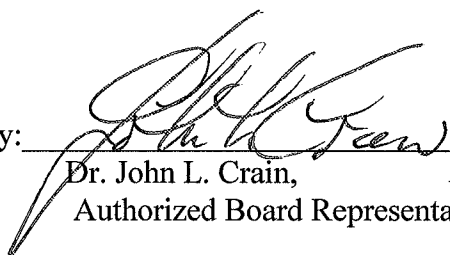
Verification Agent has delivered its opinion, addressed to the Issuer, the Trustee and the Escrow Agent and Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P. that if the principal of and interest on the investments in the Escrow Fund are paid as said principal and interest become due, the proceeds from the collection of such interest and principal, together with any other moneys then required to be held in the Escrow Fund, will be sufficient to permit the prompt payment of the Certificates as the same become due to and including the Redemption Date. The Escrow Agent shall not be liable for the accuracy of any calculations as to the sufficiency of the investments and moneys in the Escrow Fund to pay the principal of and interest on the Certificates or other calculations required to be made hereunder and shall not be liable for any deficiencies in the amounts necessary to make such payments.

SECTION 22. Costs of Issuance Fund. There is also hereby created and established with the Escrow Agent, a special and irrevocable trust fund designated “Board of Supervisors for the University of Louisiana System, Southeastern Louisiana University 2001 Certificates of Participation Refunding Costs of Issuance Fund” (the “*Costs of Issuance Fund*”) to be held in the custody of the Escrow Agent separate and apart from other funds of the Board and the Escrow Agent. As of the Closing Date, the Board has caused to be deposited in the Costs of Issuance Fund and the Escrow Agent hereby acknowledges receipt of the sum of \$89,750 consisting of proceeds of the Purchase. Such amounts shall be applied to the payment of the legal, administrative, financing and incidental expenses of the Board and the Escrow Agent relating to the Purchase (the “*Costs of Issuance*”). The Escrow Agent shall make payments from the Costs of Issuance Fund upon receipt of statements from the parties entitled to be paid therefrom accompanied by a written request of the Board, signed by an Authorized Board Representative, directing the Escrow Agent to pay such statements. Upon the earlier of: (i) December 1, 2012 or (ii) receipt of the written direction of an Authorized Board Representative stating that all Costs of Issuance have been paid, the Escrow Agent shall transfer any amounts remaining in the Cost of Issuance Fund to the Board.

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IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the day and year first above written.

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

By:  _____
Dr. John L. Crain,
Authorized Board Representative

[SEAL]

WHITNEY BANK, as Escrow Agent

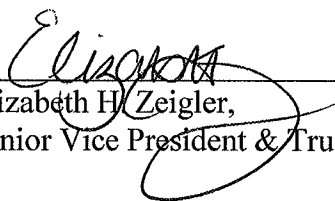
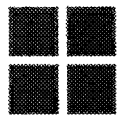
By:  _____
Elizabeth H. Zeigler,
Senior Vice President & Trust Officer

EXHIBIT A
TO ESCROW AGREEMENT

VERIFICATION REPORT



The Arbitrage Group, Inc.

\$7,450,000

CERTIFICATES OF PARTICIPATION

Evidencing Proportionate Interests in Rental Payments to be Made

Pursuant to a Lease Agreement between

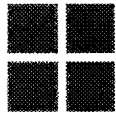
BOARD OF SUPERVISORS FOR THE

UNIVERSITY OF LOUISIANA SYSTEM AND

SEMPRA ENERGY SERVICES COMPANY, AS ASSIGNED

TO MORGAN KEEGAN & COMPANY, INC.

Refinancing - June 28, 2012



The Arbitrage Group, Inc.

3401 Louisiana Street
Suite 236
Houston, Texas 77002

Telephone 713 522 8527
Facsimile 713 522 8471

www.thearbitragegroup.com

June 28, 2012

Board of Supervisors for the University
of Louisiana System
Baton Rouge, Louisiana

Southeastern Louisiana University
Hammond, Louisiana

Jones, Walker, Waechter, Poitevent,
Carrere & Denegre, LLP
Baton Rouge, Louisiana

Morgan Keegan & Company, Inc.
New Orleans, Louisiana

Whitney Bank
Baton Rouge, Louisiana

\$7,450,000

CERTIFICATES OF PARTICIPATION
Evidencing Proportionate Interests in Rental Payments to be Made
Pursuant to a Lease Agreement between
BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM AND
SEMPRA ENERGY SERVICES COMPANY, AS ASSIGNED
TO MORGAN KEEGAN & COMPANY, INC.

The Board of Supervisors for the University of Louisiana System, acting on behalf of Southeastern Louisiana University (the "Board") proposes to cause the above-captioned certificates (the "Refunded Certificates") to be refunded with the proceeds received from the sale of the interest of Morgan Keegan & Company, Inc. (the "Lease Interest") pursuant to a Lease agreement dated as of December 19, 2001 between the Board and Honeywell Building Solutions SES Corporation, successor by merger to Sempra Energy Services Company.

A portion of the proceeds of the Lease Interest will be deposited as cash into an irrevocable trust to be used solely to refund that portion of the Refunded Certificates described as follows:



Board of Supervisor for the University
of Louisiana System
June 28, 2012
Page 2

Series	Original Amount Issued	Dated Date	Amount to be Refunded	Maturities and Sinking Fund Dates to be Refunded	Maturities and Sinking Fund Dates to be Optionally Redeemed	Optional Redemption Date and Price
2001	\$7,450,000	12-19-2001	\$4,715,000	12-01-2012 - 12-01-2021, Inclusive	12-01-2013 - 12-01-2021, Inclusive	12-01-2012 @ 101%

At your request, we have independently verified the arithmetical accuracy of the computations provided to us by Morgan Keegan & Company, Inc. which indicate: (1) the sufficiency of the initial cash deposit to pay to and at early redemption the principal, interest, and early redemption premium on the Refunded Certificates; and, (2) the "yields" to be considered by bond counsel in its determination that the Lease Interest is not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended. The term "yield," as used herein, means that discount rate which, when used in computing the present value of all payments of principal and interest on an obligation compounded semiannually using a 30/360-day year basis, produces an amount equal to, in the case of the Lease Interest, the Issue Price to the Public.

The original computations, along with certain assumptions and information, were furnished to us by Morgan Keegan & Company, Inc. on behalf of the Board. We have relied solely on the assumptions and information provided to us and have not made any study or evaluation of them, except as noted below. We express no opinion on the reasonableness of the assumptions, or the likelihood that the debt service requirements of the Refunded Certificates will be paid as described in the accompanying Exhibits.

In the course of our engagement, we were furnished by Morgan Keegan & Company, Inc. with the Official Statement for the Refunded Certificates and the Escrow Deposit Agreement dated as of June 1, 2012 by and between the Board of Supervisors for the University of Louisiana System, acting on behalf of Southeastern Louisiana University. We compared the information contained in the schedules provided by Morgan Keegan & Company, Inc. with certain information set forth in such documents with respect to prices, principal payment dates and amounts, interest payment dates and rates, yields, and redemption dates and prices. We found that the information contained in such schedules provided to us by Morgan Keegan & Company, Inc. was in agreement with the above-mentioned information set forth in such documents.

In our opinion, based on the assumptions and information provided by Morgan Keegan & Company, Inc. on behalf of the Board, the computations in the schedules provided to us are arithmetically accurate. The computations in the accompanying Exhibits prepared by us and the comparable schedules provided to us indicate that:

- (1) the receipts from the cash deposit in the amount of \$4,880,250.00 will be sufficient to pay to and at early redemption the principal, interest, and early redemption premium on the Refunded Certificates; and,
- (2) the yield of the Lease Interest is 2.190160%.



The Arbitrage Group, Inc.

Board of Supervisor for the University
of Louisiana System

June 28, 2012

Page 3

The terms of our engagement are such that we have no obligation to update this report or to verify any revised computation because of events and transactions occurring subsequent to the date of this report. This report is issued solely for your information and assistance in connection with the sale of the Lease Interest. This report is not to be quoted or referred to without our prior written consent.

Very truly yours,

The Arbitrage Group, Inc.

Exhibits

- A. Sources and Uses of Funds
- B. Escrow Cash Flow
- C-1. Debt Service Requirements of the Refunded Certificates to Maturity
- C-2. Debt Service Requirements of the Refunded Certificates to Early Redemption
- D. Debt Service Requirements and Proof of Yield

Sources and Uses of Funds

Southeastern Louisiana University

SOURCES

Principal Amount of the Purchase	\$4,970,000.00
----------------------------------	----------------

USES

Initial Cash Deposit	\$4,880,250.00
Costs of Issuance	89,750.00

\$4,970,000.00

Debt Service Requirements of the Refunded Certificates to Maturity

Southeastern Louisiana University

Date	Principal	Coupon Rate	Early Redemption Premium	Interest	Debt Service Requirements of the Refunded Certificates to Maturity
12/01/12	\$375,000.00	5.000%		\$121,850.00	\$496,850.00
06/01/13				112,475.00	112,475.00
12/01/13	390,000.00	5.000%	1.000%	112,475.00	502,475.00
06/01/14				102,725.00	102,725.00
12/01/14	410,000.00	5.000%	1.000%	102,725.00	512,725.00
06/01/15				92,475.00	92,475.00
12/01/15	435,000.00	5.000%	1.000%	92,475.00	527,475.00
06/01/16				81,600.00	81,600.00
12/01/16	455,000.00	5.000%	1.000%	81,600.00	536,600.00
06/01/17				70,225.00	70,225.00
12/01/17	475,000.00	5.300%	1.000%	70,225.00	545,225.00
06/01/18				57,637.50	57,637.50
12/01/18	500,000.00	5.300%	1.000%	57,637.50	557,637.50
06/01/19				44,387.50	44,387.50
12/01/19	530,000.00	5.300%	1.000%	44,387.50	574,387.50
06/01/20				30,342.50	30,342.50
12/01/20	555,000.00	5.300%	1.000%	30,342.50	585,342.50
06/01/21				15,635.00	15,635.00
12/01/21	590,000.00	5.300%	1.000%	15,635.00	605,635.00
	<u>\$4,715,000.00</u>			<u>\$1,336,855.00</u>	<u>\$6,051,855.00</u>

Debt Service Requirements of the Refunded Certificates to Early Redemption

Southeastern Louisiana University

<u>Date</u>	<u>Principal</u>	<u>Coupon Rate</u>	<u>Early Redemption Premium</u>	<u>Interest</u>	<u>Debt Service Requirements of the Refunded Certificates to Early Redemption</u>
12/01/12	\$4,715,000.00	*	\$43,400.00	\$121,850.00	\$4,880,250.00

* Coupon rates are as shown in the Debt Service Requirements of the Refunded Certificates to Maturity.

Debt Service Requirements and Proof of Yield

Southeastern Louisiana University

Date	\$4,970,000			Debt Service Requirements	Present Value of Future Payments at 06/28/12 Using a Rate of 2.190160%
	Principal	Coupon Rate	Interest		
12/01/12	\$460,000.00	2.190%	\$46,258.28	\$506,258.28	\$501,593.18
06/01/13			49,384.50	49,384.50	48,399.42
12/01/13	460,000.00	2.190%	49,384.50	509,384.50	493,816.01
06/01/14			44,347.50	44,347.50	42,526.39
12/01/14	470,000.00	2.190%	44,347.50	514,347.50	487,883.39
06/01/15			39,201.00	39,201.00	36,781.25
12/01/15	485,000.00	2.190%	39,201.00	524,201.00	486,516.08
06/01/16			33,890.25	33,890.25	31,113.16
12/01/16	490,000.00	2.190%	33,890.25	523,890.25	475,750.92
06/01/17			28,524.75	28,524.75	25,623.07
12/01/17	500,000.00	2.190%	28,524.75	528,524.75	469,617.86
06/01/18			23,049.75	23,049.75	20,258.88
12/01/18	510,000.00	2.190%	23,049.75	533,049.75	463,433.02
06/01/19			17,465.25	17,465.25	15,019.80
12/01/19	520,000.00	2.190%	17,465.25	537,465.25	457,203.54
06/01/20			11,771.25	11,771.25	9,904.94
12/01/20	530,000.00	2.190%	11,771.25	541,771.25	450,936.20
06/01/21			5,967.75	5,967.75	4,913.37
12/01/21	545,000.00	2.190%	5,967.75	550,967.75	448,709.52
	<u>\$4,970,000.00</u>		<u>\$553,462.28</u>	<u>\$5,523,462.28</u>	<u>\$4,970,000.00</u>
			Principal Amount		<u>\$4,970,000.00</u>

FORM OF NOTICE OF DEFEASANCE

\$7,450,000

CERTIFICATES OF PARTICIPATION

Evidencing Proportionate Ownership Interests in Rental Payments to be Made

Pursuant to a Lease Agreement between

THE BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM ANDSEMPRA ENERGY SERVICES COMPANY, AS ASSIGNED
TO MORGAN KEEGAN & COMPANY, INC.

NOTICE IS HEREBY GIVEN, that the above-captioned certificates (the "*Certificates*") issued in accordance with the Trust Agreement dated as of December 19, 2001, by and between Morgan Keegan & Company, Inc. and Whitney Bank, a Louisiana state banking corporation formerly known as Hancock Bank of Louisiana, as trustee (collectively, the "*Trust Agreement*") have been defeased pursuant to law and the terms of the Trust Agreement by depositing in irrevocable escrow with Whitney Bank, Baton Rouge, Louisiana, direct obligations of the United States of America, or obligations unconditionally guaranteed by the United States of America, the maturing principal of, premium, if any, and interest on which, will be sufficient to pay the interest on and the principal and redemption premium due for the redemption of the Certificates described below on the redemption dates set forth below. The provisions of the Trust Agreement with respect to these Certificates have ceased, terminated and become null and void in accordance with the provisions of the Trust Agreement.

<u>Maturity Date</u> <u>(December 1)</u>	<u>CUSIP</u> <u>Number</u>	<u>Rate</u>	<u>Principal</u> <u>Outstanding</u>	<u>Redemption</u> <u>Premium</u>	<u>Amount</u> <u>Redeemed</u>
2016	91438R AK7	5.00%	\$2,065,000	1.00%	\$2,065,000
2021	91438R AL5	5.30%	\$2,650,000	1.00%	\$2,650,000

WHITNEY BANK, as Trustee

By: _____
Elizabeth H. Zeigler,
Senior Vice President & Trust Officer

FORM OF CERTIFICATE OF INSTRUCTION TO REDEEM CERTIFICATES

\$7,450,000

CERTIFICATES OF PARTICIPATION

Evidencing Proportionate Ownership Interests in Rental Payments to be Made
Pursuant to a Lease Agreement between
THE BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM AND
SEMPRA ENERGY SERVICES COMPANY, AS ASSIGNED
TO MORGAN KEEGAN & COMPANY, INC.

To: WHITNEY BANK,
as Trustee on the above captioned certificates

INSTRUCTION IS HEREBY GIVEN, that all of the above-captioned certificates currently outstanding in the aggregate principal amount of \$4,715,000 (the "*Certificates*") be called for redemption prior to their maturity on December 1, 2012 pursuant to Section 6.1 of the Trust Agreement dated as of December 19, 2001, by and between Morgan Keegan & Company, Inc., as trustor, and Whitney Bank, a Louisiana state banking corporation formerly known as Hancock Bank of Louisiana, as trustee (the "*Trust Agreement*"). Redemption will be made by payment of the principal amount of each such Certificate and redemption premium, together with interest accrued to the redemption date, until December 1, 2012. Any lien or interest in or to any pledge of security or collateral for the Certificate hereby called shall also cease and become null on that date.

<u>Maturity Date</u> <u>(December 1)</u>	<u>CUSIP</u> <u>Number</u>	<u>Rate</u>	<u>Principal</u> <u>Outstanding</u>	<u>Redemption</u> <u>Premium</u>	<u>Amount</u> <u>Redeemed</u>
2016	91438R AK7	5.00%	\$2,065,000	1.00%	\$2,065,000
2021	91438R AL5	5.30%	\$2,650,000	1.00%	\$2,650,000

You are further instructed to distribute a Notice of Redemption with reference to the Certificates in accordance with the provisions of Article VI of the Indenture.

MORGAN KEEGAN & COMPANY, INC., as trustor

By: _____

FORM OF NOTICE OF REDEMPTION TO THE HOLDERS OF

\$7,450,000

CERTIFICATES OF PARTICIPATION

Evidencing Proportionate Ownership Interests in Rental Payments to be Made

Pursuant to a Lease Agreement between

THE BOARD OF SUPERVISORS FOR THE

UNIVERSITY OF LOUISIANA SYSTEM AND

SEMPRA ENERGY SERVICES COMPANY, AS ASSIGNED

TO MORGAN KEEGAN & COMPANY, INC.

NOTICE IS HEREBY GIVEN, that all of the above-captioned certificates currently outstanding in the aggregate principal amount of \$4,715,000 (the "*Certificates*") are called for redemption prior to their maturity and will be redeemed on December 1, 2012 pursuant to Article VI of the Trust Agreement dated as of December 19, 2001, by and between Morgan Keegan & Company, Inc., as trustor, and Whitney Bank, a Louisiana state banking corporation formerly known as Hancock Bank of Louisiana, as trustee (the "*Trust Agreement*"). Redemption will be made by payment of the principal amount of each such Certificate and redemption premium, together with interest accrued to the redemption date until December 1, 2012, interest on the respective Certificates shall cease to accrue and any lien or interest in or to any pledge of security or collateral for the Certificates hereby called shall also cease and become null on that date.

<u>Maturity Date</u> <u>(December 1)</u>	<u>CUSIP</u> <u>Number</u>	<u>Rate</u>	<u>Principal</u> <u>Outstanding</u>	<u>Redemption</u> <u>Premium</u>	<u>Amount</u> <u>Redeemed</u>
2016	91438R AK7	5.00%	\$2,065,000	1.00%	\$2,065,000
2021	91438R AL5	5.30%	\$2,650,000	1.00%	\$2,650,000

Called Certificates should be presented as follows:

Whitney Bank
2600 Citiplace Drive, Suite 200
Baton Rouge, Louisiana 70808
Attention: Elizabeth H. Zeigler

By: **Whitney Bank**

Dated: _____

EXHIBIT E
TO ESCROW AGREEMENT

CONSENT TO TERMINATION OF ASSIGNMENT
AND DISCHARGE OF TRUST AGREEMENT

Reference is hereby made to that certain Assignment Agreement (the "*Assignment*") dated December 19, 2001, by and between MORGAN KEEGAN & COMPANY, INC., New Orleans, Louisiana (the "*Assignor*"), and WHITNEY BANK, a Louisiana state banking corporation formerly known as Hancock Bank of Louisiana, Baton Rouge, Louisiana (the "*Assignee*"). All capitalized terms used herein and not otherwise defined shall have the meaning given such terms in the Assignment.

The Board of Supervisors for the University of Louisiana System, acting with and on behalf of Southeastern Louisiana University as lessee (the "*Board*"), has entered into that certain Lease Agreement, dated as of December 19, 2001 (the "*Lease Agreement*") with Honeywell Building Solutions SES Corporation, successor by merger to Sempra Energy Services Company, as lessor (the "*Company*"), pursuant to which the Company agreed to lease to the Board certain equipment and other personal property (the "*Equipment*") in consideration for the payment by the Board of certain payments (the "*Rental Payments*") with respect to the Equipment. The Equipment was installed by the Company pursuant to that certain Contract for Energy Services Agreement dated as of December 19, 2001 by and between the Company and the Board (the "*Services Agreement*").

In order to finance amounts due to the Company under the Energy Services Agreement, the Company assigned its right, title and interest in and to the Lease Agreement to Morgan Keegan and Company, Inc. (the "*Lessor Assignment*"), including, but not limited to the Company's rights to receive Rental Payments and other amounts payable by the Board thereunder, in return for payment of amounts owed to the Company under the Energy Services Agreement from the \$7,450,000 Certificates of Participation Evidencing Proportionate Ownership Interest in Rental Payments to be Made Pursuant to a Lease Agreement between the Board of Supervisors for the University of Louisiana System and Sempra Energy Services Company, as assigned to Morgan Keegan & Company Inc. (the "*Certificates*") issued by the Assignor in December of 2001. The Assignor further assigned all of its right, title and interest in and to the Lease Agreement to the Assignee pursuant to the Assignment for the benefit of the holders of the Certificates, which were issued pursuant to the Trust Agreement between the Assignor, as trustor, and the Assignee, as Trustee (the "*Trust Agreement*").

In connection with the refinancing of the Certificates, Regions Capital Advantage, Inc. (the "*Purchaser*") shall purchase the right, title and interest of Morgan Keegan & Company, Inc. in the Lease Agreement and the proceeds of such purchase shall be deposited into an Escrow Fund (the "*Escrow Fund*") held by Whitney Bank, as escrow trustee, pursuant to that certain Escrow Deposit Agreement dated as of June 1, 2012 between Whitney Bank and the Board (the "*Escrow Agreement*"). Upon the receipt of the deposit to the Escrow Fund evidencing payment in full of the principal, redemption premium of 1.0% and interest on the Certificates, the Trust Agreement shall cease, terminate and become null and void, and the Trustee is required to release the Trust Agreement, including the cancellation and discharge of the lien thereof, and to release all of its rights under the Lease Agreement.

The undersigned, on behalf of the Assignee, hereby consents to the termination of the Assignment in connection with the refinancing of the Certificates and the reassignment of the interest of the Assignor to the Purchaser. The undersigned, as Trustee under the Trust Agreement, in reliance upon various opinions and reports presented to it, hereby acknowledges pursuant to Article XI of the Trust Agreement and the Escrow Agreement that, as a result of the deposit of the moneys and investments contained in the Escrow Fund created under the Escrow Agreement, it does hereby release and discharge the lien of the Trust Agreement, with

respect to the Certificates, and reassign the Lease Agreement to the Assignor. Notwithstanding the fact that the lien of the Trust Agreement has been released with respect to the Certificates, the Trustee shall continue to perform the duties of Paying Agent and Registrar under the Trust Agreement.

WHITNEY BANK, as Assignee and Trustee

By: _____
Elizabeth H. Zeigler,
Senior Vice President & Trust Officer

CERTIFICATE OF INSTRUCTION TO REDEEM CERTIFICATES

\$7,450,000

CERTIFICATES OF PARTICIPATION

Evidencing Proportionate Ownership Interests in Rental Payments to be Made
Pursuant to a Lease Agreement between
THE BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM AND
SEMPRA ENERGY SERVICES COMPANY, AS ASSIGNED
TO MORGAN KEEGAN & COMPANY, INC.

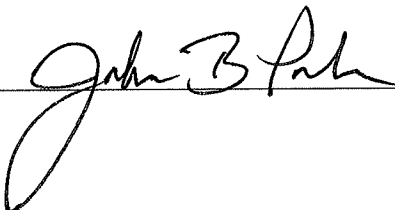
To: WHITNEY BANK,
as Trustee on the above captioned certificates

INSTRUCTION IS HEREBY GIVEN, that all of the above-captioned certificates currently outstanding in the aggregate principal amount of \$4,715,000 (the "Certificates") be called for redemption prior to their maturity on December 1, 2012 pursuant to Section 6.1 of the Trust Agreement dated as of December 19, 2001, by and between Morgan Keegan & Company, Inc., as trustor, and Whitney Bank, a Louisiana state banking corporation formerly known as Hancock Bank of Louisiana, as trustee (the "Trust Agreement"). Redemption will be made by payment of the principal amount of each such Certificate and redemption premium, together with interest accrued to the redemption date, until December 1, 2012. Any lien or interest in or to any pledge of security or collateral for the Certificate hereby called shall also cease and become null on that date.

<u>Maturity Date</u> <u>(December 1)</u>	<u>CUSIP</u> <u>Number</u>	<u>Rate</u>	<u>Principal</u> <u>Outstanding</u>	<u>Redemption</u> <u>Premium</u>	<u>Amount</u> <u>Redeemed</u>
2016	91438R AK7	5.00%	\$2,065,000	1.00%	\$2,065,000
2021	91438R AL5	5.30%	\$2,650,000	1.00%	\$2,650,000

You are further instructed to distribute a Notice of Redemption with reference to the Certificates in accordance with the provisions of Article VI of the Indenture.

MORGAN KEEGAN & COMPANY, INC., as trustor

By:  _____

FORM OF NOTICE OF REDEMPTION TO THE HOLDERS OF

\$7,450,000

CERTIFICATES OF PARTICIPATION

Evidencing Proportionate Ownership Interests in Rental Payments to be Made
Pursuant to a Lease Agreement between
THE BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM AND
SEMPRA ENERGY SERVICES COMPANY, AS ASSIGNED
TO MORGAN KEEGAN & COMPANY, INC.

NOTICE IS HEREBY GIVEN, that all of the above-captioned certificates currently outstanding in the aggregate principal amount of \$4,715,000 (the "*Certificates*") are called for redemption prior to their maturity and will be redeemed on December 1, 2012 pursuant to Article VI of the Trust Agreement dated as of December 19, 2001, by and between Morgan Keegan & Company, Inc., as trustor, and Whitney Bank, a Louisiana state banking corporation formerly known as Hancock Bank of Louisiana, as trustee (the "*Trust Agreement*"). Redemption will be made by payment of the principal amount of each such Certificate and redemption premium, together with interest accrued to the redemption date until December 1, 2012, interest on the respective Certificates shall cease to accrue and any lien or interest in or to any pledge of security or collateral for the Certificates hereby called shall also cease and become null on that date.

<u>Maturity Date</u> <u>(December 1)</u>	<u>CUSIP</u> <u>Number</u>	<u>Rate</u>	<u>Principal</u> <u>Outstanding</u>	<u>Redemption</u> <u>Premium</u>	<u>Amount</u> <u>Redeemed</u>
2016	91438R AK7	5.00%	\$2,065,000	1.00%	\$2,065,000
2021	91438R AL5	5.30%	\$2,650,000	1.00%	\$2,650,000

Called Certificates should be presented as follows:

Whitney Bank
2600 Citiplace Drive, Suite 200
Baton Rouge, Louisiana 70808
Attention: Elizabeth H. Zeigler

By: Whitney Bank

Dated: _____

NOTICE OF DEFEASANCE

\$7,450,000

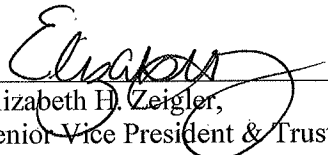
CERTIFICATES OF PARTICIPATION

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SEMPRA ENERGY SERVICES COMPANY, AS ASSIGNED
TO MORGAN KEEGAN & COMPANY, INC.

NOTICE IS HEREBY GIVEN, that the above-captioned certificates (the "*Certificates*") issued in accordance with the Trust Agreement dated as of December 19, 2001, by and between Morgan Keegan & Company, Inc. and Whitney Bank, a Louisiana state banking corporation formerly known as Hancock Bank of Louisiana, as trustee (collectively, the "*Trust Agreement*") have been defeased pursuant to law and the terms of the Trust Agreement by depositing in irrevocable escrow with Whitney Bank, Baton Rouge, Louisiana, direct obligations of the United States of America, or obligations unconditionally guaranteed by the United States of America, the maturing principal of, premium, if any, and interest on which, will be sufficient to pay the interest on and the principal and redemption premium due for the redemption of the Certificates described below on the redemption dates set forth below. The provisions of the Trust Agreement with respect to these Certificates have ceased, terminated and become null and void in accordance with the provisions of the Trust Agreement.

<u>Maturity Date</u> <u>(December 1)</u>	<u>CUSIP</u> <u>Number</u>	<u>Rate</u>	<u>Principal</u> <u>Outstanding</u>	<u>Redemption</u> <u>Premium</u>	<u>Amount</u> <u>Redeemed</u>
2016	91438R AK7	5.00%	\$2,065,000	1.00%	\$2,065,000
2021	91438R AL5	5.30%	\$2,650,000	1.00%	\$2,650,000

WHITNEY BANK, as Trustee

By: 
Elizabeth H. Zeigler,
Senior Vice President & Trust Officer

PURCHASE AND PAYMENT AGREEMENT

Board of Supervisors for the University
of Louisiana System
Baton Rouge, Louisiana

June 28, 2012

Southeastern Louisiana University
Hammond, Louisiana

Regions Capital Advantage, Inc.
Birmingham, Alabama

REGIONS CAPITAL ADVANTAGE, INC. (the "*Purchaser*") offers to enter into this Purchase and Payment Agreement (this "*Agreement*") dated June 28, 2012 (the "*Closing Date*") with THE BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM, acting on behalf of Southeastern Louisiana University, Hammond, Louisiana, (the "*Board*"), which, upon the Board's acceptance, will be binding upon the Purchaser and the Board.

1. BACKGROUND

(a) The Board, has entered into that certain Lease Agreement, dated as of December 19, 2001 (the "*Lease Agreement*") with Honeywell Building Solutions SES Corporation, successor by merger to Sempra Energy Services Company, as lessor (the "*Company*"), pursuant to which the Company agreed to lease to the Board certain equipment and other personal property (the "*Equipment*") in consideration for the payment by the Board of certain payments (the "*Rental Payments*") with respect to the Equipment. The Equipment was installed by the Company pursuant to that certain Contract for Energy Services Agreement dated as of December 19, 2001 by and between the Company and the Board (the "*Energy Services Agreement*").

(b) In order to finance amounts due to the Company under the Energy Services Agreement, the Company assigned its right, title and interest in and to the Lease Agreement (the "*Lessor Assignment*") to Morgan Keegan and Company, Inc. ("*Morgan Keegan*"), including, but not limited to the Company's rights to receive Rental Payments and other amounts payable by Board thereunder, provided, however, that the Company did not, pursuant to the Lessor Assignment, delegate its obligations or duties thereunder, in return for payment of amounts owed to the Company under the Energy Services Agreement from the \$7,450,000 Certificates of Participation Evidencing Proportionate Ownership Interest in Rental Payments to be Made Pursuant to a Lease Agreement between the Board of Supervisors for the University of Louisiana System and Sempra Energy Services Company, as assigned to Morgan Keegan & Company Inc. (the "*Certificates*") issued by Morgan Keegan in December of 2001. The Rental Payments under the Lease Agreement were structured to match the debt service payments on the Certificates.

(c) In order to refinance the Certificates, Regions Capital Advantage, Inc. has agreed to purchase (the "*Purchase*") the right, title and interest of Morgan Keegan under the Lease (the "*Lease*")

Interest”), the proceeds of which will be used to redeem the Certificates prior to maturity on December 1, 2012 (the “*Redemption Date*”).

2. THE PURCHASE; REPAYMENT

(a) On the basis of the representations and covenants contained herein, and in the other agreements referred to herein and subject to the terms and conditions herein set forth, on the Closing Date, the Purchaser agrees to purchase the Lease Interest in the amount of Four Million, Nine Hundred Seventy Thousand Dollars (\$4,970,000), representing the \$4,880,250 deposit to the Escrow Fund created pursuant to the Escrow Deposit Agreement dated as of June 1, 2012 (the “*Escrow Agreement*”) between the Board and the Escrow Agent and the \$89,750 deposited to the Costs of Issuance Fund created pursuant to the Escrow Agreement and held by the Escrow Agent for payment of the costs of issuance incurred in connection with the refinancing the Certificates.

(b) In return for the Purchase, the Board hereby agrees to cause Morgan Keegan to assign the Lease Interest to the Purchaser.

(c) The Board agrees to pay the Rental Payments in the amounts indicated on Exhibit A attached hereto (the “*Revised Rental Payment Schedule*”) on each June 1 and December 1, commencing December 1, 2012.

(d) The Rental Payments shall not be subject to prepayment by the Board without the prior written consent of the Purchaser.

3. ACKNOWLEDGEMENTS AND COVENANTS OF THE BOARD

(a) The Board acknowledges the purchase by the Purchaser of the Lease Interest and the Board agrees to make the Rental Payments directly to the Purchaser on the dates and in the amounts set forth on the Revised Rental Payment Schedule.

(b) The Board shall cause the University to deliver to the Purchaser a copy of its unaudited financial statements no later than one hundred twenty (120) days after the conclusion of each fiscal year of the University. The Board shall also cause to be delivered to the Purchaser a copy of the audited financial statements of the University of Louisiana System no later than one hundred eighty (180) days prior to the end of each fiscal year of the Board.

(c) If the Purchaser shall have determined that the adoption or implementation, after the date of this Agreement, of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, charged with the interpretation or administration thereof, or compliance by the Purchaser with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, has or would have the effect of increasing the cost to the Purchaser of maintaining the Lease Interest bearing interest in the amounts indicated in the Revised Rental Payment Schedule, or of reducing the rate of return on the Purchaser’s capital on this credit facility or otherwise, to a level below that which the Purchaser could have achieved but for such adoption, change or compliance (taking into consideration the Purchaser’s policies with respect to capital

adequacy) by an amount deemed by the Bondholder to be material, then from time to time, promptly upon demand by the Purchaser, the Board hereby agrees to pay the Purchaser such additional amount or amounts as will compensate the Purchaser for such increased costs or such reduction. A certificate of the Purchaser claiming compensation under this subsection and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive absent manifest error. In determining any such amount, the Purchaser may use any reasonable averaging and attribution methods.

(d) In the event of (i) a prepayment of all or any part of the Rental Payments or (ii) an acceleration of the Rental Payments, the Board shall reimburse the Purchaser on demand for any resulting loss or expense determined in good faith to have been incurred by it (or by any existing or prospective participant) including (without limitation) any loss incurred in obtaining, liquidating or employing deposits from third parties, but excluding loss of margin for the period after any such payment, provided that the Purchaser shall have delivered to the Board a certificate as to the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

(e) *Payments Due Upon Determination of Taxability.*

(i) Upon the occurrence of a Determination of Taxability (as hereinafter defined), the Board shall pay to the Purchaser:

(A) additional interest on the Rental Payments in an amount by which (1) the interest which would have accrued on the Rental Payments at the Taxable Rate during the period beginning on the Taxability Date and ending on the earlier to occur of the date of conversion to the Taxable Rate or the date of payment in full and retirement of the Rental Payments, exceeds (2) the interest actually paid on the Rental Payments for such period; and

(B) all costs, expenses, interest, penalties, attorneys' fees and other losses which shall have been paid or are payable by the Purchaser as a result of such Determination of Taxability.

(C) The obligation of the Board to pay such additional interest and such other costs, expenses, interest, penalties, attorneys' fees and other losses shall survive, and remain in full force and effect from and after, the payment in full and retirement of the Lease and the termination of this Agreement.

(ii) As used in this Section 3, the following terms shall have the meanings given in this subsection:

(A) "*Determination of Taxability*" shall mean the occurrence of the first to occur of the following: (a) receipt by the Board of written notice from the Internal Revenue Service that the interest component of the Rental Payments is included in the gross income of the Purchaser for federal income tax purposes; or (b) receipt by the Board of written notice that the Purchaser has been issued by the Internal Revenue Service a statutory notice of deficiency or similar notice that asserts in effect that the interest component of the Rental Payments received by the Purchaser is included in the gross income of the Purchaser for federal income tax purposes; or (c) receipt by the Board of written notice from the Internal Revenue Service that there has been issued a public or

private ruling or technical advice memorandum that the interest component of the Rental Payments is included in the gross income of the Purchaser thereof for federal income tax purposes; or (d) a final decree or judgment of any federal court or a final action of the Internal Revenue Service determining that the interest component paid or payable on the Rental Payments is or was includable in the gross income of the Purchaser for federal income tax purposes (other than a Purchaser who is a “substantial user” or “related person” to a “substantial user” within the meaning of Section 147(a) of the Code); provided, that no such notice, decree, judgment, or action will be considered effective for this purpose, however, unless the Board has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of the Purchaser, and (if contested) until the conclusion of any administrative, judicial or appellate review, if sought.

(B) “*Taxability Date*” means the date on which interest component of the Rental Payments is first includable in gross income of the Purchaser thereof as a result of a Determination of Taxability as such a date is established pursuant to either (i) the Determination of Taxability or (ii) an opinion by an attorney or firm of attorneys of nationally recognized standing on the subject of tax-exempt municipal finance.

(C) “*Taxable Rate*” means a per annum rate of interest (fixed, or variable subject to periodic adjustment) that would provide the Purchaser an after-tax yield on the then outstanding principal component of the Rental Payments at least equal to the after-tax yield the Purchaser would have received if a Determination of Taxability had not been made.

4. TERMINATION

The obligations of the Board hereunder shall survive until the payment in full of the Rental Payments.

5. GOVERNING LAW

This Agreement shall be governed by the laws of the State of Louisiana.

6. MISCELLANEOUS

This Agreement constitutes the only agreement among the parties hereto relating to the subject matter hereof and it supersedes and cancels any and all previous contracts, agreements or understandings with respect thereto. This Agreement may not be amended or modified except in writing executed by all parties hereto.

7. COUNTERPARTS

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

8. SEVERABILITY

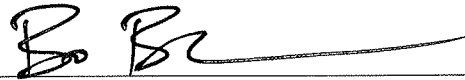
To the fullest extent possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

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IN WITNESS WHEREOF, the parties have executed this Purchase and Payment Agreement as of the date above written.

Very truly yours,

REGIONS CAPITAL ADVANTAGE, INC.

By: 
Bo Buckner
Senior Vice President

Accepted on June 28, 2012

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM,**
acting on behalf of Southeastern Louisiana
University

By: 
Dr. John L. Crain
Authorized Board Representative

EXHIBIT A

REVISED RENTAL PAYMENT SCHEDULE

<u>Payment Number</u>	<u>Rental Payment Date</u>	<u>Net Rental Payment Amount</u>	<u>Interest Amount</u>	<u>Principal Amount</u>
1	12/1/2012	\$ 506,258.28	\$ 46,258.28	\$ 460,000.00
2	6/1/2013	49,384.50	49,384.50	-0-
3	12/1/2013	509,384.50	49,384.50	460,000.00
4	6/1/2014	44,347.50	44,347.50	-0-
5	12/1/2014	514,347.50	44,347.50	470,000.00
6	6/1/2015	39,201.00	39,201.00	-0-
7	12/1/2015	524,201.00	39,201.00	485,000.00
8	6/1/2016	33,890.25	33,890.25	-0-
9	12/1/2016	523,890.25	33,890.25	490,000.00
10	6/1/2017	28,524.75	28,524.75	-0-
11	12/1/2017	528,524.75	28,524.75	500,000.00
12	6/1/2018	23,049.75	23,049.75	-0-
13	12/1/2018	533,049.75	23,049.75	510,000.00
14	6/1/2019	17,465.25	17,465.25	-0-
15	12/1/2019	537,465.25	17,465.25	520,000.00
16	6/1/2020	11,771.25	11,771.25	-0-
17	12/1/2020	541,771.25	11,771.25	530,000.00
18	6/1/2021	5,967.75	5,967.75	-0-
19	12/1/2021	550,967.75	5,967.75	545,000.00

REGIONS CAPITAL ADVANTAGE, INC.
1900 Fifth Avenue North
Suite 2400
Birmingham, Alabama 35203

June 28, 2012

Board of Supervisors for the University
of Louisiana System
Baton Rouge, Louisiana

Re: Refinancing of \$7,450,000 Certificates of Participation Evidencing Proportionate Ownership Interests in Rental Payments to be Made Pursuant to a Lease Agreement between the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM and SEMPRA ENERGY SERVICES COMPANY, as assigned to MORGAN KEEGAN & COMPANY, INC.

Ladies and Gentlemen:

The undersigned is the purchaser of 100% of the ownership interest of Morgan Keegan & Company Inc. (the "*Lease Interest*") in the Rental Payments (as hereinafter defined) to be made by the Board of Supervisors for the University of Louisiana System, acting on behalf of Southeastern Louisiana University (the "*Board*") pursuant to the Lease Agreement dated as of December 19, 2001 between Honeywell Building Solutions SES Corporation, successor by merger to Sempra Energy Services Company, as lessor (the "*Company*") and the Board, pursuant to which the Company agreed to lease to the Board certain equipment and other personal property (the "*Equipment*") in consideration for the payment by the Board of certain payments (the "*Rental Payments*") with respect to the equipment. In connection with the purchase of such Lease Interest, the undersigned hereby represents, warrants, covenants, and agrees as follows:

1. The undersigned is: (i) an investment company registered under the Investment Company Act of 1940; (ii) a bank, as defined in Section 3(a)(2) of the Securities Act of 1933 (the "*1933 Act*"), whether acting in its individual or fiduciary capacity; (iii) an insurance company, as defined in Section 2(13) of the 1933 Act; (iv) a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act or (v) an "accredited investor" as defined in Rule 501(a)(1) of Regulation D of the 1933 Act.

2. The undersigned is purchasing the Lease Interest in authorized denominations of \$100,000 (the "*Authorized Denominations*") for investment for its own account and is not purchasing the Lease Interest for resale, distribution, or other disposition, and the undersigned has no present intention to resell, distribute, or otherwise dispose of all or any part of the Lease Interest. Nevertheless, if the undersigned resells or otherwise disposes of all or any part of the Lease Interest (or any legal or beneficial interest therein), it will resell or otherwise dispose of the Lease Interest only in

Authorized Denominations to (i) an investment company registered under the Investment Company Act of 1940; (ii) a bank, as defined in Section 3(a)(2) of the Securities Act of 1933 (the “1933 Act”), whether acting in its individual or fiduciary capacity; (iii) an insurance company, as defined in Section 2(13) of the 1933 Act; (iv) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act; (v) an “accredited investor” as defined in Rule 501(a)(1) of Regulation D of the 1933 Act; or (vi) a securitization Special Purpose Vehicle (“SPV”), the interests in which SPV are sold to the institutional investors described above in this paragraph. The undersigned further agrees that it will not sell, transfer, assign, or otherwise dispose of the Lease Interest (or any legal or beneficial interest therein) except in compliance with the 1933 Act, the Securities Exchange Act of 1934, any rules and regulations promulgated under either of such Acts, and the applicable securities laws of any state or other jurisdiction. The undersigned acknowledges that the Lease Interest: (a) is not being registered under the 1933 Act and is not being registered or otherwise qualified for sale under the securities or “Blue Sky” laws of any state; (b) is being sold to the undersigned in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the undersigned set forth herein; (c) will not be listed on any stock or other securities exchange; (d) will not be rated by Standard & Poor’s Corporation, Moody’s Investors Service, Inc., or any other similar rating service; and (e) may not be readily marketable.

3. The undersigned has investigated the Board, Southeastern Louisiana University (the “University”) and the project consisting of the installation of the Equipment on the campus of the University in Hammond, Louisiana (the “Project”) to be refinanced with the proceeds received from the purchase of the Lease Interest. The undersigned acknowledges that it has been furnished with or has been given access to all of the underlying documents in connection with this transaction, the Project, the Board and the University, as well as such other information as it deems necessary or appropriate as a prudent and knowledgeable investor in evaluating the purchase of the Lease Interest. The undersigned acknowledges that the Board and the University have made available to it and its representatives the opportunity to obtain additional information and the opportunity to ask questions of and receive satisfactory answers from the Board and the University concerning the Project. The undersigned acknowledges that the Lease Interest does not constitute an obligation, general or special, debt, liability, or moral obligation of the State of Louisiana or any political subdivision thereof (other than the Board) within the meaning of any constitutional or statutory provision whatsoever and that neither the faith and credit nor the taxing power of the State of Louisiana or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Lease Interest. The undersigned acknowledges that the Lease Interest is not a general obligation of the Issuer, but is a limited and special revenue obligation of the Issuer payable solely from Rental Payments. The undersigned acknowledges that no covenant, stipulation, obligation, or agreement contained in the Lease shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future trustee, officer, agent, or employee of the Board or the University in his or her individual capacity. The undersigned acknowledges that neither the State of Louisiana or any political subdivision thereof (other than the Board) shall in any manner be liable for the performance of any agreement or covenant of any kind which may be undertaken by the Board and that no

breach thereof by the Board shall create any obligation upon the State of Louisiana nor any political subdivision thereof (other than the Board).

In reaching the conclusion that it desires to acquire the Lease Interest, the undersigned has carefully evaluated all risks associated with this investment and acknowledges that it is able to bear the economic risk of this investment. The undersigned, by reasons of its knowledge and experience in financial and business matters, is capable of evaluating the merits and risks of the investment in the Lease Interest.

4. The undersigned acknowledges that no credit rating has been, or will be, obtained with respect to the Lease Interest and that the purchase of the Lease Interest is a speculative investment which may have a high degree of risk.

5. The undersigned acknowledges that no official statement, prospectus or offering circular containing information with respect to the Board, the Lease Interest (including the security therefor), the Project or the University has been or will be prepared and that it has made its own inquiry and analysis with respect to the Board, the Lease Interest (including the security therefor), the Project, the University and the other material factors affecting the security and payment of the Lease Interest and that the undersigned has in no way relied upon the Board or Bond Counsel in connection with such inquiry or analysis.

6. With respect to the Lease Interest, the Board is not currently required to make any continuing disclosure pursuant to Rule 15c2-12(b) of the Securities and Exchange Commission under the Securities Exchange Act of 1934.

7. The undersigned acknowledges that it has either been supplied with or has had access to all information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and that it has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Board, the University, the Project, and the Lease Interest, including the security therefor, so that as a reasonable investor it has been able to make its decision to purchase the Lease Interest.

8. The undersigned acknowledges receipt of and has reviewed the opinion of Bond Counsel delivered in connection with the purchase of the Lease Interest.

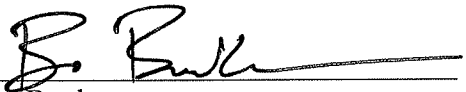
9. It is understood that the undersigned has undertaken to verify the accuracy, completeness and truth of any statements made concerning any of the material facts relating to this transaction, including information regarding the financial condition of the University that the undersigned has deemed necessary. On such basis, the undersigned hereby acknowledges that the undersigned is not relying on any party or person, including Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., as bond counsel (except for the matters addressed in the written opinions of such counsel), Morgan Keegan & Company, Inc., as placement agent and Sisung Securities

Corporation, as financial advisor, other than the University to furnish or verify information relating to this transaction.

10. This Investment Letter shall be binding upon the undersigned.

Very truly yours,

REGIONS CAPITAL ADVANTAGE, INC.

By: 
Bo Buckner
Senior Vice President

TAX AND ARBITRAGE CERTIFICATE

I, the undersigned Authorized Representative of the Board of Supervisors for the University of Louisiana System, on behalf of Southeastern Louisiana University (the "*Board*"), being duly charged with responsibility for executing this Tax and Arbitrage Certificate (this "*Tax Certificate*") on behalf of the Board relating to that certain Lease Agreement by and between Honeywell Building Solutions SES Corporation, successor by merger to Sempra Energy Services Company, as Lessor (the "*Company*") and the Board dated as of December 19, 2001 (the "*Lease Agreement*"), HEREBY CERTIFY, in order to show compliance with Section 148 of the Internal Revenue Code of 1986, as amended (the "*Code*"), as follows:

1. Authorization and Purpose.

(a) The Lease Agreement was entered into by the Board in connection with the financing the acquisition and installation of certain energy efficiency equipment on the campus of Southeastern Louisiana University from the Company. The Rental Payments (as defined in the Lease Agreement) under the Lease Agreement are payable from Legally Appropriated Funds (as defined in the Lease Agreement). The Board's obligations under the Lease Agreement are subject to appropriation by the legislature of the State of Louisiana (the "*State*") each Fiscal Year.

(b) In connection with the execution of the Lease Agreement, the Rental Payments were assigned to Morgan Keegan & Company, Inc. ("*Morgan Keegan*") in return for the issuance by Morgan Keegan of \$7,450,000 Certificates of Participation Evidencing Proportionate Ownership Interest in Rental Payments to be Made Pursuant to a Lease Agreement between the Board of Supervisors for the University of Louisiana System and Sempra Energy Services Company, as assigned to Morgan Keegan & Company Inc. (the "*Certificates*"). Morgan Keegan further assigned the Rental Payments to Whitney Bank, a State banking corporation formerly known as Hancock Bank of Louisiana, as trustee, pursuant to a Trust Agreement dated as of December 19, 2001 (the "*Trust Agreement*") pursuant to which the Certificates were issued and secured.

(c) In connection with the advance refunding of the Certificates, Regions Capital Advantage, Inc. (the "*Purchaser*") has agreed to purchase (the "*Purchase*") the right, title and interest of Morgan Keegan under the Lease (the "*Lease Interest*"), the proceeds of which will be used to redeem the Certificates prior to maturity on December 1, 2012 (the "*Redemption Date*");

2. The Certificates.

(a) The Certificates were issued in order to (i) finance the acquisition and installation of the Equipment on the campus of the University by the Board; (ii) pay capitalized interest during the installation period; and (iii) pay the costs related to the execution and delivery of the Certificates, including the premiums for the purchase of a financial guaranty insurance policy and a reserve fund surety bond.

(b) None of the proceeds of the Certificates has been used to currently refund or advance refund other obligations of the Board.

(c) The Certificates will be redeemed on their first allowable call date.

(d) There are no remaining unspent proceeds of the Certificates.

3. Definitions. Terms not otherwise defined herein shall have the same meanings ascribed to them in the Lease Agreement.

4. Rental Payments under the Lease Agreement. As provided in the Lease Agreement, the

obligation of the Board to make Rental Payments under the Lease Agreement are subject to appropriation each Fiscal Year and do not constitute an indebtedness within the meaning of any State constitutional or statutory provisions relating to the incurring of indebtedness, nor does it constitute an indebtedness or pledge of the general credit of the State of Louisiana or any other political subdivision thereof, and neither the Board nor any person executing the Lease Agreement shall be liable personally under the Lease Agreement or be subject to any personal liability or accountability by reason of the execution thereof.

5. No Private Use of the Equipment or Proceeds. The Board is a public constitutional corporation and agency of the State of Louisiana. The Board has been created by the Louisiana Constitution. The Board is responsible for the supervision and management of State colleges and universities not managed by a separate higher education board created by the Louisiana Constitution., and title to the land, facilities and equipment of the Board is in the public. No portion of the Equipment leased and acquired under the Lease Agreement will be used (directly or indirectly) in any trade or business carried on by any person (including organizations whose income is exempt from federal income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended) other than the Board, and none of the proceeds paid by the Purchaser under the Purchase and Payment Agreement will be loaned to any person. No portion of the proceeds paid by the Purchaser under the Purchase and Payment Agreement will be used (directly or indirectly) to provide a facility used by any person pursuant to a management contract, requirements contract or other arrangement directly or indirectly granting an interest in such facility to a person other than the City.

6. Funds and Accounts. (a) The Board and Whitney Bank, in its capacity as Escrow Agent (the "*Escrow Agent*"), have entered into an Escrow Agreement (the "*Escrow Agreement*") dated as of June 1, 2012. There is created under the Escrow Agreement an Escrow Fund (the "*Escrow Fund*") to be held by the Escrow Agent. The Purchaser will transfer to the Escrow Agent, funds sufficient in amount to refund the Certificates. Excess funds in the Escrow Fund shall be used in accordance with the Escrow Agreement.

(b) Except for the establishment of the Escrow Fund, there is not created or established under the Lease Agreement, nor does the Board expect to create or establish any other sinking fund, debt service fund or any other similar fund.

7. Facts, Estimates and Circumstances. On the basis of the facts, estimates and circumstances in existence on the date hereof, the Board reasonably expects the following with respect to the Lease Agreement and as to the use of the proceeds (the "*Proceeds*") of the Purchase and Payment Agreement:

(a) The total Proceeds are \$4,970,000, equal to the amount to be refinanced under the Lease Agreement, plus the amount required to pay transaction costs.

(b) The Proceeds are expected to be needed and will be fully expended as follows:

(i) \$4,880,250 of Proceeds will be deposited to the Escrow Fund to be used to refund the Certificates;

(ii) \$89,750 of Proceeds will be used to pay transaction costs.

(c) The Board expects that the Escrow Agent use the funds on deposit in the Escrow Fund to redeem the Certificates prior to their maturity on December 1, 2012.

(d) The total Proceeds to be received under the Purchase and Payment Agreement do not exceed the total amount necessary for the purposes described above.

(e) Other than the Escrow Fund, there are no other funds or accounts of the Board established pursuant to the Lease Agreement, the Escrow Agreement, the Purchase and Payment Agreement or otherwise that are reasonably expected to be used to pay Rental Payments under the Lease Agreement or which are pledged as collateral for the obligation of the Board thereunder and for which there is a reasonable assurance that amounts on deposit therein or the investment income thereon will be available to pay Rental Payments under the Lease Agreement if the Board encounters financial difficulties.

(f) By entering into the Lease Agreement, the Board is restructuring the amounts and the timing of the Rental Payments it owes for the Equipment, which allows the Board to better manage its overall expenditures.

(g) The refunding being accomplished by the entering into of the Purchase and Payment Agreement is an advance refunding, since the Certificates will not be paid within ninety (90) days of the advance of the Proceeds under the Purchase and Payment Agreement.

8. Investment of Proceeds. The \$4,880,250 of Proceeds deposited into the Escrow Fund to be used to refund the Board's obligations under the Lease Agreement may not be invested a yield that exceeds the yield on the Lease Agreement.

9. Yield. For purposes of the Lease Agreement, "yield" means that yield which, when used in computing the present value payments of principal and interest to be paid on an obligation, produces an amount equal to the purchase price of such obligation. The yield on obligations acquired with the Proceeds received under the Purchase and Payment Agreement and from amounts deposited in the Escrow Fund and the yield under the Lease Agreement shall be calculated by the use of the same frequency interval of compounding interest (in this case, semiannual compounding and a 360-day year consisting of twelve 30-day months). In the case of the Lease Agreement, the purchase price for this purpose is \$4,970,000. As shown in Exhibit A, attached hereto (the "*Verification Report*"), the yield on the sale of the Lease Interest to the Purchaser is 2.1902%. The Verification Report also provides that the yield on the investments in the Escrow Fund is 0.0000%, which is less than the yield on the sale of Lease Interest.

The yield of any obligations acquired with yield-restricted moneys shall be determined based on the fair market value of such obligations. An obligation acquired with yield-restricted moneys need not be revalued after the date on which the obligation is acquired.

10. No Replacement. No portion of the Proceeds paid under the Purchase and Payment Agreement will be used as a substitute for other funds that were otherwise to be used as a source of financing for the payment of Rental Payments under the Lease Agreement and that have been or will be used to acquire directly or indirectly securities producing a yield in excess of the yield under the Lease Agreement.

11. Rebate Requirements. The Purchase and Payment Agreement and the Proceeds derived therefrom may be subject to the rebate requirements of Section 148(f) of the Code. The Board covenants to take such actions and make, or cause to be made, all calculations, transfers and payments, and to keep, or cause to be kept, all records that may be necessary to comply with the rebate requirements applicable to the Lease Agreement. The Board will make, or cause to be made, rebate payments with respect to the Lease Agreement in accordance with law.

12. Tax Covenants of the Issuer. The Board has covenanted in the Lease Agreement that it will not take any action, fail to take any action, or permit at any time any of the Proceeds paid under the

Lease Agreement or any other funds of the Board to be used directly or indirectly in any manner, the effect of which would be to cause the Lease Agreement to be classified as “arbitrage bonds” or would result in the inclusion of the interest under the Lease Agreement in gross income under the Code.

13. No Adverse Action. The Board has not received notice that its arbitrage certificate may not be relied upon with respect to its issues, nor has it been advised that the Commissioner of Internal Revenue has listed or is contemplating listing the Board as a governmental unit whose arbitrage certificate may not be relied upon.

14. No Other Issues. There are no other obligations of the Board which (i) are sold at substantially the same time as the date of the Lease Agreement (i.e., within fifteen days), (ii) are sold pursuant to a common plan of financing, together with the Lease Agreement, and (iii) will be paid out of substantially the same source of funds.

15. No Artifice or Device. The entering into of the Lease Agreement is not and will not be part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the applicable Treasury Regulations, by (a) enabling the Board to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage or (b) increasing the burden on the market for tax-exempt issues.

16. Fair Market Value. Investments of Proceeds must be purchased at fair market value. Fair market value is generally determined on the date on which a contract to purchase or sell the investment becomes binding (i.e., the trade date rather than the settlement date). Except as otherwise provided below, an investment that is not of a type traded on an established securities market, within the meaning of Section 1273 of the Code, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value. The fair market value of a United States Treasury Obligation that is purchased directly from the United States Treasury is its purchase price. (The fair market value of a United States Treasury Obligation that is not purchased from the United States Treasury and the fair market value of other obligations not specifically mentioned in this Section 14 will be determined by following the appropriate procedures for determining the purchase price of Guaranteed Investment Contracts in Section 14(c) herein.) The following safe harbors shall apply for purposes of determining the fair market value of the obligations described below:

(a) Certificates of Deposit. For a certificate of deposit that has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, the purchase price of such certificate of deposit is treated as its fair market value on the purchase date if the yield on the certificate of deposit is not less than (i) the yield on reasonably comparable direct obligations of the United States, and (ii) the highest yield that is published or provided by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(b) Guaranteed Investment Contracts. A Guaranteed Investment Contract (“GIC”) is an investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, and also includes any agreement to supply investments on two or more future dates (e.g., a forward supply contract). The purchase price of a GIC is treated as its fair market value on the purchase date if:

(i) A bona fide solicitation in writing for a specified GIC, including all material terms, is timely forwarded to all potential providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to

any other formal or informal agreement that the potential provider has with the Board or any other person (whether or not in connection with the Lease Agreement), and that the bid is not being submitted solely as a courtesy to the Board or any other person for purposes of satisfying Treasury Regulation Section 1.148-5(d)(6)(iii)(B)(1) or (2).

- (ii) All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.
- (iii) At least three reasonably competitive providers (i.e., having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Lease Agreement and at least one of such three bids must be from a reasonably competitive provider. If the Board or the Escrow Agent uses an agent to conduct the bidding, the agent may not bid.
- (iv) The highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is purchased.
- (v) The determination of the terms of the GIC takes into account as a significant factor the reasonably expected purchase schedule for purchases of New Equipment.
- (vi) The terms of the GIC, including collateral security requirements, are commercially reasonable.
- (vii) The provider of the GIC certifies the administrative costs that it is paying, or expects to pay, to third parties in connection with the GIC and such administrative costs must be "Qualified Administrative Costs" as defined in Treasury Regulation Section 1.148-5(e)(2).
- (viii) The Board retains, or directs the Escrow Agent to retain, until three years after the last Rental Payment is made, (i) a copy of the GIC contract, (ii) a receipt or other record of the amount actually paid for the GIC and a copy of the provider's certification described in (vii), and (iii) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results.

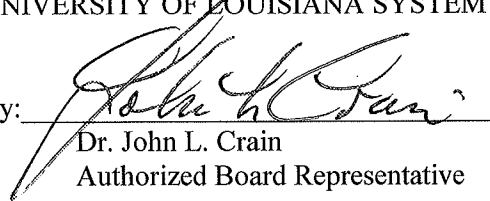
(c) Opinion on Value. Any investment shall be considered purchased or sold for its fair market value if the City receives an opinion of special tax counsel to the effect that the purchase or sale of such investment will not adversely affect the exclusion of interest under the Lease Agreement for purposes of federal income taxation.

17. Reasonableness. To the best of my knowledge, information and belief, there are no facts, estimates or circumstances other than those expressed herein that materially affect the expectations herein expressed, and, to the best of my knowledge and belief, the above expectations are reasonable.

IN WITNESS WHEREOF, I have hereunto set my hand as of the 28th day of June, 2012.

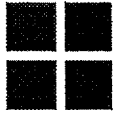
BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

By: _____


Dr. John L. Crain

Authorized Board Representative

EXHIBIT A
VERIFICATION REPORT



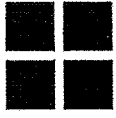
The Arbitrage Group, Inc.

\$7,450,000

CERTIFICATES OF PARTICIPATION

**Evidencing Proportionate Interests in Rental Payments to be Made
Pursuant to a Lease Agreement between
BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM AND
SEMPRA ENERGY SERVICES COMPANY, AS ASSIGNED
TO MORGAN KEEGAN & COMPANY, INC.**

Refinancing - June 28, 2012



The Arbitrage Group, Inc.

3401 Louisiana Street
Suite 238
Houston, Texas 77002

Telephone 713 522 8527
Facsimile 713 522 8471

www.thearbitragegroup.com

June 28, 2012

Board of Supervisors for the University
of Louisiana System
Baton Rouge, Louisiana

Southeastern Louisiana University
Hammond, Louisiana

Jones, Walker, Waechter, Poitevent,
Carrere & Denegre, LLP
Baton Rouge, Louisiana

Morgan Keegan & Company, Inc.
New Orleans, Louisiana

Whitney Bank
Baton Rouge, Louisiana

\$7,450,000

**CERTIFICATES OF PARTICIPATION
Evidencing Proportionate Interests in Rental Payments to be Made
Pursuant to a Lease Agreement between
BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM AND
SEMPRA ENERGY SERVICES COMPANY, AS ASSIGNED
TO MORGAN KEEGAN & COMPANY, INC.**

The Board of Supervisors for the University of Louisiana System, acting on behalf of Southeastern Louisiana University (the "Board") proposes to cause the above-captioned certificates (the "Refunded Certificates") to be refunded with the proceeds received from the sale of the interest of Morgan Keegan & Company, Inc. (the "Lease Interest") pursuant to a Lease agreement dated as of December 19, 2001 between the Board and Honeywell Building Solutions SES Corporation, successor by merger to Sempra Energy Services Company.

A portion of the proceeds of the Lease Interest will be deposited as cash into an irrevocable trust to be used solely to refund that portion of the Refunded Certificates described as follows:



Board of Supervisor for the University
of Louisiana System
June 28, 2012
Page 2

<u>Series</u>	<u>Original Amount Issued</u>	<u>Dated Date</u>	<u>Amount to be Refunded</u>	<u>Maturities and Sinking Fund Dates to be Refunded</u>	<u>Maturities and Sinking Fund Dates to be Optionally Redeemed</u>	<u>Optional Redemption Date and Price</u>
2001	\$7,450,000	12-19-2001	\$4,715,000	12-01-2012 - 12-01-2021, Inclusive	12-01-2013 - 12-01-2021, Inclusive	12-01-2012 @ 101%

At your request, we have independently verified the arithmetical accuracy of the computations provided to us by Morgan Keegan & Company, Inc. which indicate: (1) the sufficiency of the initial cash deposit to pay to and at early redemption the principal, interest, and early redemption premium on the Refunded Certificates; and, (2) the "yields" to be considered by bond counsel in its determination that the Lease Interest is not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended. The term "yield," as used herein, means that discount rate which, when used in computing the present value of all payments of principal and interest on an obligation compounded semiannually using a 30/360-day year basis, produces an amount equal to, in the case of the Lease Interest, the Issue Price to the Public.

The original computations, along with certain assumptions and information, were furnished to us by Morgan Keegan & Company, Inc. on behalf of the Board. We have relied solely on the assumptions and information provided to us and have not made any study or evaluation of them, except as noted below. We express no opinion on the reasonableness of the assumptions, or the likelihood that the debt service requirements of the Refunded Certificates will be paid as described in the accompanying Exhibits.

In the course of our engagement, we were furnished by Morgan Keegan & Company, Inc. with the Official Statement for the Refunded Certificates and the Escrow Deposit Agreement dated as of June 1, 2012 by and between the Board of Supervisors for the University of Louisiana System, acting on behalf of Southeastern Louisiana University. We compared the information contained in the schedules provided by Morgan Keegan & Company, Inc. with certain information set forth in such documents with respect to prices, principal payment dates and amounts, interest payment dates and rates, yields, and redemption dates and prices. We found that the information contained in such schedules provided to us by Morgan Keegan & Company, Inc. was in agreement with the above-mentioned information set forth in such documents.

In our opinion, based on the assumptions and information provided by Morgan Keegan & Company, Inc. on behalf of the Board, the computations in the schedules provided to us are arithmetically accurate. The computations in the accompanying Exhibits prepared by us and the comparable schedules provided to us indicate that:

- (1) the receipts from the cash deposit in the amount of \$4,880,250.00 will be sufficient to pay to and at early redemption the principal, interest, and early redemption premium on the Refunded Certificates; and,
- (2) the yield of the Lease Interest is 2.190160%.



The Arbitrage Group, Inc.

Board of Supervisor for the University
of Louisiana System

June 28, 2012

Page 3

The terms of our engagement are such that we have no obligation to update this report or to verify any revised computation because of events and transactions occurring subsequent to the date of this report. This report is issued solely for your information and assistance in connection with the sale of the Lease Interest. This report is not to be quoted or referred to without our prior written consent.

Very truly yours,

The Arbitrage Group, Inc.

Exhibits

- A. Sources and Uses of Funds
- B. Escrow Cash Flow
- C-1. Debt Service Requirements of the Refunded Certificates to Maturity
- C-2. Debt Service Requirements of the Refunded Certificates to Early Redemption
- D. Debt Service Requirements and Proof of Yield

Sources and Uses of Funds

Southeastern Louisiana University

SOURCES

Principal Amount of the Purchase	\$4,970,000.00
----------------------------------	----------------

USES

Initial Cash Deposit	\$4,880,250.00
Costs of Issuance	89,750.00

\$4,970,000.00

Debt Service Requirements of the Refunded Certificates to Maturity

Southeastern Louisiana University

Date	Principal	Coupon Rate	Early Redemption Premium	Interest	Debt Service Requirements of the Refunded Certificates to Maturity
12/01/12	\$375,000.00	5.000%		\$121,850.00	\$496,850.00
06/01/13				112,475.00	112,475.00
12/01/13	390,000.00	5.000%	1.000%	112,475.00	502,475.00
06/01/14				102,725.00	102,725.00
12/01/14	410,000.00	5.000%	1.000%	102,725.00	512,725.00
06/01/15				92,475.00	92,475.00
12/01/15	435,000.00	5.000%	1.000%	92,475.00	527,475.00
06/01/16				81,600.00	81,600.00
12/01/16	455,000.00	5.000%	1.000%	81,600.00	536,600.00
06/01/17				70,225.00	70,225.00
12/01/17	475,000.00	5.300%	1.000%	70,225.00	545,225.00
06/01/18				57,637.50	57,637.50
12/01/18	500,000.00	5.300%	1.000%	57,637.50	557,637.50
06/01/19				44,387.50	44,387.50
12/01/19	530,000.00	5.300%	1.000%	44,387.50	574,387.50
06/01/20				30,342.50	30,342.50
12/01/20	555,000.00	5.300%	1.000%	30,342.50	585,342.50
06/01/21				15,635.00	15,635.00
12/01/21	590,000.00	5.300%	1.000%	15,635.00	605,635.00
	<u>\$4,715,000.00</u>			<u>\$1,336,855.00</u>	<u>\$6,051,855.00</u>

Debt Service Requirements of the Refunded Certificates to Early Redemption

Southeastern Louisiana University

<u>Date</u>	<u>Principal</u>	<u>Coupon Rate</u>	<u>Early Redemption Premium</u>	<u>Interest</u>	<u>Debt Service Requirements of the Refunded Certificates to Early Redemption</u>
12/01/12	\$4,715,000.00	*	\$43,400.00	\$121,850.00	\$4,880,250.00

* Coupon rates are as shown in the Debt Service Requirements of the Refunded Certificates to Maturity.

Debt Service Requirements and Proof of Yield

Southeastern Louisiana University

Date	\$4,970,000			Debt Service Requirements	Present Value of Future Payments at 06/28/12 Using a Rate of 2.190160%
	Principal	Coupon Rate	Interest		
12/01/12	\$460,000.00	2.190%	\$46,258.28	\$506,258.28	\$501,593.18
06/01/13			49,384.50	49,384.50	48,399.42
12/01/13	460,000.00	2.190%	49,384.50	509,384.50	493,816.01
06/01/14			44,347.50	44,347.50	42,526.39
12/01/14	470,000.00	2.190%	44,347.50	514,347.50	487,883.39
06/01/15			39,201.00	39,201.00	36,781.25
12/01/15	485,000.00	2.190%	39,201.00	524,201.00	486,516.08
06/01/16			33,890.25	33,890.25	31,113.16
12/01/16	490,000.00	2.190%	33,890.25	523,890.25	475,750.92
06/01/17			28,524.75	28,524.75	25,623.07
12/01/17	500,000.00	2.190%	28,524.75	528,524.75	469,617.86
06/01/18			23,049.75	23,049.75	20,258.88
12/01/18	510,000.00	2.190%	23,049.75	533,049.75	463,433.02
06/01/19			17,465.25	17,465.25	15,019.80
12/01/19	520,000.00	2.190%	17,465.25	537,465.25	457,203.54
06/01/20			11,771.25	11,771.25	9,904.94
12/01/20	530,000.00	2.190%	11,771.25	541,771.25	450,936.20
06/01/21			5,967.75	5,967.75	4,913.37
12/01/21	545,000.00	2.190%	5,967.75	550,967.75	448,709.52
	<u>\$4,970,000.00</u>		<u>\$553,462.28</u>	<u>\$5,523,462.28</u>	<u>\$4,970,000.00</u>
			Principal Amount		<u>\$4,970,000.00</u>

BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM

On the motion of Jimmie "Beau" Martin, seconded by Renee Lapeyrolerie, the following resolution was adopted:

RESOLUTION

A RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF AN AMENDED AND RESTATED LEASE AGREEMENT AMENDING THE LEASE AGREEMENT PREVIOUSLY EXECUTED IN CONNECTION WITH THE LEASE FROM SEMPRA ENERGY SERVICES COMPANY OF CERTAIN EQUIPMENT ON THE CAMPUS OF SOUTHEASTERN LOUISIANA UNIVERSITY IN CONNECTION WITH THE REFINANCING OF CERTAIN OBLIGATIONS RELATED TO THE LEASE; AUTHORIZING THE EXECUTION OF AN AGREEMENT PROVIDING FOR MATTERS RELATED TO SUCH REFINANCING; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, pursuant to resolutions adopted by the Board of Supervisors for the University of Louisiana System (the "*Board*") on October 27, 2000 and April 27, 2001, the Board, acting with and on behalf of Southeastern Louisiana University (the "*University*") entered into that certain Energy Services Agreement dated as of December 19, 2001 (the "*Energy Services Agreement*") with Honeywell International, Inc., as successor in interest to Sempra Energy Services Company (the "*Company*"), pursuant to which the Company agreed to perform certain services and install certain energy savings equipment and other property (the "*Equipment*") on the campus of the University in Hammond, Louisiana;

WHEREAS, in order to finance the costs of the installation of the Equipment, the Board approved the University's request to enter into that certain Lease Agreement (the "*Lease Agreement*") dated as of December 19, 2001, with the Company, pursuant to which the Company agreed to lease the Equipment to the Board on behalf of the University, and the Board, on behalf of the University, agreed to lease the Equipment from the Company, on the terms and conditions set forth therein;

WHEREAS, in order to finance amounts due to the Company under the Energy Services Agreement, the Company assigned its right, title and interest in and to the Lease Agreement to Morgan Keegan and Company, Inc. in return for payment of amounts owed to the Company under the Energy Services Agreement from the \$7,450,000 Certificates of Participation Evidencing Proportionate Ownership Interest in Rental Payments to be Made Pursuant to a Lease Agreement between the Board of Supervisors for the University of Louisiana System and

Sempra Energy Services Company, as assigned to Morgan Keegan (the “*Certificates*”) issued by Morgan Keegan in December of 2001;

WHEREAS, rental payments (the “*Rental Payments*”) by the Board, on behalf of the University, under the Lease Agreement were structured to match the debt service payments on the Certificates;

WHEREAS, there is currently an opportunity to refinance the Certificates, which is expected to result in lower debt service payments, requiring an amendment to the Lease Agreement to reflect lower Rental Payments;

WHEREAS, it is expected that the Certificates will be redeemed with funds received from Regions Capital Advantage, Inc., or an affiliate thereof (the “*Bank*”), and that the terms and conditions of the loan by the Bank will be included in an agreement between the Board, on behalf of the University, and the Bank (the “*Bank Agreement*”);

WHEREAS, the Board desires to approve the forms and execution of an Amended and Restated Lease Agreement between the Board, on behalf of the University and the Company (the “*Amended and Restated Lease Agreement*”), and the Bank Agreement.

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

SECTION 1. The form of Amended and Restated Lease Agreement is hereby approved in substantially the form attached hereto as Exhibit A, subject to any revisions and amendments as may be made with the approval of counsel to the Board and Bond Counsel.

SECTION 2. The execution and delivery of the Bank Agreement, in such form as is acceptable to Bond Counsel and counsel to the Board is hereby approved.

SECTION 3. It is recognized, found and determined that a real necessity exists for the employment of Bond Counsel in connection with the refinancing of the Certificates and accordingly, Jones Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., Baton Rouge, Louisiana, is hereby employed as Bond Counsel to the Board to do and to perform comprehensive, legal and coordinate professional work with respect to the refinancing of the Certificates. Bond Counsel shall (i) prepare and submit to the Board for adoption all of the proceedings incidental to the refinancing of the Certificates, (ii) counsel and advise the Board with respect to the refinancing of the Certificates, and (iii) furnish its opinion covering the legality of the refinancing thereof. The fee for bond counsel services to be paid Bond Counsel from proceeds of the refinancing shall be an amount not to exceed the Attorney General’s then current Bond Counsel Fee Schedule and other guidelines for comprehensive, legal and coordinate professional work in the issuance of revenue bonds applied to the actual aggregate principal amount issued, sold, delivered and paid for at the time such refinancing is completed, together with the reimbursement of out-of-pocket expenses incurred and advanced in connection with the refinancing of the Certificates, said fee to be payable out of the proceeds of the

refinancing subject to the Attorney General's written approval of said employment and fee as required by the Act.

SECTION 4. It is recognized and agreed that a real necessity exists for the employment of special counsel to serve as counsel to the Board to supervise the refinancing of the Certificates and accordingly DeCuir, Clark & Adams, L.L.P., Baton Rouge Louisiana, is hereby employed for such purposes. The fee to be paid for such services shall be an amount computed hourly, not to exceed the Attorney General's maximum hourly rates, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the refinancing of the Certificates, and shall be payable by the Board from the proceeds of the refinancing.

SECTION 5. The Chairman, Vice Chairman, Secretary of the Board, the System President of the Board, the President of the University, the Vice President for Finance and Administration of the University or an authorized representative shall be authorized to execute the Amended and Restated Lease Agreement, the Bank Agreement and any certificates, documents or other items and take such action as necessary to complete actions contemplated by this resolution.

SECTION 6. This resolution shall take effect immediately.

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

YEAS: Paul Aucoin, Andre Coudrain, Edward Crawford III, William Dearmon, Jimmy Faircloth, E. Gerald Hebert, Renee Lapeyrolerie, Jimmy Long, Jimmie "Beau" Martin, Jr., Russell Mosely, D. Wayne Parker, Carl Shetler, Winfred Sibille

NAYS: 0

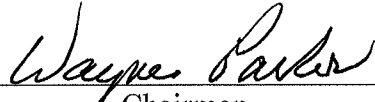
ABSENT: David Guidry, Louis Lambert, John LeTard

ABSTAINING: 0

The Resolution was declared to be adopted on the 18th day of June, 2012.

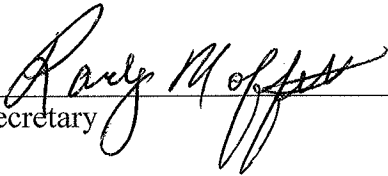
(Other items not pertinent hereto are omitted)

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



Chairman

Certified to be a true copy.



Secretary

[SEAL]

CERTIFICATE OF THE BOARD

Re: Lease Agreement dated as of December 19, 2001 (the "*Lease Agreement*") and Energy Services Agreement dated as of December 19, 2001 (the "*Energy Services Agreement*," and collectively with the Lease Agreement, the "*Agreement*") by and between Sempra Energy Services Company and the Board of Supervisors for the University of Louisiana System acting for and on behalf of Southeastern Louisiana University

I, the undersigned duly appointed and qualified Authorized Board Representative of the Board of Supervisors for the University of Louisiana System (the "*Board*"), hereby certify this 28th day of June, 2012 as follows:

1. The Board did at a regular meeting held on June 18, 2012, on a motion duly made, seconded and carried, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Agreement, the Purchase and Payment Agreement between the Board and Regions Capital Advantage, Inc. dated as of June 28, 2012 (the "*Purchase and Payment Agreement*") and any and all documents ancillary thereto (collectively, the "*Agreements*") as may be required to effect the purposes of the Agreements and the resolution so approving and authorizing such action (the "*Resolution*") by the Chairman, the Vice Chairman, the Secretary of the Board, the System President of the Board, the President of the University or the Vice President for Finance and Administration of the University or their designees.

2. The names of the members of the Board, and the date of expiration of their term of office, are as follows:

<u>Name</u>	<u>District</u>	<u>Term Ends</u>
Mr. Paul G. Aucoin	3rd	12/31/12
Mr. Andre G. Coudrain	1st	12/31/14
Mr. Edward J. Crawford III	4th	12/31/14
Mr. Jimmy R. Faircloth, Jr.	5th	12/31/16
Mr. David Guidry	2nd	12/31/14
Mr. E. Gerald Hebert	1st	12/31/16
Mr. Louis J. Lambert	At Large	12/31/12
Ms. Renee A. Lapeyrolerie	2nd	12/31/12
Mr. John O. LeTard	6th	12/31/16
Mr. William T. Dearman	Student	5/31/13
Mr. Jimmy D. Long, Sr.	4th	12/31/12
Mr. Jimmie "Beau" Martin, Jr.	3rd	12/31/12
Mr. Russell L. Mosely	6th	12/31/12
Mr. D. Wayne Parker, Vice Chair	5th	12/31/14
Mr. Carl Shetler	7th	12/31/16
Mr. Winfred F. Sibille, Chair	7th	12/31/12

3. As of this date, no event or condition that constitutes, or with the giving of notice or lapse of time would constitute, a default exists.

4. All insurance required under the terms of the Lease Agreement is currently maintained by the Southeastern Louisiana University either directly or indirectly through the Board.

5. The Board has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Payments scheduled to come due under the Lease Agreement for the current budget year and to meet its other obligations under the Lease Agreement and such funds have not been expended or committed for other purposes.

6. No litigation is pending or, to their knowledge threatened, to restrain or enjoin the execution of the Lease Agreement, the Purchase and Payment Agreement or the Tax Certificate or the existence or powers of the Board or the right of the Board to carry out the terms thereof; and the execution of the Lease Agreement and the execution and delivery of the other agreements contemplated by the Purchase Agreement and by the Official Statement under the circumstances contemplated thereby and the compliance by the Board with the provisions thereof will not conflict with or constitute on the part of the Board a breach of or a default under the By-Laws and Regulations of the University, as amended, or any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, loan or other instrument to which the Board is subject or by which it is bound.

9. The approval and authorization referenced in Section 1 has not been modified, amended or revoked and is in full force and effect as of the date hereof.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, I have executed this Certificate of the Board on this 28th day of June,
2012.

By: 
Dr. John L. Crain
Authorized Board Representative

CONSENT TO AND ACKNOWLEDGMENT OF ASSIGNMENT

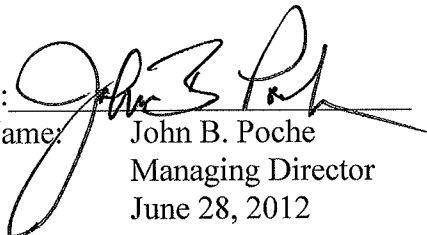
Re: Lease Agreement dated as of December 19, 2001, by and between Honeywell International Inc., (as successor in interest to Sempra Energy Services Company) (the "Lessor"), and the Board of Supervisors for the University of Louisiana System (the "Board"), acting with and on behalf of Southeastern Louisiana University (the "Lessee") assigned by Lessor to Morgan Keegan & Company, Inc. (the "Assignor") and by Assignor to the assignee identified herein.

Please be advised that Lessor has assigned all of its right, title and interest in and to the above-referenced Lease Agreement (the "Lease Agreement"), the equipment leased thereunder, and the right to receive payments thereunder to Assignor, who in turn has assigned the same to Regions Capital Advantage, Inc. (the "Purchaser").

All payments due under the Lease Agreement beginning with the first payment date of December 1, 2012, should be made by wire transfer to the Purchaser as follows: Regions Capital Advantage, Inc., ABA #062000019, Account #0107024142, Attn: Regions Equipment Finance Department - (205) 264-4778.

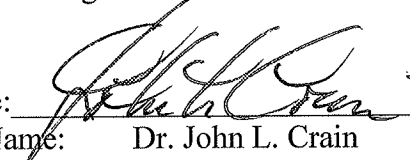
Lessee hereby acknowledges its agreement to make the payments due under the Lease Agreement to the Purchaser, by the signature of its duly authorized officer in the space provided below.

ASSIGNOR: MORGAN KEEGAN & COMPANY, INC.

Signature: 
Printed Name: John B. Poche
Title: Managing Director
Date: June 28, 2012

ACKNOWLEDGED AND ACCEPTED:

LESSEE: BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM,
acting with and on behalf of Southeastern Louisiana University

Signature: 
Printed Name: Dr. John L. Crain
Title: Authorized Board Representative
Date: June 28, 2012

CONSENT TO TERMINATION OF ASSIGNMENT
AND DISCHARGE OF TRUST AGREEMENT

Reference is hereby made to that certain Assignment Agreement (the "*Assignment*") dated December 19, 2001, by and between MORGAN KEEGAN & COMPANY, INC., New Orleans, Louisiana (the "*Assignor*"), and WHITNEY BANK, a Louisiana state banking corporation formerly known as Hancock Bank of Louisiana, Baton Rouge, Louisiana (the "*Assignee*"). All capitalized terms used herein and not otherwise defined shall have the meaning given such terms in the Assignment.

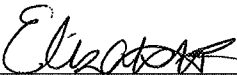
The Board of Supervisors for the University of Louisiana System, acting with and on behalf of Southeastern Louisiana University as lessee (the "*Board*"), has entered into that certain Lease Agreement, dated as of December 19, 2001 (the "*Lease Agreement*") with Honeywell Building Solutions SES Corporation, successor by merger to Sempra Energy Services Company, as lessor (the "*Company*"), pursuant to which the Company agreed to lease to the Board certain equipment and other personal property (the "*Equipment*") in consideration for the payment by Lessee of certain payments (the "*Rental Payments*") with respect to the Equipment. The Equipment was installed by the Company pursuant to that certain Contract for Energy Services Agreement dated as of December 19, 2001 by and between the Company and the Lessee (the "*Services Agreement*").

In order to finance amounts due to the Company under the Energy Services Agreement, the Company assigned its right, title and interest in and to the Lease Agreement to Morgan Keegan and Company, Inc. (the "*Lessor Assignment*"), including, but not limited to the Company's rights to receive Rental Payments and other amounts payable by Lessee thereunder, in return for payment of amounts owed to the Company under the Energy Services Agreement from the \$7,450,000 Certificates of Participation Evidencing Proportionate Ownership Interest in Rental Payments to be Made Pursuant to a Lease Agreement between the Board of Supervisors for the University of Louisiana System and Sempra Energy Services Company, as assigned to Morgan Keegan & Company Inc. (the "*Certificates*") issued by the Assignor in December of 2001. The Assignor further assigned all of its right, title and interest in and to the Lease Agreement to the Assignee pursuant to the Assignment for the benefit of the holders of the Certificates, which were issued pursuant to the Trust Agreement between the Assignor, as trustor, and the Assignee, as Trustee (the "*Trust Agreement*").

In connection with the refinancing of the Certificates, Regions Capital Advantage, Inc. (the "*Purchaser*") has agreed to purchase the right, title and interest of Morgan Keegan & Company, Inc. in the Lease Agreement and the proceeds of such purchase shall be deposited into an Escrow Fund (the "*Escrow Fund*") held by Whitney Bank, as escrow trustee, pursuant to that certain Escrow Deposit Agreement dated as of June 1, 2012 between Whitney Bank and the Board (the "*Escrow Agreement*"). Upon the receipt of the deposit to the Escrow Fund evidencing payment in full of the principal, redemption premium of 1.0% and interest on the Certificates, the Trust Agreement shall cease, terminate and become null and void, and the Trustee is required to release the Trust Agreement, including the cancellation and discharge of the lien thereof, and to release all of its rights under the Lease Agreement.

The undersigned, on behalf of the Assignee, hereby consents to the termination of the Assignment in connection with the refinancing of the Certificates and the reassignment of the interest of the Assignor to the Purchaser. The undersigned, as Trustee under the Trust Agreement, in reliance upon various opinions and reports presented to it, hereby acknowledges pursuant to Article XI of the Trust Agreement and the Escrow Agreement that, as a result of the deposit of the moneys and investments contained in the Escrow Fund created under the Escrow Agreement, it does hereby release and discharge the lien of the Trust Agreement, with respect to the Certificates, and reassign the Lease Agreement to the Assignor. Notwithstanding the fact that the lien of the Trust Agreement has been released with respect to the Certificates, the Trustee shall continue to perform the duties of Paying Agent and Registrar under the Trust Agreement.

WHITNEY BANK, as Assignee and Trustee

By: 
Elizabeth H. Zeigler,
Senior Vice President & Trust Officer

CONSENT TO ASSIGNMENT

Re: Lease Agreement (the "*Lease Agreement*"), dated as of December 19, 2001, by and between Honeywell Building Solutions SES Corporation (as successor by merger to Sempra Energy Services Company) (the "*Lessor*"), and the Board of Supervisors for the University of Louisiana System (the "*Board*"), acting with and on behalf of Southeastern Louisiana University (the "*Lessee*"), as assigned by Lessor to Morgan Keegan & Company, Inc. (the "*Assignor*").

Lessor assigned all of its right, title and interest in and to the Lease Agreement and the Equipment (as defined in the Lease Agreement) to Assignor pursuant to that certain Lessor Assignment Agreement, dated as of December 19, 2001, between Lessor and Assignor (the "*Assignment Instrument*"), on the terms and conditions set forth in such Assignment Instrument. Lessor understands that Lessee intends to effect a refinancing pursuant to which (a) Assignor will assign all of its right, title and interest in and to the Lease Agreement and the Equipment to Regions Capital Advantage, Inc. (the "*Assignment*") and (b) the Lease Agreement will be amended by substituting the Revised Rental Payment Schedule attached hereto as Exhibit A for the Rental Payment Schedule attached as Exhibit B to the Lease Agreement (the "*Amendment*"). To the extent Lessor's consent is required pursuant to the terms of the Lease Agreement or the Assignment Instrument and only to the extent such consent does not and will not in any way limit Lessor's rights or increase Lessor's obligations, Lessor hereby consents, without representation, warranty or recourse, to the Assignment and to the Amendment.

HONEYWELL BUILDING SOLUTIONS SES CORPORATION

By: 

Printed Name: David J. Jones

Title: Vice President & General Manager, Energy & Environmental Solutions

Date: June 26, 2012

EXHIBIT A

REVISED RENTAL PAYMENT SCHEDULE

<u>Payment Number</u>	<u>Rental Payment Date</u>	<u>Net Rental Payment Amount</u>	<u>Interest Amount</u>	<u>Principal Amount</u>
1	12/1/2012	\$ 506,258.28	\$ 46,258.28	\$ 460,000.00
2	6/1/2013	49,384.50	49,384.50	-0-
3	12/1/2013	509,384.50	49,384.50	460,000.00
4	6/1/2014	44,347.50	44,347.50	-0-
5	12/1/2014	514,347.50	44,347.50	470,000.00
6	6/1/2015	39,201.00	39,201.00	-0-
7	12/1/2015	524,201.00	39,201.00	485,000.00
8	6/1/2016	33,890.25	33,890.25	-0-
9	12/1/2016	523,890.25	33,890.25	490,000.00
10	6/1/2017	28,524.75	28,524.75	-0-
11	12/1/2017	528,524.75	28,524.75	500,000.00
12	6/1/2018	23,049.75	23,049.75	-0-
13	12/1/2018	533,049.75	23,049.75	510,000.00
14	6/1/2019	17,465.25	17,465.25	-0-
15	12/1/2019	537,465.25	17,465.25	520,000.00
16	6/1/2020	11,771.25	11,771.25	-0-
17	12/1/2020	541,771.25	11,771.25	530,000.00
18	6/1/2021	5,967.75	5,967.75	-0-
19	12/1/2021	550,967.75	5,967.75	545,000.00

CONSENT REGARDING ESCROW VERIFICATION

\$7,450,000 Certificates of Participation Evidencing Proportionate Ownership Interests in Rental Payments to be Made Pursuant to a Lease Agreement between the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM and SEMPRA ENERGY SERVICES COMPANY, as assigned to MORGAN KEEGAN & COMPANY, INC.

The above-captioned certificates (the "*Certificates*") were issued pursuant to a Trust Agreement dated as of December 19, 2001 (the "*Trust Agreement*") between Morgan Keegan & Company, Inc. (the "*Trustor*") and Whitney Bank, a Louisiana banking corporation formerly known as Hancock Bank of Louisiana, as trustee (the "*Trustee*"). All capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Trust Agreement.


In connection with the refinancing of the Certificates, Regions Capital Advantage, Inc. (the "*Purchaser*"), is purchasing the interest of the Trustor in the Lease Agreement and the Board of Supervisors for the University of Louisiana System, acting on behalf of Southeastern Louisiana University (the "*Board*") is causing the Trustor to assign its interest in the Lease Agreement (the "*Lease Interest*") to the Purchaser. The proceeds of such purchase will be used to advance refund the Certificates. In connection with such refunding, the proceeds of the purchase will be deposited in an Escrow Fund (the "*Escrow Fund*") created pursuant to that certain Escrow Deposit Agreement dated as of June 1, 2012 between the Board and Whitney Bank, as Escrow Agent (the "*Escrow Agent*"). The funds deposited into the Escrow Fund will be used to purchase United State Treasury Securities – State and Local Government Series (the "*SLGS*").

Section 11.3 of the Trust Agreement provides that, in the case of an advance refunding, a mathematical verification prepared by one of the "big five" firms of independent certified public accountants (or other verification agent satisfactory to the Trustee) must be delivered to the Trustee demonstrating that the SLGS are sufficient to pay the principal of, premium, if any, and interest on the Prior Bonds that have been defeased. The Trustee has been informed that, in lieu of a verification prepared by one of the "big five" firms of independent certified public accountants, the Board and the Trustor intend to cause a verification report prepared by The Arbitrage Group, Inc. (the "*Verification Agent*") to be delivered to the Trustee.

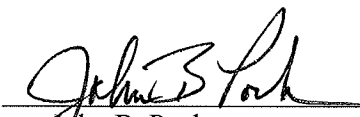
The undersigned, on behalf of the Board and the Trustor, respectively, hereby consent to the use of the Verification Report to satisfy the defeasance requirements of Section 11.3 of the Trust Agreement in lieu of a verification prepared by one of the "big five" firms of independent certified public accountants.

BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

MORGAN KEEGAN & COMPANY, INC.

By: 

Dr. John L. Crain
Authorized Board Representative

By: 

John B. Poche
Managing Director

STATE OF LOUISIANA - PARISH OF EAST BATON ROUGE

CERTIFICATE OF SEARCH

I, DOUG WELBORN, CLERK OF COURT FOR THE PARISH OF EAST BATON ROUGE, CERTIFY THAT THIS CERTIFICATE HAS BEEN RUN EXCLUSIVELY IN THE EXACT NAME OR NAMES HEREUNDER SET FORTH AND NOT IN ANY VARIATIONS OF SAID NAME OR NAMES.

WHERE NO MIDDLE INITIALS HAVE BEEN FURNISHED, IDENTICAL NAMES WITH MIDDLE INITIALS HAVE NOT BEEN RUN AND WILL NOT BE UNLESS SPECIFICALLY REQUESTED.

I HEREBY CERTIFY THAT THERE ARE NO TRANSACTIONS OF RECORD IN THE CIVIL

RECORDS OF THIS OFFICE FROM JANUARY 1, 2011 IN THE EXACT NAME OR NAMES OF:

AS DEFENDANT: SOUTHEASTERN LOUISIANA UNIVERSITY

RE: Refunding of \$7,450,000 Certificates of Participation Evidencing Proportionate Interests in Rental Payments to be Made Pursuant to a Lease Agreement between Board of Supervisors for the University of Louisiana System and Sempra Energy Services Company, as assigned to Morgan Keegan & Company, Inc.

Given under my hand and seal of office, this 28th day of JUNE, 20 12 at 7:30 a.m.

DOUG WELBORN, CLERK OF COURT

By: *Doris Ike*
Deputy Clerk and Recorder

Print: DORIS IKE

STATE OF LOUISIANA - PARISH OF EAST BATON ROUGE

CERTIFICATE OF SEARCH

I, DOUG WELBORN, CLERK OF COURT FOR THE PARISH OF EAST BATON ROUGE, CERTIFY THAT THIS CERTIFICATE HAS BEEN RUN EXCLUSIVELY IN THE EXACT NAME OR NAMES HEREUNDER SET FORTH AND NOT IN ANY VARIATIONS OF SAID NAME OR NAMES.

WHERE NO MIDDLE INITIALS HAVE BEEN FURNISHED, IDENTICAL NAMES WITH MIDDLE INITIALS HAVE NOT BEEN RUN AND WILL NOT BE UNLESS SPECIFICALLY REQUESTED.

I HEREBY CERTIFY THAT THERE ARE NO TRANSACTIONS OF RECORD IN THE CIVIL
RECORDS OF THIS OFFICE FROM JANUARY 1, 2011 IN THE EXACT NAME OR NAMES OF:

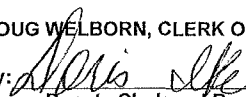
AS DEFENDANT:

BOARD OF SUPERVISORS FOR THE UNIVERSITY
OF LOUISIANA SYSTEM

RE: Refunding of \$7,450,000 Certificates of Participation
Evidencing Proportionate Interests in Rental
Payments to be Made Pursuant to a Lease
Agreement between Board of Supervisors for
the University of Louisiana System and Sempra
Energy Services Company, as assigned to
Morgan Keegan & Company, Inc.

Given under my hand and seal of office, this 28th day of JUNE, 20 12 at 7:30 a.m.

DOUG WELBORN, CLERK OF COURT

By: 
Deputy Clerk and Recorder

Print: DORIS IKE

United States District Court
FOR THE
MIDDLE DISTRICT OF LOUISIANA

June 27, 2012

I, **Nick J. Lorio**, Clerk of the United States District Court for the Middle District of Louisiana, do hereby certify that after diligent search of the records of this court, I find only the following civil action, against either of the following-named persons, from the 1st day of January, 2011 up to and including the 27th day of June, A. D. 2012, namely,

**Board of Supervisors for the University of Louisiana System
and Southeastern Louisiana University**

Civil Action 3:06-623-HGB-KWR, Steven Rushing v. Board of Supervisors of the University of Louisiana Systems (Southeastern Louisiana University) et al.

Cause: 42:1983 Civil Rights Act

Case in other court: 5th Circuit Court of Appeal, #12-30564

Witness my official signature and seal of said
Court, at **Baton Rouge** in said district, this
27th day of June, A. D. 2012

NICK J. LORIO
Clerk, United States District Court

By: *Dina Russell*
Deputy Clerk



Tangipahoa Parish Clerk of Court

JULIAN E. DUFRECHE, CLERK OF COURT

P. O. BOX 667 • AMITE, LOUISIANA 70422

GARY STANGA
CHIEF DEPUTY

ALISON CARONA
CHIEF FINANCIAL OFFICER

AMITE (985) 748-4146
(985) 748-8015
FAX (985) 748-6508
WWW.TANGICLERK.ORG

CIVIL RECORDS SEARCH FORM

DATE: 7/23/12

TO WHOM IT MAY CONCERN:

THIS IS TO CERTIFY THAT A CIVIL RECORD SEARCH WAS DONE ON TH FOLLOWING INDIVIDUAL / BUSINESS.

Board of Supervisors for the
University of Louisiana System and
Southeastern Louisiana University
(as a defendant)

RECORDED: _____

NONE RECORDED

✓ (From January 1, 2011 - June 27th, 2012)

THIS RECORD SEARCH IS CONCLUSIVE OF THE YEARS 1/1/11 TO 6/27/12.

DEPUTY CLERK OF COURT
TANGIPAHOA PARISH
STATE OF LOUISIANA



2012-466
2011-449

Matthew W. Kern
Direct Dial 225-248-2238
Direct Fax 225-248-3138
mkern@joneswalker.com

June 26, 2012

Tangipahoa Parish Clerk of Court
110 N. Bay St., Suite 100
Amite, LA 70422
Attention: Clerk of Court, Intake - CIVIL RECORDS

Re: Request for Certificate of Search

Refunding of \$7,450,000 Certificates of Participation Evidencing Proportionate Interests in Rental Payments to be Made Pursuant to a Lease Agreement between Board of Supervisors for the University of Louisiana System and Sempra Energy Services Company, as assigned to Morgan Keegan & Company, Inc.

Dear Sir or Madam:

We need to obtain from your office a certificate of search with respect to any suits pending against the following entities: *Board of Supervisors for the University of Louisiana System and Southeastern Louisiana University*, in connection with the refinancing of the above-captioned certificates. We are closing this matter on Thursday, June 28, 2012. Please run the search to cover the period beginning January 1, 2011 through noon on Wednesday, June 27, 2012. Enclosed is a stamped, self-addressed envelope for the return of the completed certificate of search; **however, I will give you a call on the afternoon of June 27, 2012 to confirm the results of your search prior to Closing.**

Our check in the amount of ~~\$60.00~~^{20.00} is enclosed to cover your fee for this search. Thank you for your assistance. Please do not hesitate to contact me at (225) 248-2238 should you have any questions regarding this request.

Sincerely,

Matthew W. Kern

Enclosures

6-27-12

JONES, WALKER, WAECHTER, POITEVENT, CARRERE & DENEGRE L.L.P.

Indexing Name Search - Indexed Entries

[Print Page](#)

Search criteria: Name(s) Selected 1)BOARD OF SUPERVISOR OF THE UNIVERSITY OF LOUISIANA SYSTEM 2)BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM 3)BOARD OF SUPERVISORS LOUISIANA STATE UNIVERSITY 4)BOARD OF SUPERVISORS OF LA STATE UNIV 5)BOARD OF SUPERVISORS OF LOUISIANA 6)BOARD OF SUPERVISORS OF THE UNIVERSITY OF LOUISIANA SYSTEM For CIVIL SUITS For ALL PARTY TYPES For All Groups For All Kinds on Monday, July 23, 2012 12:09:19 PM

CIVIL SUITS Valid From 08/01/1974 Thru 07/18/2012

Select	Image	Party Code	Date Filed	Proceeding Type	Suit Number	Orig Index
<input type="checkbox"/>		1	11/25/1985		0000-0077351	
Count: 2 SEARCH NAME: BOARD OF SUPERVISORS LOUISIANA STATE UNIVERSITY						
Count: 1 FIRST DEFENDANT: SIMMONS, ELLEN LORRAINE						
<input type="checkbox"/>		2	07/03/2000	DAMAGES	2000-0001956	
Count: 7 SEARCH NAME: BOARD OF SUPERVISORS OF LA STATE UNIV						
Count: 2 FIRST PLAINTIFF: BRIGGS, HAZEL						
<input type="checkbox"/>		2	01/30/2004	DISCOVERY	2004-0000317	
Count: 5 SEARCH NAME: BOARD OF SUPERVISORS OF LA STATE UNIV						
Count: 3 FIRST PLAINTIFF: ANTHONY, CHARLES						
<input type="checkbox"/>		2	03/16/2004	DAMAGES	2004-0000886	
Count: 5 SEARCH NAME: BOARD OF SUPERVISORS OF LA STATE UNIV						
Count: 1 FIRST PLAINTIFF: LAMBERT, ANTONIETA PENDER						
<input type="checkbox"/>		2	12/13/2006	DAMAGES	2006-0004056	
Count: 2 SEARCH NAME: BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM						
Count: 1 FIRST PLAINTIFF: CONDON, TERRI B						
<input type="checkbox"/>		2	04/21/2008	DAMAGES	2008-0001243	
Count: 5 SEARCH NAME: BOARD OF SUPERVISOR OF THE UNIVERSITY OF LOUISIANA SYSTEM						
Count: 3 FIRST PLAINTIFF: HILL, JOELLEN R						
<input type="checkbox"/>		2	04/21/2008	DAMAGES	2008-0001243	
Count: 5 SEARCH NAME: BOARD OF SUPERVISORS OF THE UNIVERSITY OF LOUISIANA SYSTEM						
Count: 3 FIRST PLAINTIFF: HILL, JOELLEN R						
<input type="checkbox"/>		2	10/08/2010	DAMAGES	2010-0004020	
Count: 3 SEARCH NAME: BOARD OF SUPERVISORS OF THE UNIVERSITY OF LOUISIANA SYSTEM						
Count: 1 FIRST PLAINTIFF: TATE, SHEILA						
<input type="checkbox"/>		2	04/20/2011	DAMAGES	2011-0001297	
Count: 11 SEARCH NAME: BOARD OF SUPERVISORS OF LOUISIANA						
Count: 1 FIRST PLAINTIFF: PHILLIPS, JOSEPH						
<input checked="" type="checkbox"/>		1	02/10/2012	DECLARATORY JUDGMENT	2012-0000466	
Count: 2 SEARCH NAME: BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM						
Count: 1 FIRST DEFENDANT: HAMMOND CITY OF						

This page should be printed in landscape mode.

Click on Display to display indexed instrument for the selected entries.

10 Record(s) Found
Records 1 thru 10



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UNITED STATES OF AMERICA
DISTRICT COURT OF THE UNITED STATES
EASTERN DISTRICT OF LOUISIANA

CERTIFICATE

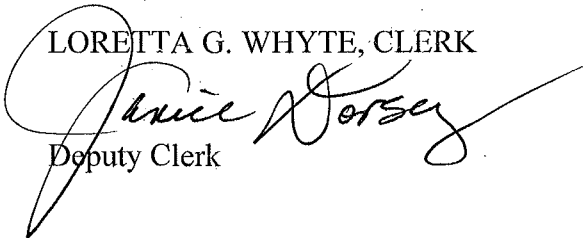
I hereby certify that I have examined the Records of the United States District Court for the Eastern District of Louisiana (New Orleans, Louisiana) and find no litigation pending against: SEMPRA ENERGY SERVICES COMPANY, as assigned to MORGAN KEEGAN & COMPANY, INC.

except as listed below:

NOTHING FOUND (as of 2:45 p.m. 6/27/2012)

Witness my hand and the seal of said Court, this 27th day of JUNE, 2012 at New Orleans,
Louisiana.

LORETTA G. WHYTE, CLERK


Deputy Clerk

UNITED STATES OF AMERICA
DISTRICT COURT OF THE UNITED STATES
EASTERN DISTRICT OF LOUISIANA

CERTIFICATE

I hereby certify that I have examined the Records of the United States District Court for the Eastern District of Louisiana (New Orleans, Louisiana) and find no litigation pending against:
REFUNDING OF \$7,450,000 CERTIFICATES OF PARTICIPATION EVIDENCING
PROPORTIONATE INTERESTS IN RENTAL PAYMENTS TO BE MADE PURSUANT TO
A LEASE AGREEMENT BETWEEN BOARD OF SUPERVISORS FOR THE UNIVERSITY
OF LOUISIANA SYSTEM.

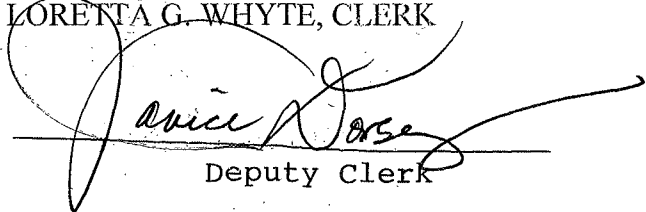
except as listed below:

[cases found]

NOTHING FOUND (as of 2:45 p.m. 6/27/2012)

Witness my hand and the seal of said Court, this 27th day of JUNE, 2012 at New Orleans,
Louisiana.

LORENTA G. WHYTE, CLERK


Deputy Clerk



June 28, 2012

Board of Supervisors for the
University of Louisiana System
Baton Rouge, Louisiana

Regions Capital Advantage, Inc.
Birmingham, Alabama

Refinancing of \$7,450,000 Certificates of Participation Evidencing Proportionate Ownership Interests in Rental Payments to be Made Pursuant to a Lease Agreement between the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM and SEMPRA ENERGY SERVICES COMPANY, as assigned to MORGAN KEEGAN & COMPANY, INC.

Ladies and Gentlemen:

We have acted as bond counsel to the Board of Supervisors for the University of Louisiana System (the "*Board*") in connection with the refunding of the above-referenced Certificates (the "*Certificates*"). The Certificates, as originally issued, represented proportionate ownership interests of the Registered Owners thereof in the right to receive proportionate shares of certain payments (the "*Rental Payments*") to be made by the Board, acting with and on behalf of Southeastern Louisiana University, under that certain Lease Agreement dated December 19, 2001 (together with all exhibits attached thereto, the "*Lease Agreement*") by and between Board, as lessee, and Honeywell Building Solutions SES Corporation, successor by merger to Semptra Energy Services Company, as lessor (the "*Company*").

Under the Lease Agreement, the Company has agreed to lease to the Board, and the Board has agreed to lease from the Company, certain energy efficiency equipment (the "*Equipment*") more particularly described therein. The Equipment has been installed on the campus of Southeastern Louisiana University by the Company pursuant to that certain Energy Services Agreement dated the December 19, 2001 by and between the Company and the Board (the "*Energy Services Agreement*"). In consideration for the lease of the Equipment, the Board has agreed to pay to the Company or its assigns the Rental Payments identified on Exhibit B to the Lease Agreement, as modified pursuant to the Consent to Modification of Rental Payment Schedule dated June 28, 2012 executed by the Company (the "*Rental Payment Schedule*"). Each Rental Payment includes a designated interest component and a principal component identified on the Rental Payment Schedule. The obligation of Board to make such Rental Payments commences as of the date of the Lease Agreement (the "*Dated Date*").

JONES, WALKER, WAECHTER, POITEVENT, CARRÈRE & DENÈGRE L.L.P.

8555 UNITED PLAZA BOULEVARD • BATON ROUGE, LOUISIANA 70809-7000 • 225-248-2000 • FAX 225-248-2010 • E-MAIL info@joneswalker.com • www.joneswalker.com

ALABAMA ARIZONA DISTRICT OF COLUMBIA FLORIDA LOUISIANA TEXAS

Pursuant to that certain Lessor Assignment Agreement (the "*Lessor Assignment*") between Morgan Keegan & Company, Inc. and the Company dated December 19, 2001, all right, title and interest in and to the Lease Agreement, but not the obligations of the Company thereunder, have been assigned to Morgan Keegan & Company, Inc. ("*Morgan Keegan*"). Pursuant to that certain Assignment Agreement dated the date hereof (the "*Morgan Keegan Assignment*"), Morgan Keegan, in turn, has assigned to Regions Capital Advantage, Inc. (the "*Purchaser*") all of its right, title and interest in and to the Lease Agreement, specifically including the right to receive the Rental Payments. The Purchaser has purchased the right, title and interest of Morgan Keegan in the Lease Agreement and has caused the proceeds of such purchase to be deposited with Whitney Bank (as "*Escrow Trustee*") to defease the Certificates.

In our capacity as bond counsel, we have reviewed a duplicate original or certified copy of the Lease Agreement, the Lessor Assignment, the Morgan Keegan Assignment, the Energy Services Agreement, the Purchase and Payment Agreement between the Board and the Purchaser dated June 28, 2012, the Tax and Arbitrage Certificate dated June 28, 2012 executed by the Board (the "*Tax Certificate*") and various certificates and documents delivered by the Company, the Board, Morgan Keegan, the Purchaser and the Escrow Agent in connection with the refunding of the Certificates (collectively, the "*Financing Documents*"), and such other documents, instruments, proofs and matters of law as we have deemed relevant to refunding of the Certificates and necessary for the purpose of this opinion. Unless otherwise indicated, capitalized terms used but not defined herein shall have the meaning given them in the Lease Agreement.

As to questions of fact material to our opinion, we have relied upon representations of the Company, the Board, Morgan Keegan and the Escrow Agent contained in the Financing Documents, the certified proceedings and other certifications of public officials and others furnished to us, including certifications furnished to us by or on behalf of the Company, the Board, Morgan Keegan and the Trustee, without undertaking to verify the same by independent investigation. We have assumed that all signatures on all documents submitted to us, are genuine, that all documents submitted to us as originals are accurate and complete, and that all documents submitted to us as copies are true and correct copies of the originals thereof.

For purposes of rendering the opinions hereinafter set forth, we have relied without independent verification on the opinion of DeCuir, Clark & Adams, L.L.P., Baton Rouge, Louisiana, counsel to the Board, dated the date hereof, to the effect that the Financing Documents to which the Board is a party have been duly authorized, executed and delivered by the Board and constitute legal, valid and binding obligations of the Board enforceable upon the Board in accordance with their terms, subject to certain qualifications more particularly described therein.

For purposes of rendering the opinions hereinafter set forth, we have assumed (i) that there is no litigation, action, suit or proceeding pending or before any court, administrative

agency, arbitrator or governmental body that challenges the organization or existence of the Board; the authority of the Board or its officers or its employees to enter into the Lease Agreement; the proper authorization, approval and/or execution of the Lease Agreement and other documents contemplated thereby; or the ability of the Board otherwise to perform its obligations under the Lease Agreement and the transactions contemplated thereby, and that no such litigation or actions are threatened; (ii) that the Lease Agreement and the Energy Services Agreement have been duly authorized, approved and executed by the Company and the Board; and (iii) that all Equipment to be leased under the Lease Agreement has been properly procured by the Board in accordance with all applicable laws and regulations relative thereto.

Based upon the foregoing, we are of the opinion that (i) the Board is a state or political subdivision thereof within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended (the "*Code*"), and the related regulations and rulings thereunder, (ii) the portion of the Rental Payments identified as the interest component thereof under the Lease Agreement, upon receipt, are (A) excludable from gross income of the Purchaser, or any assignee or owner thereof, as the case may be, for federal income tax purposes under section 103(a) of the Code and the statutes, regulations, court decisions and rulings existing on the date of this opinion and (B) is exempt from all taxation by the State of Louisiana or any political subdivision thereof; and (iii) the portion of the Rental Payments identified as the interest component thereof under the Lease Agreement does not constitute an item of tax preference within the meaning of and to the extent provided in section 57(a) of the Code, for purposes of the federal alternative minimum tax on individuals and corporations. With respect to corporations, such interest is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax.

The opinions set forth above are premised upon the assumptions set forth above and on the continuing compliance with the covenants in the Financing Documents, including the Tax Certificate, and are given in express reliance on the representations in the Financing Documents, which assumptions, compliance and representations have not been independently verified by us and are subject to the condition that the Board complies with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the execution of the Financing Documents in order that the interest component identified above be (or continue to be) excludable from gross income for federal income tax purposes. These requirements generally relate to arbitrage, the use of the proceeds of the Lease Agreement, and the use of the Equipment. Failure to comply with certain of such requirements could cause the portion of the Rental Payments identified as the interest component thereof under the Lease Agreement to be included in gross income and to be items of tax preference retroactive to the date of execution of the Lease Agreement. The Board has covenanted to comply with all such requirements in the Lease Agreement and the Tax Certificate.

Our opinion is specifically limited to the matters stated above. We express no opinion regarding other federal tax consequences arising with respect to the Financing Documents or as to the excludability of interest received after termination or any assumption or assignment by the Board of the Lease Agreement or default or non-appropriation by the Board, or default by the Company or any assignee of the Company under the Lease Agreement or under the terms of any assignment thereof.

The accrual or receipt of the interest component of the Rental Payments may otherwise affect the federal income tax liability of certain recipients. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences and investors should consult their tax advisors regarding the tax consequences of purchasing or holding the rights to receive the Rental Payments.

It is to be understood that the rights of the Purchaser and the enforceability of the Lease Agreement and the other documents enumerated above may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and that their enforcement may also be subject to the exercise of the sovereign police powers of the State or its governmental bodies and the exercise of judicial discretion in appropriate cases.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions. This letter is issued to and for the sole benefit of the above addressees and is issued for the sole purpose of the transaction specifically referred to herein. No person other than the above addressees may rely upon this letter without our express prior written consent. This letter may not be utilized by you for any other purpose and may not be quoted by you without our express prior written consent. We assume no obligation to review or supplement this letter subsequent to its date, whether by reason of a change in the current laws, by legislative or regulatory action, by judicial decision or for any other reason.

Very truly yours,

*James Walker Wachtler Pateant
Carriere + Denigre, LLP*



June 28, 2012

Board of Supervisors for the
University of Louisiana System
Baton Rouge, Louisiana

Whitney Bank
Baton Rouge, Louisiana

Regions Capital Advantage, Inc.
Birmingham, Alabama

\$7,450,000 Certificates of Participation Evidencing Proportionate Ownership Interests in Rental Payments to be Made Pursuant to a Lease Agreement between the BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM and SEMPRA ENERGY SERVICES COMPANY, as assigned to MORGAN KEEGAN & COMPANY, INC.

We have acted as bond counsel to the Board of Supervisors for the University of Louisiana System (the "*Board*") in connection with the refunding of the above-referenced certificates (the "*Certificates*"). The Certificates, as originally issued, represented proportionate ownership interests of the Registered Owners thereof in the right to receive proportionate shares of certain payments (the "*Rental Payments*") to be made by the Board, acting with and on behalf of Southeastern Louisiana University, under that certain Lease Agreement dated December 19, 2001 (together with all exhibits attached thereto, the "*Lease Agreement*") by and between Board, as lessee, and Honeywell Building Solutions SES Corporation, successor by merger to Sempra Energy Services Company, as lessor (the "*Company*").

Under the Lease Agreement, the Company has agreed to lease to the Board, and the Board has agreed to lease from the Company, certain energy efficiency equipment (the "*Equipment*") more particularly described therein. The Equipment has been installed on the campus of Southeastern Louisiana University (the "*University*") by the Company pursuant to that certain Energy Services Agreement dated December 19, 2001 by and between the Company and the Board (the "*Energy Services Agreement*"). In consideration for the lease of the Equipment, the Board has agreed to pay to the Company or its assigns the Rental Payments identified on Exhibit B to the Lease Agreement, as modified pursuant to the Consent to Modification of Rental Payment Schedule dated June 28, 2012 executed by the Company (the "*Rental Payment Schedule*"). Each Rental Payment includes a designated interest component and a principal component identified on the Rental Payment Schedule. The obligation of Board to make such Rental Payments commences as of the date of the Lease Agreement.

JONES, WALKER, WAECHTER, POITEVENT, CARRÈRE & DENÈGRE L.L.P.

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ALABAMA ARIZONA DISTRICT OF COLUMBIA FLORIDA LOUISIANA TEXAS

Pursuant to that certain Lessor Assignment Agreement (the "*Lessor Assignment*") between Morgan Keegan & Company, Inc. and the Company dated December 19, 2001, all right, title and interest in and to the Lease Agreement, but not the obligations of the Company thereunder, have been assigned to Morgan Keegan & Company, Inc. ("*Morgan Keegan*"). Pursuant to that certain Assignment Agreement dated the date hereof (the "*Morgan Keegan Assignment*"), Morgan Keegan, in turn, has assigned to Regions Capital Advantage, Inc. (the "*Purchaser*") all of its right, title and interest in and to the Lease Agreement, specifically including the right to receive the Rental Payments. The Purchaser has purchased the right, title and interest of Morgan Keegan in the Lease Agreement and has caused the proceeds of such purchase (the "*Proceeds*") to be deposited with Whitney Bank (as "*Escrow Trustee*") to refund the Certificates.

In connection with such advance refunding, the Issuer will deposit a portion of the Proceeds into an Escrow Fund (the "*Escrow Fund*") created pursuant to an Escrow Deposit Agreement dated as of June 1, 2012 (the "*Escrow Agreement*"), by and between the Board and Whitney Bank, Baton Rouge, Louisiana, as escrow agent (the "*Escrow Agent*"), in order to provide for the payment of principal of and interest on the Certificates to redemption on December 1, 2012. The Certificates were executed and delivered pursuant to a Trust Agreement, dated December 19, 2001 (the "*Trust Agreement*"), made and entered into by and between Morgan Keegan & Company, Inc., as trustor and Whitney Bank, a State banking corporation formerly known as Hancock Bank of Louisiana, Baton Rouge, Louisiana, as trustee (the "*Trustee*"). Proceeds of the sale of the Certificates were be used to: (i) finance the acquisition and installation of the Equipment on the campus of the University; (ii) pay capitalized interest during the acquisition and installation period; and (iii) pay the costs related to the execution and delivery of the Certificates, including the premiums for the purchase of a financial guaranty insurance policy and a reserve fund surety bond.

We have examined the transcript of certified proceedings pertaining to the Certificates, upon which we rely. We have also examined an original executed copy of the Certificates, the Trust Agreement and the provisions of Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, (La. R.S. 39:1441 through 1443) (the "*Defeasance Act*"), concerning, among other things, the defeasance of the Certificates.

Moneys on deposit with the Escrow Agent in the Escrow Fund created pursuant to the Escrow Agreement may only be used for the purchase of Government Obligations as provided in the Escrow Agreement.

Based upon our examination, we are of the opinion that pursuant to the provisions of the Defeasance Act, the Certificates have been defeased, are deemed to be paid and are no longer considered to be outstanding under the provisions of the Trust Agreement; the covenants, pledges and obligations contained in the Trust Agreement have been discharged insofar as they relate to the Certificates; and the Certificates are no longer entitled to any benefits under the Trust Agreement.

In rendering the opinion expressed above, we have made no independent mathematical verification regarding the sufficiency of the Escrow Fund for the payment of the required principal and interest on the Certificates on December 1, 2012 and have relied for purposes of this opinion upon the mathematical computations of The Arbitrage Group, Inc., as to the mathematical accuracy of the computations of such sufficiency.

Respectfully submitted,

*Jones Walker Waechter Poitevent
Carrère + Denègue, LLP*

DeCUIR, CLARK & ADAMS L.L.P.
ATTORNEYS AT LAW
732 NORTH BOULEVARD
BATON ROUGE, LOUISIANA 70802

WINSTON G. DECUIR, SR.
LINDA LAW CLARK
MICHAEL R. D. ADAMS
WINSTON G. DECUIR, JR.
BRANDON J. DECUIR¹

(225) 346-8716
FAX (225) 336-1950

1. LL.M. IN TAXATION

June 28, 2012

Morgan Keegan & Company, Inc.
New Orleans, Louisiana

Jones, Walker, Waechter, Poitevent,
Carrière & Denègre, L.L.P.
Baton Rouge, Louisiana

Regions Capital Advantage, Inc.
Birmingham, Alabama

**Refinancing of \$7,450,000 Certificate of Participation
Evidencing Proportionate Ownership Interest and
Rental Payments to be Made Pursuant to a
Lease Agreement Between the BOARD OF SUPERVISORS
FOR THE UNIVERSITY OF LOUISIANA SYSTEM and
SEMPRA ENERGY SERVICES COMPANY, as assigned to
MORGAN KEEGAN AND COMPANY, INC.**

Ladies and Gentlemen:

We have acted as counsel to the Board of Supervisors for the University of Louisiana System (the "Board") in connection with the refunding of the above referenced Certificates (the "Certificates"). The Certificates as originally issued, represented proportionate ownership interests of the registered owners thereof and the right to receive proportionate shares of certain payments (the "Rental Payments") to be made by the Board, acting with and on behalf of Southeastern Louisiana University (the "University") under that certain lease agreement dated December 19, 2001 (together with all exhibits attached thereto, the "Lease Agreement") by and between Board as Lessee and Honeywell Building Solutions SES Corporation, successor by merger to Sempra Energy Services Company as Lessor (the "Company").

Under the Lease Agreement dated as of December 19, 2001 the Company has agreed to lease to the Board and the Board has agreed to lease from the Company certain energy efficient Equipment (the "Equipment"), more particularly described therein. The Equipment has been installed on the campus of the University by the Company pursuant to the certain Energy Services Agreement dated December 19, 2001 by and between the Company and the Board (the "Energy Services Agreement"). In consideration for the lease of the Equipment, the Board has

agreed to pay to the Company or its assigns the Rental Payments identified, as modified pursuant to the consent to assignment dated June 28, 2012, executed by the Company (the "Rental Payment Schedule").

Pursuant to that certain Lessor Assignment Agreement (the "Lessor Assignment") between Morgan Keegan & Company, Inc. and the Company dated December 19, 2001, all right, title and interest in and to the Lease Agreement, but not the obligations of the Company thereunder, have been assigned to Morgan Keegan & Company, Inc. ("Morgan Keegan"). Pursuant to that certain Assignment Agreement dated the date hereof (the "Morgan Keegan Assignment"), Morgan Keegan, in turn, has assigned to Regions Capital Advantage, Inc. (the "Purchaser") all of its right, title and interest in and to the Lease Agreement, specifically including the right to receive the Rental Payments. The Purchaser has purchased the right, title and interest of Morgan Keegan in the Lease Agreement and has caused the proceeds of such purchase to be deposited with Whitney Bank (as "Escrow Trustee") to defease the Certificates.

In connection therewith we have examined all proceedings of the Board approving and authorizing the execution and delivery of the Lease Agreement, the Energy Services Agreement, the Tax and Arbitrage Certificate dated June 28, 2012 executed by the Board (the "Tax Agreement"), the Escrow Deposit Agreement dated as of June 28, 2012 between the Board and the Escrow Agent, the Purchase and Payment Agreement dated as of June 28, 2012, between the Board and the Purchaser, the General Closing Certificate of the Board, the resolution of the Board adopted on June 18, 2012 and any and all agreements and documents executed by the Board and ancillary thereto as required to effect the purposes thereof (collectively, the "Board Documents"). We have also examined such other agreements, documents and certificates, Opinions of the related parties and have made such examinations of law as we have deemed necessary advisable in rendering the opinion set forth herein.

Based on the foregoing we are of the opinion that:

1. The Board is a public Constitutional corporation duly created and validly existing under the laws of the state of Louisiana with full power and authority to own its properties and conduct its business and affairs, particularly to adopt a Resolution authorizing the Board Documents, to execute, deliver and perform its obligations under the Board Documents and to conduct the business now being conducted by it, the Board having taken all requisite action required to authorize the execution and delivery thereof and the consummation of the transactions contemplated thereby.

2. The Board Documents constitute legal, valid and binding obligations of the Board enforceable and in accordance with their respective terms except insofar as the enforcement thereof may be limited by applicable bankruptcy, reorganization, moratorium, insolvency, liquidation or other laws affecting creditors' rights generally, by general principles of equity and as otherwise set forth herein.

3. To the best of our knowledge and after reasonable inquiries, there is no action, suit, proceeding, inquiry, or investigation at law or inequity by or before any court or public board or

body pending or to our knowledge threatened against or affecting the Board that in any way questions or affects the validity of the Board Documents or any proceedings taken by the Board in connection therewith, or seeks to restrain or enjoin the issuance or delivery of the Board Documents, or that might result in a material adverse change in the condition (financial or otherwise), business or affairs of the Board wherein an unfavorable decision, ruling or finding would adversely affect the validity of the Board Documents or the power of the Board to make payments due under the Lease Agreement. Please be advised that while there may be lawsuits pending involving the Board itself, it is not possible for us to confer with every attorney handling such matters. Furthermore, it would be impossible to predict the outcomes of such cases. However, to the extent there are adverse judgments in excess of any Board insurance policy limit, such judgments could be satisfied only through an appropriation by the Louisiana Legislature because Board assets are not available to satisfy such judgments.

4. The Board Documents have been duly authorized by the Board and the Rental Payments due pursuant to the Lease Agreement are valid and binding special and limited revenue obligations of the Board (payable solely from the sources provided therefor in the Bond Resolution), except insofar as the enforcement thereof may be limited by applicable bankruptcy, reorganization, moratorium, insolvency, liquidation or other laws affecting creditors' rights generally, by general principles of equity and as otherwise set forth herein.

5. No approval or other action by any governmental agency or authority other than approvals or actions already sought and obtained is required in connection with the execution and performance by the Board and the Board Documents.

This opinion is rendered solely to the addressees hereof in connection with the captioned transaction and may not be relied upon by any person for any other purpose without our prior written consent. Further, copies of this letter may not be circulated or furnished to any party and neither this letter nor the opinion set forth herein may be quoted or referred to in any report or document furnished to any other party without our prior written consent.

The opinions set forth herein are subject to the following qualifications and limitations.

(a) The opinions set forth in this letter are given as of the date hereof and we do not undertake to report or advise you or any other person of any changes in law, statutes or jurisprudence in any matter set forth herein. The opinion is limited to the matters expressly stated herein and no opinion may be inferred or implied beyond the matters expressly stated herein.

(b) We are qualified to practice law in the State of Louisiana and the foregoing opinions are limited exclusively to the presently effective laws of the State and the Federal Laws of the United States of America in effect on and as of the date hereof and no opinion is expressed herein as to any matter governed by the laws of other jurisdictions.

(c) We have assumed the accuracy of and compliance with representations,

warranties and covenants of the Board, its officers, representatives or agents, contained in the Board Documents or made in connection with the entering into of the Board Documents delivered in this transaction. We have also relied upon Sisung Securities Corporation, financial advisor of the University, as to certain financial matters.

As to questions of fact material to our opinion, we have relied upon representations of the Company, Morgan Keegan and the Escrow Agent contained in the Financing Documents, the certified proceedings and other certifications of public officials and others furnished to us, including certifications furnished to us by or on behalf of the Company, the Board, Morgan Keegan and the Escrow Agent, without undertaking to verify the same by independent investigation. We have assumed that all signatures on all documents submitted to us, are genuine, that all documents submitted to us as originals are accurate and complete, and that all documents submitted to us as copies are true and correct copies of the originals thereof.

For the purpose of this opinion our services as counsel to Board have not extended beyond the examination and expressions of conclusions referred to herein. In addition in rendering the foregoing opinion with respect to enforceability of the various agreements to which the Board is a party, we have assumed that such agreements are enforceable against the parties thereto other than the Board. This opinion is not offered or shall it be construed as a guarantee or warranty nor has the firm of DeCuir, Clark & Adams, L.L.P. performed or been asked to perform any title examinations with respect to the Equipment nor has the undersigned expressed or issued an opinion as to the title herein or otherwise.

Sincerely,

DECUIR, CLARK & ADAMS, L.L.P.

A handwritten signature in cursive script, appearing to read "Linda Law Clark".

Linda Law Clark

LLC/cjh

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Board of Supervisors for the University of Louisiana System		2 Issuer's employer identification number (EIN) 72-6768389	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) Louis S. Nunes, Attorney		3b Telephone number of other person shown on 3a 504-582-8000	
4 Number and street (or P.O. box if mail is not delivered to street address) 1201 N. Third Street	Room/suite 7-300	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Baton Rouge, LA 70802		7 Date of issue June 28, 2012	
8 Name of issue 2012 Refinancing of 2001 Equipment Lease Agreement for Southeastern Louisiana University		9 CUSIP number None	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Robbie Robinson, Vice President for Business and Finance		10b Telephone number of officer or other employee shown on 10a 225-342-6950	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ► Energy Retrofit	18	4,970,000	00
19 If obligations are TANs or RANs, check only box 19a			<input type="checkbox"/>
If obligations are BANs, check only box 19b			<input type="checkbox"/>
20 If obligations are in the form of a lease or installment sale, check box			<input type="checkbox"/>

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	12-1-2021	\$ 4,970,000	\$ 4,970,000	5.085 years	2.1902 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22			0	00
23 Issue price of entire issue (enter amount from line 21, column (b))	23			4,970,000	00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24		89,750	00	
25 Proceeds used for credit enhancement	25				
26 Proceeds allocated to reasonably required reserve or replacement fund	26				
27 Proceeds used to currently refund prior issues	27				
28 Proceeds used to advance refund prior issues	28		4,880,250	00	
29 Total (add lines 24 through 28)	29			4,970,000	00
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30			0	00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	►	5.339	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►		years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	►	12/01/2012	
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	►	06/28/2012	

Part VI Miscellaneous

- | | | |
|-----|--|--|
| 35 | | |
| 36a | | |
| 37 | | |
- 35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)
 - 36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)
 - b Enter the final maturity date of the GIC ▶ _____
 - c Enter the name of the GIC provider ▶ _____
 - 37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units
 - 38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the following information:
 - b Enter the date of the master pool obligation ▶ _____
 - c Enter the EIN of the issuer of the master pool obligation ▶ _____
 - d Enter the name of the issuer of the master pool obligation ▶ _____
 - 39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box
 - 40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box
 - 41a If the issuer has identified a hedge, check here and enter the following information:
 - b Name of hedge provider ▶ _____
 - c Type of hedge ▶ _____
 - d Term of hedge ▶ _____
 - 42 If the issuer has superintegrated the hedge, check box
 - 43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box
 - 44 If the issuer has established written procedures to monitor the requirements of section 148, check box
 - 45a If some portion of the proceeds was used to reimburse expenditures, check here and enter the amount of reimbursement ▶ _____
 - b Enter the date the official intent was adopted ▶ _____

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	Signature of issuer's authorized representative	6-28-12 Date	Dr. John L. Crain, Authorized Board Rep. Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name Louis S. Nunes	Preparer's signature 	Date 6/29/12	Check <input type="checkbox"/> if self-employed PTIN P01212064
	Firm's name ▶ Jones Walker Waechter Poitevent Carrere & Denegre LLP			Firm's EIN ▶ 72-0445111
	Firm's address ▶ 201 St. Charles Ave, New Orleans, LA 70170-5100			Phone no. 504-582-8000



Patti Dunbar
Sr. Public Finance Assistant
Direct Dial 225-248-3447
Direct Fax 225-248-3047
pdunbar@joneswalker.com

July 11, 2012

Internal Revenue Service
Ogden, UT 84201

FED EX
7986 0860 8378

Re: Board of Supervisors for the University of Louisiana System and Sempra
Energy Services Company, Equipment Lease Agreement
Refunding of 2001 Certificates of Participation

Dear Sir or Madam:

Enclosed is Form 8038-G completed in connection with the above referenced transaction. Also enclosed is an acknowledgment copy of the Form 8038-G, which we request that you return to our office, using the self-addressed, stamped envelope, with your filing confirmation stamped thereon.

Please feel free to contact me at (225) 248-3447 should you have any questions or comments regarding this submission. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Patti Dunbar".

Patti Dunbar
Sr. Public Finance Assistant

PLD/nw

Enclosures – as stated

JONES, WALKER, WAECHTER, POITEVENT, CARRÈRE & DENÈGRE L.L.P.

{B0809291.1}

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ALABAMA ARIZONA DISTRICT OF COLUMBIA FLORIDA LOUISIANA TEXAS

From: (225) 248-3471
Nikki Watkins
Jones Walker
8555 United Plaza Blvd.

Baton Rouge, LA 70809

Origin ID: OPLA



J12201205300325

Ship Date: 11JUL12
ActWgt: 2.0 LB
CAD: 1292465/NET3300

Delivery Address Bar Code



SHIP TO: (801) 620-6227
Internal Revenue Service

BILL SENDER

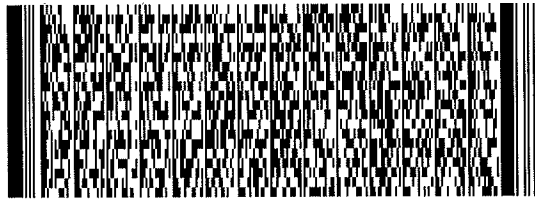
1160 W 12TH ST

OGDEN, UT 84201

Ref # 131125-00
Invoice #
PO #
Dept #

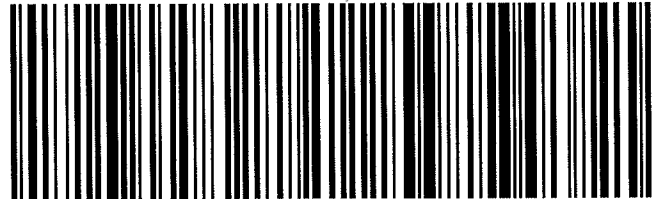
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3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

Watkins, Nikki

From: trackingupdates@fedex.com
Sent: Thursday, July 12, 2012 11:34 AM
To: Watkins, Nikki
Subject: FedEx Shipment 798608608378 Delivered

This tracking update has been requested by:

Company Name: Jones Walker
Name: Nikki Watkins
E-mail: nwatkins@joneswalker.com
Message: 8038-G for SLU

Our records indicate that the following shipment has been delivered:

Reference: 131125-00
Ship (P/U) date: Jul 11, 2012
Delivery date: Jul 12, 2012 10:18 AM
Sign for by: B.ALLEN
Delivery location: OGDEN, UT
Delivered to: Shipping/Receiving
Service type: FedEx Standard Overnight
Packaging type: FedEx Envelope
Number of pieces: 1
Weight: 2.00 lb.
Special handling/Services: Deliver Weekday
Tracking number: [798608608378](https://www.fedex.com/track/798608608378)

Shipper Information

Nikki Watkins
Jones Walker
8555 United Plaza Blvd.
Baton Rouge
LA
US
70809

Recipient Information

Internal Revenue Service
1160 W 12TH ST
OGDEN
UT
US
84201

Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 11:34 AM CDT on 07/12/2012.

To learn more about FedEx Express, please visit our website at fedex.com.

All weights are estimated.

To track the latest status of your shipment, click on the tracking number above, or visit us at fedex.com.

This tracking update has been sent to you by FedEx on the behalf of the Requestor noted above. FedEx does not validate the authenticity of the requestor and does not validate, guarantee or warrant the authenticity of the request, the requestor's message, or the accuracy of this tracking update. For tracking results and fedex.com's terms of use, go to fedex.com.

Thank you for your business.

CERTIFICATE OF INSURANCE

Issue Date
June 27, 2012

PRODUCER Office of Risk Management – DOA Post Office Box 91106 Baton Rouge, Louisiana 70821-9106	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION AND MAY CONFER RIGHTS UPON THE CERTIFICATE HOLDER BY AMENDING OR EXTENDING THE COVERAGE AFFORDED BY THE POLICIES BELOW AS STATED IN THE DESCRIPTION OF OPERATIONS SECTION. <p style="text-align: center;">COMPANY AFFORDING COVERAGE</p> <p style="text-align: center;">Louisiana Self-Insurance Fund</p>
INSURED State of Louisiana Southeastern Louisiana University SLU Box 10691 Hammond, LA 70402	
CORP. NO: 5220	

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE	POLICY EXPIRATION	LIABILITY LIMITS		
						EACH OCCURRENCE	AGGREGATE
	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCURRENCE <input checked="" type="checkbox"/> PERSONAL & ADVERTISING INJURY <input checked="" type="checkbox"/> CONTRACTUAL LIABILITY <input checked="" type="checkbox"/> PROFESSIONAL LIABILITY <input checked="" type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS <input checked="" type="checkbox"/> FIRE DAMAGE (Any one fire) <input type="checkbox"/> MEDICAL EXPENSES	CGL20112012	07-01-2011	07-01-2012	BODILY INJURY		
					PROPERTY DAMAGE		
					BI & PD COMBINED	\$ 5,000,000	
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED <input type="checkbox"/> NON-OWNED <input type="checkbox"/> HIRED AUTOMOBILE PHYSICAL DAMAGE <input type="checkbox"/> OWNED <input type="checkbox"/> SPECIFICALLY DESCRIBED <input type="checkbox"/> HIRED				BODILY INJURY		
					PROPERTY DAMAGE		
					BI & PD COMBINED	\$	
	<input type="checkbox"/> WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> OTHER				STATUTORY		
					\$	(EACH ACCIDENT)	
					\$	(DISEASE-POLICY LIMIT)	
					\$	(DISEASE-EACH EMPLOYEE)	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Sempra Energy Services, its successors and assigns are added as additional insureds as regards the sole negligence of Southeastern Louisiana University for the Energy Services Agreement.

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICES SHALL IMPOSE NO OBLIGATIONS OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

CERTIFICATE HOLDER **AUTHORIZED REPRESENTATIVE**

Sempra Energy Services
 2500 Citywest Boulevard, Ste 1800
 Houston, TX 77042

Melissa Harris

 MELISSA HARRIS, UNDERWRITING MANAGER

EVIDENCE OF PROPERTY INSURANCE

NR

ISSUE DATE:

June 27, 2012

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

PRODUCER Office of Risk Management – DOA Post Office Box 91106 Baton Rouge, Louisiana 70821-9106		COMPANY Louisiana Self Insurance Fund		
INSURED : State of Louisiana Southeastern Louisiana University SLU Box 10691 Hammond, LA 70402		LOAN NUMBER:		
ORM AGENCY LOCATION CODE: 5220		EFFECTIVE DATE (MM-DD-YYYY) 07-01-2011	EXPIRATION DATE (MM-DD-YYYY) 07-01-2012	<input checked="" type="checkbox"/> CONTINUOUS UNTIL TERMINATED IF CHECKED

PROPERTY INFORMATION

LOCATION – DESCRIPTION

See attached equipment list breakdown.

COVERAGE INFORMATION

POLICY NUMBER	COVERAGES – PERILS - FORMS	AMOUNT OF INSURANCE		DEDUCTIBLE
		Building:	Contents/Movable Property:	
BP20112012	All Risk Broad Form Property Coverage subject to Policy Exclusions and limit of \$25,000,000 combined single limit per occurrence for all perils <u>except</u> flood, earthquake, and wind which has a \$50,000,000 combined single limit per occurrence.	Not Applicable	Actual Cash Value	\$1,000 Per Occurrence-All Perils Excluding Flood \$5,000 Per Occurrence-Flood
BM20112012	Comprehensive Boiler and Machinery coverage including Business Interruption and Extra Expense coverage subject to policy exclusions and limit of \$50,000 per accident.	Repair/Replacement Cost		\$1,000 Per Accident First Party Property Damage Only

REMARKS (INCLUDING SPECIAL CONDITIONS)

Coverage takes effect once equipment installation is completed and accepted by the Board of Supervisors of the University of Louisiana System on behalf of Southeastern Louisiana University.

\$150,000,000 Excess Property Coverage per occurrence afforded through commercial market.
\$15,000,000 Excess Boiler and Machinery Coverage per accident afforded through commercial market.

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW 30 DAYS WRITTEN NOTICE AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

Sempra Energy Services
2500 City West Boulevard, Ste 1800
Houston, TX 77042

NATURE OF INTEREST

- MORTGAGEE TRUSTEE LOSS PAYEE
 (OTHER)

SIGNATURE OF AUTHORIZED REPRESENTATIVE


MELISSA HARRIS,
STATE RISK UNDERWRITING MANAGER

EQUIPMENT LIST BREAKDOWN

1. Description of the Equipment:

1. Lighting Modifications – Lighting retrofits will be installed in buildings throughout the campus. Major improvements include upgrades of linear fluorescent fixtures to new electronic ballasts and T-8 lamps. The majority of incandescent fixtures will be replaced with energy efficient compact fluorescent fixtures. Occupancy sensors will be installed to minimize the fixture run-hours when classrooms are not occupied. The majority of the existing incandescent exit signs will be converted to Light Emitting Diode (LED) exit signs.

2. Installation of new Chillers - Three (3) new chillers with a capacity of 250 tons each will be installed in the Student Union Building. Three (3) new 250 ton cooling towers will also be installed to serve the new chillers. The Student Union mechanical room will also receive new chilled water and condenser water pumps. A refrigerant exhaust fan and associated ductwork will also be installed in the Student Union Building.

Two (2) new 100-ton chillers will be installed at D. Vickers Hall mechanical room. A new refrigerant exhaust fan and ductwork will also be installed in the mechanical room.

One (1) new 90-ton chiller will be installed at Clark Hall as well as a refrigerant exhaust fan and ductwork.

One (1) new 600-ton chiller will be installed at the University Center as well as a refrigerant exhaust fan and ductwork.

3. Installation of new Variable Frequency Drives (VFD's)- A total of sixty three (63) VFD's will be installed on air-handling units and pump motors in 17 buildings throughout the campus. The work will include expanding the existing Energy Management Control System (EMCS) to control the new VFD's.
4. EMCS Integration- The existing Energy Management Control Systems will be integrated in to one new EMCS by the installation of new hardware controllers and associated software. The EMCS will be connected using the existing University's LAN system.
5. Installation of new Packaged Rooftop Units- Three (3) new packaged rooftop air conditioning units will be installed on the roof at the College of Business Building. The units will each have a cooling capacity of two (2) tons. A four (4) ton and one and a half (1.5) ton rooftop units will be installed at the Twelve Oaks Cafeteria.

LEASE INTEREST RECEIPT

The undersigned hereby acknowledges the receipt from the Board of Supervisors for the University of Louisiana System, acting on behalf of Southeastern Louisiana University (the "Board") of executed versions of the Purchase and Payment Agreement between the Board and Regions Capital Advantage, Inc. (the "Purchaser") dated as of June 28, 2012 (the "Purchase and Payment Agreement") and the Assignment Agreement between Morgan Keegan & Company, Inc., as assignor and the Purchaser, as assignee dated as of June 28, 2012, evidencing the right of the Purchaser to receive the Rental Payments to be made pursuant to a Lease Agreement by and between the Board and Honeywell Building Solutions SES Corporation, successor by merger to Sempra Energy Services Company, dated December 19, 2001, the principal and interest components of which are reflected in the Purchase and Payment Agreement.

Dated: June 28 2012

REGIONS CAPITAL ADVANTAGE, INC.

By:



Bo Buckner
Senior Vice President

ESCROW FUNDS RECEIPT

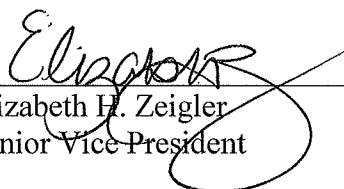
The undersigned on behalf of Whitney Bank, as escrow agent (the "*Escrow Agent*") pursuant to the Escrow Deposit Agreement dated as of June 1, 2012 between the Board of Supervisors for the University of Louisiana System and the Escrow Agent (the "*Escrow Agreement*") hereby acknowledges receipt from Regions Capital Advantage, Inc. of the sum of \$4,970,000 of the purchase price of the interest of Morgan Keegan & Company, Inc. in the Rental Payments to be made pursuant to a Lease Agreement by and between the Board Honeywell Building Solutions SES Corporation, successor by merger to Sempra Energy Services Company, as Assigned to Morgan Keegan & Company, Inc. (the "*Lease Interest*").

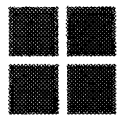
The sum of \$4,880,250 shall be deposited to the Escrow Fund created pursuant to the Escrow Agreement and the sum of \$89,750 shall be deposited to the Costs of Issuance Fund created pursuant to the Escrow Agreement.

Dated: June 28, 2021

WHITNEY BANK, as Escrow Agent

By:


Elizabeth H. Zeigler
Senior Vice President



The Arbitrage Group, Inc.

\$7,450,000

CERTIFICATES OF PARTICIPATION

Evidencing Proportionate Interests in Rental Payments to be Made

Pursuant to a Lease Agreement between

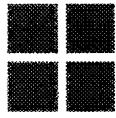
BOARD OF SUPERVISORS FOR THE

UNIVERSITY OF LOUISIANA SYSTEM AND

SEMPRA ENERGY SERVICES COMPANY, AS ASSIGNED

TO MORGAN KEEGAN & COMPANY, INC.

Refinancing - June 28, 2012



The Arbitrage Group, Inc.

3401 Louisiana Street
Suite 235
Houston, Texas 77002

Telephone 713 522 8527
Facsimile 713 522 8471

www.thearbitragegroup.com

June 28, 2012

Board of Supervisors for the University
of Louisiana System
Baton Rouge, Louisiana

Southeastern Louisiana University
Hammond, Louisiana

Jones, Walker, Waechter, Poitevent,
Carrere & Denegre, LLP
Baton Rouge, Louisiana

Morgan Keegan & Company, Inc.
New Orleans, Louisiana

Whitney Bank
Baton Rouge, Louisiana

\$7,450,000

CERTIFICATES OF PARTICIPATION
Evidencing Proportionate Interests in Rental Payments to be Made
Pursuant to a Lease Agreement between
BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM AND
SEMPRA ENERGY SERVICES COMPANY, AS ASSIGNED
TO MORGAN KEEGAN & COMPANY, INC.

The Board of Supervisors for the University of Louisiana System, acting on behalf of Southeastern Louisiana University (the "Board") proposes to cause the above-captioned certificates (the "Refunded Certificates") to be refunded with the proceeds received from the sale of the interest of Morgan Keegan & Company, Inc. (the "Lease Interest") pursuant to a Lease agreement dated as of December 19, 2001 between the Board and Honeywell Building Solutions SES Corporation, successor by merger to Sempra Energy Services Company.

A portion of the proceeds of the Lease Interest will be deposited as cash into an irrevocable trust to be used solely to refund that portion of the Refunded Certificates described as follows:



Board of Supervisor for the University
of Louisiana System
June 28, 2012
Page 2

Series	Original Amount Issued	Dated Date	Amount to be Refunded	Maturities and Sinking Fund Dates to be Refunded	Maturities and Sinking Fund Dates to be Optionally Redeemed	Optional Redemption Date and Price
2001	\$7,450,000	12-19-2001	\$4,715,000	12-01-2012 - 12-01-2021, Inclusive	12-01-2013 - 12-01-2021, Inclusive	12-01-2012 @ 101%

At your request, we have independently verified the arithmetical accuracy of the computations provided to us by Morgan Keegan & Company, Inc. which indicate: (1) the sufficiency of the initial cash deposit to pay to and at early redemption the principal, interest, and early redemption premium on the Refunded Certificates; and, (2) the "yields" to be considered by bond counsel in its determination that the Lease Interest is not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended. The term "yield," as used herein, means that discount rate which, when used in computing the present value of all payments of principal and interest on an obligation compounded semiannually using a 30/360-day year basis, produces an amount equal to, in the case of the Lease Interest, the Issue Price to the Public.

The original computations, along with certain assumptions and information, were furnished to us by Morgan Keegan & Company, Inc. on behalf of the Board. We have relied solely on the assumptions and information provided to us and have not made any study or evaluation of them, except as noted below. We express no opinion on the reasonableness of the assumptions, or the likelihood that the debt service requirements of the Refunded Certificates will be paid as described in the accompanying Exhibits.

In the course of our engagement, we were furnished by Morgan Keegan & Company, Inc. with the Official Statement for the Refunded Certificates and the Escrow Deposit Agreement dated as of June 1, 2012 by and between the Board of Supervisors for the University of Louisiana System, acting on behalf of Southeastern Louisiana University. We compared the information contained in the schedules provided by Morgan Keegan & Company, Inc. with certain information set forth in such documents with respect to prices, principal payment dates and amounts, interest payment dates and rates, yields, and redemption dates and prices. We found that the information contained in such schedules provided to us by Morgan Keegan & Company, Inc. was in agreement with the above-mentioned information set forth in such documents.

In our opinion, based on the assumptions and information provided by Morgan Keegan & Company, Inc. on behalf of the Board, the computations in the schedules provided to us are arithmetically accurate. The computations in the accompanying Exhibits prepared by us and the comparable schedules provided to us indicate that:

- (1) the receipts from the cash deposit in the amount of \$4,880,250.00 will be sufficient to pay to and at early redemption the principal, interest, and early redemption premium on the Refunded Certificates; and,
- (2) the yield of the Lease Interest is 2.190160%.



The Arbitrage Group, Inc.

Board of Supervisor for the University
of Louisiana System

June 28, 2012

Page 3

The terms of our engagement are such that we have no obligation to update this report or to verify any revised computation because of events and transactions occurring subsequent to the date of this report. This report is issued solely for your information and assistance in connection with the sale of the Lease Interest. This report is not to be quoted or referred to without our prior written consent.

Very truly yours,

The Arbitrage Group, Inc.

Exhibits

- A. Sources and Uses of Funds
- B. Escrow Cash Flow
- C-1. Debt Service Requirements of the Refunded Certificates to Maturity
- C-2. Debt Service Requirements of the Refunded Certificates to Early Redemption
- D. Debt Service Requirements and Proof of Yield

Sources and Uses of Funds

Southeastern Louisiana University

SOURCES

Principal Amount of the Purchase	\$4,970,000.00
----------------------------------	----------------

USES

Initial Cash Deposit	\$4,880,250.00
Costs of Issuance	89,750.00

\$4,970,000.00

Debt Service Requirements of the Refunded Certificates to Maturity

Southeastern Louisiana University

Date	Principal	Coupon Rate	Early Redemption Premium	Interest	Debt Service Requirements of the Refunded Certificates to Maturity
12/01/12	\$375,000.00	5.000%		\$121,850.00	\$496,850.00
06/01/13				112,475.00	112,475.00
12/01/13	390,000.00	5.000%	1.000%	112,475.00	502,475.00
06/01/14				102,725.00	102,725.00
12/01/14	410,000.00	5.000%	1.000%	102,725.00	512,725.00
06/01/15				92,475.00	92,475.00
12/01/15	435,000.00	5.000%	1.000%	92,475.00	527,475.00
06/01/16				81,600.00	81,600.00
12/01/16	455,000.00	5.000%	1.000%	81,600.00	536,600.00
06/01/17				70,225.00	70,225.00
12/01/17	475,000.00	5.300%	1.000%	70,225.00	545,225.00
06/01/18				57,637.50	57,637.50
12/01/18	500,000.00	5.300%	1.000%	57,637.50	557,637.50
06/01/19				44,387.50	44,387.50
12/01/19	530,000.00	5.300%	1.000%	44,387.50	574,387.50
06/01/20				30,342.50	30,342.50
12/01/20	555,000.00	5.300%	1.000%	30,342.50	585,342.50
06/01/21				15,635.00	15,635.00
12/01/21	590,000.00	5.300%	1.000%	15,635.00	605,635.00
	<u>\$4,715,000.00</u>			<u>\$1,336,855.00</u>	<u>\$6,051,855.00</u>

Debt Service Requirements of the Refunded Certificates to Early Redemption

Southeastern Louisiana University

<u>Date</u>	<u>Principal</u>	<u>Coupon Rate</u>	<u>Early Redemption Premium</u>	<u>Interest</u>	<u>Debt Service Requirements of the Refunded Certificates to Early Redemption</u>
12/01/12	\$4,715,000.00	*	\$43,400.00	\$121,850.00	\$4,880,250.00

* Coupon rates are as shown in the Debt Service Requirements of the Refunded Certificates to Maturity.

Debt Service Requirements and Proof of Yield

Southeastern Louisiana University

Date	\$4,970,000			Debt Service Requirements	Present Value of Future Payments at 06/28/12 Using a Rate of 2.190160%
	Principal	Coupon Rate	Interest		
12/01/12	\$460,000.00	2.190%	\$46,258.28	\$506,258.28	\$501,593.18
06/01/13			49,384.50	49,384.50	48,399.42
12/01/13	460,000.00	2.190%	49,384.50	509,384.50	493,816.01
06/01/14			44,347.50	44,347.50	42,526.39
12/01/14	470,000.00	2.190%	44,347.50	514,347.50	487,883.39
06/01/15			39,201.00	39,201.00	36,781.25
12/01/15	485,000.00	2.190%	39,201.00	524,201.00	486,516.08
06/01/16			33,890.25	33,890.25	31,113.16
12/01/16	490,000.00	2.190%	33,890.25	523,890.25	475,750.92
06/01/17			28,524.75	28,524.75	25,623.07
12/01/17	500,000.00	2.190%	28,524.75	528,524.75	469,617.86
06/01/18			23,049.75	23,049.75	20,258.88
12/01/18	510,000.00	2.190%	23,049.75	533,049.75	463,433.02
06/01/19			17,465.25	17,465.25	15,019.80
12/01/19	520,000.00	2.190%	17,465.25	537,465.25	457,203.54
06/01/20			11,771.25	11,771.25	9,904.94
12/01/20	530,000.00	2.190%	11,771.25	541,771.25	450,936.20
06/01/21			5,967.75	5,967.75	4,913.37
12/01/21	545,000.00	2.190%	5,967.75	550,967.75	448,709.52
	<u>\$4,970,000.00</u>		<u>\$553,462.28</u>	<u>\$5,523,462.28</u>	<u>\$4,970,000.00</u>
			Principal Amount		<u>\$4,970,000.00</u>

Preliminary

\$4,970,000

LEASE REVENUE BONDS SERIES 2012

BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM

(REFUNDING OF CERTIFICATES OF PARTICIPATION SERIES 2001)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/28/2012	-	-	-	-	-
12/01/2012	460,000.00	2.190%	46,258.28	506,258.28	-
06/01/2013	-	-	49,384.50	49,384.50	-
06/30/2013	-	-	-	-	555,642.78
12/01/2013	460,000.00	2.190%	49,384.50	509,384.50	-
06/01/2014	-	-	44,347.50	44,347.50	-
06/30/2014	-	-	-	-	553,732.00
12/01/2014	470,000.00	2.190%	44,347.50	514,347.50	-
06/01/2015	-	-	39,201.00	39,201.00	-
06/30/2015	-	-	-	-	553,548.50
12/01/2015	485,000.00	2.190%	39,201.00	524,201.00	-
06/01/2016	-	-	33,890.25	33,890.25	-
06/30/2016	-	-	-	-	558,091.25
12/01/2016	490,000.00	2.190%	33,890.25	523,890.25	-
06/01/2017	-	-	28,524.75	28,524.75	-
06/30/2017	-	-	-	-	552,415.00
12/01/2017	500,000.00	2.190%	28,524.75	528,524.75	-
06/01/2018	-	-	23,049.75	23,049.75	-
06/30/2018	-	-	-	-	551,574.50
12/01/2018	510,000.00	2.190%	23,049.75	533,049.75	-
06/01/2019	-	-	17,465.25	17,465.25	-
06/30/2019	-	-	-	-	550,515.00
12/01/2019	520,000.00	2.190%	17,465.25	537,465.25	-
06/01/2020	-	-	11,771.25	11,771.25	-
06/30/2020	-	-	-	-	549,236.50
12/01/2020	530,000.00	2.190%	11,771.25	541,771.25	-
06/01/2021	-	-	5,967.75	5,967.75	-
06/30/2021	-	-	-	-	547,739.00
12/01/2021	545,000.00	2.190%	5,967.75	550,967.75	-
06/30/2022	-	-	-	-	550,967.75
Total	\$4,970,000.00	-	\$553,462.28	\$5,523,462.28	-

Yield Statistics

Bond Year Dollars	\$25,272.25
Average Life	5.085 Years
Average Coupon	2.1900000%
Net Interest Cost (NIC)	2.1900000%
True Interest Cost (TIC)	2.1901603%
Bond Yield for Arbitrage Purposes	2.1901603%
All Inclusive Cost (AIC)	2.5789900%

IRS Form 8038

Net Interest Cost	2.1900000%
Weighted Average Maturity	5.085 Years

Preliminary

\$7,450,000

CERTIFICATES OF PARTICIPATION
 BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM
 SERIES 2001

Debt Service To Maturity And To Call

Part 1 of 2

Date	Refunded Bonds	Premium	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S	Fiscal Total
12/01/2012	4,715,000.00	43,400.00	121,850.00	4,880,250.00	375,000.00	5.000%	121,850.00	496,850.00	-
06/01/2013	-	-	-	-	-	-	112,475.00	112,475.00	-
06/30/2013	-	-	-	-	-	-	-	-	609,325.00
12/01/2013	-	-	-	-	390,000.00	5.000%	112,475.00	502,475.00	-
06/01/2014	-	-	-	-	-	-	102,725.00	102,725.00	-
06/30/2014	-	-	-	-	-	-	-	-	605,200.00
12/01/2014	-	-	-	-	410,000.00	5.000%	102,725.00	512,725.00	-
06/01/2015	-	-	-	-	-	-	92,475.00	92,475.00	-
06/30/2015	-	-	-	-	-	-	-	-	605,200.00
12/01/2015	-	-	-	-	435,000.00	5.000%	92,475.00	527,475.00	-
06/01/2016	-	-	-	-	-	-	81,600.00	81,600.00	-
06/30/2016	-	-	-	-	-	-	-	-	609,075.00
12/01/2016	-	-	-	-	455,000.00	5.000%	81,600.00	536,600.00	-
06/01/2017	-	-	-	-	-	-	70,225.00	70,225.00	-
06/30/2017	-	-	-	-	-	-	-	-	606,825.00
12/01/2017	-	-	-	-	475,000.00	5.300%	70,225.00	545,225.00	-
06/01/2018	-	-	-	-	-	-	57,637.50	57,637.50	-
06/30/2018	-	-	-	-	-	-	-	-	602,862.50
12/01/2018	-	-	-	-	500,000.00	5.300%	57,637.50	557,637.50	-
06/01/2019	-	-	-	-	-	-	44,387.50	44,387.50	-
06/30/2019	-	-	-	-	-	-	-	-	602,025.00
12/01/2019	-	-	-	-	530,000.00	5.300%	44,387.50	574,387.50	-
06/01/2020	-	-	-	-	-	-	30,342.50	30,342.50	-
06/30/2020	-	-	-	-	-	-	-	-	604,730.00
12/01/2020	-	-	-	-	555,000.00	5.300%	30,342.50	585,342.50	-
06/01/2021	-	-	-	-	-	-	15,635.00	15,635.00	-
06/30/2021	-	-	-	-	-	-	-	-	600,977.50
12/01/2021	-	-	-	-	590,000.00	5.300%	15,635.00	605,635.00	-
06/30/2022	-	-	-	-	-	-	-	-	605,635.00
Total	\$4,715,000.00	\$43,400.00	\$121,850.00	\$4,880,250.00	\$4,715,000.00	-	\$1,336,855.00	\$6,051,855.00	-

Preliminary

\$7,450,000

CERTIFICATES OF PARTICIPATION

BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM

SERIES 2001

Debt Service To Maturity And To Call

Part 2 of 2

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	6/28/2012
Average Life	5.339 Years
Average Coupon	5.2378805%
Weighted Average Maturity (Par Basis)	5.339 Years

Refunding Bond Information

Refunding Dated Date	6/28/2012
Refunding Delivery Date	6/28/2012