



**JEDCO Board of Commissioners
January 19, 2017, 8:30 A.M.
JEDCO Conference Center
701-A Churchill Parkway, Avondale, LA 70094**

Agenda

- I. Call to Order – Chairman, Bruce Layburn**
 - Welcome Guest
 - Pledge of Allegiance
 - Approval of Board Absences
 - Approval of JEDCO Minutes for December 29, 2016 (Pg. 2)
 - Swearing-in New Commissioners – Bios Attached (Pg. 5)
 - Housing Stock Enhancement Strategic Plan – **Michael Lauer**
 - PILOT/TIF Presentation – **David Wolf**

- II. Public Comments on Agenda Items**

- III. Unfinished and New Business – Chairman, Bruce Layburn**
 - A resolution amending and supplementing a resolution adopted by the Jefferson Parish Economic Development and Port District on March 27, 2014; to provide for the bifurcation of the previously approved PILOT incentive for the Bella Ridge Project. – (Pg. 8) **Lacey Bordelon**

- IV. Monthly Financial Report – Cynthia Grows**
 - December 2016 (Pg. 94)

- V. President & CEO Report – Jerry Bologna**

- VI. Other Updates or Comments from the JEDCO Board of Commissioners**

- VII. Adjournment**

(The JEDCO 2017 Board Retreat will start at 10:00 a.m. at the JEDCO Conference Center)

In accordance with provisions of the Americans with Disabilities Act of 1990 (ADA), JEDCO and Jefferson Parish will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs or activities. If you require auxiliary aids or devices or other reasonable accommodation under the ADA, submit your request to the ADA Coordinator at least 48 hours in advance of this meeting or as soon as possible. Advanced notice is required for ASI Certified Interpreters. Should you have any concerns, please contact: ADA Coordinator, Scott Rojas, 700 Churchill Parkway, Avondale, LA 70094 (504) 875-3908 or email: srojas@jedco.org

Any person, who believes he or she has been subject to unlawful discrimination by JEDCO, the Parish, any Parish officer or employee based on past or current disability, or his or her association with a person with a disability, may submit the grievance, in writing, to the Parish's designated Americans with Disabilities Act (ADA) Coordinator, contact information above.



**JEDCO Executive Committee Meeting
December 29, 2016 – 8:30 A.M.
Minutes**

- Call to Order** 8:30 a.m.
- Attendance:** Mickal Adler, Jimmy Baum, Mario Bazile, Lloyd Clark, Tom Gennaro, Bruce Layburn, Paul Rivera, Stephenson Robinson, Stan Salathe,
- Staff:** Jerry Bologna, Lacey Bordelon, Cynthia Grows, Alberto Queral, Scott Rojas
- Absences:** Roy Gattuso, Brian Heiden, Mark Madderra
- Attorney:** Emily French – Parish Attorney’s Office
- Guests:** Joe Liss – Past Commissioner

I. Call to Order – Vice Chairman, Bruce Layburn

- **Welcome Guest**
Bruce opened the meeting by welcoming Ms. French and Mr. Adler, and by leading in the Pledge of Allegiance.
- **Approval of Board Absences** – Stan Salathe motioned to excuse Roy Gattuso and Mark Madderra. The motion was seconded by Jimmy Baum and passed unanimously.
- **Approval of JEDCO Minutes for November 17, 2016** – Jimmy Baum motioned to approve the minutes; seconded by Stephen Robinson. The motion passed unanimously.
- **Swear-in new Commissioner and acknowledge outgoing Commissioner**
Emily French, Parish Attorney’s Office, performed the swearing-in for Thomas Gennaro – representing District 5-Councilwoman Jennifer VanVrancken.

JEDCO President & CEO, Jerry Bologna, expressed sincere appreciation for Joe Liss’ dedication while serving as a JEDCO Commissioner. Joe served 5 years representing East Jefferson Business Association and one year representing District 5 - Councilwoman Jennifer VanVrancken.



II. Public Comments on Agenda Items

None

III. Unfinished and New Business – Chairman, Mark Madderra

- **Resolution authorizing amendment to CDBG Agreement between Jefferson Parish and JEDCO – Alberto Queral**
The current agreement between JEDCO and Jefferson Parish Department of Community Development expires on December 31, 2016. On December 7, 2016, the Jefferson Parish Council approved a resolution extending the contract date for a period of two years, beginning January 1, 2017 and ending December 31, 2018. Stan Salathe motioned to approve the JEDCO resolution authorizing amendment number 1, which extends the contract date for a period of two years, beginning January 1, 2017 and continuing through December 31, 2018. The motion was seconded by Mario Bazile and passed unanimously.
- **Annual Membership Dues for President & CEO**
Stan Salathe motioned to approve the Fore!Kids invoice totaling \$750.00 for the required uniform blazer and annual dues-October 1, 2016 thru September 30, 2017. The motion was seconded by Lloyd Clark and passed unanimously. Jerry provided the Commissioners with a list of all Boards in which he will serve in 2017: Fore!Kids Foundation, Greater New Orleans, Inc., Jefferson Chamber of Commerce and Catholic Charities Archdiocese of New Orleans. Also, in 2017 Jerry will serve as the President of Louisiana Industrial Development Executives Association (LIDEA).
- **Approval of the JEDCO Final Amended 2016 Budget – Cynthia Grows**
Paul Rivera motioned to approve the Final Amended 2016 Budget; seconded by Stan Salathe. The motion passed unanimously.

IV. Monthly Financial Report – Cynthia Grows

- **November 2016**
Jimmy Baum motioned, seconded by Stephen Robinson, to approve the report as submitted. The motion passed unanimously.

V. President & CEO Report – Jerry Bologna

- **Avondale update** – Discussions between LED and the Port of New Orleans continue to trend positively. JEDCO continues to meet with various parties interested in the site.
- **Board Retreat** – The Board Retreat is scheduled January 19th from 8:30 to 12:30. Staff will provide an overview of JEDCO's 2016 accomplishments, and present the 2017 Strategic Operating Plan.
- **Port of New Orleans Tour** – On January 17th between 3:00 and 5:00 the JEDCO Staff and Commissioners will participate in a tour of the Port complex.

VI. Other Updates or Comments from the JEDCO Board of Commissioners

- Stan Salathe and Bruce Layburn acknowledged the staff's efforts putting together a great presentation for the JEDCO Annual Luncheon.
- Paul Rivera announced that along with the PILOT payment from Bella Ridge, the Sherriff's office also received the first payment on the Dyno Nobel PILOT.

VII. Adjournment – Stan Salathe motioned to adjourn, seconded by Paul Rivera. The motion passed unanimously.

Lloyd Clark
JEDCO Secretary
(JEDCO Minutes for December 29, 2016)

Josline Gosserand Frank Biography

Professionally, Frank has had many diverse employment experiences. Frank is co-owner/principal and Realtor of World Properties International, Russell Frank Realty Group, LLC. The company has been in business for approximately 30 years, located in Gretna, La, serving Jefferson Parish, Greater New Orleans and state of LA. She has served as Co-chair of Fair Housing for NOMAR and is a member of New Orleans Metropolitan Area Realtors, Greater Baton Rouge Area Realtors, LREC and NAR.

After college she honed her business skills and put them to work at the United Way as an Administrative Assistant, Shell Oil Company, four years as an Adjunct Facilitator at the University of New Orleans and a 33-year educator in the JPPSS School System. Frank applied for and was awarded a number of grants to help provide travel, scholarships and job opportunities for her students. She was also the first Hospitality, Travel and Tourism Director in the State of Louisiana receiving her certification from the Lodging Association. Frank was also the first high school teacher in the United States selected by Marriott, Inc. to spend one week at the corporate office in Bethesda, MD and intern for one month at the Marriott of her choice. As an Educational Consultant, Frank has served as an Instructional and Leadership Coach to many school districts throughout the United States.

Josline holds a B.S. in Business Education (Southern University, Baton Rouge, LA), Masters in Business Education and +45 hours of continuing education (Northwestern State University, Southeastern University, Tulane, Loyola and Our Lady of Holy Cross College). Frank has additional educational certification in Computer Literacy, Marketing Education, Lodging Management, Cooperative Office Education, Administration, Supervision and Principalship.

Active in her community, Frank is an Active member of Delta Sigma Theta Sorority, Inc., Pontchartrain Chapter of LINKS, Inc., and New Orleans Regional Black Chamber of Commerce. She volunteered with the Alan Houston Foundation, serving as mentor to young entrepreneurs. She has conducted numerous educational workshops on both local and national levels.

Married with two adult children, daughter-in-law, three grandsons and one dog. Frank enjoys spending time with family, listening to jazz, traveling and shopping.

Josline feels, "To whom much is given, much is required" and feels she is richly blessed. Therefore, public service is a daily part of her life, whether at work, church or volunteering her time.

1/11/17

Matthew A. Gibson

Biography

Matthew A. Gibson, FACHE serves as Executive Vice President of Business Development and Chief Strategy Officer for East Jefferson General Hospital. In this role, Matt leads the strategic planning process and works closely with the clinical enterprise division to develop strategy and business development initiatives for East Jefferson General Hospital. He is also the senior leader responsible for the employed physician medical group, outreach, partnerships, marketing, advocacy, real estate, and the wellness center.

For the past 10 plus years, Matthew Gibson has been managing hospital operations through the oversight and organization of business strategy development and the growth and profitability of product lines. Matt previously served as Senior Vice President, Chief Strategy and Business Development Officer for KentuckyOne Health. Prior to his time in Kentucky Matt was the Chief Business Development Officer for the University of Mississippi Health Care. Prior to his tenure with the University of Mississippi Medical Center Matt was in a regional leadership role with Texas and Louisiana responsibility with IASIS Healthcare.

He has been involved in developing the strategic planning process for both pediatric and adult hospitals and service lines in Mississippi and Louisiana. His prior efforts have led to increases in revenue in cardiovascular and women's health services and the initiation of a pediatric heart and kidney transplant program.

Matt is a Fellow in the American College of Healthcare Executives and holds a master's degree in health care administration and an MBA from the University of Alabama at Birmingham.

01/11/17

Keith Merritt

Keith Merritt is a Senior Vice President in Business Banking at IBERIABANK, managing a portfolio of business clients with a wide range of banking needs. He has been at IBERIABANK since 1999 and continues to be one of the highest producing bankers with a portfolio of 300 clients and \$120 Million in loans and assets.

Keith is a member of the Jefferson Chamber, Elmwood Business Association and is currently a member of Leadership Jefferson class of 2017. He is also a member of the St. Catherine of Siena Men's club and devotes time to Junior Achievement, teaching financial literacy to the youth of our region.

He is a proud resident of Jefferson Parish with his wife, Cindy and their three children. Keith is actively involved in his children's activities and has been a board member of Lafreniere Soccer Club, a coach for Lafreniere Soccer, Louisiana Fire Soccer, and St. Catherine of Siena.

Prior to Working for IBERIABANK, Keith was with First National Bank of Commerce, then KBK Financial, then a division manager and team leader for the Commercial & Industrial lending division at OMNI Bank.

Keith holds a BS in Finance from the University of New Orleans and graduated from The Graduate School of Banking at LSU in 2006. He also participated in The College for Financial Planning's Asset Management Education Program for investment professionals.


01/11/17



MEMORANDUM

DATE: January 19, 2017

TO: JEDCO Board of Commissioners

FROM:  Perry Bologna, President & CEO
via Lacey Bordelon, Vice President

SUBJECT: Bella Ridge PILOT Bifurcation

Background:

On March 27, 2014 JEDCO's Board of Commissioners approved a resolution authorizing a Payment in Lieu of Tax (PILOT) arrangement and the potential issuance of up to \$70,000,000 of Revenue Bonds for the Bella Ridge Project. Subsequently, on August 1, 2014, JEDCO and Cottonwood Creek Apartments, L.L.C. entered into a Lease Agreement and Agreement to Issue Bonds, which laid out the terms of the PILOT arrangement, and soon after executed the conveyance of the property to JEDCO effectively removing the land and improvements from the Jefferson Parish property tax rolls.

Bella Ridge is a two-phase apartment complex in the Elmwood area consisting of 264 units in Phase I and 240 units in Phase II. Phase I has been constructed and placed in service. Cottonwood Creek Apartments, L.L.C. remitted its first PILOT in December of 2016 in accordance with the terms of the Lease Agreement. The Company intends to proceed with Phase II construction financing in the latter part of 2017.

Discussion:

JEDCO has been informed by Cottonwood Creek Apartments, L.L.C. that due to lender requirements for the Phase I permanent loan, Phase I requires a single asset entity owner. Therefore, a spin-off company must be created to develop Phase II of the project. The creation of a separate entity (i.e. Bella Ridge South, L.L.C.) for Phase II of the project has necessitated amendments to the existing Lease Agreement and the creation of a separate Lease Agreement to bifurcate the PILOT between project phases.

Under this proposed PILOT arrangement consisting of two separate lease agreements, the total benefit/incentives to the companies as previously approved in the original lease agreement does not change. Furthermore, the aggregate total of revenue bonds that can be potentially issued by JEDCO does not change with the proposed amendments/agreements; instead, the originally authorized \$70,000,000 of Revenue Bonds will be divided evenly for each phase of development.

Recommendation:

We are requesting that the JEDCO Board of Commissioners approve the attached resolution authorizing the amendment to the Lease Agreement and Agreement to Issue Bonds between JEDCO and Cottonwood Creek Apartments, L.L.C. and the Lease Agreement and Agreement to Issue Bonds between JEDCO and Bella Ridge South, L.L.C.

Attachments (3):

- Resolution
- Amended and Restated Lease Agreement and Agreement to Issue Bonds (Phase I)
- Lease Agreement and Agreement to Issue Bonds (Phase II)

JEFFERSON PARISH ECONOMIC DEVELOPMENT AND PORT DISTRICT
January 19, 2017

The following resolution was offered by _____ and seconded
by _____:

RESOLUTION

A resolution amending and supplementing a resolution adopted by the Jefferson Parish Economic Development and Port District on March 27, 2014; to provide for the bifurcation of the previously approved PILOT incentive for the Bella Ridge Project into (i) Phase I developed by Cottonwood Creek Apartments, L.L.C. and (ii) Phase II to be developed by Bella Ridge South, L.L.C.; and approving the form of and authorizing the execution of amendments to the Lease Agreement and Agreement to Issue Bonds with respect to Phase I as well as a new Lease Agreement and Agreement to Issue Bonds with respect to Phase II and, including any and all additional documents and certificates deemed necessary in connection with the foregoing; and providing for other matters with respect to the foregoing.

WHEREAS, the Jefferson Parish Economic Development and Port District ("JEDCO") is a body politic and political subdivision of the State of Louisiana, created in the Parish of Jefferson, under and pursuant to the provisions of Chapter 20, Title 34 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 34:2021 et seq.) (the "JEDCO Act"); and

WHEREAS, JEDCO is authorized under the laws of the State of Louisiana (the "State"), including particularly the JEDCO Act as well as Sections 991 to 1001, inclusive, and Chapter 13 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto (collectively, the "Act"), to issue its revenue bonds for the object and purpose of promoting and encouraging the development of economic and industrial opportunities, stimulating the economy through renewed commerce and industry, and for the utilization and development of natural and human resources in Jefferson Parish (excluding Grand Isle and Ward 11) by providing job opportunities; and

WHEREAS, pursuant to the Act, property acquired by JEDCO in connection with their issuance or agreement to issue bonds is exempt from ad valorem tax and JEDCO is permitted to require a payment in lieu of tax in an amount not exceeding what the ad valorem tax would be if the property were subject to ad valorem tax; and

WHEREAS, on March 27, 2014, JEDCO adopted a resolution authorizing a favorable payment in lieu of tax arrangement and the potential issuance of not exceeding \$70,000,000 of Revenue Bonds (Bella Ridge Project). in one or more series. for the financing, constructing and equipping of a 264-unit apartment complex (Phase I) and an approximately 240-unit apartment complex (Phase II), all of which qualifies as a "development project" within the meaning of the Act and is herein referred to collectively as the "Overall Project"; and

WHEREAS, JEDCO and Cottonwood Creek Apartments, L.L.C. (the "Phase I Lessee") previously entered into a Lease Agreement and Agreement to Issue Bonds dated as of August 1, 2014, in connection with the acquisition, construction and equipping of the Overall Project, pursuant to which Phase I of the Overall Project has been constructed and placed in service; and

WHEREAS, the Lessor has been advised that Bella Ridge South, L.L.C. (the "Phase II Lessee"), rather than the Phase I Lessee, proposes to finance the acquisition, construction and equipping of Phase II of the Overall Project (referred to herein as the "Phase II Project") as a separate project, and under a separate agreement with JEDCO from the Phase I Project; and

WHEREAS, the acquisition and construction of the Phase II Project, will be funded from various sources, including possibly the issuance of bonds by JEDCO on behalf of the Phase II Lessee; and

WHEREAS, at the request of the Phase I Lessee and the Phase II Lessee, and subject to the conditions set forth herein, JEDCO wishes to amend the previously approved documents relating to the Overall Project and enter into an additional agreements with respect to the payment-in-lieu-of-taxes previously agreed to in order to extend same (but not the overall benefits thereof) to both phases of the Overall Project; and

WHEREAS, the aggregate total of revenue bonds, if issued by JEDCO, will be allocated as follows: (i) not exceeding \$35,000,000 with respect to the Phase I Project; and (ii) not exceeding \$35,000,000 with respect to the Phase II Project; and

WHEREAS, in connection with the development of Phase II of the Project, JEDCO desires to ratify the payment in lieu of taxes arrangement and authorize the potential issuance of not exceeding \$35,000,000 of Revenue Bonds (Bella Ridge Project, Phase II) and to recognize and approve Bella Ridge South, L.L.C. as the developer for the Phase II Project; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF JEFFERSON PARISH ECONOMIC DEVELOPMENT AND PORT DISTRICT that:

SECTION 1. Approvals. JEDCO hereby authorizes the execution and delivery of (i) an amendment to Lease Agreement and Agreement to Issue Bonds between JEDCO and Cottonwood Creek Apartments, L.L.C. and (ii) a Lease Agreement and Agreement to Issue Bonds between JEDCO and Bella Ridge South, L.L.C. or an affiliated entity, with respect to the development of the Overall Project as described above, it being the intent that the previous incentives approved for the Bella Ridge Project shall be bifurcated between Phase I, already constructed by Cottonwood Creek Apartments, L.L.C., and Phase II, to be constructed by Bella Ridge South, L.L.C., such that the total benefits previously approved in connection with the Overall Project shall not be increased, only allocated between the two phases in the manner requested by the Phase I Lessee and the Phase II Lessee. The aforesaid documents shall be in substantially the forms presented to this Board of Commissioners and on file with the minutes of this meeting, with such changes as are approved by the officers of JEDCO upon the advice of bond counsel.

SECTION 2. Authorization of Officers. The Chairman, Vice Chairman and/or Secretary, or any one of them acting independently, are hereby authorized and directed for, on behalf of, and in the name of JEDCO to negotiate, execute and deliver any and all documents described herein, including, without limitation, an amendment to Lease Agreement and Agreement to Issue Bonds between JEDCO and Cottonwood Creek Apartments, L.L.C., a Lease Agreement and Agreement to Issue Bonds between JEDCO and Bella Ridge South, L.L.C. or an affiliated entity, and such additional instruments provided for therein and documents and certificates in addition to the documents described herein that are deemed by such officers to be necessary, convenient, appropriate or desirable. The signatures of the said officers upon documents specifically described herein together with any documents and certificates as may be otherwise required for necessary, convenient, appropriate or desirable related to matters described in this resolution, are deemed to be conclusive evidence of their due exercise of the authority vested in them hereunder.

The President, Vice President and/or Secretary-Treasurer, or any one of them, upon the advice of counsel, shall be further authorized to negotiate, execute and deliver any future servitudes, easements, mortgages, rights-of-way, releases, conveyances or other instruments with respect to the Phase I and/or Phase II property described in the aforesaid agreements, as may be required by or provided for such agreements or in connection with any bonds, or as may be requested by the Phase I Lessee or the Phase II Lessee, or as may otherwise be required for or necessary, convenient or appropriate to the Overall Project and any related bonds.

SECTION 3. Ratification. Except as amended or modified hereby, the resolution of JEDCO adopted on March 27, 2014 remains in full force and effect.

SECTION 4. Effective Date. This resolution shall take effect immediately.

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

YEAS:

NAYS:

ABSENT:

ABSTAINING:

And the resolution was declared adopted on this 19th day of January, 2017.

Secretary

Chairman

STATE OF LOUISIANA

PARISH OF JEFFERSON

I, the undersigned Secretary of the Jefferson Parish Economic Development and Port District ("JEDCO"), do hereby certify that the foregoing _____ () pages constitute a true and correct copy of the proceedings taken by JEDCO on January 19, 2017, amending and supplementing a resolution adopted by the Jefferson Parish Economic Development and Port District on March 27, 2014; to provide for the bifurcation of the previously approved PILOT incentive for the Bella Ridge Project into (i) Phase I developed by Cottonwood Creek Apartments, L.L.C. and (ii) Phase II to be developed by Bella Ridge South, L.L.C.; and approving the form of and authorizing the execution of amendments to the Lease Agreement and Agreement to Issue Bonds with respect to Phase I as well as a new Lease Agreement and Agreement to Issue Bonds with respect to Phase II and, including any and all additional documents and certificates deemed necessary in connection with the foregoing; and providing for other matters with respect to the foregoing.

IN FAITH WHEREOF, witness my official signature on this the 19th day of January, 2017.

(SEAL)

Secretary

**LEASE AGREEMENT AND
AGREEMENT TO ISSUE BONDS**

dated as of January 1, 2017

by and between

Jefferson Parish Economic
Development and Port District

and

Bella Ridge South, L.L.C.

relating to the agreement to issue up to:

\$35,000,000
Revenue Bonds
(Bella Ridge Project, Phase II)
of the
Jefferson Parish Economic
Development and Port District

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EXHIBIT A – Phase II Project Description – Leasehold Improvements
EXHIBIT B - Legal Description of Phase II Project Site

**LEASE AGREEMENT
AND AGREEMENT TO ISSUE BONDS**

This **LEASE AGREEMENT AND AGREEMENT TO ISSUE BONDS** (the "Lease Agreement" or "Agreement"), dated and executed this ____ day of January, 2017 by and between the **JEFFERSON PARISH ECONOMIC DEVELOPMENT AND PORT DISTRICT** (the "Lessor"), a body politic and political subdivision of the State of Louisiana, as lessor, and **BELLA RIDGE SOUTH, L.L.C.** (the "Lessee"), a limited liability company organized and existing under the laws of the State of Louisiana, as lessee,

WITNESSETH:

WHEREAS, the Lessor is authorized and empowered under Chapter 20 of Title 34 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 34:2021 *et seq.*) (the "JEDCO Act"), as well as Sections 991 to 1001, inclusive, and Chapter 13 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto (collectively, the "Act"), to acquire, own, lease, rent repair, renovate, improve, finance, sell, and dispose of facilities that are determined by the Lessor to be instrumental to the removal of blight or the redevelopment of distressed areas, or to promote economic development through the creation of jobs, or to enhance the tax base of Jefferson Parish (excluding Grand Isle and Ward 11) through the construction, renovation, or rehabilitation of improvements, other than facilities designed for the sale or distribution to the public of electricity, gas, water, or telephone or other services commonly classified as public utilities; and

WHEREAS, pursuant to the Act, the Lessor is authorized to issue its bonds to finance any land, easement, servitude, leasehold interest, or other interest or right in land, and any building or other facility or improvement thereon, including a single or multiple occupant office building or building complex, and all movable and immovable properties deemed necessary in connection therewith, including parking garages, whether or not now in existence, which shall be suitable for use by the following or by any combination of two or more thereof: any industry for the manufacturing, processing, or assembling of any raw, agricultural, semi-manufactured, or manufactured products; any commercial enterprise in storing, warehousing, distributing, or selling any products of agriculture, fishing, forestry, mining, or industry; business or professional offices; hotels; and any international, national, regional, or state offices of business or industry, or any other facility that is determined by the Lessor to be instrumental to the removal of blight or the redevelopment of distressed areas, or to promote economic development through the creation of jobs, or to enhance the tax base through the construction, renovation, or rehabilitation of improvements, and to pledge the revenues and receipts therefrom or from any source thereof to secure such bonds; and

WHEREAS, under the Act, the Lessor is deemed to be performing a public function on behalf of Jefferson Parish, Louisiana, and to be a public instrumentality of such parish, and accordingly, the Lessor and all properties at any time owned by the Lessor and the income therefrom and all bonds issued by it and the income therefrom shall be exempt from all taxation in the state of Louisiana, provided, that the Lessor may require the lessee of any of its projects to pay annually to the municipal taxing authorities, through the normal collecting agency, a sum *in lieu* of ad valorem taxes to compensate such authorities for any services rendered by them to

such projects which sum shall not be in excess of the ad valorem taxes such lessee would have been obligated to pay to such authorities had it been the owner of such project during the period for which such payment is made; and

WHEREAS, such payments to be made in lieu of taxes together with any fees and charges of the Lessor, to the extent in the aggregate they do not exceed the amount of taxes that would be paid if the lessee were the owner, shall constitute statutory impositions within the meaning of R.S. 47:2128; and

WHEREAS, the governing authority of the Lessor adopted a resolution on March 27, 2014, authorizing a project consisting of the acquisition, construction and equipping of a 264-unit apartment complex (Phase I) and an approximately 240-unit apartment complex (Phase II), all of which qualifies as a "development project" within the meaning of the Act and is herein referred to collectively as the "Overall Project"); and

WHEREAS, the Lessor and Cottonwood Creek Apartments, L.L.C. (the "Phase I Lessee") previously entered into a Lease Agreement and Agreement to Issue Bonds dated as of August 1, 2014 (the "Original Agreement"), in connection with the acquisition, construction and equipping of the Overall Project, pursuant to which Phase I of the Overall Project has been constructed and placed in service; and

WHEREAS, the Lessor has been advised that the Lessee, rather than the Phase I Lessee, proposes to finance the acquisition, construction and equipping of Phase II of the Overall Project (referred to herein as the "Phase II Project") as a separate project, and under a separate agreement with Lessor from the Phase I Project; and

WHEREAS, the acquisition and construction of the Phase II Project, will be funded from various sources, including possibly the issuance of bonds by the Lessor on behalf of the Lessee; and

WHEREAS, at the request of the Lessee and subject to the conditions set forth herein, the Lessor agrees that it shall issue up to \$35,000,000 in aggregate principal amount of its taxable and/or tax-exempt Revenue Bonds (Bella Ridge Project, Phase II) in one or more series (the "Bonds") to finance all or a portion of the Phase II Project; and

WHEREAS, in consideration of the issuance of the Bonds for the Phase II Project and the financial benefit accruing to the Lessee from the in lieu of tax arrangements set forth herein, the Lessee will convey the Phase II Project to the Lessor, subject to the lien of any existing mortgages, including, but not limited to the Multiple Indebtedness Mortgage and Related Documents, as each is defined hereinafter, liens or encumbrances, and will lease the Phase II Project back from the Lessor pursuant to this Agreement; and

WHEREAS, pursuant to this Agreement, the Lessee will agree to pay the Lessor amounts sufficient for the payment of (i) debt service on the Bonds, if any, when issued, (ii) certain payments in lieu of taxes, and (iii) certain related expenses; and

WHEREAS, the execution and delivery of this Agreement and the agreement to issue the Bonds, if any, pursuant to the aforesaid statutory authority have been in all respects duly and validly authorized by resolution adopted by the governing authority of the Lessor.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, including, without limitation, the undertaking of the Phase II Project by the Lessee, the receipt and sufficiency of which is hereby acknowledged and of the mutual benefits, covenants and agreements herein expressed, the Lessor and the Lessee hereby agree as follows:

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ARTICLE I
DEFINITIONS

SECTION 1.01. Definitions. The following terms shall have the meanings assigned to them in this Article **Error! Reference source not found.** whenever they are used in this Agreement.

"Act" shall mean collectively Chapter 20 of Title 34 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 34:2021 *et seq.*), Sections 991 to 1001, inclusive, and Chapter 13 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto

"Administrative Rent" shall have the meaning assigned thereto in Section 4.03(c) hereof.

"Bond Counsel" means Adams and Reese LLP or an attorney, or firm of attorneys, acceptable to the Lessor and nationally recognized and experienced in legal work relating to the financing of facilities through the issuance of tax-exempt bonds.

"Bonds" shall have the meaning assigned to such term in the recitals hereto.

"Closing Date" shall mean the date of execution and delivery hereof.

"Construction" or **"construction"** (and other forms of the word "construct"), when used with respect to the Phase II Project, means the acquisition, construction, reconstruction, extension, equipping or improvement of the Phase II Project.

"Indenture" means any Trust Indenture or similar agreement between the Lessor and the Trustee pursuant to which any series of Bonds are authorized to be issued, if any, and any indentures supplemental thereto. As of the date of this Agreement, there is no Indenture binding on Lessor and Lessee with respect to the Phase II Project.

"Infrastructure Improvements" means the installation and material costs to install a box culvert in that canal commonly known as the **"Crochet Ditch"**, which borders the Overall Project, the cost of which has been certified to the Lessor to equal the Reimbursement Amount.

"Lease Term" means the duration of the leasehold estate created in this Agreement as specified in Section 4.01 hereof.

"Lender" shall mean Walker & Dunlop _____, and Federal National Mortgage Association (Fannie Mae), or their successors and assigns.

"Lessee" means (i) Bella Ridge South, L.L.C., a limited liability company organized and existing under the laws of the State of Louisiana, and (ii) any surviving, resulting or transferee entity as provided in Section 8.01 hereof.

"Lessor" means the Jefferson Parish Economic Development and Port District, and its successors and assigns.

"Multiple Indebtedness Mortgage" shall mean the multiple indebtedness mortgage by Bella Ridge South, L.L.C., as Mortgagor in favor of _____ and any Future Holder or Holders, as Mortgagee, dated January __, 2017, before _____, Notary Public, and recorded in Mortgage Book ____, Page __ in the records of the Parish of Jefferson, State of Louisiana, on _____, 2017..

"Overall Project" means the Phase I Project and the Phase II Project on a combined basis.

"Person" means an individual, partnership, corporation (including a business trust), limited liability company, trust, unincorporated association, joint venture, governmental unit or other entity.

"Phase I Lessee" means Cottonwood Creek Apartments, L.L.C., with respect to the Phase I Project.

"Phase I Project" means the first of two phases of the Overall Project providing approximately 264 apartment units developed by the Phase I Lessee.

"Phase II Project" means the improvements to be located at the Site consisting of the acquisition, construction and equipping of Phase II of the Overall Project and includes those buildings, structures and fixtures, and related property comprising a portion of the Phase II Project, and is further defined as all property (both movable and immovable) now or hereafter owned by the Lessor and leased to the Lessee herein which is not otherwise included in the definition of Phase II Project, but not including the Lessee's own equipment installed under the provisions of Section 5.01 hereof as to which Lessee gives Lessor the notice described in said Section 5.01.

"PILOT Rent" shall have the meaning assigned thereto in Section 4.03(b) hereof.

"Property Tax" means the amount of ad valorem property tax that would have been paid by the Lessee on the Phase II Project each calendar year as determined by Lessor through communications with the Jefferson Parish Assessor. Provided, however, that if the Jefferson Parish Assessor does not provide such information, the Lessor may (i) obtain an appraisal of the market value of the Phase II Project, at the expense of the Lessee, (ii) multiply such market value times 10%, and (iii) multiply such amount times the millage then in affect for the Phase II Project to determine what the ad valorem property tax would have been for any given year.

"Reimbursement Amount" means the lesser amount of \$1,200,000 or the actual cost of the Infrastructure Improvements.

"Reimbursement Credit" means the amount determined by the Lessor prior to the end of each year (or as soon thereafter as reasonably possible) of the total savings by the Phase I Lessee with respect to the Phase I Project and the Phase II Lessee with respect to the Phase II Project, resulting from elimination of the Property Tax in toto on the Overall Project less the payment of PILOT Rent paid by the Phase I Lessee and the Lessee for such year.

"Reimbursement Date" means the date on which the aggregate Reimbursement Credit equals or exceeds the Reimbursement Amount.

"Related Documents" shall mean the Construction Loan Agreement by and between Bella Ridge South, L.L.C., Borrower and _____, dated January __, 2017, that certain Promissory Note by the Lessee payable to the order of _____, all Loan Documents as defined in the said Construction Loan Agreement and all documents executed and delivered by the Lessee in connection with or security for the payment of the said Promissory Note or the obligations of and performance by the Lessee pursuant to the said Construction Loan Agreement.

"Site" means the property owned by the Lessor and leased to the Lessee, which is the site on which the Phase II Project will be constructed, acquired and installed but is not part of the Phase II Project leased hereby. The Site is described on Exhibit B hereto.

"State" means the State of Louisiana.

"Trustee" shall mean the commercial banking institution selected to serve as trustee for the Bonds, if any, and its successor or successors as Trustee, if any,.

SECTION 1.02. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) All references herein to particular articles or sections are references to articles or sections of this Agreement.

(c) The headings and the table of contents herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

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

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ARTICLE II

REPRESENTATIONS

SECTION 2.01. Representations, Warranties and Agreements of the Lessor. The Lessor represents, warrants and agrees as follows:

(a) The Lessor is a political subdivision duly created or organized and existing under the laws of the State and has full legal right, power and authority (1) to adopt the resolution approving this Agreement and authorizing the Lessor's execution and delivery of this Agreement, (2) to issue and deliver the Bonds for the purpose for which they are to be issued, (3) to execute and deliver this Agreement, and (4) to consummate the transactions contemplated by, and perform its obligations hereunder.

(b) The Lessor has taken all necessary action required to make this Agreement the valid obligation of the Lessor which it purports to be; when executed and delivered by the parties thereto, this Agreement will constitute valid and binding agreement of the Lessor and will be enforceable against the Lessor in accordance with its terms, except to the extent that such enforceability may be limited by general principles of equity and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore and hereafter enacted.

(c) The execution, delivery and due performance by the Lessor of this Agreement will not conflict with or result in a violation or breach of, or constitute a default under its articles of incorporation or bylaws or any agreement or instrument to which the Lessor is a party or by which it is bound, or any constitutional or statutory provisions or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Lessor, or result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever (except the leasehold estate created in this Agreement) upon any of the property or assets of the Lessor.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the best of the knowledge of the Lessor, threatened against or affecting the Lessor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Agreement, or which, in any way, would adversely affect the validity of this Agreement or any agreement or instrument to which the Lessor is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(e) The Lessor has obtained or will obtain at the proper times all consents, approvals, authorizations and orders, of any governmental or regulatory authority that are required to be obtained by the Lessor as a condition precedent to the execution and delivery of this Agreement and any other documents to which the Lessor is a party and the performance by the Lessor of its obligations thereunder.

(f) The Lessor recognizes, acknowledges and agrees (i) that Lessor will accept the transfer, conveyance and assignment of the Phase II Project subject to the Multiple Indebtedness

Mortgage and Related Documents, and (ii) that this Agreement shall at all times be subordinate to the Multiple Indebtedness Mortgage and all Related Documents, except with respect to PILOT Rent required to be paid under this Agreement which statutorily primes the Multiple Indebtedness Mortgage and all Related Documents in the same manner as ad valorem property taxes prime such obligations.

SECTION 2.02. Representations, Warranties, and Agreements of the Lessee. The Lessee represents, warrants and agrees as follows:

(a) The Lessee is a limited liability company organized and existing under the laws of the State of Louisiana, has the power to execute and deliver this Agreement, to enter into the transactions contemplated hereby and to perform its obligations hereunder, and by proper action has duly authorized the execution and delivery of this Agreement and the performance of its obligations hereunder.

(b) This Agreement constitutes a valid and binding agreement of the Lessee enforceable against the Lessee in accordance with its terms, except to the extent that such enforceability may be limited by general principles of equity and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore and hereinafter enacted.

(c) To the current, actual knowledge of the Lessee, no litigation at law or in equity or proceeding before any governmental agency involving the Lessee is pending or, to the current, actual knowledge of the Lessee, threatened, , in which any liability of the Lessee is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the business or assets of the Lessee, the acquisition, installation or operation of the Phase II Project, or the validity of this Agreement.

(d) To the current, actual knowledge of the Lessee, the Lessee is not in default under or in violation of this Agreement, and the execution, delivery and compliance by the Lessee with the terms and conditions of this Agreement will not conflict with or constitute or result in a default under or violation of, (i) any of its organizational documents, (ii) any material agreement or other instrument to which the Lessee is a party or by which it is bound, or (iii) any constitutional or statutory provisions or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Lessee or its property, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(e) The Lessee has obtained or will use commercially reasonable efforts to obtain at the proper times all consents, approvals, authorizations and orders, of any governmental or regulatory authority that are required to be obtained by the Lessee as a condition precedent to the execution and delivery of this Agreement and any other documents to which the Lessee is a party and the performance by the Lessee of its obligations thereunder, and that are required for the construction or operation of the Phase II Project.

(f) To the current, actual knowledge of the Lessee, neither this Agreement nor any information (financial or otherwise) furnished by or on behalf of the Lessee in connection with

the negotiation of this Agreement contains any untrue statement of a material fact or omits a material fact necessary to make the statements contained herein or therein not misleading.

SECTION 2.03. Anti-Terrorism Laws. Neither the Lessee nor any of its affiliates is in violation of any Laws relating to terrorism or money laundering ("Anti-Terrorism Laws"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), and the USA PATRIOT Act (Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001), as amended. Neither the Lessee nor any of its Affiliates is any of the following:

- (a) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
- (b) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;
- (c) a Person with which any Person is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;
- (d) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or
- (e) a Person that is named as a "specially designated national and blocked person" on the most current list published by the Office of Foreign Asset Control ("OFAC") or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list.

Neither the Lessee nor any of its affiliates (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (b) above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti Terrorism Law.

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ARTICLE III

AGREEMENT TO ISSUE BONDS

SECTION 3.01. Agreement to Issue Bonds. At the request of the Lessee and subject to the conditions set forth herein and only with the prior written consent of Lender which will not be unreasonably withheld or delayed, the Lessor shall issue the Bonds. In consideration of this agreement to issue the Bonds, the Lessee has transferred title to the Phase II Project to the Lessor.

(a) The Lessor hereby agrees to issue Bonds from time to time in an aggregate amount not exceeding \$35,000,000 at the request of Lessee subject to the following terms and conditions:

- (i) Lessee must file a written request with the Lessor, identifying the purchaser or underwriter, setting forth the maximum amount, terms and collateral for payment of the Bonds;
- (ii) Documents and procedures prepared by or satisfactory to Bond Counsel, including amendments and/or supplements to existing documents and/or additional documents recommended by Bond Counsel shall be prepared and submitted to the Lessee;
- (iii) All required governmental approvals and other approvals for the issuance of the Bonds, including, without limitation, those of the State Bond Commission and Secretary of Economic Development, to the extent required, must be or have been obtained;
- (iv) The Lessor's resolution providing for the issuance of the Bonds shall be published and the preemptive period satisfied or a bond validation suit shall be pursued to completion validating the legality of the Bonds; and
- (v) All other reasonable requirements of the Lessor shall have been satisfied; and Bond Counsel shall deliver a satisfactory legal opinion with respect to the Bonds.

(b) All Bonds shall be payable solely from payments made by Lessee or caused to be paid by Lessee and shall be limited obligations of the Lessor and not payable from any Lessor funds other than funds deposited under the Indenture and available for that purpose.

(c) The Lessor shall be indemnified and held harmless of any and all liability as the result of the issuance of the Bonds or ownership of the Phase II Project and Lessee shall pay all reasonable costs in connection therewith.

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ARTICLE IV

EFFECTIVE DATE OF THIS AGREEMENT; RENTAL PAYMENTS

SECTION 4.01. Effective Date of this Agreement; Duration of Lease Term. This Agreement shall become effective upon its execution and delivery, (the "Effective Date") and the leasehold estate created in this Agreement shall commence on such date and, subject to the provisions of this Agreement (including particularly Articles IX and X hereof), shall expire, unless extended with the mutual consent of the parties hereto, on the earlier of the Reimbursement Date or December 31, 2026. In the event the Reimbursement Credit does not equal or exceed the Reimbursement Amount by the December 31, 2026, the Lessor and Lessee may agree to extend the expiration date of this Lease, including, but not limited to, the Options in Favor of Lessee, as provided in Article X, for an anticipated date wherein the Reimbursement Credit shall equal to or exceed the Reimbursement Amount. "Lease Term" shall include the initial term and any extension thereof as provided in this Section 4.01

SECTION 4.02. Delivery and Acceptance of Possession. The Lessor hereby leases and further delivers to the Lessee sole and exclusive possession of the Phase II Project (subject to the right of the Lessor to enter thereon for inspection purposes and to the other provisions of Section 7.02 hereof) and the Lessee hereby accepts possession of the Phase II Project. The Lessor covenants and represents that so long as the Lessee has paid the rent and all other sums payable by it hereunder, and has duly observed all the covenants and agreements herein contained on its part to be performed, the Lessee shall have, hold and enjoy, during the Lease Term, peaceful, quiet and undisturbed possession of the Phase II Project subject to the terms and provisions hereof, and the Lessor shall from time to time take all necessary action to that end.

SECTION 4.03. Rents and Other Amounts Payable.

(a) Closing Cost Rental Payment: Costs of the transaction associated with the Original Agreement were paid at the time of execution of the Original Agreement. The Lessee agrees that it will pay the Lessor's expenses relating to this Agreement as provided in Section 4.03(d)(i) below.

(b) PILOT Rent Payment.

- (i) So long as this Agreement remains in effect and the Phase II Project is owned by the Lessor, it is the intent of the Lessor and the Lessee that the Phase II Project shall be exempt from ad valorem tax. The Lessee hereby agrees to make a payment in lieu of tax ("PILOT Rent") commencing on or before December 31 of each year, commencing December 31, 2017, and continuing on December 31 of each year thereafter during the Lease Term as set forth in (ii) below.
- (ii) PILOT Rent on the Phase II Project shall be in an amount equal to 50% of the Property Tax that otherwise would have been due and payable with

respect to the Phase II Project for each calendar year during the Lease Term.

- (A) Amounts payable as PILOT Rent under this subsection (b)(ii) shall be payable by check payable to the Jefferson Parish Sheriff or the then collector of taxes for the Parish of Jefferson, Louisiana delivered to the Lessor, which in turn will be paid to the collector of taxes in the Parish of Jefferson with instructions to such collector of taxes to distribute such amounts to tax recipient bodies in the same proportion as ad valorem tax would be distributed for the tax year in question.
- (B) It is hereby acknowledged and agreed that PILOT Rent constitutes statutory impositions with the same ranking, priority and enforcement methods for ad valorem tax.

It is the intention of the parties hereto that the amount that would have been paid as ad valorem property taxes by the Lessee with respect to the Phase II Project be replaced with PILOT Rent in an amount equal to 50% of what the ad valorem taxes on the Phase II Project would be until the Lessee and the Phase I Lessee have collectively saved an amount equal to the Reimbursement Amount.

- (c) Annual Administrative Fee Rental Payment. In addition to other amounts due and payable hereunder, the Lessee shall on December 31 of each year, commencing December 31, 2017, pay rental in the amount of \$5,000 ("Administrative Rent").
- (d) Supplemental Rental Payments. The Lessee shall make the following additional rental payments:
 - (i) Lessor Fees. The Lessee shall pay to the Lessor, upon demand, its reasonable out-of-pocket expenses, including attorneys' fees, incurred by the Lessor in relation to this Agreement, PILOT Rent negotiation and proposed and/or actual issuance of bonds, and preparation of financial statements called for in Section 7.06, if any.
 - (ii) Costs of Enforcement. In the event the Lessee defaults under any of the provisions of this Agreement and the Lessor employs attorneys or incurs other fees, charges and expenses for the collection of required payments or the enforcement of performance or observance of any obligation or agreement on the part of the Lessee contained in this Agreement, the Lessee on demand therefore shall pay to the Lessor the reasonable fees and out of pocket expenses of such attorneys and such other reasonable fees and out of pocket charges and expenses so incurred by the Lessor. The Lessee also shall pay, and shall indemnify the Lessor from and against, all costs, expenses and charges, including, without limitation, reasonable counsel fees and expenses, incurred for the collection of

payments due or for the enforcement or performance or observance of any covenant or agreement of the Lessee under this Agreement.

SECTION 4.04. Late Rental Payments. In the event the Lessee should fail to make any of the payments required in Section 4.03, the item or installment so in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid and the Lessee agrees to pay the same with interest thereon (to the extent permitted by law) until paid at the rate per annum equal to the maximum rate allowable for conventional interest under La. R.S. 9:3500(C), which as of the date of this Agreement is twelve percent (12%) per annum.

SECTION 4.05. Place of Rental Payments. The rent provided for in Section 4.03(b), 4.03(c) and 4.03(d) hereof shall be paid directly to the Lessor.

SECTION 4.06. Obligations of Lessee Hereunder Unconditional. Except as otherwise provided herein, the obligations of the Lessee to make the payments required in Section 4.03 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional and shall not be subject to diminution by set-off, counterclaim, abatement or otherwise and until such time as the principal of and interest and any redemption premium on the Bonds, if any, shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture.

The Lessee (i) will not suspend or discontinue any payments provided for in Section 4.03 hereof, (ii) will perform and observe all of its other agreements contained in this Agreement and (iii) will not terminate the Lease except pursuant to the terms of Section 10.01.

Nothing contained in this Section shall be construed to release the Lessor from the performance of any of the agreements on its part herein contained; and in the event the Lessor should fail to perform any such agreement on its part, the Lessee may institute such action against the Lessor as the Lessee may deem necessary to compel performance or recover its damages for non-performance so long as such action shall not do violence to the agreements on the part of the Lessee contained in the first sentence of this Section; provided, however, that the Lessor shall not be liable for monetary damages absent its willful breach of this Agreement, willful misconduct, bad faith or fraud and in no event shall any recourse be had against the Lessor other than from the Lessor's interest in the Phase II Project. The Lessee may, however, at its own expense and in its own name or in the name of the Lessor, prosecute or defend any action or proceeding or take any other action which the Lessee deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the Lessor hereby agrees to cooperate fully with the Lessee and to take all action necessary to effect the substitution of the Lessee for the Lessor in any action or proceeding if the Lessee shall so request. The covenant to pay rental shall be and is hereby agreed to be independent of any other covenant in this Agreement.

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[Lease & Agreement to Issue Bonds - Page 13]

ARTICLE V

MAINTENANCE, TAXES AND INSURANCE

SECTION 5.01. Operation, Maintenance and Modification by Lessee. The Lessee agrees that during the Lease Term it will, at its own expense, maintain, operate and keep the Phase II Project in as reasonably safe condition as its operations shall permit. The Lessee may also at its own expense, make from time to time any additions, modifications or improvements to the Phase II Project it may deem desirable for its business purposes. Such additions, modifications and improvements shall become part of the Phase II Project unless and until Lessee notifies Lessor that Lessee elects not to have them included in the Phase II Project, provided further that any real or personal property, machinery, equipment, furniture or fixtures installed by the Lessee without expense to the Lessor may be removed by the Lessee at any time and from time to time while it is not in default under this Agreement; and provided further that any damage to the Phase II Project occasioned by such removal shall be repaired by the Lessee at its own expense.

Lessee will, with reasonable promptness, make all structural and non-structural, foreseen and unforeseen, and ordinary and extraordinary repairs of every kind and nature which may be required to be made upon or in connection with the Phase II Project or any part thereof for so long as such agreement is in effect and, thereafter, to the extent necessary to keep and maintain the Phase II Project in good repair and appearance. Lessor shall not be required to maintain, repair, or rebuild the Phase II Project or any part thereof in any way, or to make any alterations, replacements or renewals of any nature or description to the Phase II Project or any part thereof, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, and Lessee hereby expressly waives any right to make repairs at the expense of Lessor, which right may be provided for in any statute or law in effect at the time of the execution and delivery hereof or of any other statute or law which may thereafter be enacted.

SECTION 5.02. Removal of Phase II Project. The Lessor shall not be under any obligation to renew, repair or replace any item of inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary equipment, fixtures or furnishings comprising a part of the Phase II Project. In any instance where the Lessee in its sound discretion determines that any items of the Phase II Project have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Lessee may remove such items of the Phase II Project and (on behalf of the Lessor) sell, trade-in, exchange or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Lessor or the Trustee, if any, therefor.

The removal of any portion of the Phase II Project pursuant to the provisions of this Section shall not entitle the Lessee to any abatement or diminution of the rents payable under Section 4.03 hereof.

SECTION 5.03. Taxes and Other Governmental Charges and Utility Charges. Subject to Section 5.07 hereof, the Lessee agrees to pay, as the same, respectively, become due, all taxes (other than ad valorem taxes) and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Phase II Project or any structures or other property installed or brought by the Lessee therein or thereon, including,

without limiting the generality of the foregoing, any taxes levied upon or with respect to the income or profits of the Lessor from the Phase II Project which, if not paid, would become a lien or a charge on the revenues and receipts from the leasing of the Phase II Project, all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Phase II Project and all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Phase II Project; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are required to be paid during the Lease Term.

The Lessee may, at its expense and in its own name and behalf or in the name and behalf of the Lessor, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless by non-payment of any such items the lien of this Agreement will be materially endangered or the Phase II Project or any part thereof will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid promptly or secured by posting a bond, in form satisfactory to the Lessor, with the Lessor. The Lessor will cooperate fully with the Lessee in any such contest. In the event that the Lessee shall fail to pay any of the foregoing items required by this Section to be paid by the Lessee, the Lessor may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by the Lessor shall become an additional obligation of the Lessee to the one making the advancement, which amounts, from the date thereof, together (to the extent permitted by law) with interest thereon until paid at a rate per annum equal to ten percent (10%), the Lessee agrees to pay.

SECTION 5.04. Insurance Required. (a) Throughout the Lease Term, the Phase II Project shall be considered an asset of the Lessee for the purpose of its insurance practices, and, as such, the Phase II Project and the Lessee's activities related thereto shall be insured by the Lessee against such risks and in such amounts as are consistent with the insurance practices of the Lessee, except as otherwise provided in paragraph (b).

(b) Lessee shall provide and maintain, at its sole cost and expense, comprehensive public liability insurance, naming both the Lessor and the Lessee as parties insured as their interests may appear, protecting against claims for bodily injury, death and/or Phase II Project damage arising out of the use, ownership, occupancy, possession, operation and condition of the Phase II Project, and further containing a broad form contractual liability endorsement covering Lessee's obligations to indemnify Lessor as provided hereunder. The policy shall provide coverage of at least \$5,000,000.00 per occurrence and \$10,000,000.00 in the aggregate, but in no event less than required in the Multiple Indebtedness Mortgage or the Related Documents.

The Lessee may purchase such insurance from any insurance company or broker that is acceptable to the Lessor, provided that such approval may not be unreasonably withheld. Such policies of insurance must also contain a provision prohibiting cancellation, nonrenewal, or the alteration of such insurance without at least ten (10) days prior written notice to the Lessor of such intended cancellation or alteration. The Lessee agrees to provide the Lessor, on the date of execution and delivery of this Agreement and annually thereafter on or before December 31 of each year, with certificates of insurance with respect to all applicable policies of insurance then

in effect. Lessee further agrees to promptly furnish Lessor, upon request, with copies of all renewal notices and with copies of receipts for paid premiums. Lessee shall provide Lessor, upon request, with certificates of insurance evidencing all renewal or replacement policies of insurance no later than fifteen (15) days before any such existing policy or policies should expire. If Lessee's insurance policies and renewals are held by another person, Lessee agrees to supply certificates of insurance evidencing same to Lessor within the time periods required above.

Each policy of insurance shall name the Lessor as an additional insured, as its interests may appear.

SECTION 5.05. Claims and Insurance Proceeds. The proceeds of any insurance carried pursuant to the provisions of Section 5.04(a) hereof shall be applied at the discretion of the Lessee, subject to the provisions of the Multiple Indebtedness Mortgage and Related Documents.

SECTION 5.06. Additional Provisions Respecting Insurance. On the date of the execution and delivery of this Agreement, all such certificates of the insurers for coverages required pursuant to Section 5.04 hereinabove stating that such insurance is in force and effect shall be deposited with the Lessor; and prior to expiration of any such policy, the Lessee shall furnish the Lessor with evidence reasonably satisfactory to the latter that the policy has been renewed or replaced or is no longer required by this Agreement.

In lieu of separate policies, the Lessee may maintain blanket policies having the same coverage required herein in which event it shall deposit with the Lessor a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Phase II Project.

SECTION 5.07. Environmental Matters. The Lessee has delivered to the Lessor or concurrently with the execution and delivery of this Agreement will deliver to the Lessor a Phase I Environmental Assessment acceptable to the Lessor. The Lessee shall keep and maintain the Phase II Project in compliance with, and shall not knowingly cause or permit the Phase II Project to be in violation of, any federal, state, or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions ("Hazardous Materials Laws") on, under, about, or affecting the Phase II Project. Except in full compliance with Hazardous Materials Laws, the Lessee shall not use, generate, manufacture, store, or dispose of on, under or about the Phase II Project or transport to or from the Phase II Project any flammable explosives, radioactive materials, hazardous wastes, toxic substances, or related materials, including without limitation any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to herein as "Hazardous Materials"). The Lessee shall be fully responsible for and indemnify and hold harmless the Lessor for any contaminations existing prior to the execution and delivery of this Agreement and hereafter.

The Lessee shall be solely responsible for, and shall indemnify and hold harmless the Lessor from and against, any loss, damage, costs, expense, or liability, directly or indirectly, arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Material on, under or about the Phase II Project, including

without limitation: (i) all foreseeable consequential damages; (ii) the cost of any required or necessary repair, clean-up or detoxification of the Phase II Project, and the preparation and implementation of any closure, remedial, or other required plans; and (iii) all reasonable costs and expenses incurred by the Lessor in connection with clauses (i) and (ii), including but not limited to reasonable attorney's fees. The forgoing notwithstanding, this indemnity and hold harmless shall specifically exclude matters arising from the willful misconduct, bad faith or fraud of Lessor or any Indemnified Party, as defined hereinafter in Section 7.05. The Lessee shall, at its expense, take all necessary remedial action(s) in response to the presence of any Hazardous Material on, under or about the Phase II Project.

The said release and indemnification covenants of the Lessee shall (i) apply equally to the officers, employees and counsel of the Lessor and to its Board of Directors, and (ii) shall survive termination of this Agreement. In connection with the indemnification provided by this section, the Lessee waives:

- (a) any defense based upon any legal disability or other defense of the Lessee, any other guarantor or other person, or by reason of the cessation or limitation of the liability of Lessee from any cause other than full payment of all sums payable under this Agreement;
- (b) any defense based on any lack of authority of the officers, directors, partners, managers, members or agents acting or purporting to act on behalf of the Lessee or any principal of the Lessee, or any defect in the formation of the Lessee or any principal of the Lessee;
- (c) any defense based upon the application of the proceeds of the Bonds by Borrower for purposes other than the purposes represented by the Lessee to the Lessor;
- (d) any and all rights and defenses arising out of an election of remedies by Lessor, even though that election of remedies has destroyed the Lessee's rights of subrogation or reimbursement against the principal;
- (e) any defense based upon Lessee's failure to disclose to the Lessor any information concerning Lessee's financial condition or any other circumstances bearing on Lessee's ability to perform its obligations under this Agreement;
- (f) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in any other respects more burdensome than that of a principal;
- (g) any defense based upon Trustee's election, in any proceeding instituted under the Federal Bankruptcy Code, of the application of Section 1111(b)(2) of the Federal Bankruptcy Code or any successor statute;
- (h) any defense based upon any borrowing or any grant of a security interest under Section 364 of the Federal Bankruptcy Code;
- (i) any right of subrogation, any right to enforce any remedy which Lessor may have against Lessee and any right to participate in, or benefit from, any security for the Bonds now or hereafter held by or for the Lessor;

(j) presentment, demand, protest and notice of any kind; and

(k) the benefit of any statute of limitations affecting the liability of the Lessee hereunder or the enforcement hereof.

The Lessee agrees that payment or performance of any act which tolls any statute of limitations applicable to the Bonds shall similarly operate to toll the statute of limitations applicable to the Lessee's liability hereunder. In addition, the Lessee understands that the Lessee's duties, obligations and liabilities under this section are not limited in any way by any information which Trustee may have concerning the Phase II Project and the presence of any Hazardous Materials on the Phase II Project.

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ARTICLE VI

DAMAGE, DESTRUCTION AND CONDEMNATION

SECTION 6.01. Damage and Destruction. The net proceeds of any casualty with respect to the Phase II Project shall be payable to and used as determined by the Lessee, subject to the provisions of the Multiple Indebtedness Mortgage and Related Documents.

SECTION 6.02. Condemnation. In the event that title to, or the temporary use of, the Phase II Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Lessee shall be obligated to continue to make the rental payments specified in Section 4.03 hereof, provided that the amounts set forth therein shall be reduced proportionally based on the percentage of the Phase II Project so taken. The net proceeds of any condemnation with respect to the Phase II Project shall be applied in the same manner as net proceeds of insurance in accordance with Section 5.05 of this Agreement.

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ARTICLE VII

SPECIAL COVENANTS; FINANCIAL STATEMENTS

SECTION 7.01. No Warranty of Condition or Suitability by the Lessor. The Lessor makes no warranty, either expressed or implied, as to the condition of the Phase II Project or that it will be suitable for the Lessee's purposes or needs or to the sublessee to rebuild.

SECTION 7.02. Inspection of the Phase II Project. The Lessee agrees that the Lessor or any of its duly authorized agents shall have the right at all reasonable times and upon reasonable advance notice to enter upon the Phase II Project and to examine and inspect the Phase II Project. The Lessee further agrees that the Lessor and its duly authorized agents shall have such rights of access to the Phase II Project as may be reasonably necessary to enforce the rights of the Lessor contained in this Agreement and for the proper maintenance of the Phase II Project in the event of failure by the Lessee to perform its obligations under Section 5.01 hereof, after reasonable advance notice, except in the case of an emergency then without notice.

SECTION 7.03. Lessee to Maintain its Existence; Conditions Under Which Exceptions Permitted. The Lessee agrees that, during the Lease Term, it will maintain its limited liability company existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation, limited liability company or partnership or permit one or more other corporations, limited liability companies or partnerships to consolidate with or merge into it; provided that the Lessee may, without violating the agreement contained in this Section, consolidate with or merge into another corporation, limited liability company or partnership or permit one or more other corporations, limited liability companies or partnerships to consolidate with or merge into it, or sell or otherwise transfer to another corporation, limited liability company or partnership all or substantially all of its assets as an entirety and thereafter dissolve, provided the surviving, resulting or transferee corporation, limited liability company or partnership, as the case may be, (i) is a corporation, limited liability company, partnership or other entity organized and fully existing under the laws of one of the States of the United States of America; (ii) has a net worth immediately after such action of not less of that of the Lessee immediately prior to such action and (iii) irrevocably and unconditionally assumes by means of an instrument in writing all of the obligations of the Lessee herein.

SECTION 7.04. Qualification in the State. The Lessee warrants that it is, and throughout the Lease Term it will continue to remain, in good standing under the laws of the State.

SECTION 7.05. Indemnification by Lessee. The Lessee shall indemnify and save harmless the Lessor and its past, present and future officers, directors, employees and agents and any person who "controls" the Lessor within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20(a) of the Securities Exchange Act of 1934, as amended (each, an "Indemnified Party"), from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses, including reasonable attorneys' fees ("Damages") in connection with the Phase II Project or the transactions contemplated by this Agreement, including the environmental indemnifications given in Section 5.07, and including without limitation:

(a) all amounts paid in settlement of any litigation in connection with the Phase II Project, this Agreement or the transactions to be consummated in connection therewith, commenced or threatened against any Indemnified Party if such settlement is effected with the consent of the Lessee and not otherwise covered by insurance proceeds,

(b) all expenses, not otherwise assumed by Lessee or its insurer, reasonably incurred in the investigation of, preparation for or defense of any litigation, proceeding or investigation, not otherwise assumed by Lessee or its insurer, in connection with the Phase II Project, this Agreement or the transactions to be consummated in connection therewith, of any nature whatsoever, commenced or threatened against the Lessee, the Phase II Project or any Indemnified Party,

(c) any judgments, penalties, fines, damages, assessments, indemnities or contributions, and not otherwise covered by insurance proceeds, and,

(d) the reasonable fees of attorneys, auditors, and consultants unless such services are assumed by Lessee or its insured and performed by engaged party; provided that the Damages are not otherwise assumed or paid by the Lessee or its insurer arise out of:

- (i) failure by the Lessee or its agents to comply with the terms of this Agreement and any agreements, covenants, obligations, or prohibitions set forth therein,
- (ii) any action, suit, claim or demand contesting or affecting the title of the Phase II Project.
- (iii) any breach of any representation or warranty by Lessee set forth in this Agreement or any certificate delivered pursuant thereto,
- (iv) any action, suit, claim, proceeding or investigation of a judicial, legislative, administrative or regulatory nature arising from or in connection with the acquisition, installation, ownership, operation, occupation or use of the Phase II Project, including without limitation any action to recover damages for injury to person or property, or
- (v) any suit, action, administrative proceeding, enforcement action, or governmental or private action of any kind whatsoever commenced against the Lessee, the Phase II Project or any Indemnified Party which might adversely affect the validity or enforceability of this Agreement or the performance by the Lessee or any Indemnified Party of any of their respective obligations thereunder.

The foregoing notwithstanding, Damages shall specifically exclude matters arising from the willful misconduct, bad faith or fraud of any Indemnified Party.

If any action, suit or proceeding is brought against any Indemnified Party for Damages for which the Lessee is required to provide indemnification under this section, the Lessee, shall be notified as provided as soon as reasonably possible after Lessor or any Indemnified Party receives notice or actual knowledge of such action, suit or proceeding, and at Lessee's request shall and at its own expense, resist and defend such action, suit or proceeding, or cause the same

to be resisted and defended by counsel designated by the Lessee and approved by the Indemnified Party, which approval shall not be unreasonably withheld.. The Lessee shall not be liable for any settlement of any such action, suit or proceeding made without its consent, but if settled with the consent of the Lessee or if there be a final judgment for the plaintiff in any such action, the Lessee shall indemnify and hold harmless the Indemnified Parties from and against any Damages by reason of such settlement or judgment. The obligations of the Lessee under this Section 7.05 shall survive the Lease Term.

SECTION 7.06. Financial Statements and Reports; Tax Returns. Lessee will furnish, or cause to be furnished, to Lessor:

As soon as available, and within one hundred twenty (120) days after the end of each calendar year, a copy of the annual financial statements of Lessee, which shall include a balance sheet as of the end of such year and related statements of income and expenses, statement of changes in financial position, a statement of changes in capital accounts and a statement of allocation of distribution of profits and losses, all in reasonable detail, prepared in accordance with GAAP (or tax accounting reconciled to GAAP) and audited by a reputable accounting firm acceptable to the Lessor.

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ARTICLE VIII

ASSIGNMENT; SUBLEASING; SELLING; MORTGAGING; REDEMPTION;

SECTION 8.01. Assignment and Subleasing. This Agreement may be assigned, and the Phase II Project may be subleased as a whole or in part by the Lessee, and Lessee may mortgage its leasehold interest herein in each case without the necessity of obtaining the consent of the Lessor, subject, however, to each of the following conditions:

(a) No assignment (other than pursuant to Section 7.03 hereof) or subleasing shall relieve the Lessee from primary liability for any of its obligations hereunder, and in the event of any such assignment (other than pursuant to Section 7.03 hereof) or subleasing the Lessee shall continue to remain primarily liable for payment of the rents specified in Section 4.03 hereof and for performance and observance of the other agreements on its part herein provided to be performed and observed by it.

(b) The assignee or sublessee shall assume the obligations of the Lessee hereunder to the extent of the interest assigned or subleased.

(c) The Lessee shall, within thirty days after the delivery thereof, furnish or cause to be furnished to the Lessor a true and complete copy of each such assignment and sublease, as the case may be.

(d) Lessor and Lessee acknowledge and agree that no assignment or subletting otherwise permitted pursuant to this Article VIII shall be permitted or effective without the written consent of the Lender and subject to the applicable provisions of the Multiple Indebtedness Mortgage and Related Documents.

SECTION 8.02. Transfer of Lessor's Interest in Phase II Project. Except as otherwise provided in this Article VIII and subject to the provisions of Article IX and Article X hereof, the Lessor agrees that it will not sell, assign, convey, encumber or otherwise dispose of any part of the Phase II Project or any interest therein during the Lease Term, without the prior written consent of Lessee and the Lender. Notwithstanding the immediately preceding sentence, the consent of the Lender for the sale, assignment, conveyance or transfer is not required in the event of the exercise of the Option to Purchase in favor of the Lessee pursuant to Article X of this Agreement. If the laws of the State at the time shall permit such sale, assignment, transfer or conveyance to be taken, nothing contained in this Section shall prevent the consolidation of the Lessor with, or merger of the Lessor into, or transfer of title to the Phase II Project as an entirety to, any public corporation whose property and income are not subject to taxation and which has corporate authority to carry on the business of owning and leasing the Phase II Project; provided, that upon any such consolidation, merger or transfer, the Phase II Project shall remain exempt from ad valorem taxes and due and punctual payment of all amounts due and payable hereunder and the due and punctual performance and observance of all the contracts and conditions of this Agreement to be kept and performed by the Lessor, shall be expressly assumed in writing by the corporation resulting from such consolidation or surviving such merger or to which the Phase II Project shall be transferred as an entirety.

SECTION 8.03. Reserved.

SECTION 8.04. Installation of Lessee's Own Machinery and Facilities; Lessor's Lien Thereon. The Lessee may, from time to time in its sole discretion and at its own expense, install additional machinery and equipment at the site of the Phase II Project. All machinery and equipment so installed by the Lessee shall constitute part of the Phase II Project and may be modified or removed by the Lessee at any time. Nothing contained in the preceding provisions of this Section 8.04 shall prevent the Lessee from purchasing such machinery and equipment on conditional sale contract or lease sale contract or subject to vendor's lien or purchase money mortgage, as security for the unpaid portion of the purchase price thereof, and each such conditional sale contract, lease sale contract, vendor's line or purchase money mortgage made by the Lessee with respect to machinery and equipment purchased by it under the provisions of this Section 8.04 shall be prior and superior to any Lessor's lien. The Lessee agrees to pay, unless in good faith contested by it, as due the purchase price of and all costs and expenses with respect to the acquisition and installation of any machinery and equipment installed by it pursuant to this Section.

SECTION 8.05. Leasehold Mortgages. Lessee shall have the right to grant leasehold mortgages and/or collateral assignments of this Agreement (collectively, "Leasehold Mortgage") in favor of leasehold lenders of Lessee ("Leasehold Lender"), and in such event, the following provisions shall apply:

(a) Any Leasehold Lender under any note or loan secured by a Leasehold Mortgage or collateral assignment of lease on Lessee's interest (or any successor's interest to Lessee's interest), who succeeds to such interest by foreclosure, deed-in-lieu of foreclosure, or otherwise, may take title to and shall have all of the rights of Lessee under this Agreement, including the right to exercise any renewal option(s) or purchase option(s) set forth in this Agreement, and to assign this Agreement as permitted herein.

(b) Lessor shall deliver to the Leasehold Lender (at the address specified herein, or at such other address as shall be designated in writing to Lessor) a copy of any default notice given by Lessor to Lessee under the Lease. No default notice from Lessor to Lessee shall be deemed effective as against Leasehold Lender unless received by Leasehold Lender.

(c) If Lessee defaults on any monetary obligations under this Agreement, Lessor will accept a cure thereof by the Leasehold Lender within thirty (30) days after Leasehold Lender's receipt of written notice of such default. For non-monetary defaults, Lessor will not terminate this Agreement for so long as the Leasehold Lender is diligently pursuing a cure of the default, and if curing such non-monetary default requires possession of the Phase II Project, then Lessor agrees to give the Leasehold Lender a reasonable time to obtain possession of the Phase II Project and to cure such default.

(d) This Agreement may not be amended in any respect which would be reasonably likely to have a material adverse effect on Leasehold Lender's interest therein, and this Agreement will not be surrendered, terminated or cancelled, without the prior written consent of Leasehold Lender.

(e) If this Agreement is terminated for any reason, or otherwise rejected in bankruptcy, Lessor will enter into a new lease with Leasehold Lender (or its designee) on the same terms as this Agreement, if the Leasehold Lender pays all past due amounts under this Agreement within thirty (30) calendar days of notice of such termination.

(f) Lessor hereby agrees that all right, title and interest of the Lessor in and to any collateral encumbered by the Leasehold Mortgage is hereby subordinated and made subject, subordinate and inferior to the lien and security interest of the Leasehold Mortgage, which subordination shall remain in effect for any modifications or extensions of the Leasehold Mortgage.

(g) Lessor hereby consents to present or future Leasehold Mortgages encumbering the leasehold title of Lessee and all movable property of Lessee located on the Phase II Project. The Lessor further acknowledges and agrees that Leasehold Lender's encumbrance of such property shall not constitute a default under this Agreement, and Leasehold Lender has the right of access to the Phase II Project and can remove the personal property from the Phase II Project, as provided in the Leasehold Mortgage.

(h) Lessee acknowledges and agrees that Lessee shall not grant any leasehold mortgage and/or collateral assignment without the written consent of the Lender.

SECTION 8.06. Mortgage. Lessor acknowledges the Multiple Indebtedness Mortgage which is a permitted encumbrance. Further, the obligation secured by the Multiple Indebtedness Mortgage is likewise acknowledged by the Lessor. The said obligation secured by the Multiple Indebtedness Mortgage will mature prior to the earlier of the Reimbursement Date or December 31, 2026. Lessor agrees, at no cost to Lessor, to execute, acknowledge and deliver all and every act, deed, deed of trust, mortgage, assignment, notice of assignment, transfer and assurance as Lessee or its lender shall reasonably require for the refinancing, extension, pledging, assigning or mortgaging the existing debt and providing the Phase II Project as security for the obligations associated with any refinancing or extension thereof. Provided, however, that no such document or instrument to be executed by the Lessor shall modify the priority of the PILOT Rent required to be paid under this Agreement which statutorily primes the Multiple Indebtedness Mortgage and all Related Documents in the same manner as ad valorem property taxes prime such obligations and, as between the Lessor and the Lessee, the Lessee's obligation to indemnify, protect and hold harmless Indemnified Parties.

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ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

SECTION 9.01. Events of Default Defined. The following shall be "events of default" under this Agreement and the terms "event of default" or "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the Lessee to pay or cause to be paid the rent required to be paid under Section 4.03 hereof at the times specified therein, and Lessee further fails to make such payments within ten (10) days of receipt of written notice from Lessor requesting such payments.

(b) Failure by the Lessee to observe and perform any covenant, condition or agreement in this Agreement on its part to be observed or performed, other than as referred to in subsection (a) of this Section, for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, is given to the Lessee by the Lessor or the Trustee, if any; provided that if any such failure shall be such that it cannot be corrected within such sixty (60) day period, it shall not constitute an event of default if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected.

(c) The dissolution or liquidation of the Lessee or the filing by the Lessee of a voluntary petition in bankruptcy, or failure by the Lessee promptly to institute judicial proceedings to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Phase II Project, or the commission by the Lessee of any act of bankruptcy, or adjudication of the Lessee as a bankrupt, or assignment by the Lessee for the benefit of its creditors, or the entry by the Lessee into an agreement of composition with its creditors, or the approval by the court of competent jurisdiction of a petition applicable to the Lessee in any proceeding for its reorganization instituted under the provisions of the United States Bankruptcy Code, as amended, or under any similar act which may hereafter be enacted. The term "dissolution or liquidation of the Lessee," as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Lessee resulting either from a merger or consolidation of the Lessee into or with another corporation or a dissolution or liquidation of the Lessee following a transfer of all or substantially all of its assets as an entirety, under the conditions permitting such actions contained in Section 7.03 hereof.

The foregoing provisions of this Section are subject to the following limitations: If by reason of force majeure the Lessee is unable in whole or in part to carry out its agreements on its part herein contained, other than the obligations on the part of the Lessee contained in Article V and Sections 4.03, 5.03, 5.04, 7.03 and 7.05 hereof, the Lessee shall not be deemed in default during the continuance of such liability. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States, the State, Orleans Parish or the Parish of Jefferson or any of their respective departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Lessee. The Lessee agrees, however, to use commercially

reasonable efforts to remedy with all reasonable dispatch the cause or causes preventing the Lessee from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Lessee, and the Lessee shall not be required to make settlement of strikes, lockouts, and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Lessee unfavorable to the Lessee.

(d) Lessor and Lessee further agree that any and all notices as provided in this Article IX shall likewise be delivered to Lender, who shall have the right, but not the obligation to cure the applicable default within the appropriate cure period. The applicable cure period shall commence upon receipt of the written notice from the Lessor

SECTION 9.02. Remedies on Default. Whenever any event of default referred to in Section 9.01 hereof shall have happened and be subsisting, the Lessor or the Trustee, if any, where so provided, may take any one or more of the following remedial steps:

(a) The Lessor may attempt to collect amounts due under this Agreement or to enforce the performance and observance of any other obligation or covenants of the Lessee under this Agreement by mandamus or the appointment of a receiver in equity with power to charge and collect amounts due hereunder and to apply such amounts in the manner required by this Agreement.

(b) The Lessor may take whatever action at law or in equity may appear necessary or desirable to collect the rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Agreement.

(c) Lessor and Lessee agree, notwithstanding any provision contained in this Article IX, that the only remedy in Event of Default by the Lessor, is the conveyance, assignment and transfer of the Phase II Project to the Lessee.

SECTION 9.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lessor is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required in this Agreement.

SECTION 9.04. Agreement to Pay Attorney's Fees and Expenses.

(a) The Lessee agrees to reimburse the Lessor for reasonable expenses incurred including the employment of attorneys in fulfilling the obligations of the Lessor pursuant hereto.

(b) In the event the Lessee shall default under any of the provisions of this Agreement and the Lessor shall employ attorneys or incur other expenses for the collection of the rents or the enforcement of performance or observance of any obligation or agreement on the part of the

Lessee herein contained, the Lessee agrees that it will on demand therefor pay to the Lessor the reasonable fee of such attorneys and such other expenses so incurred by the Lessor.

(c) This Section shall not require the Lessor to undertake any legal proceeding with respect to this Agreement; provided, however, the Lessor does agree that the Lessee may institute legal proceedings in the name of the Lessor to protect its rights under this Agreement.

SECTION 9.05. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 9.06. No Termination without Purchase Option. Notwithstanding any of the foregoing to the contrary, in no event shall Lessor terminate this Agreement without first providing Lessee with written notice of its intent to terminate this Agreement, and then providing Lessee sixty (60) days thereafter in which to exercise its purchase option described in Article X hereof (and pay all amounts due in connection therewith).

SECTION 9.07. Waiver of Jury Trial. The Lessor and the Lessee hereby expressly waive any right to trial by jury of any claim, demand, action or cause of action (a) arising under this Agreement, including, without limitation, any present or future modification hereof or (b) in any way connected with or related or incidental to the dealings of the parties hereto or any of them with respect to this Agreement (as now or hereafter modified) or any other instrument, document or agreement executed or delivered in connection herewith, or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether sounding in contract or tort or otherwise; and each party hereby agrees and consents that any party to this Agreement may file an original counterpart or a copy of this Agreement with any court as written evidence of the consent of the parties hereto and trustee to the waiver of their right to trial by jury.

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ARTICLE X

OPTIONS IN FAVOR OF LESSEE

SECTION 10.01. Options to Terminate. The Lessee shall have, and is hereby granted, the option to purchase the Phase II Project from the Lessor upon payment in full of any amounts due under this Agreement at the time Lessee exercises its purchase option and, in the event of the issuance of Bonds, if any, the payment in full of the Bonds, if any, (or provision for payment thereof having been made in accordance with the provisions of the Indenture).

To exercise such option, the Lessee shall give written notice to the Lessor and shall specify therein the date of closing such purchase, which date shall be not less than forty-five (45) nor more than ninety (90) days from the date such notice is mailed. The purchase price payable by the Lessee shall be the sum of \$1,000, plus payment of all amounts under this Agreement owed to the Lessor plus reasonable costs of the Lessor in connection therewith.

In the event of the exercise of the option granted in this Section and the parties' compliance with the provisions of this Section 10.01, the Lease Term shall be terminated.

Lessee may exercise its purchase option at any time, regardless of whether a default shall then be continuing hereunder; provided, that in the event of a monetary default, in addition to the \$1,000 purchase price, Lessee shall pay Lessor all amounts past due to Lessor hereunder. Lessor and Lessee acknowledge and agree that Leasehold Lender may exercise Lessee's purchase option on Lessee's behalf, provided that all the requirements of this Article X are met.

Additionally, the Lessee hereby agrees to exercise the option to purchase the Phase II Project at the end of the Lease Term. In the event Lessee fails to exercise the option and purchase the Phase II Project at the end of the Lease Term, Lender shall have the option, but not the obligation, to cause Lessee to exercise the option to purchase or alternatively, exercise the option to purchase itself.

In the Event of Default, as defined pursuant to Article IX of this Agreement, so long as said Event of Default is not cured, the Lessee hereby appoints and the Lessor hereby approves the Lender as its agent and attorney-in-fact for purposes related to the Option to Purchase as provided in this Article X.

SECTION 10.02. Conveyance of the Phase II Project to the Lessee. The Lessor shall, upon the payment of all sums due to the Lessor under this Agreement, at the expiration or sooner termination of the Lease Term, convey the Phase II Project to the Lessee. At the expense of the Lessee, the Lessor shall execute all documentation necessary to effectuate such conveyance without warranty of any nature whatsoever.

SECTION 10.03. Conveyance at Closing. At the closing of any purchase pursuant to any option to purchase or pursuant to Section 10.02, the Lessor will, upon receipt of the purchase price, deliver to the Lessee documents conveying to the Lessee title to the Phase II Project, as such property then exists, subject to the following: (i) those liens and encumbrances (if any) to which title to said property was subject when conveyed to the Lessor; (ii) those liens and encumbrances created by the Lessee or to the creation or suffering of which the Lessee

consented; and (iii) those liens and encumbrances resulting from the failure of the Lessee to perform or observe any of the agreements on its part contained in this Agreement.

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ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Surrender of Phase II Project. Except as otherwise expressly provided in this Agreement, including, particularly, Article X hereof, at the expiration or sooner termination of the Lease Term, the Lessee agrees to surrender possession of the Phase II Project peaceably and promptly to the Lessor in as good condition as at the commencement of the Lease Term, loss by fire or other casualty covered by insurance, condemnation and ordinary wear, tear and obsolescence only excepted.

SECTION 11.02. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given on the third business day following the day on which the same have been mailed by registered mail, postage prepaid, addressed as follows:

If to the Lessor: Jefferson Parish Economic Development and Port District
700 Churchill Parkway
Avondale, LA 70094
Attention: Jerry Bologna, President & CEO

with a copy to: Adams and Reese LLP
701 Poydras St., Suite 4500
New Orleans, LA 70139
Attention: David M. Wolf

If to the Lessee: Bella Ridge South, L.L.C.
3925 N. I-10 Service Road West
Suite 105
Metairie, LA 70002
Attention: Lake Portfolio Managers, L.L.C.

With a copy to: Chaffe McCall, L.L.P.
1100 Poydras St., Suite 2300
New Orleans, LA 70163
Attention: William H. Langenstein, III

If to Lender: _____

Attention: _____

With a copy to: _____

Attention: _____

The Lessor or the Lessee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 11.03. Law Governing Construction of Agreement. This Agreement is prepared and entered into with the intention that the laws of the State shall govern its construction.

SECTION 11.04. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Lessor, the Lessee and their respective successors and assigns, subject, however, to the limitations contained in Sections 7.03, 8.01 and 8.02 hereof.

SECTION 11.05. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 11.06. Agreement Represents Complete Agreement. This Agreement represents the entire contract between the parties hereto. This Agreement may not be modified or amended without the written consent of the Lessor and the Lessee.

SECTION 11.07. Net Lease. This Agreement shall be deemed and construed to be a "net lease," and the Lessee shall pay absolutely net during the Lease Term the rent and all other payments required hereunder, free of any deductions, without abatement, diminution or set-off other than those herein expressly provided.

SECTION 11.08. Execution of Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 11.09. Merger of Fee Title with Interest under Lease Agreement. To the maximum extent allowed by applicable law, no merger of the fee title under any leasehold mortgage and the leasehold interests under this Agreement shall result in the termination of this Agreement or such leasehold mortgage.

SECTION 11.10. Memorandum of Lease. Lessor and Lessee will, at the request of the other, promptly execute a memorandum of lease, which memorandum either party may record in the real property records applicable to the Phase II Project.

SECTION 11.11. Estoppel Certificates. Lessor and Lessee agree, within ten (10) days after request therefor by Lender, Lessor and Lessee agree to deliver in recordable form a certificate to Lender (in a form provided by Lender) certifying (to the extent it is true) that this Lease is unmodified in full force and effect, that there are no defenses or offsets thereto and all Rents and other charges have been paid.

SECTION 11.12. Lender Not a Party. Lessor and Lessee acknowledge and agree that (a) Lender is not a party to this Lease and is not bound by the terms and conditions included herein; and (b) the Multiple Indebtedness Mortgage and Related Documents are in full force and effect, have not been amended or modified and supercede the terms and conditions of this Lease, except with respect to the PILOT Rent and, as between the Lessor and the Lessee, the Lessee's obligation to indemnify, protect and hold harmless Indemnified Parties.

THUS DONE AND PASSED, in my office in _____, Louisiana, on the ____ day of _____, 2017, in the presence of the undersigned, both competent witnesses, who herewith sign their names with the said appearers and me, Notary, after due reading of the whole.

JEFFERSON PARISH ECONOMIC
DEVELOPMENT AND PORT DISTRICT

ATTEST:

By: _____
Chairman

By: _____
Secretary

WITNESSES:

Print Name:

Print Name:

Notary Public
Print Name: _____
La. Bar or Notary ID Number: _____

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

THUS DONE AND PASSED. in my office in _____, Louisiana on the ____ day of _____, 2017, in the presence of the undersigned, both competent witnesses, who herewith sign their names with the said appearers and me, Notary, after due reading of the whole.

BELLA RIDGE SOUTH, L.L.C.

By: LAKE PORTFOLIO MANAGERS, L.L.C.
Manager

By: _____
James P. Favrot, Manager

By: _____
William Henry Shane, Jr. , Manager

WITNESSES:

Print Name:

Print Name:

Notary Public
Print Name: _____
La. Bar or Notary ID Number: _____

EXHIBIT A
To Lease and Agreement to Issue Bonds

PHASE II PROJECT DESCRIPTION - LEASEHOLD IMPROVEMENTS

The Phase II Project consists of the acquisition, construction and equipping of an approximately 240-unit (Phase I) apartment complex and located at the northeast corner of Mounes Boulevard and Dickory Drive in the Elmwood Park area of Jefferson Parish, Louisiana. Said apartment complex consists of eight (8) apartment buildings, two (2) parking garages, one resident services center and related facilities.

EXHIBIT B
To Lease and Agreement to Issue Bonds

LEGAL DESCRIPTION OF PHASE II PROJECT SITE

PARCEL 2-A-1-B4

A CERTAIN PIECE OR PORTION OF GROUND situated in the State of Louisiana, Parish of Jefferson, in that part known as Elmwood Industrial Park, bounded by Hickory Avenue Relocation, Mounes Street, Illinois Central Gulf Railroad Right of Way and Citrus Boulevard, designated as Parcel 2-A-1-B4, in accordance with plan of resubdivision by Krebs, LaSalle, LeMieux Consultants, Inc., dated September 28, 2000, Job No. 000393, approved by Ordinance No. 21122 of the Jefferson Parish Council, approved November 15, 2000, registered in COB 3043, folio 759, and is more fully described as follows:

Commence at the intersection of the northerly right of way line of Mounes Street and the easterly right of way line of Hickory Avenue Relocation for the point of beginning. Measure thence from the point of beginning, along said easterly line, North 49°27'55" West, a distance of 93.54' to a point; thence continue along said easterly line, along the arc of a curve to the left, having a radius of 981.93', an arc length of 124.68', a chord bearing of North 14°23'46" West and a chord distance of 124.60' to a point; thence continue along said easterly line, North 18°02'02" West, a distance of 241.87' to a point; thence continue along said easterly line along the arc of a curve to the left, having a radius of 981.93', an arc length of 114.15', a chord bearing of North 21°21'51" West and a chord distance of 114.09' to a point on the southerly line of Parcel 2-A-1-B3; thence along said southerly line, North 71°57'17" East, a distance of 790.40' to a point on the westerly line of Parcel 2-N; thence along said westerly line, South 18°01'42" East, a distance of 500.66' to a point on the northerly right of way line of Mounes Street, thence along said northerly line, South 71°44'11" West, a distance of 70.00' to a point; thence continue along said northerly line, along the arc of a curve to the left, having a radius of 612.97', an arc length of 101.63', a chord bearing of South 66°59'11" West and a chord distance of 101.52' to a point; thence continue along said northerly line, South 62°14'11" West, a distance of 251.85' to a point; thence continue along said northerly line, along the arc of a curve to the right, having a radius of 532.99', an arc length of 90.27', a chord bearing of South 67°05'19" West and a chord distance of 90.16' to a point; thence continue along said northerly line, South 71°56'26" West, a distance of 233.66' to a point on the easterly right of way line of Hickory Avenue Relocation, the point of beginning.

Said Parcel 2-A-1-B4 contains 9.6620 acres.

All as more fully shown on a survey by Krebs, LaSalle, LeMieux Consultants, Inc., dated January 15, 2001.

**AMENDED & RESTATED
LEASE AGREEMENT AND
AGREEMENT TO ISSUE BONDS**

dated as of January 1, 2017

by and between

Jefferson Parish Economic
Development and Port District

and

Cottonwood Creek Apartments, L.L.C.

relating to the agreement to issue up to:

\$35,000,000
Revenue Bonds
(Bella Ridge Project, Phase I)
of the
Jefferson Parish Economic
Development and Port District

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* * * * *

EXHIBIT A – Phase I Project Description – Leasehold Improvements
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**AMENDED AND RESTATED LEASE AGREEMENT
AND AGREEMENT TO ISSUE BONDS**

This **AMENDED AND RESTATED LEASE AGREEMENT AND AGREEMENT TO ISSUE BONDS** (the "Lease Agreement" or "Agreement"), dated and executed this ____ day of January, 2017 by and between the **JEFFERSON PARISH ECONOMIC DEVELOPMENT AND PORT DISTRICT** (the "Lessor"), a body politic and political subdivision of the State of Louisiana, as lessor, and **COTTONWOOD CREEK APARTMENTS, L.L.C.** (the "Lessee"), a limited liability company organized and existing under the laws of the State of Louisiana, as lessee,

WITNESSETH:

WHEREAS, the Lessor is authorized and empowered under Chapter 20 of Title 34 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 34:2021 *et seq.*) (the "JEDCO Act"), as well as Sections 991 to 1001, inclusive, and Chapter 13 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto (collectively, the "Act"), to acquire, own, lease, rent repair, renovate, improve, finance, sell, and dispose of facilities that are determined by the Lessor to be instrumental to the removal of blight or the redevelopment of distressed areas, or to promote economic development through the creation of jobs, or to enhance the tax base of Jefferson Parish (excluding Grand Isle and Ward 11) through the construction, renovation, or rehabilitation of improvements, other than facilities designed for the sale or distribution to the public of electricity, gas, water, or telephone or other services commonly classified as public utilities; and

WHEREAS, pursuant to the Act, the Lessor is authorized to issue its bonds to finance any land, easement, servitude, leasehold interest, or other interest or right in land, and any building or other facility or improvement thereon, including a single or multiple occupant office building or building complex, and all movable and immovable properties deemed necessary in connection therewith, including parking garages, whether or not now in existence, which shall be suitable for use by the following or by any combination of two or more thereof: any industry for the manufacturing, processing, or assembling of any raw, agricultural, semi-manufactured, or manufactured products; any commercial enterprise in storing, warehousing, distributing, or selling any products of agriculture, fishing, forestry, mining, or industry; business or professional offices; hotels; and any international, national, regional, or state offices of business or industry, or any other facility that is determined by the Lessor to be instrumental to the removal of blight or the redevelopment of distressed areas, or to promote economic development through the creation of jobs, or to enhance the tax base through the construction, renovation, or rehabilitation of improvements, and to pledge the revenues and receipts therefrom or from any source thereof to secure such bonds; and

WHEREAS, under the Act, the Lessor is deemed to be performing a public function on behalf of Jefferson Parish, Louisiana, and to be a public instrumentality of such parish, and accordingly, the Lessor and all properties at any time owned by the Lessor and the income therefrom and all bonds issued by it and the income therefrom shall be exempt from all taxation in the state of Louisiana, provided, that the Lessor may require the lessee of any of its projects to pay annually to the municipal taxing authorities, through the normal collecting agency, a sum *in*

lieu of ad valorem taxes to compensate such authorities for any services rendered by them to such projects which sum shall not be in excess of the ad valorem taxes such lessee would have been obligated to pay to such authorities had it been the owner of such project during the period for which such payment is made; and

WHEREAS, such payments to be made in lieu of taxes together with any fees and charges of the Lessor, to the extent in the aggregate they do not exceed the amount of taxes that would be paid if the lessee were the owner, shall constitute statutory impositions within the meaning of R.S. 47:2128; and

WHEREAS, the governing authority of the Lessor adopted a resolution on March 27, 2014, authorizing a project consisting of the acquisition, construction and equipping of a 264-unit apartment complex (Phase I) and an approximately 240 unit apartment complex (Phase II), all of which qualifies as a "development project" within the meaning of the Act and is herein referred to collectively as the "Overall Project"; and

WHEREAS, the Lessor and the Lessee previously entered into a Lease Agreement and Agreement to Issue Bonds dated as of August 1, 2014 (the "Original Agreement"), in connection with the acquisition, construction and equipping of the Overall Project, pursuant to which Phase I of the Overall Project (referred to herein as the "Phase I Project") has been constructed and placed in service; and

WHEREAS, the Lessor has been advised that Bella Ridge South, L.L.C. (the "Phase II Lessee"), rather than the Lessee, proposes to finance the acquisition, construction and equipping of Phase II of the Overall Project (referred to herein as the "Phase II Project") as a separate project, and under a separate agreement with Lessor from the Phase I Project; and

WHEREAS, the acquisition and construction of the Phase II Project, will be funded from various sources, including possibly the issuance of bonds by the Lessor on behalf of the Phase II Lessee; and

WHEREAS, at the request of the Lessee and subject to the conditions set forth herein, the Lessor agrees that it shall issue up to \$35,000,000 in aggregate principal amount of its taxable and/or tax-exempt Revenue Bonds (Bella Ridge Project, Phase I) in one or more series (the "Bonds") to finance all or a portion of the Phase I Project; and

WHEREAS, in consideration of the issuance of the Bonds for the Phase I Project and the financial benefit accruing to the Lessee from the in lieu of tax arrangements set forth herein, the Lessee has conveyed the Phase I Project to the Lessor, subject to the lien of any existing mortgages, including, but not limited to the Multiple Indebtedness Mortgage and Related Documents, as each is defined hereinafter, liens or encumbrances, and will continue to lease the Phase I Project back from the Lessor pursuant to this Agreement; and

WHEREAS, pursuant to this Agreement, the Lessee will agree to pay the Lessor amounts sufficient for the payment of (i) debt service on the Bonds, if any, when issued, (ii) certain payments in lieu of taxes, and (iii) certain related expenses; and

WHEREAS, the execution and delivery of this Agreement and the agreement to issue the Bonds, if any, pursuant to the aforesaid statutory authority have been in all respects duly and validly authorized by resolution adopted by the governing authority of the Lessor.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, including, without limitation, the undertaking of the Phase I Project by the Lessee, the receipt and sufficiency of which is hereby acknowledged and of the mutual benefits, covenants and agreements herein expressed, the Lessor and the Lessee hereby agree that the Original Agreement shall be amended and restated in its entirety as follows:

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ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. The following terms shall have the meanings assigned to them in this Article **Error! Reference source not found.** whenever they are used in this Agreement.

"Act" shall mean collectively Chapter 20 of Title 34 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 34:2021 *et seq.*), Sections 991 to 1001, inclusive, and Chapter 13 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto

"Administrative Rent" shall have the meaning assigned thereto in Section 4.03(c) hereof.

"Bond Counsel" means Adams and Reese LLP or an attorney, or firm of attorneys, acceptable to the Lessor and nationally recognized and experienced in legal work relating to the financing of facilities through the issuance of tax-exempt bonds.

"Bonds" shall have the meaning assigned to such term in the recitals hereto.

"Closing Date" shall mean the date of execution and delivery hereof.

"Construction" or *"construction"* (and other forms of the word "construct"), when used with respect to the Phase I Project, means the acquisition, construction, reconstruction, extension, equipping or improvement of the Phase I Project.

"Indenture" means any Trust Indenture or similar agreement between the Lessor and the Trustee pursuant to which any series of Bonds are authorized to be issued, if any, and any indentures supplemental thereto. As of the date of this Agreement, there is no Indenture binding on Lessor and Lessee with respect to the Phase I Project.

"Infrastructure Improvements" means the installation and material costs to install a box culvert in that canal commonly known as the *"Crochet Ditch"*, which borders the Overall Project, the cost of which has been certified to the Lessor to equal the Reimbursement Amount.

"Lease Term" means the duration of the leasehold estate created in this Agreement as specified in Section 4.01 hereof.

"Lender" shall mean Walker & Dunlop _____, and Federal National Mortgage Association (Fannie Mae), or their successors and assigns.

"Lessee" means (i) Cottonwood Creek Apartments, L.L.C., a limited liability company organized and existing under the laws of the State of Louisiana, and (ii) any surviving, resulting or transferee entity as provided in Section 8.01 hereof.

"Lessor" means the Jefferson Parish Economic Development and Port District, and its successors and assigns.

[Amended & Restated Lease and Agreement to Issue Bonds - Page 4]

"Multiple Indebtedness Mortgage" shall mean the multiple indebtedness mortgage by Cottonwood Creek Apartments, L.L.C., as Mortgagor in favor of and any Future Holder or Holders, as Mortgagee, dated , before . Notary Public, and recorded in Mortgage Book ____, Page __ in the records of the Parish of Jefferson, State of Louisiana, on _____, 2017.

"Overall Project" means the Phase I Project and the Phase II Project on a combined basis.

"Person" means an individual, partnership, corporation (including a business trust), limited liability company, trust, unincorporated association, joint venture, governmental unit or other entity.

"Phase II Lessee" means Bella Ridge South, L.L.C., with respect to the Phase II Project.

"Phase I Project" means the first of two phases of the Overall Project providing approximately 264 apartment units developed by the Lessee.

"Phase I Project" means the improvements to be located at the Site consisting of the acquisition, construction and equipping of Phase I of the Overall Project and includes those buildings, structures and fixtures, and related property comprising a portion of the Phase I Project, and is further defined as all property (both movable and immovable) now or hereafter owned by the Lessor and leased to the Lessee herein which is not otherwise included in the definition of Phase I Project, but not including the Lessee's own equipment installed under the provisions of Section 5.01 hereof as to which Lessee gives Lessor the notice described in said Section 5.01.

"PILOT Rent" shall have the meaning assigned thereto in Section 4.03(b) hereof.

"Property Tax" means the amount of ad valorem property tax that would have been paid by the Lessee on the Phase I Project each calendar year as determined by Lessor through communications with the Jefferson Parish Assessor. Provided, however, that if the Jefferson Parish Assessor does not provide such information, the Lessor may (i) obtain an appraisal of the market value of the Phase I Project, at the expense of the Lessee, (ii) multiply such market value times 10%, and (iii) multiply such amount times the millage then in affect for the Phase I Project to determine what the ad valorem property tax would have been for any given year.

"Reimbursement Amount" means the lesser amount of \$1,200,000 or the actual cost of the Infrastructure Improvements.

"Reimbursement Credit" means the amount determined by the Lessor prior to the end of each year (or as soon thereafter as reasonably possible) of the total savings by the Lessee with respect to the Phase I Project and the Phase II Lessee with respect to the Phase II Project, resulting from elimination of the Property Tax in toto on the Overall Project less the payment of PILOT Rent paid by the Lessee and the Phase II Lessee for such year.

"Reimbursement Date" means the date on which the aggregate Reimbursement Credit equals or exceeds the Reimbursement Amount.

"Related Documents" shall mean the _____ Loan Agreement by and between the Lessee, as Borrower and _____, dated _____, that certain Promissory Note by the Lessee payable to the order of _____, all Loan Documents as defined in the said _____ Loan Agreement and all documents executed and delivered by the Lessee in connection with or security for the payment of the said Promissory Note or the obligations of and performance by the Lessee pursuant to the said _____ Loan Agreement.

"Site" means the property owned by the Lessor and leased to the Lessee, which is the site on which the Phase I Project has been constructed, acquired and installed but is not part of the Phase I Project leased hereby. The Site is described on Exhibit B hereto.

"State" means the State of Louisiana.

"Trustee" shall mean the commercial banking institution selected to serve as trustee for the Bonds, if any, and its successor or successors as Trustee, if any,.

SECTION 1.02. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) All references herein to particular articles or sections are references to articles or sections of this Agreement.

(c) The headings and the table of contents herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

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

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ARTICLE II

REPRESENTATIONS

SECTION 2.01. Representations, Warranties and Agreements of the Lessor. The Lessor represents, warrants and agrees as follows:

(a) The Lessor is a political subdivision duly created or organized and existing under the laws of the State and has full legal right, power and authority (1) to adopt the resolution approving this Agreement and authorizing the Lessor's execution and delivery of this Agreement, (2) to issue and deliver the Bonds for the purpose for which they are to be issued, (3) to execute and deliver this Agreement, and (4) to consummate the transactions contemplated by, and perform its obligations hereunder.

(b) The Lessor has taken all necessary action required to make this Agreement the valid obligation of the Lessor which it purports to be; when executed and delivered by the parties thereto, this Agreement will constitute valid and binding agreement of the Lessor and will be enforceable against the Lessor in accordance with its terms, except to the extent that such enforceability may be limited by general principles of equity and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore and hereafter enacted.

(c) The execution, delivery and due performance by the Lessor of this Agreement will not conflict with or result in a violation or breach of, or constitute a default under its articles of incorporation or bylaws or any agreement or instrument to which the Lessor is a party or by which it is bound, or any constitutional or statutory provisions or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Lessor, or result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever (except the leasehold estate created in this Agreement) upon any of the property or assets of the Lessor.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the best of the knowledge of the Lessor, threatened against or affecting the Lessor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Agreement, or which, in any way, would adversely affect the validity of this Agreement or any agreement or instrument to which the Lessor is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(e) The Lessor has obtained or will obtain at the proper times all consents, approvals, authorizations and orders, of any governmental or regulatory authority that are required to be obtained by the Lessor as a condition precedent to the execution and delivery of this Agreement and any other documents to which the Lessor is a party and the performance by the Lessor of its obligations thereunder.

(f) The Lessor recognizes, acknowledges and agrees (i) that Lessor will accept the transfer, conveyance and assignment of the Phase I Project subject to the Multiple Indebtedness

Mortgage and Related Documents, and (ii) that this Agreement shall at all times be subordinate to the Multiple Indebtedness Mortgage and all Related Documents, except with respect to PILOT Rent required to be paid under this Agreement which statutorily primes the Multiple Indebtedness Mortgage and all Related Documents in the same manner as ad valorem property taxes prime such obligations.

SECTION 2.02. Representations, Warranties, and Agreements of the Lessee. The Lessee represents, warrants and agrees as follows:

(a) The Lessee is a limited liability company organized and existing under the laws of the State of Louisiana, has the power to execute and deliver this Agreement, to enter into the transactions contemplated hereby and to perform its obligations hereunder, and by proper action has duly authorized the execution and delivery of this Agreement and the performance of its obligations hereunder.

(b) This Agreement constitutes a valid and binding agreement of the Lessee enforceable against the Lessee in accordance with its terms, except to the extent that such enforceability may be limited by general principles of equity and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore and hereinafter enacted.

(c) To the current, actual knowledge of the Lessee, no litigation at law or in equity or proceeding before any governmental agency involving the Lessee is pending or, to the current, actual knowledge of the Lessee, threatened, , in which any liability of the Lessee is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the business or assets of the Lessee, the acquisition, installation or operation of the Phase I Project, or the validity of this Agreement.

(d) To the current, actual knowledge of the Lessee, the Lessee is not in default under or in violation of this Agreement, and the execution, delivery and compliance by the Lessee with the terms and conditions of this Agreement will not conflict with or constitute or result in a default under or violation of, (i) any of its organizational documents, (ii) any material agreement or other instrument to which the Lessee is a party or by which it is bound, or (iii) any constitutional or statutory provisions or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Lessee or its property, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(e) The Lessee has obtained or will use commercially reasonable efforts to obtain at the proper times all consents, approvals, authorizations and orders, of any governmental or regulatory authority that are required to be obtained by the Lessee as a condition precedent to the execution and delivery of this Agreement and any other documents to which the Lessee is a party and the performance by the Lessee of its obligations thereunder, and that are required for the construction or operation of the Phase I Project.

(f) To the current, actual knowledge of the Lessee, neither this Agreement nor any information (financial or otherwise) furnished by or on behalf of the Lessee in connection with

the negotiation of this Agreement contains any untrue statement of a material fact or omits a material fact necessary to make the statements contained herein or therein not misleading.

SECTION 2.03. Anti-Terrorism Laws. Neither the Lessee nor any of its affiliates is in violation of any Laws relating to terrorism or money laundering ("Anti-Terrorism Laws"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), and the USA PATRIOT Act (Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001), as amended. Neither the Lessee nor any of its Affiliates is any of the following:

(a) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(b) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(c) a Person with which any Person is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(d) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or

(e) a Person that is named as a "specially designated national and blocked person" on the most current list published by the Office of Foreign Asset Control ("OFAC") or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list.

Neither the Lessee nor any of its affiliates (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in subsection (b) above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti Terrorism Law.

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ARTICLE III

AGREEMENT TO ISSUE BONDS

SECTION 3.01. Agreement to Issue Bonds. At the request of the Lessee and subject to the conditions set forth herein and only with the prior written consent of Lender which will not be unreasonably withheld or delayed, the Lessor shall issue the Bonds. In consideration of this agreement to issue the Bonds, the Lessee has transferred title to the Phase I Project to the Lessor.

(a) The Lessor hereby agrees to issue Bonds from time to time in an aggregate amount not exceeding \$35,000,000 at the request of Lessee subject to the following terms and conditions:

- (i) Lessee must file a written request with the Lessor, identifying the purchaser or underwriter, setting forth the maximum amount, terms and collateral for payment of the Bonds;
- (ii) Documents and procedures prepared by or satisfactory to Bond Counsel, including amendments and/or supplements to existing documents and/or additional documents recommended by Bond Counsel shall be prepared and submitted to the Lessee;
- (iii) All required governmental approvals and other approvals for the issuance of the Bonds, including, without limitation, those of the State Bond Commission and Secretary of Economic Development, to the extent required, must be or have been obtained;
- (iv) The Lessor's resolution providing for the issuance of the Bonds shall be published and the preemptive period satisfied or a bond validation suit shall be pursued to completion validating the legality of the Bonds; and
- (v) All other reasonable requirements of the Lessor shall have been satisfied; and Bond Counsel shall deliver a satisfactory legal opinion with respect to the Bonds.

(b) All Bonds shall be payable solely from payments made by Lessee or caused to be paid by Lessee and shall be limited obligations of the Lessor and not payable from any Lessor funds other than funds deposited under the Indenture and available for that purpose.

(c) The Lessor shall be indemnified and held harmless of any and all liability as the result of the issuance of the Bonds or ownership of the Phase I Project and Lessee shall pay all reasonable costs in connection therewith.

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ARTICLE IV

EFFECTIVE DATE OF THIS AGREEMENT; RENTAL PAYMENTS

SECTION 4.01. Effective Date of this Agreement; Duration of Lease Term. This Agreement shall become effective upon its execution and delivery, (the "Effective Date") and the leasehold estate created in this Agreement shall commence on such date and, subject to the provisions of this Agreement (including particularly Articles IX and X hereof), shall expire, unless extended with the mutual consent of the parties hereto, on the earlier of the Reimbursement Date or December 31, 2026. In the event the Reimbursement Credit does not equal or exceed the Reimbursement Amount by the December 31, 2026, the Lessor and Lessee may agree to extend the expiration date of this Lease, including, but not limited to, the Options in Favor of Lessee, as provided in Article X, for an anticipated date wherein the Reimbursement Credit shall equal to or exceed the Reimbursement Amount. "Lease Term" shall include the initial term and any extension thereof as provided in this Section 4.01

SECTION 4.02. Delivery and Acceptance of Possession. The Lessor hereby leases and further delivers to the Lessee sole and exclusive possession of the Phase I Project (subject to the right of the Lessor to enter thereon for inspection purposes and to the other provisions of Section 7.02 hereof) and the Lessee hereby accepts possession of the Phase I Project. The Lessor covenants and represents that so long as the Lessee has paid the rent and all other sums payable by it hereunder, and has duly observed all the covenants and agreements herein contained on its part to be performed, the Lessee shall have, hold and enjoy, during the Lease Term, peaceful, quiet and undisturbed possession of the Phase I Project subject to the terms and provisions hereof, and the Lessor shall from time to time take all necessary action to that end.

SECTION 4.03. Rents and Other Amounts Payable.

(a) Closing Cost Rental Payment: Costs of the transaction associated with the Original Agreement were paid at the time of execution of the Original Agreement. The Lessee agrees that it will pay the Lessor's expenses relating to this amended and restated Agreement as provided in Section 4.03(d)(i) below.

(b) PILOT Rent Payment.

- (i) So long as this Agreement remains in effect and the Phase I Project is owned by the Lessor, it is the intent of the Lessor and the Lessee that the Phase I Project shall be exempt from ad valorem tax. The Lessee hereby agrees to make a payment in lieu of tax ("PILOT Rent") commencing on or before December 31 of each year, commencing December 31, 2017, and continuing on December 31 of each year thereafter during the Lease Term as set forth in (ii) below.
- (ii) PILOT Rent on the Phase I Project shall be in an amount equal to 50% of the Property Tax that otherwise would have been due and payable with

respect to the Phase I Project for each calendar year during the Lease Term.

- (A) Amounts payable as PILOT Rent under this subsection (b)(ii) shall be payable by check payable to the Jefferson Parish Sheriff or the then collector of taxes for the Parish of Jefferson, Louisiana delivered to the Lessor, which in turn will be paid to the collector of taxes in the Parish of Jefferson with instructions to such collector of taxes to distribute such amounts to tax recipient bodies in the same proportion as ad valorem tax would be distributed for the tax year in question.
- (B) It is hereby acknowledged and agreed that PILOT Rent constitutes statutory impositions with the same ranking, priority and enforcement methods for ad valorem tax.

It is the intention of the parties hereto that the amount that would have been paid as ad valorem property taxes by the Lessee with respect to the Phase I Project be replaced with PILOT Rent in an amount equal to 50% of what the ad valorem taxes on the Phase I Project would be until the Lessee and the Phase II Lessee have collectively saved an amount equal to the Reimbursement Amount.

- (c) Annual Administrative Fee Rental Payment. In addition to other amounts due and payable hereunder, the Lessee shall on December 31 of each year, commencing December 31, 2014, pay rental in the amount of \$5,000 ("Administrative Rent").
- (d) Supplemental Rental Payments. The Lessee shall make the following additional rental payments:
 - (i) Lessor Fees. The Lessee shall pay to the Lessor, upon demand, its reasonable out-of-pocket expenses, including attorneys' fees, incurred by the Lessor in relation to this Agreement, PILOT Rent negotiation and proposed and/or actual issuance of bonds, and preparation of financial statements called for in Section 7.06, if any.
 - (ii) Costs of Enforcement. In the event the Lessee defaults under any of the provisions of this Agreement and the Lessor employs attorneys or incurs other fees, charges and expenses for the collection of required payments or the enforcement of performance or observance of any obligation or agreement on the part of the Lessee contained in this Agreement, the Lessee on demand therefore shall pay to the Lessor the reasonable fees and out of pocket expenses of such attorneys and such other reasonable fees and out of pocket charges and expenses so incurred by the Lessor. The Lessee also shall pay, and shall indemnify the Lessor from and against, all costs, expenses and charges, including, without limitation, reasonable counsel fees and expenses, incurred for the collection of

payments due or for the enforcement or performance or observance of any covenant or agreement of the Lessee under this Agreement.

SECTION 4.04. Late Rental Payments. In the event the Lessee should fail to make any of the payments required in Section 4.03, the item or installment so in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid and the Lessee agrees to pay the same with interest thereon (to the extent permitted by law) until paid at the rate per annum equal to the maximum rate allowable for conventional interest under La. R.S. 9:3500(C), which as of the date of this Agreement is twelve percent (12%) per annum.

SECTION 4.05. Place of Rental Payments. The rent provided for in Section 4.03(b), 4.03(c) and 4.03(d) hereof shall be paid directly to the Lessor.

SECTION 4.06. Obligations of Lessee Hereunder Unconditional. Except as otherwise provided herein, the obligations of the Lessee to make the payments required in Section 4.03 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional and shall not be subject to diminution by set-off, counterclaim, abatement or otherwise and until such time as the principal of and interest and any redemption premium on the Bonds, if any, shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture.

The Lessee (i) will not suspend or discontinue any payments provided for in Section 4.03 hereof, (ii) will perform and observe all of its other agreements contained in this Agreement and (iii) will not terminate the Lease except pursuant to the terms of Section 10.01.

Nothing contained in this Section shall be construed to release the Lessor from the performance of any of the agreements on its part herein contained; and in the event the Lessor should fail to perform any such agreement on its part, the Lessee may institute such action against the Lessor as the Lessee may deem necessary to compel performance or recover its damages for non-performance so long as such action shall not do violence to the agreements on the part of the Lessee contained in the first sentence of this Section; provided, however, that the Lessor shall not be liable for monetary damages absent its willful breach of this Agreement, willful misconduct, bad faith or fraud and in no event shall any recourse be had against the Lessor other than from the Lessor's interest in the Phase I Project. The Lessee may, however, at its own expense and in its own name or in the name of the Lessor, prosecute or defend any action or proceeding or take any other action which the Lessee deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the Lessor hereby agrees to cooperate fully with the Lessee and to take all action necessary to effect the substitution of the Lessee for the Lessor in any action or proceeding if the Lessee shall so request. The covenant to pay rental shall be and is hereby agreed to be independent of any other covenant in this Agreement.

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ARTICLE V

MAINTENANCE, TAXES AND INSURANCE

SECTION 5.01. Operation, Maintenance and Modification by Lessee. The Lessee agrees that during the Lease Term it will, at its own expense, maintain, operate and keep the Phase I Project in as reasonably safe condition as its operations shall permit. The Lessee may also at its own expense, make from time to time any additions, modifications or improvements to the Phase I Project it may deem desirable for its business purposes. Such additions, modifications and improvements shall become part of the Phase I Project unless and until Lessee notifies Lessor that Lessee elects not to have them included in the Phase I Project, provided further that any real or personal property, machinery, equipment, furniture or fixtures installed by the Lessee without expense to the Lessor may be removed by the Lessee at any time and from time to time while it is not in default under this Agreement; and provided further that any damage to the Phase I Project occasioned by such removal shall be repaired by the Lessee at its own expense.

Lessee will, with reasonable promptness, make all structural and non-structural, foreseen and unforeseen, and ordinary and extraordinary repairs of every kind and nature which may be required to be made upon or in connection with the Phase I Project or any part thereof for so long as such agreement is in effect and, thereafter, to the extent necessary to keep and maintain the Phase I Project in good repair and appearance. Lessor shall not be required to maintain, repair, or rebuild the Phase I Project or any part thereof in any way, or to make any alterations, replacements or renewals of any nature or description to the Phase I Project or any part thereof, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, and Lessee hereby expressly waives any right to make repairs at the expense of Lessor, which right may be provided for in any statute or law in effect at the time of the execution and delivery hereof or of any other statute or law which may thereafter be enacted.

SECTION 5.02. Removal of Phase I Project. The Lessor shall not be under any obligation to renew, repair or replace any item of inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary equipment, fixtures or furnishings comprising a part of the Phase I Project. In any instance where the Lessee in its sound discretion determines that any items of the Phase I Project have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Lessee may remove such items of the Phase I Project and (on behalf of the Lessor) sell, trade-in, exchange or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Lessor or the Trustee, if any, therefor.

The removal of any portion of the Phase I Project pursuant to the provisions of this Section shall not entitle the Lessee to any abatement or diminution of the rents payable under Section 4.03 hereof.

SECTION 5.03. Taxes and Other Governmental Charges and Utility Charges. Subject to Section 5.07 hereof, the Lessee agrees to pay, as the same, respectively, become due, all taxes (other than ad valorem taxes) and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Phase I Project or any structures or other property installed or brought by the Lessee therein or thereon, including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the income or

profits of the Lessor from the Phase I Project which, if not paid, would become a lien or a charge on the revenues and receipts from the leasing of the Phase I Project, all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Phase I Project and all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Phase I Project; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are required to be paid during the Lease Term.

The Lessee may, at its expense and in its own name and behalf or in the name and behalf of the Lessor, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless by non-payment of any such items the lien of this Agreement will be materially endangered or the Phase I Project or any part thereof will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid promptly or secured by posting a bond, in form satisfactory to the Lessor, with the Lessor. The Lessor will cooperate fully with the Lessee in any such contest. In the event that the Lessee shall fail to pay any of the foregoing items required by this Section to be paid by the Lessee, the Lessor may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by the Lessor shall become an additional obligation of the Lessee to the one making the advancement, which amounts, from the date thereof, together (to the extent permitted by law) with interest thereon until paid at a rate per annum equal to ten percent (10%), the Lessee agrees to pay.

SECTION 5.04. Insurance Required. (a) Throughout the Lease Term, the Phase I Project shall be considered an asset of the Lessee for the purpose of its insurance practices, and, as such, the Phase I Project and the Lessee's activities related thereto shall be insured by the Lessee against such risks and in such amounts as are consistent with the insurance practices of the Lessee, except as otherwise provided in paragraph (b).

(b) Lessee shall provide and maintain, at its sole cost and expense, comprehensive public liability insurance, naming both the Lessor and the Lessee as parties insured as their interests may appear, protecting against claims for bodily injury, death and/or Phase I Project damage arising out of the use, ownership, occupancy, possession, operation and condition of the Phase I Project, and further containing a broad form contractual liability endorsement covering Lessee's obligations to indemnify Lessor as provided hereunder. The policy shall provide coverage of at least \$5,000,000.00 per occurrence and \$10,000,000.00 in the aggregate, but in no event less than required in the Multiple Indebtedness Mortgage or the Related Documents.

The Lessee may purchase such insurance from any insurance company or broker that is acceptable to the Lessor, provided that such approval may not be unreasonably withheld. Such policies of insurance must also contain a provision prohibiting cancellation, nonrenewal, or the alteration of such insurance without at least ten (10) days prior written notice to the Lessor of such intended cancellation or alteration. The Lessee agrees to provide the Lessor, on the date of execution and delivery of this Agreement and annually thereafter on or before December 31 of each year, with certificates of insurance with respect to all applicable policies of insurance then in effect. Lessee further agrees to promptly furnish Lessor, upon request, with copies of all

renewal notices and with copies of receipts for paid premiums. Lessee shall provide Lessor, upon request, with certificates of insurance evidencing all renewal or replacement policies of insurance no later than fifteen (15) days before any such existing policy or policies should expire. If Lessee's insurance policies and renewals are held by another person, Lessee agrees to supply certificates of insurance evidencing same to Lessor within the time periods required above.

Each policy of insurance shall name the Lessor as an additional insured, as its interests may appear.

SECTION 5.05. Claims and Insurance Proceeds. The proceeds of any insurance carried pursuant to the provisions of Section 5.04(a) hereof shall be applied at the discretion of the Lessee, subject to the provisions of the Multiple Indebtedness Mortgage and Related Documents.

SECTION 5.06. Additional Provisions Respecting Insurance. On the date of the execution and delivery of this Agreement, all such certificates of the insurers for coverages required pursuant to Section 5.04 hereinabove stating that such insurance is in force and effect shall be deposited with the Lessor; and prior to expiration of any such policy, the Lessee shall furnish the Lessor with evidence reasonably satisfactory to the latter that the policy has been renewed or replaced or is no longer required by this Agreement.

In lieu of separate policies, the Lessee may maintain blanket policies having the same coverage required herein in which event it shall deposit with the Lessor a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Phase I Project.

SECTION 5.07. Environmental Matters. The Lessee has delivered to the Lessor or concurrently with the execution and delivery of this Agreement will deliver to the Lessor a Phase I Environmental Assessment acceptable to the Lessor. The Lessee shall keep and maintain the Phase I Project in compliance with, and shall not knowingly cause or permit the Phase I Project to be in violation of, any federal, state, or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions ("Hazardous Materials Laws") on, under, about, or affecting the Phase I Project. Except in full compliance with Hazardous Materials Laws, the Lessee shall not use, generate, manufacture, store, or dispose of on, under or about the Phase I Project or transport to or from the Phase I Project any flammable explosives, radioactive materials, hazardous wastes, toxic substances, or related materials, including without limitation any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to herein as "Hazardous Materials"). The Lessee shall be fully responsible for and indemnify and hold harmless the Lessor for any contaminations existing prior to the execution and delivery of this Agreement and hereafter.

The Lessee shall be solely responsible for, and shall indemnify and hold harmless the Lessor from and against, any loss, damage, costs, expense, or liability, directly or indirectly, arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Material on, under or about the Phase I Project, including without limitation: (i) all foreseeable consequential damages; (ii) the cost of any required or

necessary repair, clean-up or detoxification of the Phase I Project, and the preparation and implementation of any closure, remedial, or other required plans; and (iii) all reasonable costs and expenses incurred by the Lessor in connection with clauses (i) and (ii), including but not limited to reasonable attorney's fees. The forgoing notwithstanding, this indemnity and hold harmless shall specifically exclude matters arising from the willful misconduct, bad faith or fraud of Lessor or any Indemnified Party, as defined hereinafter in Section 7.05. The Lessee shall, at its expense, take all necessary remedial action(s) in response to the presence of any Hazardous Material on, under or about the Phase I Project.

The said release and indemnification covenants of the Lessee shall (i) apply equally to the officers, employees and counsel of the Lessor and to its Board of Directors, and (ii) shall survive termination of this Agreement. In connection with the indemnification provided by this section, the Lessee waives:

- (a) any defense based upon any legal disability or other defense of the Lessee, any other guarantor or other person, or by reason of the cessation or limitation of the liability of Lessee from any cause other than full payment of all sums payable under this Agreement;
- (b) any defense based on any lack of authority of the officers, directors, partners, managers, members or agents acting or purporting to act on behalf of the Lessee or any principal of the Lessee, or any defect in the formation of the Lessee or any principal of the Lessee;
- (c) any defense based upon the application of the proceeds of the Bonds by Borrower for purposes other than the purposes represented by the Lessee to the Lessor;
- (d) any and all rights and defenses arising out of an election of remedies by Lessor, even though that election of remedies has destroyed the Lessee's rights of subrogation or reimbursement against the principal;
- (e) any defense based upon Lessee's failure to disclose to the Lessor any information concerning Lessee's financial condition or any other circumstances bearing on Lessee's ability to perform its obligations under this Agreement;
- (f) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in any other respects more burdensome than that of a principal;
- (g) any defense based upon Trustee's election, in any proceeding instituted under the Federal Bankruptcy Code, of the application of Section 1111(b)(2) of the Federal Bankruptcy Code or any successor statute;
- (h) any defense based upon any borrowing or any grant of a security interest under Section 364 of the Federal Bankruptcy Code;
- (i) any right of subrogation, any right to enforce any remedy which Lessor may have against Lessee and any right to participate in, or benefit from, any security for the Bonds now or hereafter held by or for the Lessor;

- (j) presentment, demand, protest and notice of any kind; and
- (k) the benefit of any statute of limitations affecting the liability of the Lessee hereunder or the enforcement hereof.

The Lessee agrees that payment or performance of any act which tolls any statute of limitations applicable to the Bonds shall similarly operate to toll the statute of limitations applicable to the Lessee's liability hereunder. In addition, the Lessee understands that the Lessee's duties, obligations and liabilities under this section are not limited in any way by any information which Trustee may have concerning the Phase I Project and the presence of any Hazardous Materials on the Phase I Project.

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ARTICLE VI

DAMAGE, DESTRUCTION AND CONDEMNATION

SECTION 6.01. Damage and Destruction. The net proceeds of any casualty with respect to the Phase I Project shall be payable to and used as determined by the Lessee, subject to the provisions of the Multiple Indebtedness Mortgage and Related Documents.

SECTION 6.02. Condemnation. In the event that title to, or the temporary use of, the Phase I Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Lessee shall be obligated to continue to make the rental payments specified in Section 4.03 hereof, provided that the amounts set forth therein shall be reduced proportionally based on the percentage of the Phase I Project so taken. The net proceeds of any condemnation with respect to the Phase I Project shall be applied in the same manner as net proceeds of insurance in accordance with Section 5.05 of this Agreement.

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ARTICLE VII

SPECIAL COVENANTS; FINANCIAL STATEMENTS

SECTION 7.01. No Warranty of Condition or Suitability by the Lessor. The Lessor makes no warranty, either expressed or implied, as to the condition of the Phase I Project or that it will be suitable for the Lessee's purposes or needs or to the sublessee to rebuild.

SECTION 7.02. Inspection of the Phase I Project. The Lessee agrees that the Lessor or any of its duly authorized agents shall have the right at all reasonable times and upon reasonable advance notice to enter upon the Phase I Project and to examine and inspect the Phase I Project. The Lessee further agrees that the Lessor and its duly authorized agents shall have such rights of access to the Phase I Project as may be reasonably necessary to enforce the rights of the Lessor contained in this Agreement and for the proper maintenance of the Phase I Project in the event of failure by the Lessee to perform its obligations under Section 5.01 hereof, after reasonable advance notice, except in the case of an emergency then without notice.

SECTION 7.03. Lessee to Maintain its Existence; Conditions Under Which Exceptions Permitted. The Lessee agrees that, during the Lease Term, it will maintain its limited liability company existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation, limited liability company or partnership or permit one or more other corporations, limited liability companies or partnerships to consolidate with or merge into it; provided that the Lessee may, without violating the agreement contained in this Section, consolidate with or merge into another corporation, limited liability company or partnership or permit one or more other corporations, limited liability companies or partnerships to consolidate with or merge into it, or sell or otherwise transfer to another corporation, limited liability company or partnership all or substantially all of its assets as an entirety and thereafter dissolve, provided the surviving, resulting or transferee corporation, limited liability company or partnership, as the case may be, (i) is a corporation, limited liability company, partnership or other entity organized and fully existing under the laws of one of the States of the United States of America; (ii) has a net worth immediately after such action of not less of that of the Lessee immediately prior to such action and (iii) irrevocably and unconditionally assumes by means of an instrument in writing all of the obligations of the Lessee herein.

SECTION 7.04. Qualification in the State. The Lessee warrants that it is, and throughout the Lease Term it will continue to remain, in good standing under the laws of the State.

SECTION 7.05. Indemnification by Lessee. The Lessee shall indemnify and save harmless the Lessor and its past, present and future officers, directors, employees and agents and any person who "controls" the Lessor within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20(a) of the Securities Exchange Act of 1934, as amended (each, an "Indemnified Party"), from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses, including reasonable attorneys' fees ("Damages") in connection with the Phase I Project or the transactions contemplated by this Agreement, including the environmental indemnifications given in Section 5.07, and including without limitation:

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(a) all amounts paid in settlement of any litigation in connection with the Phase I Project, this Agreement or the transactions to be consummated in connection therewith, commenced or threatened against any Indemnified Party if such settlement is effected with the consent of the Lessee and not otherwise covered by insurance proceeds,

(b) all expenses, not otherwise assumed by Lessee or its insurer, reasonably incurred in the investigation of, preparation for or defense of any litigation, proceeding or investigation, not otherwise assumed by Lessee or its insurer, in connection with the Phase I Project, this Agreement or the transactions to be consummated in connection therewith, of any nature whatsoever, commenced or threatened against the Lessee, the Phase I Project or any Indemnified Party,

(c) any judgments, penalties, fines, damages, assessments, indemnities or contributions, and not otherwise covered by insurance proceeds, and,

(d) the reasonable fees of attorneys, auditors, and consultants unless such services are assumed by Lessee or its insured and performed by engaged party; provided that the Damages are not otherwise assumed or paid by the Lessee or its insurer arise out of:

- (i) failure by the Lessee or its agents to comply with the terms of this Agreement and any agreements, covenants, obligations, or prohibitions set forth therein,
- (ii) any action, suit, claim or demand contesting or affecting the title of the Phase I Project,
- (iii) any breach of any representation or warranty by Lessee set forth in this Agreement or any certificate delivered pursuant thereto,
- (iv) any action, suit, claim, proceeding or investigation of a judicial, legislative, administrative or regulatory nature arising from or in connection with the acquisition, installation, ownership, operation, occupation or use of the Phase I Project, including without limitation any action to recover damages for injury to person or property, or
- (v) any suit, action, administrative proceeding, enforcement action, or governmental or private action of any kind whatsoever commenced against the Lessee, the Phase I Project or any Indemnified Party which might adversely affect the validity or enforceability of this Agreement or the performance by the Lessee or any Indemnified Party of any of their respective obligations thereunder.

The foregoing notwithstanding, Damages shall specifically exclude matters arising from the willful misconduct, bad faith or fraud of any Indemnified Party.

If any action, suit or proceeding is brought against any Indemnified Party for Damages for which the Lessee is required to provide indemnification under this section, the Lessee, shall be notified as provided as soon as reasonably possible after Lessor or any Indemnified Party receives notice or actual knowledge of such action, suit or proceeding, and at Lessee's request shall and at its own expense, resist and defend such action, suit or proceeding, or cause the same

to be resisted and defended by counsel designated by the Lessee and approved by the Indemnified Party, which approval shall not be unreasonably withheld.. The Lessee shall not be liable for any settlement of any such action, suit or proceeding made without its consent, but if settled with the consent of the Lessee or if there be a final judgment for the plaintiff in any such action, the Lessee shall indemnify and hold harmless the Indemnified Parties from and against any Damages by reason of such settlement or judgment. The obligations of the Lessee under this Section 7.05 shall survive the Lease Term.

SECTION 7.06. Financial Statements and Reports: Tax Returns. Lessee will furnish, or cause to be furnished, to Lessor:

As soon as available, and within one hundred twenty (120) days after the end of each calendar year, a copy of the annual financial statements of Lessee, which shall include a balance sheet as of the end of such year and related statements of income and expenses, statement of changes in financial position, a statement of changes in capital accounts and a statement of allocation of distribution of profits and losses, all in reasonable detail, prepared in accordance with GAAP (or tax accounting reconciled to GAAP) and audited by a reputable accounting firm acceptable to the Lessor.

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ARTICLE VIII

ASSIGNMENT; SUBLEASING; SELLING; MORTGAGING; REDEMPTION;

SECTION 8.01. Assignment and Subleasing. This Agreement may be assigned, and the Phase I Project may be subleased as a whole or in part by the Lessee, and Lessee may mortgage its leasehold interest herein in each case without the necessity of obtaining the consent of the Lessor, subject, however, to each of the following conditions:

(a) No assignment (other than pursuant to Section 7.03 hereof) or subleasing shall relieve the Lessee from primary liability for any of its obligations hereunder, and in the event of any such assignment (other than pursuant to Section 7.03 hereof) or subleasing the Lessee shall continue to remain primarily liable for payment of the rents specified in Section 4.03 hereof and for performance and observance of the other agreements on its part herein provided to be performed and observed by it.

(b) The assignee or sublessee shall assume the obligations of the Lessee hereunder to the extent of the interest assigned or subleased.

(c) The Lessee shall, within thirty days after the delivery thereof, furnish or cause to be furnished to the Lessor a true and complete copy of each such assignment and sublease, as the case may be.

(d) Lessor and Lessee acknowledge and agree that no assignment or subletting otherwise permitted pursuant to this Article VIII shall be permitted or effective without the written consent of the Lender and subject to the applicable provisions of the Multiple Indebtedness Mortgage and Related Documents.

SECTION 8.02. Transfer of Lessor's Interest in Phase I Project. Except as otherwise provided in this Article VIII and subject to the provisions of Article IX and Article X hereof, the Lessor agrees that it will not sell, assign, convey, encumber or otherwise dispose of any part of the Phase I Project or any interest therein during the Lease Term, without the prior written consent of Lessee and the Lender. Notwithstanding the immediately preceding sentence, the consent of the Lender for the sale, assignment, conveyance or transfer is not required in the event of the exercise of the Option to Purchase in favor of the Lessee pursuant to Article X of this Agreement. If the laws of the State at the time shall permit such sale, assignment, transfer or conveyance to be taken, nothing contained in this Section shall prevent the consolidation of the Lessor with, or merger of the Lessor into, or transfer of title to the Phase I Project as an entirety to, any public corporation whose property and income are not subject to taxation and which has corporate authority to carry on the business of owning and leasing the Phase I Project; provided, that upon any such consolidation, merger or transfer, the Phase I Project shall remain exempt from ad valorem taxes and due and punctual payment of all amounts due and payable hereunder and the due and punctual performance and observance of all the contracts and conditions of this Agreement to be kept and performed by the Lessor, shall be expressly assumed in writing by the corporation resulting from such consolidation or surviving such merger or to which the Phase I Project shall be transferred as an entirety.

SECTION 8.03. Reserved.

SECTION 8.04. Installation of Lessee's Own Machinery and Facilities; Lessor's Lien Thereon. The Lessee may, from time to time in its sole discretion and at its own expense, install additional machinery and equipment at the site of the Phase I Project. All machinery and equipment so installed by the Lessee shall constitute part of the Phase I Project and may be modified or removed by the Lessee at any time. Nothing contained in the preceding provisions of this Section 8.04 shall prevent the Lessee from purchasing such machinery and equipment on conditional sale contract or lease sale contract or subject to vendor's lien or purchase money mortgage, as security for the unpaid portion of the purchase price thereof, and each such conditional sale contract, lease sale contract, vendor's line or purchase money mortgage made by the Lessee with respect to machinery and equipment purchased by it under the provisions of this Section 8.04 shall be prior and superior to any Lessor's lien. The Lessee agrees to pay, unless in good faith contested by it, as due the purchase price of and all costs and expenses with respect to the acquisition and installation of any machinery and equipment installed by it pursuant to this Section.

SECTION 8.05. Leasehold Mortgages. Lessee shall have the right to grant leasehold mortgages and/or collateral assignments of this Agreement (collectively, "Leasehold Mortgage") in favor of leasehold lenders of Lessee ("Leasehold Lender"), and in such event, the following provisions shall apply:

(a) Any Leasehold Lender under any note or loan secured by a Leasehold Mortgage or collateral assignment of lease on Lessee's interest (or any successor's interest to Lessee's interest), who succeeds to such interest by foreclosure, deed-in-lieu of foreclosure, or otherwise, may take title to and shall have all of the rights of Lessee under this Agreement, including the right to exercise any renewal option(s) or purchase option(s) set forth in this Agreement, and to assign this Agreement as permitted herein.

(b) Lessor shall deliver to the Leasehold Lender (at the address specified herein, or at such other address as shall be designated in writing to Lessor) a copy of any default notice given by Lessor to Lessee under the Lease. No default notice from Lessor to Lessee shall be deemed effective as against Leasehold Lender unless received by Leasehold Lender.

(c) If Lessee defaults on any monetary obligations under this Agreement, Lessor will accept a cure thereof by the Leasehold Lender within thirty (30) days after Leasehold Lender's receipt of written notice of such default. For non-monetary defaults, Lessor will not terminate this Agreement for so long as the Leasehold Lender is diligently pursuing a cure of the default, and if curing such non-monetary default requires possession of the Phase I Project, then Lessor agrees to give the Leasehold Lender a reasonable time to obtain possession of the Phase I Project and to cure such default.

(d) This Agreement may not be amended in any respect which would be reasonably likely to have a material adverse effect on Leasehold Lender's interest therein, and this Agreement will not be surrendered, terminated or cancelled, without the prior written consent of Leasehold Lender.

(e) If this Agreement is terminated for any reason, or otherwise rejected in bankruptcy, Lessor will enter into a new lease with Leasehold Lender (or its designee) on the same terms as this Agreement, if the Leasehold Lender pays all past due amounts under this Agreement within thirty (30) calendar days of notice of such termination.

(f) Lessor hereby agrees that all right, title and interest of the Lessor in and to any collateral encumbered by the Leasehold Mortgage is hereby subordinated and made subject, subordinate and inferior to the lien and security interest of the Leasehold Mortgage, which subordination shall remain in effect for any modifications or extensions of the Leasehold Mortgage.

(g) Lessor hereby consents to present or future Leasehold Mortgages encumbering the leasehold title of Lessee and all movable property of Lessee located on the Phase I Project. The Lessor further acknowledges and agrees that Leasehold Lender's encumbrance of such property shall not constitute a default under this Agreement, and Leasehold Lender has the right of access to the Phase I Project and can remove the personal property from the Phase I Project, as provided in the Leasehold Mortgage.

(h) Lessee acknowledges and agrees that Lessee shall not grant any leasehold mortgage and/or collateral assignment without the written consent of the Lender.

SECTION 8.06. Mortgage. Lessor acknowledges the Multiple Indebtedness Mortgage which is a permitted encumbrance. Further, the obligation secured by the Multiple Indebtedness Mortgage is likewise acknowledged by the Lessor. The said obligation secured by the Multiple Indebtedness Mortgage will mature prior to the earlier of the Reimbursement Date or December 31, 2026. Lessor agrees, at no cost to Lessor, to execute, acknowledge and deliver all and every act, deed, deed of trust, mortgage, assignment, notice of assignment, transfer and assurance as Lessee or its lender shall reasonably require for the refinancing, extension, pledging, assigning or mortgaging the existing debt and providing the Phase I Project as security for the obligations associated with any refinancing or extension thereof. Provided, however, that no such document or instrument to be executed by the Lessor shall modify the priority of the PILOT Rent required to be paid under this Agreement which statutorily primes the Multiple Indebtedness Mortgage and all Related Documents in the same manner as ad valorem property taxes prime such obligations and, as between the Lessor and the Lessee, the Lessee's obligation to indemnify, protect and hold harmless Indemnified Parties.

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ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

SECTION 9.01. Events of Default Defined. The following shall be "events of default" under this Agreement and the terms "event of default" or "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the Lessee to pay or cause to be paid the rent required to be paid under Section 4.03 hereof at the times specified therein, and Lessee further fails to make such payments within ten (10) days of receipt of written notice from Lessor requesting such payments.

(b) Failure by the Lessee to observe and perform any covenant, condition or agreement in this Agreement on its part to be observed or performed, other than as referred to in subsection (a) of this Section, for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, is given to the Lessee by the Lessor or the Trustee, if any; provided that if any such failure shall be such that it cannot be corrected within such sixty (60) day period, it shall not constitute an event of default if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected.

(c) The dissolution or liquidation of the Lessee or the filing by the Lessee of a voluntary petition in bankruptcy, or failure by the Lessee promptly to institute judicial proceedings to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Phase I Project, or the commission by the Lessee of any act of bankruptcy, or adjudication of the Lessee as a bankrupt, or assignment by the Lessee for the benefit of its creditors, or the entry by the Lessee into an agreement of composition with its creditors, or the approval by the court of competent jurisdiction of a petition applicable to the Lessee in any proceeding for its reorganization instituted under the provisions of the United States Bankruptcy Code, as amended, or under any similar act which may hereafter be enacted. The term "dissolution or liquidation of the Lessee," as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Lessee resulting either from a merger or consolidation of the Lessee into or with another corporation or a dissolution or liquidation of the Lessee following a transfer of all or substantially all of its assets as an entirety, under the conditions permitting such actions contained in Section 7.03 hereof.

The foregoing provisions of this Section are subject to the following limitations: If by reason of force majeure the Lessee is unable in whole or in part to carry out its agreements on its part herein contained, other than the obligations on the part of the Lessee contained in Article V and Sections 4.03, 5.03, 5.04, 7.03 and 7.05 hereof, the Lessee shall not be deemed in default during the continuance of such liability. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States, the State, Orleans Parish or the Parish of Jefferson or any of their respective departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Lessee. The Lessee agrees, however, to use commercially

reasonable efforts to remedy with all reasonable dispatch the cause or causes preventing the Lessee from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Lessee, and the Lessee shall not be required to make settlement of strikes, lockouts, and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Lessee unfavorable to the Lessee.

(d) Lessor and Lessee further agree that any and all notices as provided in this Article IX shall likewise be delivered to Lender, who shall have the right, but not the obligation to cure the applicable default within the appropriate cure period. The applicable cure period shall commence upon receipt of the written notice from the Lessor

SECTION 9.02. Remedies on Default. Whenever any event of default referred to in Section 9.01 hereof shall have happened and be subsisting, the Lessor or the Trustee, if any, where so provided, may take any one or more of the following remedial steps:

(a) The Lessor may attempt to collect amounts due under this Agreement or to enforce the performance and observance of any other obligation or covenants of the Lessee under this Agreement by mandamus or the appointment of a receiver in equity with power to charge and collect amounts due hereunder and to apply such amounts in the manner required by this Agreement.

(b) The Lessor may take whatever action at law or in equity may appear necessary or desirable to collect the rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Agreement.

(c) Lessor and Lessee agree, notwithstanding any provision contained in this Article IX, that the only remedy in Event of Default by the Lessor, is the conveyance, assignment and transfer of the Phase I Project to the Lessee.

SECTION 9.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lessor is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required in this Agreement.

SECTION 9.04. Agreement to Pay Attorney's Fees and Expenses.

(a) The Lessee agrees to reimburse the Lessor for reasonable expenses incurred including the employment of attorneys in fulfilling the obligations of the Lessor pursuant hereto.

(b) In the event the Lessee shall default under any of the provisions of this Agreement and the Lessor shall employ attorneys or incur other expenses for the collection of the rents or the enforcement of performance or observance of any obligation or agreement on the part of the

Lessee herein contained, the Lessee agrees that it will on demand therefor pay to the Lessor the reasonable fee of such attorneys and such other expenses so incurred by the Lessor.

(c) This Section shall not require the Lessor to undertake any legal proceeding with respect to this Agreement; provided, however, the Lessor does agree that the Lessee may institute legal proceedings in the name of the Lessor to protect its rights under this Agreement.

SECTION 9.05. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 9.06. No Termination without Purchase Option. Notwithstanding any of the foregoing to the contrary, in no event shall Lessor terminate this Agreement without first providing Lessee with written notice of its intent to terminate this Agreement, and then providing Lessee sixty (60) days thereafter in which to exercise its purchase option described in Article X hereof (and pay all amounts due in connection therewith).

SECTION 9.07. Waiver of Jury Trial. The Lessor and the Lessee hereby expressly waive any right to trial by jury of any claim, demand, action or cause of action (a) arising under this Agreement, including, without limitation, any present or future modification hereof or (b) in any way connected with or related or incidental to the dealings of the parties hereto or any of them with respect to this Agreement (as now or hereafter modified) or any other instrument, document or agreement executed or delivered in connection herewith, or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether sounding in contract or tort or otherwise; and each party hereby agrees and consents that any party to this Agreement may file an original counterpart or a copy of this Agreement with any court as written evidence of the consent of the parties hereto and trustee to the waiver of their right to trial by jury.

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ARTICLE X

OPTIONS IN FAVOR OF LESSEE

SECTION 10.01. Options to Terminate. The Lessee shall have, and is hereby granted, the option to purchase the Phase I Project from the Lessor upon payment in full of any amounts due under this Agreement at the time Lessee exercises its purchase option and, in the event of the issuance of Bonds, if any, the payment in full of the Bonds, if any, (or provision for payment thereof having been made in accordance with the provisions of the Indenture).

To exercise such option, the Lessee shall give written notice to the Lessor and shall specify therein the date of closing such purchase, which date shall be not less than forty-five (45) nor more than ninety (90) days from the date such notice is mailed. The purchase price payable by the Lessee shall be the sum of \$1,000, plus payment of all amounts under this Agreement owed to the Lessor plus reasonable costs of the Lessor in connection therewith.

In the event of the exercise of the option granted in this Section and the parties' compliance with the provisions of this Section 10.01, the Lease Term shall be terminated.

Lessee may exercise its purchase option at any time, regardless of whether a default shall then be continuing hereunder; provided, that in the event of a monetary default, in addition to the \$1,000 purchase price, Lessee shall pay Lessor all amounts past due to Lessor hereunder. Lessor and Lessee acknowledge and agree that Leasehold Lender may exercise Lessee's purchase option on Lessee's behalf, provided that all the requirements of this Article X are met.

Additionally, the Lessee hereby agrees to exercise the option to purchase the Phase I Project at the end of the Lease Term. In the event Lessee fails to exercise the option and purchase the Phase I Project at the end of the Lease Term, Lender shall have the option, but not the obligation, to cause Lessee to exercise the option to purchase or alternatively, exercise the option to purchase itself.

In the Event of Default, as defined pursuant to Article IX of this Agreement, so long as said Event of Default is not cured, the Lessee hereby appoints and the Lessor hereby approves the Lender as its agent and attorney-in-fact for purposes related to the Option to Purchase as provided in this Article X.

SECTION 10.02. Conveyance of the Phase I Project to the Lessee. The Lessor shall, upon the payment of all sums due to the Lessor under this Agreement, at the expiration or sooner termination of the Lease Term, convey the Phase I Project to the Lessee. At the expense of the Lessee, the Lessor shall execute all documentation necessary to effectuate such conveyance without warranty of any nature whatsoever.

SECTION 10.03. Conveyance at Closing. At the closing of any purchase pursuant to any option to purchase or pursuant to Section 10.02, the Lessor will, upon receipt of the purchase price, deliver to the Lessee documents conveying to the Lessee title to the Phase I Project, as such property then exists, subject to the following: (i) those liens and encumbrances (if any) to which title to said property was subject when conveyed to the Lessor; (ii) those liens and encumbrances created by the Lessee or to the creation or suffering of which the Lessee

consented; and (iii) those liens and encumbrances resulting from the failure of the Lessee to perform or observe any of the agreements on its part contained in this Agreement.

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ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Surrender of Phase I Project. Except as otherwise expressly provided in this Agreement, including, particularly, Article X hereof, at the expiration or sooner termination of the Lease Term, the Lessee agrees to surrender possession of the Phase I Project peaceably and promptly to the Lessor in as good condition as at the commencement of the Lease Term, loss by fire or other casualty covered by insurance, condemnation and ordinary wear, tear and obsolescence only excepted.

SECTION 11.02. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given on the third business day following the day on which the same have been mailed by registered mail, postage prepaid, addressed as follows:

If to the Lessor: Jefferson Parish Economic Development and Port District
 700 Churchill Parkway
 Avondale, LA 70094
 Attention: Jerry Bologna, President & CEO

with a copy to: Adams and Reese LLP
 701 Poydras St., Suite 4500
 New Orleans, LA 70139
 Attention: David M. Wolf

If to the Lessee: Cottonwood Creek Apartments, L.L.C.
 3925 N. I-10 Service Road West
 Suite 105
 Metairie, LA 70002
 Attention: Lake Portfolio Managers, L.L.C.

With a copy to: Chaffe McCall, L.L.P.
 1100 Poydras St., Suite 2300
 New Orleans, LA 70163
 Attention: William H. Langenstein, III

If to Lender: _____

 Attention: _____

With a copy to: _____

 Attention: _____

The Lessor or the Lessee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 11.03. Law Governing Construction of Agreement. This Agreement is prepared and entered into with the intention that the laws of the State shall govern its construction.

SECTION 11.04. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Lessor, the Lessee and their respective successors and assigns, subject, however, to the limitations contained in Sections 7.03, 8.01 and 8.02 hereof.

SECTION 11.05. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 11.06. Agreement Represents Complete Agreement. This Agreement represents the entire contract between the parties hereto. This Agreement may not be modified or amended without the written consent of the Lessor and the Lessee.

SECTION 11.07. Net Lease. This Agreement shall be deemed and construed to be a "net lease," and the Lessee shall pay absolutely net during the Lease Term the rent and all other payments required hereunder, free of any deductions, without abatement, diminution or set-off other than those herein expressly provided.

SECTION 11.08. Execution of Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 11.09. Merger of Fee Title with Interest under Lease Agreement. To the maximum extent allowed by applicable law, no merger of the fee title under any leasehold mortgage and the leasehold interests under this Agreement shall result in the termination of this Agreement or such leasehold mortgage.

SECTION 11.10. Memorandum of Lease. Lessor and Lessee will, at the request of the other, promptly execute a memorandum of lease, which memorandum either party may record in the real property records applicable to the Phase I Project.

SECTION 11.11. Estoppel Certificates. Lessor and Lessee agree, within ten (10) days after request therefor by Lender, Lessor and Lessee agree to deliver in recordable form a certificate to Lender (in a form provided by Lender) certifying (to the extent it is true) that this Lease is unmodified in full force and effect, that there are no defenses or offsets thereto and all Rents and other charges have been paid.

SECTION 11.12. Lender Not a Party. Lessor and Lessee acknowledge and agree that (a) Lender is not a party to this Lease and is not bound by the terms and conditions included herein; and (b) the Multiple Indebtedness Mortgage and Related Documents are in full force and effect, have not been amended or modified and supercede the terms and conditions of this Lease, except with respect to the PILOT Rent and, as between the Lessor and the Lessee, the Lessee's obligation to indemnify, protect and hold harmless Indemnified Parties.

THUS DONE AND PASSED, in my office in _____, Louisiana, on the ____ day of _____, 2017, in the presence of the undersigned, both competent witnesses, who herewith sign their names with the said appearers and me, Notary, after due reading of the whole.

JEFFERSON PARISH ECONOMIC
DEVELOPMENT AND PORT DISTRICT

ATTEST:

By: _____
Chairman

By: _____
Secretary

WITNESSES:

Print Name:

Print Name:

Notary Public
Print Name: _____
La. Bar or Notary ID Number: _____

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

THUS DONE AND PASSED, in my office in _____, Louisiana on the ____ day of _____, 2017, in the presence of the undersigned, both competent witnesses, who herewith sign their names with the said appearers and me, Notary, after due reading of the whole.

COTTONWOOD CREEK APARTMENTS, L.L.C.

By: LAKE PORTFOLIO MANAGERS, L.L.C.
Manager

By: _____
James P. Favrot, Manager

By: _____
William Henry Shane, Jr., Manager

WITNESSES:

Print Name:

Print Name:

Notary Public
Print Name: _____
La. Bar or Notary ID Number: _____

EXHIBIT A
To Lease and Agreement to Issue Bonds

PHASE I PROJECT DESCRIPTION - LEASEHOLD IMPROVEMENTS

The Phase I Project consists of the acquisition, construction and equipping of a 264-unit (Phase I) apartment complex and located at the northeast corner of Mounes Boulevard and Dickory Drive in the Elmwood Park area of Jefferson Parish, Louisiana. Said apartment complex consists of eight (8) apartment buildings, two (2) parking garages, one resident services center and related facilities.

LEGAL DESCRIPTION OF PHASE I PROJECT SITE

PARCEL 2-A-1-B3

A CERTAIN PIECE OR PORTION OF GROUND situated in the State of Louisiana, Parish of Jefferson, in that part known as Elmwood Industrial Park, bounded by Hickory Avenue Relocation, Mounes Street, Illinois Central Gulf Railroad Right of Way and Citrus Boulevard, designated as Parcel 2-A-1-B3, in accordance with plan of resubdivision by Krebs, LaSalle, LeMieux Consultants, Inc., dated September 28, 2000, Job No. 000393, approved by Ordinance No. 21122 of the Jefferson Parish Council, approved November 15, 2000, registered in COB 3043, folio 759, and is more fully described as follows:

Commence from the intersection of the northerly right of way line of Mounes Street and the easterly right of way line of Hickory Avenue Relocation; thence along said easterly line, North 49°27'55" West, a distance of 93.54' to a point; thence continue along said easterly line, along the arc of a curve to the left, having a radius of 981.93', an arc length of 124.68', a chord bearing of North 14°23'46" West and a chord distance of 124.60' to a point; thence continue along said easterly line, North 18°02'02" West, a distance of 241.87' to a point; thence continue along said easterly line, along the arc of a curve to the left, having a radius of 981.93', an arc length of 114.15', a chord bearing of North 21°21'51" West and a chord distance of 114.09' to a point, the point of beginning. Measure thence from the point of beginning, along said easterly line, along the arc of a curve to the left, having a radius of 981.93', an arc length of 220.03' a chord bearing of North 31°06'51" West and a chord distance of 219.57' to a point; thence continue along said easterly line, North 37°32'01" West, a distance of 181.11' to a point; thence continue along said easterly line, along the arc of a curve to the right, having a radius of 927.93', an arc length of 120.66', a chord bearing of North 33°48'31" West and chord distance of 120.57' to a point on the southerly line of Parcel 2-A-1-B1; thence along said southerly line, North 71°57'17" East, a distance of 933.38' to a point on the westerly line of Parcel 2-N; thence along said westerly line, South 18°01'42" East, a distance of 500.66' to a point on the northerly line of Parcel 2-A-1-B4; thence along said northerly line, South 71°57'17" West, a distance of 790.40' to a point on the easterly right of line of Hickory Avenue Relocation, the point of beginning.

Said Parcel 2-A-1-B3 contains 9.8401 acres.

All as more fully shown on a survey by Krebs, LaSalle, LeMieux Consultants, Inc., dated January 15, 2001.

MONTHLY FINANCIAL REPORT HIGHLIGHTS

DECEMBER 2016

JEDCO-

Revenues:

- Departmental fees collected equaled \$153, 818 (\$3,208-BIC, \$16,592-Finance, \$123,660-EDS, \$4,160-Marketing, \$4,404-Tech Park, \$613-Conference Ctr. and \$1,181 of earned interest)

Expenses:

- Advertising cost totaling \$4,170 from Renaissance Publication (\$2,000) and N.O. Publishing Group (\$2,170) (Marketing)
- Web-site Updates charges related to the web-site redesign & maintenance of \$5,333 (Marketing)
- Programs/Event expenses of \$23,242 affiliated with the JEDCO 2016 Annual Luncheon (event site, audio, lighting) (Marketing)
- Computer charges for laptops, firewall, services and software equaling \$33,501 (Administration)
- Payments to Michael Lauer of \$6,118 relative to the Neighborhood Revitalization project (Administration)
- Lawn maintenance cost of \$4,410 for October through December 2016 (Building Expenses)
- Pest control cost of \$4,811 for termite treatment and quarterly maintenance (Building Expenses)
- Access Road expenses of \$5,165 for re-sub application (Building Expenses)
- Hog abatement fees for December of \$3,212 (Tech Park)

Others:

- JEDCO LAMP account balance at 12/31/2016 is \$2.02M

JEFFERSON EDGE-

Revenues:

- Received interest of \$355

Expenses:

- Total expenses were less than \$3,500

Others:

- EDGE LAMP account balance at 12/31/2016 is \$604K

SUPPLEMENTARY INFORMATION-

- Received approval of JEDCO 2017 Final Amended budget on December 29, 2016.
- On-site 2016 audit preparation will begin in early February 2017.

JEDCO'S INVESTMENT REPORT
 @ 12/31/2016

ACTIVE DATE	INSTITUTIONS	OPENING BALANCE	CURRENT BALANCE	INTEREST	TERMS	MATURITY DATE	CURRENT STATUS
12/04/03	JEDCO LAMP	\$350,000	\$2,025,800	0.63%	DAILY		OPEN
	TOTAL	<u>\$350,000</u>	<u>\$2,025,800</u>				

Updated January 11, 2017

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Last Amended 2016 Budget	Actual December-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
SUMMARY OF REVENUES BY SOURCES						
LOCAL SOURCES:						
Occupational Licenses	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000
Business Innovation Center	15,000	36,600	3,208	40,019	(3,419)	36,600
Financing Activities	184,260	199,000	16,592	209,825	(10,825)	199,000
Econ. Dev. Svc. Fees	150,800	149,900	123,660	149,968	(68)	149,900
Marketing - P/R	36,000	44,000	4,160	44,160	(160)	44,000
Interest, Misc.	2,000	7,000	1,181	16,025	(9,025)	7,000
Kenner Program	75,000	75,000	-	75,000	-	75,000
Tech. Park Revenues	25,000	15,804	4,404	15,804	-	15,804
FORJ (Ground Lease Payment)	2,000	2,200	-	2,167	33	2,200
Conference Center	25,000	25,800	613	26,265	(465)	25,800
Total Revenues from Local Sources	\$ 2,515,060	\$ 2,555,304	\$ 153,818	\$ 2,579,233	\$ (23,929)	\$ 2,555,304
SUMMARY OF EXPENDITURES BY AGENCY						
JEDCO						
Total Expenditures by Agency	\$ 2,235,500	\$ 2,438,796	\$ 226,541	\$ 2,353,483	\$ 85,313	\$ 2,438,796
SUMMARY OF EXPENDITURES BY DEPARTMENTS						
Departments:						
Business Innovation Center	60,800	65,500	4,632	64,720	780	65,500
Finance	241,500	244,900	18,895	238,156	6,744	244,900
Econ. Dev. Svc.	236,800	225,600	19,094	223,411	2,189	225,600
Marketing - P/R	186,400	191,850	38,730	184,718	7,132	191,850
Admin. Exp.	804,500	884,775	93,576	827,989	56,786	884,775
Kenner Program	75,000	75,000	5,636	68,721	6,279	75,000
JEDCO Bldg. Expenses	489,400	520,300	28,946	511,721	8,579	520,300
Tech. Park Expenses	67,100	195,161	14,839	198,452	(3,291)	195,161
Conference Center	74,000	35,710	2,193	35,595	115	35,710
Total Expenditures by Departments	\$ 2,235,500	\$ 2,438,796	\$ 226,541	\$ 2,353,483	\$ 85,313	\$ 2,438,796

*Restricted funds received from J.P. in 2015 for Strategic Neighborhood Revitalization Plan project. Funds expected to be expensed in 2016

	(A)	(B)	(C)	(D)	(E)	
	2016 Original Budget	Last Amended 2016 Budget	Actual December-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
SUMMARY OF EXPENDITURES BY CHARACTERS						
Salaries/HB&Taxes/SEP-Retirement	1,232,850	1,225,625	104,958	1,214,339	11,286	1,225,625
Communications	38,850	32,500	2,169	26,273	6,227	32,500
Equipment Rental/Maintenance	14,350	11,850	333	4,012	7,838	11,850
Office Supplies	14,600	12,500	367	8,759	3,741	12,500
Postage	8,750	8,700	782	7,204	1,496	8,700
Dues & Subscriptions	21,650	27,450	2,017	21,678	5,772	27,450
PR/Advertising/Video Equip. Expense	56,700	47,000	4,170	43,725	3,275	47,000
Travel/Mileage	13,700	12,500	587	10,227	2,273	12,500
Staff & Professional Development	19,500	17,900	665	17,080	820	17,900
Special Project/Programs/Events	29,750	32,250	23,260	31,423	827	32,250
Attorney Fees	10,000	13,000	73	9,779	3,221	13,000
Data Base Analysis	4,000	9,000	-	5,625	3,375	9,000
Gretna Expenses	25,000	25,000	-	25,000	-	25,000
Web-Site Update	2,500	10,500	5,333	11,537	(1,037)	10,500
Entrepreneur Challenge	25,000	23,500	-	23,409	91	23,500
Seminars	3,500	2,925	55	2,505	420	2,925
Admin.Fees/Personnel & Emergency Exp.	18,000	28,450	897	25,631	2,819	28,450
Computer/Equip./Svc.	75,700	75,950	33,685	71,796	4,154	75,950
Committee Mtg./Business Development	13,000	13,500	-	11,514	1,986	13,500
Professional Svc.	5,000	14,100	-	14,071	29	14,100
Utilities/Water	81,400	46,700	5,643	48,241	(1,541)	46,700
Repairs and Maintenance	15,000	6,910	209	6,950	(40)	6,910
Janitorial & Contract Services	52,000	44,600	2,794	44,427	173	44,600
Insurance	101,000	76,000	5,061	56,201	19,799	76,000
Accounting/Audit	35,000	35,000	1,060	28,735	6,265	35,000
Security	2,100	1,000	-	799	201	1,000
JEDCO Bldg. Lease Expenses	-	-	-	-	-	-
Lawn Maintenance	14,000	13,000	4,410	12,890	110	13,000
Generator Expenses	5,700	4,600	-	4,478	122	4,600
Bldgs. Supplies	12,000	6,500	274	5,315	1,185	6,500
HVAC Expenses	12,000	16,000	1,321	15,371	629	16,000
Elevator Repairs and Maintenance	5,400	6,000	498	5,942	58	6,000
Landscaping	8,500	6,000	1,587	5,925	75	6,000
Grass Cutting/Clearing/Fill	18,000	142,421	4,404	146,826	(4,405)	142,421
Access Road Expenses	-	7,000	5,165	6,065	935	7,000
Lease Expenses	-	40	-	31	9	40
Hog Abatement	24,000	38,500	3,212	38,075	425	38,500
Appraisal Expenses	-	-	-	-	-	-
Sales and Marketing	7,500	-	-	-	-	-
Program Costs	5,000	4,000	165	3,449	551	4,000
AEDO Accreditation Expenses	-	-	-	-	-	-
Garbage Collection/Pest Control/Door Mat	4,500	9,300	5,047	8,846	454	9,300
Equipment Expenses (Conference Ctr.)	-	-	-	-	-	-
JEDCO Loan Payment	200,000	262,000	-	261,482	518	262,000
Food & Beverage Expenses	-	1,200	222	775	425	1,200
Neighborhood Revitalization Expenses *	-	49,725	6,118	47,948	1,777	49,725
Services	-	9,100	-	10,125	(1,025)	9,100
Contract Svc./Loan Processing	-	9,000	-	9,000	-	9,000
Total Expenditures by Characters	2,235,500	2,438,796	226,541	2,353,483	85,313	2,438,796

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Last Amended 2016 Budget	Actual December-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
SUMMARY OF OTHER FINANCING USES						
Transfer to other funds	-	-	-	-	-	-
Transfer from other funds	15,000	267,742	-	267,742	-	267,742
Total Other Financing Uses	\$ 15,000	\$ 267,742	\$ -	\$ 267,742	\$ -	\$ 267,742
NET CHANGE IN FUND BALANCE	294,560	384,250	(72,723)	493,492	(109,242)	384,250
ESTIMATED BEGINNING BALANCE	1,570,415	1,570,415				1,570,415
ESTIMATED ENDING BALANCE	\$ 1,864,975	\$ 1,954,665				\$ 1,954,665

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Last Amended 2016 Budget	Actual December-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
SUMMARY OF REVENUES BY SOURCES						
LOCAL SOURCES:						
Private Funds	\$ 250,000	\$ 247,500	\$ -	\$ 247,500	\$ -	\$ 247,500
Investment Income	700	2,700	355	2,949	(249)	2,700
Total Revenues from Local Sources	\$ 250,700	\$ 250,200	\$ 355	\$ 250,449	\$ (249)	\$ 250,200
SUMMARY OF EXPENDITURES BY CHARACTERS						
Marketing P/R:						
Local Market/PR Campaign	500	-	-	-	-	-
Sub-Total	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -
Technology Park Development:						
Tech Park Implementation	50,000	-	-	-	-	-
Site Selectors Initiative	-	5,000	-	4,531	469	5,000
Tech Park Marketing	75,000	50,000	75	45,190	4,810	50,000
Infrastructure Expenses	25,000	-	-	-	-	-
Sub-Total	\$ 150,000	\$ 55,000	\$ 75	\$ 49,721	\$ 5,279	\$ 55,000
Administrative:						
Misc. Project Fund	7,500	27,500	1,650	22,962	4,538	27,500
EDGE Fundraising	16,500	16,500	1,413	16,618	(118)	16,500
Investor Relations/Staff Support	1,000	1,000	-	513	487	1,000
Meetings/Meals	5,000	3,000	-	2,000	1,000	3,000
Sub-Total	\$ 30,000	\$ 48,000	\$ 3,063	\$ 42,093	\$ 5,907	\$ 48,000
Total Expenditures by Characters	\$ 180,500	\$ 103,000	\$ 3,138	\$ 91,814	\$ 11,186	\$ 103,000
SUMMARY OF OTHER FINANCING USES						
Transfer to other funds(JEDCO-Clearing	-	30,000	-	30,000	-	30,000
Transfer from other funds	-	-	-	-	-	-
Total Other Financing Uses	-	30,000	-	30,000	-	30,000
NET CHANGE IN FUND BALANCE	\$ 70,200	\$ 117,200	\$ (2,783)	\$ 128,635	\$ (11,435)	\$ 117,200
End of Month-December 2016						
ESTIMATED BEGINNING FUND BALANCE	\$ 736,384	\$ 736,384				\$ 736,384
ESTIMATED ENDING FUND BALANCE	\$ 806,584	\$ 853,584				\$ 853,584

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Last Amended 2016 Budget	Actual December-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
SUMMARY OF REVENUES BY SOURCES						
LOCAL SOURCES:						
Account Balance	\$ -	\$ 251,534	\$ -	\$ 251,534	\$ -	\$ 251,534
JEDCO Bldg. Lease Income	-	-	-	-	-	-
Insurance Revenues	4,100	4,100	-	2,019	2,081	4,100
Total Revenues from Local Sources	\$ 4,100	\$ 255,634	\$ -	\$ 253,553	\$ 2,081	\$ 255,634
SUMMARY OF EXPENDITURES BY CHARACTERS						
Debt Service/Capital One Loan	-	-	-	-	-	-
Monthly Lease Payments	-	2,167	-	2,167	-	2,167
Insurance	4,100	4,100	-	2,016	2,084	4,100
Other Fees	-	1,625	-	1,625	-	1,625
Total Expenditures by Characters	\$ 4,100	\$ 7,892	\$ -	\$ 5,808	\$ 2,084	\$ 7,892
SUMMARY OF OTHER FINANCING USES						
Transfer to other funds (JEDCO)	-	237,742	-	237,742	-	237,742
Total Other Financing Uses	-	237,742	-	237,742	-	237,742
NET CHANGE IN FUND BALANCE	\$ -	\$ 10,000	\$ -	\$ 10,003	\$ (3)	\$ 10,000

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Last Amended 2016 Budget	Actual December-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
SUMMARY OF REVENUES BY SOURCES						
LOCAL SOURCES:						
Interest Earned from Payment	\$ 150,000	\$ 220,600	\$ 27,894	\$ 217,923	\$ 2,677	\$ 220,600
Interest Earned from Investment	3,500	2,700	144	2,761	(61)	2,700
Total Revenues From Local Sources	\$ 153,500	\$ 223,300	\$ 28,038	\$ 220,684	2,616	\$ 223,300
SUMMARY OF EXPENDITURES						
Administrative Expenses	95,000	102,000	9,608	102,719	(719)	102,000
Total Expenditures by Characters	\$ 95,000	\$ 102,000	\$ 9,608	\$ 102,719	(719)	\$ 102,000
NET CHANGE IN FUND BALANCE	\$ 58,500	\$ 121,300	\$ 18,430	\$ 117,965	\$ 3,335	\$ 121,300
ESTIMATED BEGINNING FUND BALANCE	\$ 8,052,466	\$ 8,052,466				\$ 8,052,466
ESTIMATED ENDING FUND BALANCE	\$ 8,110,966	\$ 8,173,766				\$ 8,173,766

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Last Amended 2016 Budget	Actual December-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
SUMMARY OF REVENUES BY SOURCES						
LOCAL SOURCES						
Interest Earned from Payment	\$ 32,000	\$ 7,900	\$ 92	\$ 7,864	\$ 36	\$ 7,900
Interest Earned from Investment	650	1,950	92	2,029	(79)	1,950
Total Revenues from Local Sources	\$ 32,650	\$ 9,850	\$ 92	\$ 9,893	(43)	\$ 9,850
SUMMARY OF EXPENDITURES BY CHARACTERS						
Administrative Expenses	20,000	21,000	10,785	19,462	1,538	21,000
Total Expenditures by Characters	\$ 20,000	\$ 21,000	\$ 10,785	\$ 19,462	1,538	\$ 21,000
NET CHANGE IN FUND BALANCE	\$ 12,650	\$ (11,150)	\$ (10,693)	\$ (9,569)	\$ (1,581)	\$ (11,150)
ESTIMATED BEGINNING FUND BALANCE	\$ 1,333,896	\$ 1,333,896				\$ 1,333,896
ESTIMATED ENDING FUND BALANCE	\$ 1,346,546	\$ 1,322,746				\$ 1,322,746

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Last Amended 2016 Budget	Actual December-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
SUMMARY OF REVENURES BY SOURCES						
LOCAL SOURCES:						
Interest Earned from Payment	\$ 10,000	\$ 14,000	\$ 1,105	\$ 14,771	\$ (771)	\$ 14,000
Interest Earned from Investment	200	1,200	65	1,244	(44)	1,200
Total Revenues from Local Sources	\$ 10,200	\$ 15,200	\$ 1,170	\$ 16,015	(815)	\$ 15,200
SUMMARY OF EXPENDITURES BY CHARACTERS						
Administrative Expenses	10,000	8,000	450	4,379	3,621	8,000
Total Expenditures by Characters	\$ 10,000	\$ 8,000	\$ 450	\$ 4,379	3,621	\$ 8,000
NET CHANGE IN FUND BALANCE	\$ 200	\$ 7,200	\$ 720	\$ 11,636	\$ (4,436)	\$ 7,200
ESTIMATED BEGINNING FUND BALANCE	\$ 2,323,282	\$ 2,323,282				\$ 2,323,282
ESTIMATED ENDING FUND BALANCE	\$ 2,323,482	\$ 2,330,482				\$ 2,330,482

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Last Amended 2016 Budget	Actual December-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
SUMMARY OF REVENUES BY SOURCES						
LOCAL SOURCES						
Fee Payments	\$ 40,000	\$ 59,500	\$ 4,894	\$ 60,661	\$ (1,161)	\$ 59,500
Total Revenues from Local Sources	\$ 40,000	\$ 59,500	\$ 4,894	\$ 60,661	(1,161)	\$ 59,500
SUMMARY OF EXPENDITURES BY CHARACTERS						
Administrative Expenses	40,000	59,500	4,894	60,661	(1,161)	59,500
Total Expenditures by Characters	\$ 40,000	\$ 59,500	\$ 4,894	\$ 60,661	\$ (1,161)	\$ 59,500
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Jefferson Economic Development Commission
 End of Month-December 2016
 Business Innovation Center (BIC)-Schedule A

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Final Amended 2016	Actual Dec-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
PROGRAM REVENUES						
Tenant Revenue	\$ 15,000	\$ 27,500	\$ 2,240	\$ 29,893	\$ (2,393)	\$ 27,500
IGA Revenues	-	-	-	-	-	-
Services	-	9,100	968	10,126	(1,026)	9,100
Total Revenues	\$ 15,000	\$ 36,600	\$ 3,208	\$ 40,019	\$ (3,419)	\$ 36,600
PROGRAM EXPENDITURES						
Staff Salaries	42,500	43,100	3,726	43,030	70	43,100
Health Benefits & Taxes	6,000	5,000	365	5,169	(169)	5,000
SEP/IRA-Retirement	5,200	5,250	455	5,251	(1)	5,250
Communications	700	700	57	690	10	700
Equipment Rental/Maintenance	3,000	2,000	21	188	1,812	2,000
PR/Advertising	2,000	-	-	-	-	-
Office Supplies	100	100	-	96	4	100
Dues & Subscriptions	150	150	8	98	52	150
Postage	200	100	-	72	28	100
Travel/Mileage	200	-	-	-	-	-
Staff Development	-	-	-	-	-	-
Special Projects	750	-	-	-	-	-
Services	-	9,100	-	10,126	(1,026)	9,100
Total Expenditures	\$ 60,800	\$ 65,500	\$ 4,632	\$ 64,720	\$ 780	\$ 65,500
OTHER FINANCING SOURCES (USES)						
Transfer to other funds	(15,000)	-	-	-	-	-
Total other financing sources (uses)	(15,000)	-	-	-	-	-
NET PROGRAM SURPLUS/DEFICIT	\$ (60,800)	\$ (28,900)	\$ (1,424)	\$ (24,701)	\$ (4,199)	\$ (28,900)

Jefferson Economic Development Commission
End of Month-December 2016
Financing-Schedule B

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Final Amended 2016	Actual December-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
PROGRAM REVENUES						
Financing Income	\$ 104,260	\$ 96,000	\$ 6,984	\$ 99,538	\$ (3,538)	\$ 96,000
BRGL & LRCF Fees	80,000	103,000	9,608	110,287	(7,287)	103,000
Total Revenues	\$ 184,260	\$ 199,000	\$ 16,592	\$ 209,825	\$ (10,825)	\$ 199,000
PROGRAM EXPENDITURES						
Staff Salaries	173,500	173,500	14,521	172,553	947	173,500
Health Benefits & Taxes	14,500	14,500	1,010	13,025	1,475	14,500
SEP/IRA-Retirement	22,200	22,200	1,771	21,053	1,147	22,200
Communications	5,000	5,300	423	5,294	6	5,300
Program Costs	1,000	500	-	-	500	500
Equipment Rental/Maintenance	2,500	1,500	75	839	661	1,500
PR/Advertising	300	-	-	-	-	-
Office Supplies	2,500	2,500	42	1,878	622	2,500
Postage & Coping	2,500	2,500	182	1,834	666	2,500
Travel/Mileage	1,500	400	219	479	(79)	400
Staff Development	4,000	3,000	-	2,582	418	3,000
Dues & Subscriptions	7,000	7,000	579	7,010	(10)	7,000
Attorney Fees	5,000	3,000	73	2,609	391	3,000
Contract Svc./Loan Processing	-	9,000	-	9,000	-	9,000
Total Expenditures	\$ 241,500	\$ 244,900	\$ 18,895	\$ 238,156	\$ 6,744	\$ 244,900
NET PROGRAM SURPLUS/DEFICIT	\$ (57,240)	\$ (45,900)	\$ (2,303)	\$ (28,331)	\$ (17,569)	\$ (45,900)

Jefferson Economic Development Commission
End of Month-December 2016
Economic Development Services (EDS)-Schedule C

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Final Amended 2016	Actual December-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
PROGRAM REVENUES						
Incentive Fees	\$ 2,200	\$ 1,300	\$ 60	\$ 1,368	\$ (68)	\$ 1,300
Gretna Revenues	25,000	25,000		25,000	-	25,000
Pilot Administration Fees	123,600	123,600	123,600	123,600	-	123,600
IGA Revenues	-	-	-	-	-	-
Total Revenues	\$ 150,800	\$ 149,900	\$ 123,660	\$ 149,968	\$ (68)	\$ 149,900
PROGRAM EXPENDITURES						
Staff Salaries	125,000	121,500	12,919	120,810	690	121,500
Health Benefits & Taxes	24,700	18,200	2,051	20,635	(2,435)	18,200
SEP/IRA-Retirement	18,100	15,000	1,576	17,789	(2,789)	15,000
Communications	9,000	6,000	403	5,306	694	6,000
Program Costs	4,000	3,500	165	3,449	51	3,500
Equipment Rental/Maintenance	2,200	2,200	75	839	1,361	2,200
Office Supplies	2,500	1,500	170	1,692	(192)	1,500
Dues & Subscriptions	10,000	14,300	1,069	10,620	3,680	14,300
Postage	2,300	2,300	237	2,268	32	2,300
Data Base Analysis	2,500	7,500	-	5,625	1,875	7,500
Travel/Mileage	4,000	3,600	108	3,507	93	3,600
Staff Development	6,000	5,000	321	5,871	(871)	5,000
Special Projects	1,500	-	-	-	-	-
Gretna Expenses	25,000	25,000	-	25,000	-	25,000
Total Expenditures	\$ 236,800	\$ 225,600	\$ 19,094	\$ 223,411	\$ 2,189	\$ 225,600
NET PROGRAM SURPLUS/DEFICIT	\$ (86,000)	\$ (75,700)	\$ 104,566	\$ (73,443)	\$ (2,257)	\$ (75,700)

Jefferson Economic Development Commission
End of Month-December 2016
Marketing-Schedule D

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Final Amended 2016	Actual December-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
PROGRAM REVENUES						
Program/Event Revenues	\$ 16,000	\$ 14,000	\$ 4,160	\$ 14,160	\$ (160)	\$ 14,000
Entrepreneur Challenge	20,000	20,000	-	20,000	-	20,000
IGA Revenues	-	-	-	-	-	-
Sponsorship	-	10,000	-	10,000	-	10,000
Total Revenues	\$ 36,000	\$ 44,000	\$ 4,160	\$ 44,160	\$ (160)	\$ 44,000
PROGRAM EXPENDITURES						
Staff Salaries	51,500	52,000	4,380	51,613	387	52,000
Health Benefits & Taxes	6,450	5,800	388	5,606	194	5,800
SEP/IRA-Retirement	6,300	6,350	534	6,296	54	6,350
Communications	7,000	7,000	423	5,289	1,711	7,000
Equipment Rental/Maintenance	2,500	2,000	75	839	1,161	2,000
PR/Advertising	54,400	47,000	4,170	43,725	3,275	47,000
Office Supplies	3,000	2,000	22	1,076	924	2,000
Dues & Subscriptions	500	200	-	129	71	200
Postage	750	800	163	911	(111)	800
Travel/Mileage	500	500	-	31	469	500
Staff Development	2,000	3,200	-	3,142	58	3,200
Web-Site Update	2,500	10,500	5,333	11,538	(1,038)	10,500
Programs/Event	24,000	31,000	23,242	31,114	(114)	31,000
Video Equipment Expenses	-	-	-	-	-	-
Entrepreneur Challenge	25,000	23,500	-	23,409	91	23,500
Total Expenditures	\$ 186,400	\$ 191,850	\$ 38,730	\$ 184,718	\$ 7,132	\$ 191,850
NET PROGRAM SURPLUS/DEFICIT	\$ (150,400)	\$ (147,850)	\$ (34,570)	\$ (140,558)	\$ (7,292)	\$ (147,850)

Jefferson Economic Development Commission
 End of Month-December 2016
 Administration-Schedule E

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Final Amended 2016	Actual December-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
PROGRAM EXPENDITURES						
Staff Salaries	463,000	468,500	39,562	468,179	321	468,500
Health Benefits & Taxes	63,000	63,000	4,139	54,451	8,549	63,000
SEP/IRA-Retirement	57,000	57,300	4,795	56,701	599	57,300
Communications	11,000	11,000	680	8,204	2,796	11,000
Equipment Rental/Maintenance	4,000	4,000	75	1,099	2,901	4,000
Office Supplies	6,000	6,000	127	3,792	2,208	6,000
Dues & Subscriptions	1,500	1,500	96	1,073	427	1,500
Postage	3,000	3,000	200	2,120	880	3,000
Committee Meetings	10,000	7,500	-	6,381	1,119	7,500
Seminars/Conventions	2,000	2,000	55	1,685	315	2,000
Accounting/Audit	35,000	35,000	1,060	28,735	6,265	35,000
Insurance	36,000	36,000	2,011	19,079	16,921	36,000
Business Development	3,000	6,000	-	5,133	867	6,000
Travel/Mileage	5,000	5,500	259	5,052	448	5,500
Staff Development	2,000	1,000	-	399	601	1,000
Administrative Fees	13,000	13,000	898	10,452	2,548	13,000
Computer/Equip./Svc.	75,000	75,200	33,501	71,086	4,114	75,200
AEDO Accreditation	-	-	-	-	-	-
Personnel Expenses	2,000	15,450	-	15,179	271	15,450
Emergency Expenses	3,000	-	-	-	-	-
Attorney Fees	5,000	10,000	-	7,170	2,830	10,000
Professional Services/Loan Expenses	5,000	14,100	-	14,071	29	14,100
Neighborhood Revitalization Expenses *	-	49,725	6,118	47,948	1,777	49,725
Total Expenditures	\$ 804,500	\$ 884,775	\$ 93,576	\$ 827,989	\$ 56,786	\$ 884,775

* Restricted funds received from J.P. in 2015 for Strategic Neighborhood Revitalization Plan project. Funds to be expensed in 2016.

Jefferson Economic Development Commission
 End of Month-December 2016
 Kenner-Schedule F

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Final Amended 2016	Actual December-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
PROGRAM REVENUES						
City of Kenner	\$ 75,000	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ 75,000
Total Revenues	\$ 75,000	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ 75,000
PROGRAM EXPENDITURES						
Staff Salaries	48,500	49,500	4,134	49,080	420	49,500
Health Benefits & Taxes	6,000	5,500	382	5,540	(40)	5,500
SEP/IRA-Retirement	6,000	6,025	504	5,987	38	6,025
Communications	150	500	100	502	(2)	500
Equipment Rental/Maintenance	150	150	13	112	38	150
Office Supplies	500	400	6	321	79	400
Seminar	1,500	925	-	820	105	925
Travel Expenses	2,000	2,000	-	975	1,025	2,000
Program & Project Expenses	3,500	1,250	18	309	941	1,250
Staff Development	2,500	2,500	51	1,869	631	2,500
Computer Expenses	700	750	184	710	40	750
Data Base Analysis	1,500	1,500	-	-	1,500	1,500
Dues and Subscriptions	2,000	4,000	244	2,496	1,504	4,000
Total Expenditures	\$ 75,000	\$ 75,000	\$ 5,636	\$ 68,721	\$ 6,279	\$ 75,000
NET PROGRAM SURPLUS/DEFICIT	\$ -	\$ -	\$ (5,636)	\$ 6,279	\$ (6,279)	\$ -

Jefferson Economic Development Commission
End of Month-December 2016
Building Operations-Schedule G

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Final Amended 2016	Actual December-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
PROGRAM REVENUES						
IGA Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PROGRAM EXPENDITURES						
Staff Salaries	72,000	72,000	6,209	72,053	(53)	72,000
Health Benefits & Taxes	12,500	12,500	780	10,725	1,775	12,500
SEP/IRA-Retirement	8,900	8,900	757	8,791	109	8,900
Communications	6,000	2,000	83	992	1,008	2,000
Travel/Mileage	500	500	-	183	317	500
Repairs and Maintenance	5,500	4,900	209	3,580	1,320	4,900
Janitorial Services	34,000	30,600	2,350	30,673	(73)	30,600
Utilities	50,000	31,500	3,830	32,710	(1,210)	31,500
Security	600	1,000	-	799	201	1,000
Insurance	48,000	40,000	3,049	37,123	2,877	40,000
JEDCO Bldg. Lease Expenses	-	-	-	-	-	-
Lawn Maintenance	14,000	13,000	4,410	12,890	110	13,000
Garbage Collection	1,500	1,500	128	1,389	111	1,500
Generator Maintenance	3,200	2,800	-	2,771	29	2,800
Bldg. Supplies	5,500	1,500	14	1,193	307	1,500
Water	800	500	75	423	77	500
Dues and Subscriptions	500	300	21	251	49	300
HVAC Maintenance	12,000	16,000	1,321	15,371	629	16,000
Elevator Repairs and Maintenance	5,400	6,000	498	5,942	58	6,000
Door Mat Services	1,800	2,000	108	1,776	224	2,000
Pest Control	1,200	5,800	4,811	5,681	119	5,800
Generator Repairs	2,500	1,800	-	1,707	93	1,800
Professional Development	3,000	3,200	293	3,216	(16)	3,200
JEDCO Loan Payment	200,000	262,000	-	261,482	518	262,000
Total Expenditures	\$ 489,400	\$ 520,300	\$ 28,946	\$ 511,721	\$ 8,579	\$ 520,300
NET PROGRAM SURPLUS/DEFICIT	\$ (489,400)	\$ (520,300)	\$ (28,946)	\$ (511,721)	\$ (8,579)	\$ (520,300)

Jefferson Economic Development Commission
End of Month-December 2016
Tech Park Expenses-Schedule H

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Final Amended 2016	Actual December 16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
PROGRAM REVENUES						
Common Area Revenues	\$ 25,000	\$ 11,400	\$ -	\$ 11,400	\$ -	\$ 11,400
Fill Reimbursement	-	-	-	-	-	-
Insurance (Pond)	-	4,404	4,404	4,404	-	4,404
Total Revenues	\$ 25,000	\$ 15,804	\$ 4,404	\$ 15,804	\$ -	\$ 15,804
PROGRAM EXPENDITURES						
Landscaping	8,500	6,000	1,588	5,925	75	6,000
Grass Cutting/Clearing/Fill	18,000	142,421	4,404	146,825	(4,404)	142,421
Utilities	600	1,200	470	1,531	(331)	1,200
Repairs and Maintenance	4,000	-	-	-	-	-
Liability Insurance	12,000	-	-	-	-	-
Access Road Expenses	-	7,000	5,165	6,065	935	7,000
Lease Expenses	-	40	-	31	9	40
Hog Abatement	24,000	38,500	3,212	38,075	425	38,500
Appraisal Expenses	-	-	-	-	-	-
Total Expenditures	\$ 67,100	\$ 195,161	\$ 14,839	\$ 198,452	(3,291)	\$ 195,161
OTHER FINANCING SOURCES (USES)						
Transfer to other funds	-	-	-	-	-	-
Transfer from other funds	-	30,000	-	30,000	-	30,000
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ 30,000	(30,000)	\$ -
NET PROGRAM SURPLUS/DEFICIT	\$ (42,100)	\$ (149,357)	\$ (10,435)	\$ (152,648)	3,291	\$ (149,357)

Jefferson Economic Development Commission
End of Month-December 2016
Conference Center-Schedule I

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Final Amended 2016	Actual December-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
PROGRAM REVENUES						
Building Rent	\$ 25,000	\$ 25,800	\$ 613	\$ 25,703	\$ 97	\$ 25,800
Food & Beverage Revenues	-	600	-	562	38	600
Audio & Visual	-	-	-	-	-	-
JPPSS Equipment Revenues	-	-	-	-	-	-
Total Revenues	\$ 25,000	\$ 26,400	\$ 613	\$ 26,265	\$ 135	\$ 25,800
PROGRAM EXPENDITURES						
Repairs and Maintenance	5,500	2,010	-	3,370	(1,360)	2,010
Utilities	30,000	13,500	1,267	13,579	(79)	13,500
Contract Services	18,000	14,000	444	13,676	324	14,000
Insurance	5,000	-	-	-	-	-
Sales and Marketing	7,500	-	-	-	-	-
Supplies	6,500	5,000	260	4,195	805	5,000
Security	1,500	-	-	-	-	-
Equipment Expenses	-	-	-	-	-	-
Food & Beverage Expenses	-	1,200	222	775	425	1,200
Total Expenditures	\$ 74,000	\$ 35,710	\$ 2,193	\$ 35,595	115	\$ 35,710
NET PROGRAM SURPLUS/DEFICIT	\$ (49,000)	\$ (9,310)	\$ (1,580)	\$ (9,330)	\$ 20	\$ (9,310)

**BRGL Dedicated Funds
End of Month-December 2016**

	(A)	(B)	(C)	(D)	(E)	(F)
	2016 Original Budget	Final Amended 2016	Actual December-16	Actual Year-to-Date (@ 12/31/2016)	Estimate Remaining for Year	Projected Actual Result at Year End (2016 Amended Budget)
PROGRAM EXPENDITURES						
Staff Salaries	\$ 53,500	\$ 53,500	\$ 4,377	\$ 52,238	\$ 1,262	\$ 53,500
Health Benefits & Taxes	7,500	7,500	482	6,283	1,217	7,500
SEP/IRA-Retirement	<u>6,500</u>	<u>6,500</u>	<u>534</u>	<u>6,375</u>	<u>125</u>	<u>6,500</u>
Total Expenditures	\$ 67,500	\$ 67,500	\$ 5,393	\$ 64,896	\$ 2,604	\$ 67,500

MONTHLY CASH REPORT

ACCOUNTS:	@12/31/15	REVENUES	EXPENSES	OTHERS	BALANCE
JEDCO Checking	\$292,007.20				
January '16		\$43,753.79	\$1,360,341.74	\$1,375,921.91	\$351,341.16
February '16		28,641.10	429,861.73	200,967.78	151,088.31
March '16		11,146.05	187,346.85	224,897.64	199,785.15
April '16		102,473.48	204,571.73	253,107.70	350,794.60
May '16		14,672.32	142,862.96	8,119.99	230,723.95
June '16		18,608.82	167,010.16	398,316.28	480,638.89
July '16		18,027.54	182,131.31	(201,267.08)	115,268.04
August '16		27,337.75	197,315.64	156,182.02	101,472.17
September '16		18,755.91	167,636.02	154,644.74	107,236.80
October '16		31,757.03	161,833.88	150,695.77	127,855.72
November '16		27,704.71	200,442.43	153,881.10	108,999.10
December '16		134,011.92	234,295.42	455,073.26	463,788.86
Jefferson EDGE Checking	\$175,478.67				
January '16		\$27,500.00	\$0.00	(\$1,337.10)	\$201,641.57
February '16		17,500.00	4,602.42	(1,339.44)	213,199.71
March '16		0.00	8,325.00	(1,331.31)	203,543.40
April '16		34,250.00	7,612.71	(1,331.13)	228,849.56
May '16		0.00	11,655.00	(1,330.95)	215,863.61
June '16		39,000.00	13,441.51	(5,491.16)	235,930.94
July '16		30,000.00	6,563.65	(31,397.75)	227,969.54
August '16		12,000.00	4,501.12	(1,400.74)	234,067.68
September '16		26,250.00	6,335.70	(1,399.06)	252,582.92
October '16		11,000.00	2,295.62	(1,403.14)	259,884.16
November '16		50,000.00	4,405.00	(1,399.10)	304,080.06
December '16		0.00	1,650.00	(1,392.07)	301,037.99
BRGL (I & II) Revenues	\$142,459.60				
January '16		\$0.00	\$5,835.42	\$0.00	\$136,624.18
February '16		0.00	5,359.36	0.00	131,264.82
March '16		0.00	5,361.20	0.00	125,903.62
April '16		0.00	5,360.11	0.00	120,543.51
May '16		0.00	5,360.12	0.00	115,183.39
June '16		0.00	5,360.12	0.00	109,823.27
July '16		0.00	5,360.12	0.00	104,463.15
August '16		0.00	5,360.13	0.00	99,103.02
September '16		0.00	5,360.13	0.00	93,742.89
October '16		0.00	5,393.09	0.00	88,349.80
November '16		0.00	5,393.09	0.00	82,956.71
December '16		0.00	5,393.09	0.00	77,563.62

MONTHLY CASH REPORT

ACCOUNTS:	@12/31/15	REVENUES	EXPENSES	OTHERS	BALANCE
INVESTMENTS:					
JEDCO Lamp	\$1,777,495.92				
January '16		\$280.71	\$0.00	(\$1,170,000.00)	\$607,776.63
February '16		234.85	0.00	1,170,000.00	1,778,011.48
March '16		592.08	0.00	0.00	1,778,603.56
April '16		610.12	0.00	0.00	1,779,213.68
June '16		817.88	0.00	1,200,000.00	2,980,031.56
June '16		1,054.77	0.00	(150,000.00)	2,831,086.33
July '16		1,120.89	0.00	237,742.00	3,069,949.22
August '16		1,106.96	0.00	(150,000.00)	2,921,056.18
September '16		1,139.76	0.00	(150,000.00)	2,772,195.94
October '16		1,272.70	0.00	(150,000.00)	2,623,468.64
November '16		1,181.69	0.00	(150,000.00)	2,474,650.33
December '16		1,144.74	0.00	(450,000.00)	2,025,795.07
Jefferson EDGE Lamp	\$601,418.35				
January '16		\$157.30	\$0.00	\$0.00	\$601,575.65
February '16		175.07	0.00	0.00	601,750.72
March '16		200.40	0.00	0.00	601,951.12
April '16		206.49	0.00	0.00	602,157.61
May '16		208.61	0.00	0.00	602,366.22
June '16		216.14	0.00	0.00	602,582.36
July '16		222.91	0.00	0.00	602,805.27
August '16		225.93	0.00	0.00	603,031.20
September '16		247.62	0.00	0.00	603,278.82
October '16		287.62	0.00	0.00	603,566.44
November '16		284.93	0.00	0.00	603,851.37
December '16		334.13	0.00	0.00	604,185.50