



SOUTHERN UNIVERSITY SYSTEM BOARD OF SUPERVISORS

Special Board Meeting

2 p.m.

Monday, November 12, 2018

2nd Floor

J.S. Clark Administration Building
Southern University and A&M College
Baton Rouge, Louisiana

**SOUTHERN UNIVERSITY BOARD OF SUPERVISORS
SPECIAL MEETING**

Monday, November 12, 2018

2:00 p.m.

Board of Supervisors Meeting Room
J. S. Clark Administration Building, 2nd Floor
Baton Rouge, LA

AGENDA

1. Call to Order and Invocation
2. Roll Call
3. Adoption of the Agenda
4. Public Comments
5. Action Item(s)
 - A. Update Regarding SUAREC Medicinal Marijuana Program and Ownership of Advanced Biomedics, LLC.
 - B. Consideration of Amendments to Services Agreement with Advanced Biomedics, LLC
 - C. Consideration of Location for Temporary Medicinal Marijuana Cultivation
6. Other Business
7. Adjournment

AMENDMENTS TO SERVICES AGREEMENT

On this 12th day of November, 2018 these amendments to the original Services Agreement (the “Agreement”), dated May 24, 2018 were approved by the Board of Supervisors of the Southern University and Agricultural & Mechanical College System (“Southern University” or “University”) on behalf of the Southern University Agricultural Research and Extension Center (“AgCenter”) and Advanced Biomedics, LLC, a Louisiana limited liability company (“Supplier”).

Section III, Compensation shall be replaced with the following:

SECTION III

COMPENSATION

3.1 Service Fees. On November 12, 2018 Supplier shall pay to the University: (1) an initial fee or “signing bonus” in the amount of \$1,000,000 (the “Initial Fee”); and (2) the first annual service fee in the amount of \$1,000,000.00. Commencing upon January 1, 2020 and annually upon each January 1 thereafter, Supplier shall pay to the University an annual service fee equal to the greater of (a) \$1,000,000 or (b) five percent (5%) of Gross Proceeds for the prior calendar year less the Regulatory Fee for the applicable calendar year. The initial fee or “signing bonus” shall be due upon January 1 following the commencement of each five-year renewal period (January 1, 2025, 2030, etc.).

3.2 Payments. Following the initial year, Supplier shall pay any commission due in addition to the Service Fee within thirty (30) days of January 1. The Initial Fee and each Service Fee shall be made by Supplier via electronic funds transfer, direct deposit or wire transfer of immediately available funds to one or more accounts specified by the University.

3.3 Community Contributions. On November 12, 2018, Supplier shall contribute One Hundred Fifty Thousand Dollars (\$150,000) to the Medicinal Plant Institute. Thereafter, upon January 1, 2020 and each January 1 thereafter, Supplier shall contribute 2.5% of Pre-Tax Net Operating Profit which will be allocated to community initiatives, which shall be determined in Supplier’s sole discretion, such as contributions to the Medicinal Plant Institute and funding of academic scholarships to high school students attending the Medicinal Plant Institute.

3.4 Payment Upon Termination / Expiration of Agreement. Upon termination or expiration of this Agreement, the Supplier shall pay the University in accordance with Section 3.1 on a pro rata basis for the amount of any fees due and owing through the effective termination date of this Agreement.

Section 13.2 shall be replaced with the following:

13.2 Notification Regarding Changes in Ownership. Supplier shall provide a list of its members. Any changes to the ownership of Supplier which results in an individual acquiring a 5% or greater ownership interest in Supplier shall be reported in writing within fifteen (15) business days of the official change, and shall be subject to all applicable regulatory rules and

requirements and regulations established under the Alison Neustrom Act, and any subsequent changes.

The Board will have the right to approve any sale or transfer of ownership in excess of fifty percent (50%) that is outside of the existing ownership group of Advanced Biomedics, LLC. Such approval will not be unreasonably withheld to the extent the potential member is a person or entity with experience in the medicinal marijuana industry.

Paragraph 13.10(a) shall be replaced with the following:

13.10 Facility.

(a) The Facility shall be located in the State of Louisiana, Parish of East Baton Rouge at the property located at 14200-14400 Scenic Highway, unless the property is unable to be secured for use or jointly determined by the parties that the site is unsuitable. In such case, the President and Chair shall agree on a suitable location with Supplier.

The contact persons for notices described in section 17.1 shall be replaced with the following:

If to AgCenter:

Dr. Bobby R. Phills
Chancellor-Dean
Southern University Agricultural Land-Grant Campus
Southern University College of Agriculture
Ashford O. Williams Hall
181 B.A. Little Drive
Baton Rouge, LA 70813

With copy to:

Ms. Deidre Robert
General Counsel to the Board of Supervisors
Southern University and Agricultural and Mechanical College
Office of the President
J.S. Clark Administration Building
4th Floor
Baton Rouge, LA 70813

If to Supplier:

Greg Rochlin
CEO
3553 West Chester Pike, #347
Newton Square, PA 19073

With copy to:

Lisa Gray
CFO
3553 West Chester Pike, #347_
Newton Square, PA 19073

IN WITNESS WHEREOF, the Parties have executed these Amendments to Services Agreement, effective as of this 12th day of November 2018.

WITNESSES:

BOARD OF SUPERVISORS OF
SOUTHERN UNIVERSITY AND
AGRICULTURAL AND MECHANICAL
COLLEGE

BY: _____
ANN SMITH
CHAIRWOMAN

DR. RAY BELTON
PRESIDENT

DR. BOBBY PHILLS
CHANCELLOR

WITNESS:

ADVANCED BIOMEDICS, LLC

BY: _____
