



**JEDCO Executive Committee**  
**January 31, 2019 8:30 A.M.**  
**JEDCO Administration Building**  
**700 Churchill Parkway, Avondale, LA 70094**  
**AGENDA**

- I. Call to Order – Chairman, Lloyd Clark**
  - Welcome Guests and Pledge of Allegiance
  - Approval of Board absences for today, January 31, 2019
  - Approval of JEDCO minutes for December 20, 2018 **PG. 2**
  - Cornerstone Chemical Company update – **Tom Yura**
- II. Public Comments on Agenda Items**
- III. Unfinished and New Business**
  - Resolution acknowledging that the requirements of a Memorandum of Understanding have been complied with to the satisfaction of JEDCO; approving the final form of and authorizing the execution of a Lease Agreement and Agreement to Issue Bonds and any and all additional documents and certificates deemed necessary in connection with the granting of a favorable payment in lieu of tax arrangement and the potential issuance of not exceeding \$150,000,000 in aggregate principal amount of taxable and/or tax-exempt Revenue Bonds of the Jefferson Parish Economic Development and Port District for the acquisition and construction of certain buildings and equipment at the site of the former Avondale Shipyards at 5100 River Road, for the benefit of Avondale Marine, LLC; and providing for other matters with respect to the foregoing – **Lacey Bordelon Pg. 5**
  - Resolution authorizing Amendment No. 2 to the contract between Perkins+Will and JEDCO for the development of a master plan for the Churchill Technology & Business Park – **Lacey Bordelon Pg. 69**
- IV. Monthly Financial Report**
  - December 2018 – **Cynthia Grows Pg. 74**
- V. President & CEO Report – Jerry Bologna**
- VI. Other Updates or Comments from the JEDCO Board of Commissioners**
- VII. Adjournment**

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](mailto: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**  
**December 20, 2018 8:30 A.M.**  
**JEDCO Administration Building**  
**700 Churchill Parkway, Avondale, LA 70094**  
**MINUTES**

**Call to Order:** 8:30 a.m.

**Attendance:** Mickal Adler, Jimmy Baum, Lloyd Clark, \*Anthony DiGerolamo, \*Lesha Freeland, Roy Gattuso, Tom Gennaro, Brian Heiden, Larry Katz, Teresa Lawrence, Stephen Robinson (\*not a member of the Executive Committee)

**Staff:** Jerry Bologna, Lacey Bordelon, Cynthia Grows, Jennifer Lapeyrouse, Scott Rojas, Kelsey Scram, Penny Weeks

**Absences:** Mario Bazile

**Attorney:** Reed Smith – Jefferson Parish Attorney’s Office

**Guests:** Jeff Kever – Avondale Marine LLC  
Mike Sherman and Miles Granderson – Sherman Strategies LLC  
David Wolf – Adams and Reese LLP  
Sam Woodham – Fuji Oil

**I. Call to Order – Chairman, Jimmy Baum**

Chairman Baum opened the meeting by welcoming guests and leading in the Pledge of Allegiance.

Larry Katz motioned, seconded by Roy Gattuso to amend the agenda to include a presentation by Mike Sherman regarding the Avondale Marine L.L.C. PILOT. The motion passed unanimously.

- **Approval of Board absences for today, December 20, 2018**

Lloyd Clark motioned, seconded by Roy Gattuso to approve the above named absence. The motion passed unanimously.

- **Approval of JEDCO minutes for November 29, 2018**

Tom Gennaro motioned, seconded by Mickal Adler to approve the minutes. The motion passed unanimously.

- **Swearing in of new Commissioner**

Mr. Floyd Simeon, representing the Home Builders Association of Greater New Orleans will be sworn in at the JEDCO Finance Committee meeting on January 10, 2019. Mr. Simeon replaces Mr. Bruce Layburn.

- **Presentation regarding Avondale Marine L.L.C. PILOT**  
Mike Sherman, of Sherman Strategies LLC, provided an overview of the Avondale Marine ownership structure and history. Mr. Sherman shared the vision, tentative master plan and description of Capital Improvements.

## II. Public Comments on Agenda Items

None

## III. Unfinished and New Business

- **Appointment to JEDCO Finance Committee and JEDCO Development Corporation Board of Directors**

Roy Gattuso motioned to appoint Mr. Floyd Simeon, seconded by Brian Heiden. The motion passed unanimously.

- **Resolution authorizing the Seventh Amendment to the Cooperative Endeavor Agreement with the State of Louisiana, Jefferson Parish School Board and JEDCO – Lacey Bordelon**

As a result of the 2018 State Legislative Session, the Patrick F. Taylor Science & Technology Academy's event center project received appropriations in Priority 2 and Priority 5. The seventh amendment to the CEA reflects the current level of funding and the proposed allocation of those funds. This seventh amendment will enable the JPSB to let the project go to bid and for construction of the event center to commence. Roy Gattuso motioned, seconded by Stephen Robinson to approve the resolution authorizing the Seventh Amendment. The motion passed unanimously.

- **A resolution giving preliminary approval to the issuance of not exceeding \$9,000,000 of taxable or tax-exempt revenue bonds by JEDCO to finance certain improvements at a palm oil processing plant to be constructed in Avondale, Louisiana by and on behalf of Fuji Oil New Orleans, LLC; authorizing a public hearing in connection therewith; making a declaration of official intent pursuant to Section 1.150-2 of the U.S. Treasury Regulations; and providing for other matters in connection with the foregoing. – Lacey Bordelon**

Fuji plans to develop its second U.S. palm oil refinery in Avondale and expects to invest \$70 million in the project and create 39 jobs. The portion of this project under consideration is related to Fuji's processes and equipment for wastewater and solid waste disposal. Final approval will be required of the JEDCO Board and the State Bond Commission prior to the issuance of bonds. Roy Gattuso motioned to approve the resolution giving preliminary approval, seconded by Mickal Adler. The motion passed unanimously.

- **Approval of JEDCO 2018 Final Amended Budget – Cynthia Grows**  
Roy Gattuso motioned to approve the JEDCO 2018 Final Amended Budget, seconded by Mickal Adler. The motion passed unanimously.
- **Resolution accepting a Request for Proposal (RFP) from Iberia Bank to serve as fiscal agent for the Jefferson Parish Economic Development and Port District and authorizing the President & Chief Executive Officer of the**

**Jefferson Parish Economic Development and Port District (JEDCO) to enter into a three (3) contract with Iberia Bank to serve as fiscal agent for JEDCO – Cynthia Grows**

In response to an RFP, five proposals were received and scored by a selection committee. The winning proposal was Iberia Bank. JEDCO staff pointed out the preamble of the agenda description failed to include language authorizing an option to renew for two additional years. Lloyd Clark motioned, Tom Gennaro seconded and passing unanimously, the agenda description was amended to include an option to renew for two additional years. Larry Katz motioned, seconded by Mickal Adler to approve the resolution as presented, which does include the language allowing a renewal for two additional years. The motion passed unanimously.

**IV. Monthly Financial Report**

- **November 2018 – Cynthia Grows**

Roy Gattuso motioned to approve the report as presented, seconded by Teresa Lawrence. The motion passed unanimously.

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

- Mr. David Wolf was acknowledged for receiving the JEDCO Chairman’s Champion Award. Mr. Wolf played an important role in the organization’s success in 2018.
- Commissioners were reminded to take the online Ethics Training before December 31, 2018.
- Chairman Baum was presented with a “Perfect Attendance” certificate, and on behalf of the JEDCO Board and staff, Jerry expressed sincere appreciation for his dedication and service as Chairman in 2018.

**VI. Other Updates or Comments from the JEDCO Board of Commissioners**  
None

**VII. Adjournment** – Lloyd Clark motioned to adjourn, seconded by Teresa Lawrence. The motion passed unanimously.

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**Tom Gennaro**  
**JEDCO Secretary**  
**Minutes for December 20, 2018**



## ***MEMORANDUM***

**DATE:** January 24, 2019

**TO:** JEDCO Board of Commissioners, Executive Committee

**FROM:** Jerry Bologna, President & CEO  
via Lacey Bordelon, Vice President & COO *LB*

**SUBJECT:** Resolution acknowledging that the requirements of a Memorandum of Understanding have been complied with to the satisfaction of JEDCO; approving the final form of and authorizing the execution of a Lease Agreement and Agreement to Issue Bonds and any and all additional documents and certificates deemed necessary in connection with the granting of a favorable payment in lieu of tax arrangement and the potential issuance of not exceeding \$150,000,000 in aggregate principal amount of taxable and/or tax-exempt Revenue Bonds of the Jefferson Parish Economic Development and Port District for the acquisition and construction of certain buildings and equipment at the site of the former Avondale Shipyards at 5100 River Road, for the benefit of Avondale Marine, LLC; and providing for other matters with respect to the foregoing

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### **Background:**

To facilitate the redevelopment of the former Avondale Shipyards site, JEDCO has been negotiating with the purchaser of the site, Avondale Marine, LLC, on a Lease Agreement and Agreement to Issue Bonds with a payment-in-lieu-of-taxes (PILOT) arrangement. Under this Agreement JEDCO would take title to specific property, including buildings and permanent cranes (no land), which will be identified in the property conveyance document, then lease it back to the Company for a negotiated annual payment-in-lieu-of-taxes.

At JEDCO's full Board meeting on August 30, 2018, the JEDCO Board adopted a resolution authorizing JEDCO to commence the negotiations and development of a Lease Agreement and Agreement to Issue Bonds with PILOT arrangement. At a special meeting of JEDCO's Executive Committee on September 19, 2018 the Executive Committee approved a resolution authorizing a Memorandum of Understanding ("MOU") with the Company and the form of a Lease Agreement and Agreement to Issue Bonds in connection with the redevelopment of the former shipyard site. The MOU spelled out specific deliverables required to be submitted to JEDCO by the Company prior to the finalization and execution of the Lease Agreement. Furthermore, the resolution allowed for the continued negotiation of Lease Agreement terms, such as job creation benchmarks and other performance obligations, and required final approval of the Lease Agreement by the JEDCO Board of Commissioners or Executive Committee of the Board.

### **Discussion:**

The Company has fulfilled the requirements of the MOU, specifically those required undertakings on the part of company as per Section 3 of the MOU, to the satisfaction of JEDCO staff and counsel. JEDCO staff and the Company have negotiated the terms of a Lease Agreement and Agreement to Issue Bonds

with a favorable payment in lieu of taxes (“PILOT”) arrangement, which will provide an estimated \$7.5 million benefit to the Company in property tax savings over the full 20-year term of the PILOT Lease based on the Company’s projected capital improvements to the site. The PILOT Lease also establishes annual employment benchmarks for on-site full-time jobs entitled to benefits with a clawback penalty in the form of a fee if the annual benchmark isn’t met, and a further penalty of lease termination if the employment benchmarks are not met for two years (consecutive or non-consecutive). There are other protections to the public benefit of this agreement contained within the PILOT Lease which require a buy-back of the Leased Property by either the Company, an affiliated company or Huntington Ingalls Industries if the Company defaults in meeting or complying with covenants and obligations under the PILOT Lease.

The PILOT Lease also establishes JEDCO’s agreement to issue Bonds from time to time in an aggregate amount not exceeding \$150,000,000 but only at the written request of the Company and subject to terms and conditions. As of this date, Bonds have not been requested by the Company. If the Company requests Bonds in the future, separate approval of JEDCO’s Board will be necessary as well as approval by the State Bond Commission.

**Recommendation:**

JEDCO staff recommends the Board approve the resolution presented to them which does the following:  
1) acknowledges the Company has furnished the information to JEDCO that the MOU calls for to the satisfaction of JEDCO;

2) (i) gives final approval to the Lease Agreement and Agreement to Issue Bonds in substantially the form attached, (ii) authorizes the execution of the PILOT Lease by the Board officers with such changes approved by JEDCO’s special counsel, (iii) authorizes the acquisition by JEDCO of immovable property consisting of buildings and permanent cranes which will be clearly described within the PILOT Lease and Conveyance documents, and authorizes other matters necessary, convenient, appropriate and desirable in connection with the PILOT Lease;

3) approves the PILOT payment schedule over the agreement’s 20-year term along with the targeted employment benchmarks;

4) authorizes the stated officers and JEDCO’s President & CEO to execute all documents related to this transaction; and

5) authorizes the stated officers and JEDCO’s President & CEO upon the advice of counsel to execute future servitudes, easements, mortgages, rights-of-way, releases, conveyances or other instruments with respect to the Leased Property as might be required.

\*The resolution also conditions the Executive Committee’s final approval of the proposed resolution on the fact that either the Company, an affiliated company with a stated minimum net worth, or Huntington Ingalls Industries will agree to purchase from JEDCO the Leased Property when the lease term ends in the event the Company fails to purchase back from JEDCO the Leased Property.

**Attachments (2):**

1. JEDCO Board Resolution
2. Lease Agreement and Agreement to Issue Bonds

**JEFFERSON PARISH ECONOMIC DEVELOPMENT  
AND PORT DISTRICT  
January 31, 2019**

The following resolution was offered by \_\_\_\_\_ and seconded  
by \_\_\_\_\_:

**RESOLUTION**

A resolution acknowledging that the requirements of a Memorandum of Understanding have been complied with to the satisfaction of JEDCO; approving the final form of and authorizing the execution of a Lease Agreement and Agreement to Issue Bonds and any and all additional documents and certificates deemed necessary in connection with the granting of a favorable payment in lieu of tax arrangement and the potential issuance of not exceeding \$150,000,000 in aggregate principal amount of taxable and/or tax-exempt Revenue Bonds of the Jefferson Parish Economic Development and Port District for the acquisition and construction of certain buildings and equipment at the site of the former Avondale Shipyards at 5100 River Road, for the benefit of Avondale Marine, LLC; 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, 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 (the "Parish") (excluding Grand Isle and Ward 11) by providing job opportunities; and

**WHEREAS**, in addition to any other powers and functions, JEDCO is authorized by the JEDCO Act, and specifically La. R.S. 34:2033, to perform the functions of an economic and industrial development entity, including fostering and supporting economic and industrial development and education in cooperation with private business enterprises, financial institutions, educational institutions, nonprofit institutions and organizations, state government and political subdivisions of the state, the federal government, and other organizations or persons concerned with research, development, education, commercial application, and economic or industrial development in ways which increase the economic base in its jurisdiction, and JEDCO is further authorized to engage in whatever activities and projects it deems most appropriate to encourage and assist economic growth and development in accordance with and pursuant to provisions of the foregoing; and

**WHEREAS**, the JEDCO Act further provides, specifically at La. R.S. 34:2034, that JEDCO may enter into cooperative endeavors that provide for any form of economic development assistance between or among JEDCO and the State, any of its local governmental subdivisions, political corporations, or public benefit corporations, the United States or its agencies, or any public or private association, corporation, or individual, in the form of cooperative financing, cooperative development, or any other form of cooperative economic development activity; and

**WHEREAS**, pursuant to Part XII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (R.S. 39:991 *et seq.*) (the "Revenue Bond Act"), port commissions, including JEDCO, are authorized to issue revenue bonds for the purpose of constructing, acquiring or improving such projects as are described by law as being projects authorized to be undertaken by the governing board of any such port commission under its general jurisdiction and powers; and

**WHEREAS**, pursuant to La. R.S. 39:996, prior to the issuance of any bonds under the Revenue Bond Act, JEDCO, as issuer of such bonds, shall lease, sublease, or agree to sell the project to a lessee, sublessee, or purchaser under an agreement conditioned upon completion of the project and providing for payment to JEDCO of such rentals or installment payments as will be sufficient (a) to pay the principal of and interest on any bond issued to finance the project, (b) build up and maintain any reserve deemed by the governing body to be advisable in connection therewith, and (c) unless the contract obligates the lessee, sublessee, or purchaser to pay for the maintenance and insurance of the project, to pay the cost of maintaining the project in good repair and keeping it properly insured; and such lease, sublease, or agreement of sale shall be made upon such other terms and conditions and for the time which may be determined by JEDCO and may contain provisions authorizing the purchase of the entire leased project or any portion thereof by the lessee or its assignee, where applicable, after all bonds issued thereunder have been paid in full, for such consideration and upon such terms and conditions as JEDCO may determine; *and if title to the project is in JEDCO then JEDCO may specifically require as a condition under the lease agreement, that the lessee of each of the projects shall pay annually to the appropriate taxing authority, 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* [emphases added]; and such payments to be made in lieu of taxes together with any fees and charges, 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**, Avondale Marine, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware, which is registered and authorized to do business in the State of Louisiana (the "Company"), has purchased an approximately 254-acre site at 5100 River Rd., in Avondale, Jefferson Parish, Louisiana, that is the former site of Avondale Shipyards, including all buildings, improvements, equipment and fixtures thereon for the purpose of renovating and rehabilitating the foregoing and putting the foregoing back into commerce as a mixed-use industrial and commercial property that will generate employment and



economic activity in the Parish that will benefit the general economy of the Parish (the "Development"); and

**WHEREAS**, the Company has requested and JEDCO has previously agreed on a preliminary basis to negotiate a structured payment-in-lieu-of-tax ("PILOT") arrangement providing a substantial financial incentive to the Company to implement the Development for the aforesaid purposes over a period of no more than twenty (20) years, which arrangement will require that JEDCO take title to certain immovable property consisting of: buildings and certain crane equipment at the Development (such immovable property subject to the PILOT arrangement being herein referred to as the "Leased Property"), but not including any interest in land or in movable vehicles, machinery or equipment, and that JEDCO will then lease the Leased Property back to the Company pursuant to a lease or other agreement providing the details of the proposed PILOT arrangement all as provided for and permitted by the aforesaid constitutional and statutory authorities; and

**WHEREAS**, JEDCO and the Company have previously entered into a Memorandum of Understanding with respect to the foregoing matters (the "MOU"), which MOU required that the Company furnish certain additional materials and information to JEDCO for review and approval prior to JEDCO, through its Board of Commissioners or Executive Committee, giving final approval to the proposed PILOT Arrangement; and

**WHEREAS**, the Company has met the requirements of the MOU to the satisfaction of JEDCO; and

**WHEREAS**, it is now the desire of this Executive Committee of the Board of Commissioners to authorize the Chairman and/or Vice Chairman and Secretary of JEDCO to execute a "Lease Agreement and Agreement to Issue Bonds" (the "PILOT Lease") in substantially the form attached hereto as Exhibit A, and for JEDCO to acquire the Leased Property described therein under the terms and conditions described therein, and such other matters necessary and desirable in connection therewith.

**NOW, THEREFORE, BE IT RESOLVED** by the Executive Committee of the Board of Commissioners of the Jefferson Parish Economic Development and Port District that:

**SECTION 1. Satisfaction of MOU Requirements.** JEDCO acknowledges that the Company has furnished the information called for in the MOU to the satisfaction of JEDCO's administrative staff and this Executive Committee.

**SECTION 2. Approval of PILOT Lease and Incentives.** JEDCO hereby gives final approval to (i) the Lease Agreement and Agreement to Issue Bonds in connection with the PILOT in substantially the form attached to this resolution as Exhibit A, and the potential issuance of taxable or tax-exempt revenue bonds in connection with the Leased Property, (ii) the execution and delivery of the PILOT Lease by the officers of JEDCO described in Section 4 below, with such changes as are approved by special counsel to JEDCO, (iii) the acquisition of the immovable property consisting of buildings and permanent cranes described or to be described therein (but not any interest in the land or any movable vehicles, machinery or

equipment), for the purpose of effecting the PILOT described therein, and (iv) such other matters necessary, convenient, appropriate and desirable in connection with the matters approved hereby.

Final approval of the PILOT Lease by this Executive Committee is conditioned on the fact that either (i) the Company [or an affiliated company with current net worth of at least \$ \_\_\_\_\_] or (ii) Huntington Ingalls Industries, will agree to purchase from JEDCO, for the purchase price stated in the PILOT Lease, any part or all of the property that JEDCO owns pursuant to the PILOT Lease, whenever (a) there has been a failure by the Company to provide the number of Permanent Jobs required by the PILOT Lease for two years (whether consecutive or non-consecutive years), (b) there has been a failure of the Company to make or cause to be made any rental payment under the PILOT Lease for more than twenty (20) calendar days after the due date thereof, or (c) there has been a default by the Company in meeting or complying with any other covenant or obligation under the PILOT Lease for more than forty-five (45) calendar days after the due date thereof.

**SECTION 3. Approval of PILOT Payment for the Leased Property.** Subject to the foregoing, JEDCO approves a structured PILOT agreement with a term of no more than twenty (20) years, based upon the Development resulting in a minimum number of direct permanent jobs within the Development (whether provided by the Company or by a lessee/sublessee of the Company) according to the following schedule, and subject to clawback penalty payments by the Company or termination of the PILOT Lease in the event of failure to achieve the required number of permanent jobs or other conditions or deliverables as shall be set forth in the PILOT Lease:

<u>PILOT Year*</u>	<u>Tax Year</u>	<u>Proposed PILOT (\$)</u>	<u>Permanent Jobs Created</u>	<u>PILOT Year*</u>	<u>Tax Year</u>	<u>Proposed PILOT (\$)</u>	<u>Permanent Jobs Created</u>
1	2019	100,000	25	11	2029	250,000	1,100
2	2020	100,000	25	12	2030	275,000	1,200
3	2021	100,000	25	13	2031	300,000	1,300
4	2022	100,000	25	14	2032	325,000	1,400
5	2023	100,000	100	15	2033	350,000	1,500
6	2024	125,000	150	16	2034	375,000	1,600
7	2025	150,000	250	17	2035	400,000	1,700
8	2026	175,000	500	18	2036	425,000	1,800
9	2027	200,000	750	19	2037	450,000	1,900
10	2028	225,000	1,000	20	2038	475,000	2,000

\* In the foregoing table, PILOT Year 4 is assumed to be the year in which the Company will have received all necessary permits and approvals from state and federal authorities, including the U.S. Army Corps of Engineers, needed to begin construction of the Development, as will be further defined and detailed in the PILOT Agreement. In the event that receipt of such permits and approvals are not received by the end of PILOT Year 4 (i.e. December 31, 2022), then the PILOT Agreement may provide that the PILOT Payment and Permanent Jobs requirements shown for PILOT Year 4 (2022) may continue at the same levels for up to an additional two tax years, thereby deferring PILOT Year 5 and each subsequent PILOT Year by the same amount, subject to such additional terms, conditions and limitations as may be included in the PILOT Agreement, provided that in no event shall the term of the PILOT Lease exceed December 31, 2038.

SECTION 4. Negotiation, Execution and Delivery of Documents. The Chairman, Vice-Chairman and President/CEO of JEDCO, 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, the PILOT Lease and associated Notice of Lease pursuant to La. R.S. 9:2742, a conveyance to JEDCO of the Leased Property, and such other instruments, documents, consents, acknowledgements and certificates in addition to the foregoing that are deemed by such officers upon the advice of counsel 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.

SECTION 5. Authorization. The Chairman, Vice-Chairman and President/CEO of JEDCO, or any one of them, upon the advice of counsel, shall each 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 Leased Property described in the PILOT Lease as may be required by or provided for in the PILOT Lease or in connection with any bonds, or as may be requested by the Company, or as may otherwise be required for or necessary, convenient or appropriate to the Development, the PILOT payments and/or and the bonds described above, and which have been reviewed and approved by JEDCO's special counsel.

SECTION 6. Effective Date. This resolution shall take effect immediately.

The foregoing 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 31st day of January, 2019.

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Secretary

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Chairman

**EXHIBIT A  
to Authorizing Resolution**

**FORM OF PILOT LEASE**

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**LEASE AGREEMENT AND  
AGREEMENT TO ISSUE BONDS**

dated as of \_\_\_\_\_ 1, ~~2018~~2019

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by and between the  
Jefferson Parish Economic Development and Port District  
and  
Avondale Marine, LLC

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relating to the agreement to issue up to:  
\$150,000,000  
Taxable Revenue Bonds  
(Avondale Marine, LLC Project)  
of the  
Jefferson Parish Economic Development and Port District

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**LEASE AGREEMENT  
AND AGREEMENT TO ISSUE BONDS**

This **LEASE AGREEMENT AND AGREEMENT TO ISSUE BONDS** (the "Lease Agreement" or "Agreement"), dated for convenience as of \_\_\_\_\_ 1, ~~2018~~2019, 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 **AVONDALE MARINE, LLC** (the "Lessee"), a limited liability company organized and existing under the laws of the State of Delaware and authorized to do business in the State of Louisiana, as lessee,

**WITNESSETH:**

**WHEREAS**, the Lessor has been created pursuant to Chapter 20, Title 34 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 34:2021, *et seq.*) (the "the JEDCO Act"), which provides that the Lessor shall exercise the powers therein conferred upon it within the geographical limits of Jefferson Parish, Louisiana (the "Parish"), except the town of Grand Isle as the boundaries and limits of said town are presently or hereafter fixed by law and all of Ward 11 of the Parish, and further provides that the Lessor shall serve as the principal parish organization for furthering economic development of the Parish and for promoting and assisting the growth and development of the Parish industrial and business concerns; and

**WHEREAS**, pursuant to La. R.S. 34:2034(A)(1), the Lessor may construct or acquire industrial parks or industrial plant buildings inside its geographic boundaries, including sites and other necessary property or appurtenances therefor, and acquire, construct, improve, operate, maintain, and provide improvements and services necessary therefor, including but not limited to roads, street lighting, bridges, rail facilities, drainage, sewers, sewerage disposal facilities, solid waste disposal facilities, waterworks, and other utilities and related properties; and

**WHEREAS**, pursuant to La. R.S. 34:2022(G), the Lessor also has the authority to sell, lease, or otherwise dispose of, by suitable and appropriate contract, to any enterprise locating or existing inside the geographic boundaries of the Lessor, all or any part of an industrial plant site, industrial plant building, or other property owned by the Lessor, and in determining the consideration for any contract to lease, sell, or otherwise dispose of lands, buildings, or other property to take into consideration the value of the lands, buildings, or other properties involved as well as the potential value of the economic impact of the industrial or business enterprise being assisted, including increased employment, increased use of local labor, wages and salaries to be paid, consumption of local materials, products and resources and special tax revenues to be generated by the industrial or business enterprise acquiring or leasing lands, buildings, or other property from the Lessor; and

**WHEREAS**, Article VII, Section 14(C) of the Louisiana Constitution of 1974 provides that the state and its political subdivisions or political corporations may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation, or individual; and

**WHEREAS**, Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:9020, *et seq.*) (the "Cooperative Economic Development Law"), provides

that local governmental subdivisions may cooperate or engage in cooperative endeavors providing for cooperative financing of economic development projects with other local governmental subdivisions or with any other private or public entity or person, for the purpose of aiding in cooperative development, all as defined in the Cooperative Economic Development Law; and

**WHEREAS**, La. R.S. 34:2034(F) also provides that the Lessor may enter into any cooperative endeavor providing any form of economic development assistance between or among the Lessor and the state, any of its local governmental subdivisions, political corporations, or public benefit corporations, the United States or its agencies, or any public or private association, corporation, or individual, including but not limited to cooperative financing, cooperative development, or any other form of cooperative economic development activity; and

**WHEREAS**, pursuant to Part XII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (R.S. 39:991 *et seq.*) (the "Revenue Bond Act"), port commissions, including the Lessor, are authorized to issue revenue bonds for the purpose of constructing, acquiring or improving such projects as are described by law as being projects authorized to be undertaken by the governing board of any such port commission under its general jurisdiction and powers; and

**WHEREAS**, pursuant to La. R.S. 39:996, prior to the issuance of any bonds under the Revenue Bond Act, the Lessor, as issuer of such bonds, shall lease, sublease, or agree to sell the project to a lessee, sublessee, or purchaser under an agreement conditioned upon completion of the project and providing for payment to the Lessor of such rentals or installment payments as will be sufficient (a) to pay the principal of and interest on any bond issued to finance the project, (b) build up and maintain any reserve deemed by the governing body to be advisable in connection therewith, and (c) unless the contract obligates the lessee, sublessee, or purchaser to pay for the maintenance and insurance of the project, to pay the cost of maintaining the project in good repair and keeping it properly insured; and such lease, sublease, or agreement of sale shall be made upon such other terms and conditions and for the time which may be determined by the Lessor and may contain provisions authorizing the purchase of the entire leased project or any portion thereof by the lessee or its assignee, where applicable, after all bonds issued thereunder have been paid in full, for such consideration and upon such terms and conditions as the Lessor may determine; *and if title to the project is in the Lessor then the Lessor may specifically require as a condition under the lease agreement, that the lessee of each of the projects shall pay annually to the appropriate taxing authority, 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* [emphases added]; and such payments to be made in lieu of taxes together with any fees and charges, 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 Lessee has purchased from Huntington Ingalls Industries an approximately 254-acre site on the west bank of the Mississippi River in the Parish, being the former site of Avondale Shipyards as generally depicted on Exhibit A hereto, including all buildings, improvements, equipment and fixtures thereon, for the purpose of renovating and

rehabilitating such property and putting it back into commerce as a mixed-use industrial and commercial property that will generate employment and economic activity in the Parish that will benefit the general economy of the Parish (the "Avondale Development"); and

**WHEREAS**, the Lessee has requested and the Lessor has agreed to negotiate a structured payment-in-lieu-of-tax ("PILOT") arrangement providing a financial incentive over a period of no more than twenty (20) years to encourage the Lessee to develop the Property for the aforesaid purposes, which arrangement will provide that the Lessor will take title to certain immovable property consisting of: buildings, improvements, equipment, fixtures and permanent cranes at the former Avondale Shipyards site (such immovable property subject to the PILOT arrangement being herein referred to as the "Leased Property"), but not including any interest in land or in movable vehicles, machinery or equipment, and that the Lessor will then lease the Leased Property back to the Lessee pursuant to this Agreement, all as provided for and permitted by the aforesaid constitutional and statutory authorities; and

**WHEREAS**, the Lessor and the Lessee acknowledge and agree that the Avondale Development will result in increased tax revenues to the Parish, and will lead to additional economic activity in the Parish, that as a result of the Avondale Development, many new jobs will be generated for employees engaged in the construction and ongoing operation of the Avondale Development and that the Avondale Development will thereby advance the economic base of the Parish, as well as the prosperity and welfare of its citizens, and is a direct benefit to the Parish and its residents; and

**WHEREAS**, in consideration for the acquisition and construction of the Avondale Development by the Lessee and the provision by the Lessee of certain economic benefits to the Parish, the Lessor desires to offer a PILOT incentive related to a portion of the Avondale Development consisting of the Leased Property as defined herein, providing for a structured schedule of payments in lieu of taxes, subject to certain terms, conditions and clawbacks, as consideration for the Lessee's agreement to provide certain economic benefits to the Parish in the form of the Development itself, added employment, enhanced tax revenues and other tangible and intangible economic benefits to the Parish resulting from the Development (collectively, the "PILOT Incentives"); and

**WHEREAS**, the PILOT Incentives are not intended to be given gratuitously, but rather shall be in consideration for (i) the Lessee's agreement to provide certain economic benefits to the Parish as further described herein, (ii) the actual furnishing to the Parish of those economic benefits in the manner set forth herein, and (iii) a material capital investment by the Lessee in the Avondale Development; and

**WHEREAS**, the Lessor and the Lessee have determined and do by this Agreement jointly find and determine that there is a reasonable expectation that the Avondale Development and the economic benefits accruing therefrom serve a public purpose and that, based solely on financial projections and other information provided to the Lessor by the Lessee, the value of the proposed PILOT Incentives will be less than the financial benefits to be received by the Lessor and the Parish as a result of the Avondale Development; and

**WHEREAS**, the acquisition and construction of the Avondale Development will be funded from various sources, including possibly the issuance of bonds by the Lessor on behalf of the Lessee; and

**WHEREAS**, solely at the request of the Lessee and subject to the conditions set forth herein, the Lessor agrees that is shall issue up to \$150,000,000 in aggregate principal amount of its taxable and/or tax-exempt Revenue Bonds (Avondale Marine, LLC Project) in one or more series to finance all or a portion of the Avondale Development; and

**WHEREAS**, in consideration of the issuance of the Bonds and the financial benefit accruing to the Lessee from the in-lieu-of-tax arrangements set forth herein, the Lessee has agreed to convey the Leased Property to the Lessor, subject to the lien of any existing mortgages, liens or encumbrances, and subsequent to such conveyance will lease the Leased Property 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 debt service on the Bonds, if any, when issued, certain payments in lieu of taxes, and certain related expenses; and

**WHEREAS**, the details of the payments in lieu of taxes have been negotiated by the Lessor, on behalf of the other affected taxing bodies in Jefferson Parish, and the Lessee; 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, and has also been approved in principle by the Jefferson Parish Council;

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, including, without limitation, the undertaking of the Avondale Development 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 I whenever they are used in this Agreement.

**"Act"** shall mean (i) Chapter 20, Title 34 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 34:2021 *et seq.*), heretofore also defined as the JEDCO Act, (ii) Part XII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended, and (iii) and other constitutional and statutory provisions supplemental thereto and amendatory thereof.

**"Avondale Development"** means the renovation and rehabilitation of the former Avondale Shipyards, located on an approximately 254-acre site on the west bank of the Mississippi River, located at 5100 River Rd., in Avondale, Louisiana, and restoring the foregoing into commerce as a mixed-use industrial and commercial property that will generate employment and economic activity in the Parish to benefit the general economy of the Parish.

**"Bonds"** shall have the meaning assigned to such term in the recitals hereto, being those bonds, if any, issued to finance the Avondale Development.

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

**"Effective Date"** means the date on which ownership of the Leased Property is conveyed by the Lessee to the Lessor and leased by the Lessor to the Lessee pursuant to this Agreement.

**"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 Avondale Development, and no Bonds are presently being issued by the Lessor for the Avondale Development.

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

**"Leased Property"** means the immovable property described in Exhibit A hereto, consisting of: buildings, improvements, equipment, fixtures and permanent cranes at the former Avondale Shipyards site, but not including any interest in land or in movable vehicles, machinery or equipment, together with all additions thereto and substitutions therefor that are collectively owned by the Lessor and leased to the Lessee herein, 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.

**"Lessee"** means (i) Avondale Marine, LLC, a limited liability company corporation organized and existing under the laws of the State of Delaware and authorized to do business in 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.

**"Parish"** means the Parish of Jefferson, State of Louisiana.

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

**"Special 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 and with the use of incentives such as payments in lieu of taxes.

**"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 body politic and political subdivision of the State of Louisiana, 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 a 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 the JEDCO Act or any other enabling legislation, 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.

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 duly organized, validly existing and in good standing under the laws of the State of Delaware and authorized to do business in the State of Louisiana, has the power to execute and deliver ~~the~~ this Lease Agreement, to enter into the transactions contemplated thereby and to perform its obligations thereunder, and by proper action has duly authorized the execution and delivery of this Agreement and the performance of its obligations hereunder.

(b) ~~The~~ This Lease 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 Avondale Development or the Leased Property, 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, permits, 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 Avondale Development.

(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, the Lessor shall issue the Bonds. In consideration of this agreement to issue the Bonds subject to the following terms and conditions, the Lessee has transferred title to the Leased Property to the Lessor.

(a) The Lessor hereby agrees to issue the Bonds from time to time in an aggregate amount not exceeding \$150,000,000 but only at the written request of Lessee and subject to the following terms and conditions:

- (i) The 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 Special Counsel, including amendments and/or supplements to existing documents and/or additional documents recommended by Special 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 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 Special 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 Leased Property 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 the Effective Date, and the leasehold estate created by this Agreement shall commence on such date and shall expire, subject to the provisions of this Agreement (including particularly Articles IX and X hereof), unless extended with the mutual consent of the parties hereto, on the earlier to occur of:

- (i) December 31, 2038; or
- (ii) the first February 1 following two calendar years, whether such years are consecutive or non-consecutive, during which the Lessee failed to meet the Targeted Employment goals as defined in Section 4.03 below in such calendar years; or
- (iii) the failure of the Company to make or cause to be made any rental payment under this Agreement for more than twenty (20) calendar days after the due date thereof, and such failure has not been waived by resolution of the Board of Commissioners or the Executive Committee of the Lessor, or there has been a default by the Company in meeting or complying with any other covenant or obligation under this Agreement for more than forty-five (45) calendar days after the required date of performance or the due date thereof and such default has not been waived by resolution of the Board of Commissioners or the Executive Committee of the Lessor; or
- (iii) upon the exercise by the Lessee of its option to purchase the Leased Property pursuant to Article X below.

Huntington Ingalls Industries, Inc., has joined in this Agreement pursuant to the joinder attached hereto as Exhibit D for the purpose of guaranteeing the Lessee's obligation to acquire the Leased Property from the Lessor in accordance with the provisions of this Agreement and further binding itself to acquire the Leased Property from the Lessor in the event that the Lessee does not so acquire the Leased Property upon termination of this Agreement in accordance with its terms.

While this Agreement is structured as a lease, the contents of this Agreement include complex agreements of the Lessor and Lessee related to negotiated economic incentives to the Lessee, and economic development benefits to the Lessor. Ownership of the individual components of the Leased Property is expected to be transferred to the Lessor and automatically leased to the Lessee under the terms of this Lease Agreement on a date or dates subsequent to the Effective Date. While all other provisions of this Agreement are fully effective on the Effective Date, including, without limitation, the obligation to make all payments by the Lessee hereunder, the lease of the Leased Property to the Lessee, by operation of law will not be effective until the ownership interests in the individual components of the Leased Property are conveyed to the Lessor. In the event that title to any component of the Leased Property is not ultimately

transferred to the Lessor or is transferred later than expected, the Lessee shall not be entitled to any reimbursement of payments made by the Lessee under the terms of this Agreement.

**SECTION 4.02. Delivery and Acceptance of Possession.** The Lessor hereby leases and further delivers to the Lessee sole and exclusive possession of the Leased Property and each component thereof (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 Leased Property. 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 Leased Property 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.** For purposes of this Article, the following capitalized terms shall have the following meanings:

**"Actual Employment" or "AE"** means the average number of full-time employees employed by a Qualified Employer at the Avondale Development for the prior calendar year, each of which employees is entitled to Employee Benefits as defined below, determined by dividing by four (4) the sum of the aggregate number of such employees employed on each March 12, June 12, September 12 and December 12 in the prior calendar year, as reflected in quarterly reports by the Lessee and other Qualified Employers to the Louisiana Workforce Commission or other documentation acceptable to the Lessor. Only those persons who are employed full-time (at least 35 hours/week on average) by a Qualified Employer at the actual physical Avondale Development shall be counted towards Actual Employment. The following persons shall not be counted in the calculation of Actual Employment:

- (a) Employees who are not entitled to Employee Benefits, whether full or part-time;
- (b) Employees of a Qualified Employer who are employed for less than 35 hours/week on average at the Avondale Development, even if their employer carries on business operations at the Avondale Development; and
- (c) Indirect jobs created off-site by the Avondale Development shall not be counted towards Actual Employment.

**"Annual PILOT Rent"** means the rent payable under subsection (b) of this Section.

**"Annual PILOT Savings"** for any tax year means the difference with between the Base PILOT Payment and the Estimated Full PILOT Payment for the Tax Year in question, resulting from elimination of the local property taxes on the Leased Property pursuant to this Agreement and La. R.S. 39:996. The calculation of Annual PILOT Savings is only utilized in the event of a shortfall in Actual Employment as compared to Targeted Employment.

**"Base PILOT Payment"** means the annual PILOT payment shown in the table included in Section 4.03(b) below under the heading "Base PILOT Payment."

**"Employee Benefits"** means all employee benefit plans and programs made available to non-executive level employees of a Qualified Employer, as such plans and programs may be in effect from time to time, including, without limitation, pension and other retirement plans, profit sharing plans, savings and similar plans, individual or group life insurance, accidental death and dismemberment insurance, surgical insurance, major and access major medical insurance, dental insurance, short term and long term disability insurance, sick leave (including salary continuation arrangements), holidays and any other employee benefit plans and programs that may be sponsored by any such Qualified Employer from time to time, including any plans to supplement the above listed types of plans, whether funded or unfunded.

**"Estimated Full PILOT Payment"** means the amount of ad valorem property tax that would have been paid by the Lessee on the Leased Property, for each Tax Year as determined by Lessor in consultation with the Jefferson Parish Assessor. However, if the Jefferson Parish Assessor does not provide such information, the Lessor may (i) obtain an appraisal of the market value of the Leased Property, at the expense of the Lessee, (ii) multiply such market value times 15%, and (iii) multiply such amount times the total local property tax millage rate then in affect for the Avondale Development to determine what the ad valorem property tax would have been for any given Tax Year. The calculation of the Estimated Full PILOT Payment is only utilized in the event of a shortfall in Actual Employment as compared to Targeted Employment.

**"Qualified Employer"** means the Lessee including any affiliated companies a majority interest of which is owned by either the Lessee or by the majority owner of Lessee, or any Person who is leasing or subleasing any portion of the Avondale Development and carrying on a business enterprise at the Avondale Development.

**"Targeted Employment" or "TE"** means the required number of permanent jobs to be created at the Avondale Development shown in the table included in Section 4.03(b) below under the heading "Permanent Jobs Target," such jobs being calculated in the manner set forth in the above definition of Actual Employment.

**"Tax Year"** refers to the year for which local property taxes are being levied. Local taxing bodies in Louisiana (other than in Orleans Parish), generally levy property taxes no later than June 1 of each year, pursuant to La. R.S. 47:1705, which are deemed to be taxes for that year, are payable prior to December 31 of that year, and become delinquent if not paid prior to each such December 31. For example, taxes levied by June 1, 2018, and due by December 31, 2018, are considered as taxes for the Tax Year 2018, or "2018 Taxes."

The Lessee agrees to make all of the following rental payments under this Lease, in the manner set forth below:

(a) **Closing Cost Rent:** On or before the effective date of this Agreement, the Lessee shall pay the costs of the transaction associated with this Agreement consisting of JEDCO closing fees in the amount of \$\$\_\_\_\_\_58,750.00 and balance due of any legal fees and expenses of ~~Lessor's Special Counsel~~ to the Lessor that the Lessee has agreed to pay on behalf of the Lessor.

(b) **Annual PILOT Rent.** So long as this Agreement remains in effect and the Leased Property is owned by the Lessor, it is the intent of the Lessor and the Lessee that the Leased

Property shall be exempt from *ad valorem* tax pursuant to La. R.S. 39:996. The Lessor and the Lessee hereby agree that the Annual PILOT Rent on the Leased Property shall be the amounts shown in the following table as the Base PILOT Payment which shall be due on or before December 31 of each year, commencing not later than December 31, 2019 with respect to Tax Year 2019, and continuing each December 31 during the Lease Term with a final payment due not later than December 31, 2038, with respect to Tax Year 2038, in an amount equal to the Base PILOT Payment.

PILOT Year	Tax Year	Base PILOT Payment (\$)	Permanent Jobs Target	PILOT Year	Tax Year	Base PILOT Payment (\$)	Permanent Jobs Target
1	2019	100,000	25	11	2029	250,000	1,100
2	2020	100,000	25	12	2030	275,000	1,200
3	2021	100,000	25	13	2031	300,000	1,300
4	2022	100,000	25	14	2032	325,000	1,400
5	2023	100,000	100	15	2033	350,000	1,500
6	2024	125,000	150	16	2034	375,000	1,600
7	2025	150,000	250	17	2035	400,000	1,700
8	2026	175,000	500	18	2036	425,000	1,800
9	2027	200,000	750	19	2037	450,000	1,900
10	2028	225,000	1,000	20	2038	475,000	2,000

In the foregoing table, PILOT Year 4 is assumed to be the year in which the Lessee will have received all necessary permits and approvals from state and federal authorities, including the U.S. Army Corps of Engineers, needed to begin all phases of construction of the Avondale Development. In the event that receipt of such permits and approvals are not received by the end of PILOT Year 4 (i.e. by December 31, 2022), then with the prior approval of the Board of Commissioners or the Executive Committee of the Lessor, the Base PILOT Payment and Targeted Employment requirements shown for PILOT Year 4 (2022) may continue at the same levels for up to an additional two tax years, thereby deferring PILOT Year 5 and each subsequent PILOT Year by the same number of years, provided that in no event shall such adjustment cause the term of this Agreement to extend beyond December 31, 2038.

(c) Targeted Employment Clawback Rent. The favorable Annual PILOT Rent payments described in (b) above have been negotiated by and between the Lessor and the Lessee as an incentive to encourage the development of the Avondale Development and to create jobs and payroll. In consideration of that promise, the Lessor and Lessee have structured this Lease in a manner that results in no local property taxes being owed by the Lessee on the Avondale Development (other than the Base PILOT Payment set forth in (b) above). In order to protect the benefits being received by the Lessor in terms of number of jobs, Lessee agrees that it will report to the Lessor by February 1 of each year (or the next succeeding business day), commencing February 1, 2020, the Actual Employment of all Qualified Employers for the prior calendar year. The Lessee shall pay by such February 1 of each year (of the next succeeding business day), commencing February 1, 2020, solely after a determination that the Actual Employment for the preceding calendar year was less than the Targeted Employment for such year an amount of

additional clawback rent in arrears with respect to the preceding Tax Year equal to the Annual PILOT Savings for the preceding Tax year multiplied by the following factor:

$$1 - (AE \div TE) \quad \text{where "AE" and "TE" have the meanings given above for the preceding Tax Year (i.e. the previous calendar year)}$$

To illustrate, if in calendar year 2020 only an average 20 full-time employees with Employee Benefits were employed, as reported no later than February 1, 2021, then Lessee would make an additional rental payment calculated for Tax Year 2020 as follows:

Strictly for illustration, in the following example it is assumed that the Estimated Full PILOT Payment for 2020 is \$500,000, and that the Annual PILOT Savings for 2020 is: \$500,000 - \$100,000 = \$400,000 (the actual Annual PILOT Savings in any given Tax Year may be different).

$$\begin{aligned} &1 - (AE \div TE), \text{ or} \\ &1 - (20 \div 25), \text{ or} \\ &1 - 0.80 \text{ or} \\ &0.20 \end{aligned}$$

Annual PILOT Savings for 2020 Tax Year: \$400,000+  
Additional Clawback Rent due Feb. 1, 2021: \$400,000 x 0.20 = \$80,000

In no event shall the foregoing calculation result in any abatement of rent due by the Lessee, as in the case of a year in which Total Employment is in excess of the targeted amounts.

(d) JEDCO Annual Administrative Fee Rent. Upon execution of this Lease Agreement, Lessee shall pay Closing Cost Rent to the Lessor in the amount set forth in Section 4.03(a) above. In addition to other amounts due and payable hereunder, the Lessee shall, on February 1 of each year, commencing February 1, 2020 through and including February 1, 2038, pay the JEDCO Annual Administrative Fee Rental payment equal to \$                    , ~~\$58,750~~, together with furnishing copies of the insurance certificates required by Sections 5.04, 5.06 and 5.08 below, as well as the certifications contained in Exhibit B heretoc.

(e) Supplemental Rent. 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 attorney's fees, incurred by the Lessor in relation to this Agreement, PILOT Rent negotiation and proposed and/or actual issuance of bonds, and audit of targeted employment statistics and calculations, if any, and any consultants that may be employed by the Lessor to assist the Lessee in compliance with the targeted employment requirements set forth in (c) above.

(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,

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~~† From definition of Annual PILOT Savings, for calendar year 2020.~~

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 or to the Lessor's attorneys 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, whether or not any default shall have occurred.

(f) Cap on Annual Base PILOT Rent. In no event shall the Annual PILOT Rent described in (b) above plus any additional payment with respect to targeted employment described in (c) above payable with respect to any Tax Year exceed the Estimated Full PILOT Payment that would otherwise be due and payable on the Leased Property for the applicable Tax Year if the Leased Property were owned by the Lessee in that Tax Year, calculated using the then applicable millage rate and assessed valuation. At any time, the Lessee shall have the right to contest any assessed valuation with the Jefferson Parish Assessor the same is if it were the owner of the Leased Property.

(g) Payments Constitute Statutory Impositions. It is hereby acknowledged and agreed that pursuant to La. R.S. 39:996, all rental payments, together with any fees and charges of the Lessee hereunder, to the extent in the aggregate they do not exceed the amount of taxes that would be paid if the Lessee were the owner of the Leased Property, constitute statutory impositions with the same ranking, priority and enforcement methods for ad valorem tax.

SECTION 4.04. Annual PILOT and Employment Reporting. No later than February 1 of every year, commencing February 1, 2020, the Lessee shall furnish the Lessor with a sworn statement, in substantially the form attached hereto as Exhibit B, providing the Lessee's calculations and supporting documentation regarding employment for the previous calendar year and calculation of any Targeted Employment Clawback Rent as required by Section 4.03(c) above.

SECTION 4.05. 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 4.06. Place of Rental Payments. Annual PILOT Rent payable under Section 4.03(b) shall be payable to the collector of taxes in the Parish of Jefferson, to be distributed to tax recipient bodies in the same proportion as *ad valorem* tax on the Leased Property would be distributed for the Tax Year in question. The Lessee agrees to provide evidence of the payment of the required amounts under Section 4.03(b) to the Lessor and/or its designee no later than December 31 of each year.



Targeted Employment Clawback Rent payable under Section 4.03(c) shall be payable by the Lessee directly to the Lessor and used by the Lessor solely to for economic development and to support programs aimed at developing employment opportunities in the Parish.

Rental payments under Section 4.03(a), 4.03(d) and 4.03(e) shall be payable by the Lessee directly to the Lessor or to Lessor's attorneys.

**SECTION 4.07. 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 Leased Property. 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 rent under this Agreement 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 Leased Property 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 Leased Property it may deem desirable for its business purposes. Such additions, modifications and improvements shall not become part of the Leased Property without the prior written consent of Lessor. Moreover any movable or immovable 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 Avondale Development 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 Leased Property or any part thereof, to the extent necessary to keep and maintain the Leased Property in good repair and appearance. Lessor shall not be required to maintain, repair, or rebuild the Leased Property or any part thereof in any way, or to make any alterations, replacements or renewals of any nature or description to the Leased Property 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 Leased Property. 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 Leased Property. In any instance where the Lessee in its sound discretion determines that any items of the Leased Property have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Lessee may remove such items of the Leased Property 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 Leased Property 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.

The Lessee shall be solely responsible for notifying the Jefferson Parish Assessor of any changes in ownership of movable property and/or the removal or modification of any portion of the Leased Property from the Avondale Development or from ownership by the Lessor.

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 Leased Property or any structures or other property installed or brought by the Lessee therein or thereon, including, without limiting the generality of the foregoing, any sales and use taxes on construction materials or other property delivered to or for the Leased Property, any taxes levied upon or with respect to the income or profits of the Lessor from the Leased Property which, if not paid, would become a lien or a charge on the revenues and receipts from the leasing of the Leased Property, all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Leased Property and all assessments and charges lawfully made by any governmental body for public improvements or expenditures that may be secured by a lien on the Leased Property; 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 Leased Property 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 Leased Property shall be considered an asset of the Lessee for the purpose of its insurance practices, and, as such, the Leased Property 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) (i) 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 Leased Property damage arising out of the use, ownership, occupancy, possession, operation and condition of the Leased Property, and further containing a broad form contractual liability endorsement covering Lessee's obligations to indemnify Lessor as provided hereunder. The policy or policies shall provide coverage of at least \$2,000,000 per occurrence and \$5,000,000 in the aggregate.

(ii) The Lessee shall ensure that every sublessee or other occupant of any portion of the Leased Property shall also provide at such sublessee or occupant's sole cost and expense the same insurance with respect to the premises occupied by such sublessee or occupant, and with the same coverages naming the Lessor as a party insured as its interests may appear, as are required by (b)(i) of this Section.

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 February 1 of each year, with certificates of insurance with respect to all applicable policies of insurance then in effect (including all policies pursuant to subsection (a)(i) and (ii) of this Section). 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 any insurance policies and/or renewals required by this Section are held by another person, Lessee agrees to supply certificates of insurance evidencing same to Lessor within the time periods required above.

**SECTION 5.05. Claims and Insurance Proceeds.** The proceeds of any insurance carried pursuant to the provisions of Section 5.04 hereof shall be applied at the discretion of the Lessee.

**SECTION 5.06. Additional Provisions Respecting Insurance.** On the date of the execution and delivery of this Agreement, all such certificates of the insurers 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 Leased Property.

**SECTION 5.07. Environmental Matters.** The Lessee shall keep and maintain the Leased Property in compliance with, and shall not knowingly cause or permit the Leased Property 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 Leased Property. Except in full compliance with Hazardous Materials Laws, the Lessee shall not use, generate, manufacture, store, or dispose of on, under or about the Leased Property or transport to or from the Leased Property 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 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 Leased Property, including without limitation: (i) all foreseeable consequential damages; (ii) the cost of any required or necessary repair, clean-up or detoxification of the Leased Property, 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 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 Leased Property.

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 Commissioners, 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 Lessee for purposes or for the use of any of the Leased property 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 Leased Property and the presence of any Hazardous Materials on the Leased Property.

SECTION 5.08. Additional Environmental Insurance Required. In addition to insurance required by Section 5.04, the Lessee will furnish the Lessor with an Environmental Contractors & Consultants General Liability & Professional Liability Insurance Policy or policies, or with policies providing similar coverage, naming the Lessor and the individual members of the Board of Commissioners of the Lessor from time to time as insured, with a minimum ~~\$1,000,000~~25,000,000 pollution liability aggregate limit and ~~\$1,000,000~~25,000,000 per occurrence limit and a deductible of not more than \$5,000 per occurrence, and will pay for the all required renewals of such policy or policies whenever due. Failure to renew such policy or policies after thirty (30) days' written notice by the Lessor shall constitute an Event of Default under this Agreement.

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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 Leased Property shall be used as determined by the Lessee.

SECTION 6.02. Condemnation. In the event that title to, or the temporary use of, the Leased Property 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 Leased Property so taken. The net proceeds of any condemnation with respect to the Leased Property 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 Leased Property or that it will be suitable for the Lessee's purposes or needs or to the purposes or needs of any sublessee.

SECTION 7.02. Inspection of the Leased Property. 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 Leased Property and to examine and inspect the Leased Property. The Lessee further agrees that the Lessor and its duly authorized agents shall have such rights of access to the Leased Property as may be reasonably necessary to enforce the rights of the Lessor contained in this Agreement and for the proper maintenance of the Leased Property in the event of failure by the Lessee to perform its obligations under Section 5.01 hereof.

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 corporate 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 and its successors 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, commissioners, 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 Leased Property 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 Leased Property, 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,

(b) all expenses reasonably incurred in the investigation of, preparation for or defense of any litigation, proceeding or investigation in connection with the Leased Property, this Agreement or the transactions to be consummated in connection therewith, of any nature whatsoever, commenced or threatened against the Lessee, the Leased Property or any Indemnified Party,

(c) any judgments, penalties, fines, damages, assessments, indemnities or contributions with respect to the Leased Property or relating to or deriving from the Lessor's ownership thereof, and

(d) the reasonable fees of attorneys, auditors, and consultants; provided that the Damages arise out of:

- (i) failure by the Lessee or its agents to comply with the terms of ~~the~~this Lease 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 Leased Property,
- (iii) any breach of any representation or warranty by Lessee set forth in ~~the~~this Lease 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 Leased Property, 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 Leased Property or any Indemnified Party which might adversely affect the validity or enforceability of ~~the~~this Lease 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, upon request by the Lessor, any Commissioner of the Lessor or the President/CEO of the Lessor, shall forthwith 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.

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Revised Draft of 1-18-19

## ARTICLE VIII

### ASSIGNMENT; SUBLEASING; SELLING; MORTGAGING; REDEMPTION;

SECTION 8.01. Assignment and Subleasing. (a) The Lessee may sublease the Leased Property, as a whole or in part, without the consent of the Lessor (each, a "Sublease"). No Sublease shall relieve the Lessee from primary liability for any of its obligations hereunder, and in the event of any such Sublease, the Lessee shall continue to remain primarily liable for payment of the rents specified in Section 4.03 hereof and for the payment, performance, and observance of the other obligations and agreements on its part herein provided to be performed and observed by it. No tenant under a Sublease (each, a "Subtenant") shall be deemed to have assumed any obligations of the Lessee hereunder, provided that the Lessor shall have the right, at any time and from time to time, to notify any Subtenant of the rights of the Lessor as provided by this Section. The Lessor, at the request of the Lessee, shall enter into a non-disturbance agreement with any Subtenant of the Leased Property recognizing its rights and benefits under its sublease so long as the terms and conditions thereof do not conflict with this Agreement. Such non-disturbance agreement shall provide, in addition to such other provisions as are reasonably requested by the Subtenant, that:

- (i) The Sublease is permitted under this Agreement.
- (ii) Provided the Sublease remains in full force and effect and Subtenant is not in default under the Sublease (beyond any applicable notice and cure periods afforded the Subtenant to cure the default), then:
  - (A) Lessor shall recognize the Sublease and shall not disaffirm the Sublease even if this Agreement expires or is terminated. The Subtenant's right of possession to the subleased premises under its Sublease and the Subtenant's other rights, duties and obligations arising out of the Sublease shall not be disturbed, modified, enlarged or otherwise affected by the Lessor or by any person or entity which shall have acquired rights through or under the Lessor in the exercise of its rights or in the performance of its obligations or in any other manner under this Agreement. Further, the Subtenant shall not be named as a party defendant in any proceedings resulting from a default of the Lessee under this Agreement nor in any other way be deprived of its rights under the Sublease.
  - (B) In the event that the Lessor exercises any of its remedies in the event of a default by the Lessee, as provided for in this Agreement, the Sublease shall not be terminated or affected by the default or action of the Lessor or the Lessee or both. The Subtenant covenants and agrees to attorn to the Lessor, as the case may be, as its new lessor if the Lessee's rights under this Agreement are terminated, and the Sublease shall continue in full force and effect as a direct lease between the Subtenant and the Lessor.

(b) In addition, this Agreement may be assigned by the Lessee without the necessity of obtaining the consent of the Lessor, subject, however, to each of the following conditions:

- (i) No assignment (other than pursuant to Section 7.03 hereof) shall relieve the Lessee from primary liability for any of its obligations hereunder, and in the event of any such assignment 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;
- (ii) The assignee shall assume the obligations of the Lessee hereunder to the extent of the interest assigned; and
- (iii) 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.

SECTION 8.02. Transfer of Lessor's Interest in Leased Property. 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 Leased Property or any interest therein during the Lease Term. 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 Leased Property in its entirety to, any public corporation or governmental entity whose property and income are not subject to taxation and which has corporate authority to carry on the business of owning and leasing the Leased Property; provided, that upon any such consolidation, merger or transfer, the Leased Property 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 Leased Property shall be transferred in its entirety.

SECTION 8.03. Prepayment of Rental Payments. To the extent payments can be calculated in advance, there is expressly reserved to the Lessee the right, and the Lessee may choose at any time and in its sole discretion, to prepay all or any part of the Rental Payments payable under Section 4.03 hereof, provided that the Lessee shall be entitled to a rebate of such advance rental payments for any period after this Agreement is validly terminated in accordance with the terms hereof.

SECTION 8.04. Installation of Lessee's Own Machinery and Facilities; Landlord'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 Leased Property. All machinery and equipment so installed by the Lessee shall not constitute part of the Leased Property, shall not be subject to this Agreement, 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 landlord'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 Leased Property, then Lessor agrees to give the Leasehold Lender a reasonable time to obtain possession of the Leased Property 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 Leased Property. 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 Leased Property and can remove the personal property of the Lessee from the Leased Property, as provided in the Leasehold Mortgage.

(h) In the event of any conflict between the provisions of this Agreement and the provisions of the Leasehold Mortgage with respect to application of casualty and condemnation proceeds, the provisions of the Leasehold Mortgage shall control.

(i) Within twenty (20) days after request by Leasehold Lender, from time to time made, Lessor will execute and deliver to Leasehold Lender or to such other person or entity as may be specified by Leasehold Lender an estoppel certificate containing such information concerning this Agreement as Leasehold Lender may reasonably request.

(j) The Lessee's purchase option described in Article X hereof is subordinate to Leasehold Lender's security interest in the Project, and the exercise of the option to purchase will not operate to defeat, render invalid, or extinguish Leasehold Lender's lien on the Project.

(k) Notwithstanding anything to the contrary set forth in this Lease Agreement (including, without limitation, Article III hereof), without the express prior written consent of Leasehold Lender, Lessor shall not (a) issue any Bonds under this Lease Agreement or otherwise in connection with the Project, or (b) enter into any Indenture in connection with the Project.

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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 twenty (20) calendar days of the due date thereof.

(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 forty-five (45) calendar days after the due date thereof provided that the Lessor has given written notice to the Lessee of such failure prior to the end of such 45 day period; provided that if any such failure shall be such that it cannot be corrected within such forty-five (45) day period, it shall not constitute an event of default for another forty-five (45) calendar days if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected within the required period of time.

(c) The dissolution or liquidation of the Lessee or the filing of 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 Leased Property, 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, 5.08, 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, the Parish or any political subdivision therein, 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.

**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 that 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) Notwithstanding anything herein to the contrary, the Lessor may not terminate this Lease in pursuit of its remedies or as a remedy for Lessee's default hereunder without affording the Lessee the ability to exercise its purchase option described in Article X hereof (and pay all amounts due in connection therewith).

**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.

**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 the Lessee with written notice of its intent to terminate this Agreement, and then providing the Lessee another thirty (30) 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 Leased Property from the Lessor upon payment in full of any amounts that are actually then due, owing and/or past 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 thirty (30) calendar days nor more than sixty (60) calendar days from the date such notice is mailed (which time period may be waived by the Chairman, Vice Chairman or President & CEO of the Lessor upon the advice of counsel). The purchase price payable by the Lessee shall be the sum of \$1,000.

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 stated above, Lessee shall pay Lessor all amounts past due to Lessor hereunder.

SECTION 10.02. Conveyance of the Leased Property 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 in accordance with Article IV (including Section 4.01(iii)) or upon exercise of the Lessee's option set forth in Section 10.01 above, convey the Leased Property to the Lessee by means of an act of conveyance in substantially the form attached hereto as Exhibit C. At the expense of the Lessee, the Lessor shall execute all documentation necessary to effectuate such conveyance without warranty of any nature whatsoever (except as to title).

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ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Surrender of Leased Property. 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 Leased Property 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, or sent by a traceable overnight courier service, addressed as follows:

If to the Lessor: Jefferson Parish Economic Development  
and Port District  
700 Churchill Pkwy.  
Avondale, Louisiana 70094  
Attention: President & CEO

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

If to the Lessee: Avondale Marine, LLC  
5 Revere Dr., Suite 206  
Northbrook, IL 60062  
Attn: \_\_\_\_\_

with a copy to:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

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 of Louisiana 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 Represent 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—Notice of Lease. Contemporaneously with the execution of this Agreement, Lessor and Lessee shall execute a Notice of Lease pursuant to La. R.S. 9:2742, which Notice of Lease shall be recorded by Lessee and at its expense, in the Conveyance Records of the Parish.

SECTION 11.11. Incorporation of Recitals and Exhibits. The recitals and exhibits to this Lease Agreement are incorporated into and constitute an integral part of this Lease Agreement.

[SIGNATURES ON FOLLOWING PAGE]

THUS DONE AND PASSED, in \_\_\_\_\_, Louisiana, on the \_\_\_\_ day of \_\_\_\_\_, 2018, 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:

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

Revised Draft of 1-18-19

THUS DONE AND PASSED, in \_\_\_\_\_, \_\_\_\_\_, on the \_\_\_\_ day of \_\_\_\_\_, 2018, 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.

AVONDALE MARINE, LLC

By: TP Host, LLC, Manager

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

AVONDALE MARINE, LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

WITNESSES:

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

\_\_\_\_\_

Notary Public

Revised Draft of 1-18-19

**EXHIBIT A  
To Lease and Agreement to Issue Bonds**

**PROJECT DESCRIPTION**

**[TO COME]**

**DEPICTION OF PROJECT SITE**



**ANNUAL LESSEE REPORTING FORM**

**AVONDALE MARINE, LLC**  
**5 REVERE DR., SUITE 206**  
**NORTHBROOK, IL 60062**

Date of Report

Jefferson Parish Economic  
Development and Port District  
700 Churchill Pkwy.  
Avondale, Louisiana 70094  
Attention: President & CEO

**Capitalized Terms used in this Report have the meanings assigned thereto in the Lease Agreement and Agreement to Issue Bonds dated as of \_\_\_\_\_ 1, 2018, between the Jefferson Parish Economic Development and Port District and Avondale Marine, LLC (the "Lease").**

1. Report for Calendar Year: 20\_\_
2. Estimated Full PILOT Payment for year: \$\_\_\_\_\_ (Attachment A)
3. Annual PILOT Savings for year: \$\_\_\_\_\_ (#2 minus applicable Base PILOT)
4. Actual Employment for 1st Quarter: \_\_\_\_\_ (Attachment B)
5. Actual Employment for 2nd Quarter: \_\_\_\_\_ (Attachment B)
6. Actual Employment for 3rd Quarter: \_\_\_\_\_ (Attachment B)
7. Actual Employment for 4th Quarter: \_\_\_\_\_ (Attachment B)
8. Actual Employment for year (AE): \_\_\_\_\_ (average of quarterly employment)
9. Targeted Employment for year (TE): \_\_\_\_\_ (from table in §4.03 of Lease)
10. Shortfall in Targeted Employment: \_\_\_\_\_ (if any)
11. Targeted Employment Shortfall Factor:  
1 – (AE ÷ TE) = \_\_\_\_\_ (enter zero if there is no shortfall in employment)

If Line 11 is positive, then complete the next two lines:

12. Targeted Employment Clawback Rent Due (#3 x #11): \$\_\_\_\_\_

The undersigned authorized representative of Avondale Marine, LLC, certifies to the Jefferson Parish Economic Development and Port District that the data and calculations in the foregoing report are true, accurate and complete to the best of the knowledge of the undersigned.



Should any Targeted Employment Clawback Rent (Line 12) be due, such rent shall be paid to JEDCO and utilized in the manner set forth in Section 4.06 of the Lease.

SWORN TO AND SUBSCRIBED before the undersigned notary public and witnesses on the date stated below:

AVONDALE MARINE, LLC

By: TP Host, LLC, Manager

Date: \_\_\_\_\_, 20\_\_

By: \_\_\_\_\_,  
Name:  
Title:

WITNESSES:

Signature: \_\_\_\_\_  
Printed Name:

Signature: \_\_\_\_\_  
Printed Name:

\_\_\_\_\_  
Notary Public

ATTACHMENTS:

- A. Documentation of Estimated Full PILOT Payment (Line 2)
- B. Documentation of Quarterly Employment Figures (Lines 4 - 7)

FORM OF RECONVEYANCE OF LEASED PROPERTY

\* \* \* \* \*

UNITED STATES OF AMERICA	*	ACT OF CONVEYANCE
	*	
STATE OF LOUISIANA	*	BY
	*	
PARISH OF JEFFERSON	*	JEFFERSON PARISH
	*	ECONOMIC DEVELOPMENT
	*	AND PORT DISTRICT
	*	
	*	TO
	*	
	*	AVONDALE MARINE, LLC
	*	

\* \* \* \* \*

BE IT KNOWN that on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before us, the undersigned Notaries Public, commissioned and qualified in and for the State as set forth herein, and in the presence of the undersigned witnesses:

PERSONALLY CAME AND APPEARED:

JEFFERSON PARISH ECONOMIC DEVELOPMENT AND PORT DISTRICT., Taxpayer Identification No. XX-XXX\_\_\_\_, a body politic and political subdivision of the State of Louisiana, with a mailing address of 700 Churchill Pkwy, Avondale, LA 70094, represented herein by \_\_\_\_\_, its Chairman, duly authorized by resolution of its board of directors adopted on \_\_\_\_\_, \_\_\_\_\_ (hereinafter referred to as "Vendor");

AND

AVONDALE MARINE, LLC, a limited liability company organized and existing under the laws of the State of Delaware and authorized to do business in the State of Louisiana, with a mailing address of 5 Revere Dr., Northbrook, IL 60062, represented herein by \_\_\_\_\_, its duly authorized representative (hereinafter referred to as "Vendee");

The parties, after being duly sworn, declared as follows: Although this Act of Conveyance (this "Conveyance") is executed on the dates set forth above, it is intended by the parties to be effective on \_\_\_\_\_, 20\_\_.

**1. The Leased Property**

1.1. As used in this Conveyance, the "Property" means the ownership, servitude and leasehold rights in the following immovable property located in Avondale, Louisiana, and more particularly described as follows:

and all of the rights, ways, privileges, appurtenances and servitudes pertaining thereto, including, without limitation, all additions thereto and substitutions therefor, all fixtures, furnishings and equipment, comprising a portion of the Property and all property (both movable and immovable) added to, incorporated in or otherwise located on or about the Property. The Property shall not include any corporeal, movable property belonging to the Transferor, a lessee or a sublessee that is not permanently affixed or incorporated into the Property.

**2. Conveyance**

3.1. Accordingly, the Vendor hereby grants, bargains, conveys, transfers, assigns, sets over, abandons and delivers the Property unto the Vendee, which accepts and acquires the Property for itself, its successors and assigns, and acknowledges due delivery thereof. To have and to hold the Property unto the Vendee and its successors and assigns forever.

3.2. This Conveyance is made for and in consideration of (i) the benefits having been derived by the Vendor from the transactions contemplated by that certain Lease Agreement and Agreement to Issue Bonds, dated as of \_\_\_\_\_ 1, ~~2018~~ 2019 (the "Lease"), pursuant to which the Vendee caused the Property to be constructed, improved and/or installed, (ii) the economic development benefits derived from the foregoing, (iii) the sum of \$1,000 as provided in Section 10.01 of the Lease and (iv) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

3.3. It is expressly agreed that the Property herein conveyed is conveyed by Vendor and accepted by Vendee "AS IS, WHERE IS" without any warranties of any kind whatsoever, (except as to title) even as to the metes and bounds, zoning operation, or suitability of such properties for the use intended by the Vendee, without regard to the presence of apparent or

hidden defects and with the Vendee's full and complete waiver of any and all rights for the return of all or any part of purchase price by reason of any such defects.

3.4. Vendee acknowledges and declares that neither the Vendor nor any party whomsoever, acting or purporting to act in any capacity whatsoever on behalf of the Vendor has made any direct, indirect, explicit or implicit statement, representation or declaration, whether by written or oral statement or otherwise, and upon which Vendee has relied, concerning the existence or non-existence of any quality, characteristic or condition of the property herein conveyed. Vendee has had full, complete and unlimited access to the property herein conveyed for all tests and inspections which Vendee, in Vendee's sole discretion deems sufficiently diligent for the protection of Vendee interests.

3.5. Vendee expressly waives any rights Vendee may have in redhibition or to a reduction of the purchase price pursuant to Louisiana Civil Code Articles 2520 through 2548, inclusive and any other applicable state or federal law and the jurisprudence thereunder in connection with the property hereby conveyed to Vendee by Vendor. By Vendee's signature below, Vendee expressly acknowledges all such waivers, and Vendee exercises Vendee's right to waive warranty pursuant to Louisiana Civil Code Articles 2520 through 2548, inclusive.

3.6. Vendee also expressly waives the warranty of fitness and the warranty against redhibitory vices and defects, whether apparent or latent, and the warranty against eviction imposed by Louisiana Civil Code Articles 2475, 2500, 2503 and any other applicable state or federal law, and the jurisprudence thereunder.

3.7. Vendee further waives and releases Vendor from any and all claims, demands, causes of action, liens, loss, damage, liabilities, costs and expenses (including reasonable attorneys' fees, court costs, consultant's fees, remediation, clean up or other response costs) of any and every kind or character, known or unknown, fixed or contingent, suffered or incurred by Vendee, its successors or assigns, as a successor in interest to the Vendor, as owner, under the Resource Conservation and Recovery Act, 42 U.S.C.A. §6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.A. §9607, et seq., as amended by the Superfund Amendment and Reauthorization Act of 1986, Pub. L. No. 99-499, 100 Stat. 1613 (codified as amended in various sections of 42 U.S.C.A.); the Hazardous Materials Transportation Act, Pub. L. No. 93-633, 88 Stat. 2156 (codified as amended in various sections of 46 U.S.C.A.); the Clean Water Act, 33 U.S.C.A. §1251 et seq.; the Clean Air Act, 42 U.S.C.A. §7401 et seq.; the Toxic Substances Control Act, 15 U.S.C.A. §2601 et seq.; the Louisiana Environmental Quality Act, La Rev. Stat Ann 30:2001 et seq.; or any other applicable federal, state or local laws; rules, ordinances, permits, approvals, orders or regulations as they now exist or may subsequently be modified, supplemented or amended, relating to the environment."

3.8. By execution of this Agreement, Vendee acknowledges that the foregoing waivers have been called to its attention, read and explained and that the foregoing waivers are a material and integral consideration for the Vendor in connection with the reconveyance of the Property from the Vendor to the Vendee.

**4. Miscellaneous**

4.1. The Vendor acknowledges the receipt and sufficiency of the consideration recited above and hereby waives any vendors' lien or any right it may have to rescind this Conveyance, in whole or in part, for inadequate consideration or any other reason.

4.2. The parties to this Conveyance waive the production of mortgage and conveyance certificates and tax researches and relieve and release the undersigned Notaries Public from any liability with respect thereto.

[SIGNATURES ON FOLLOWING PAGES]

Revised Draft of 1-18-19

**THUS DONE AND PASSED** in the presence of the undersigned competent witnesses, who have hereunto signed their names with the said parties and me, Notary, in \_\_\_\_\_, Louisiana, on this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, after due reading of the whole.

**VENDOR:**

**JEFFERSON PARISH ECONOMIC  
DEVELOPMENT AND PORT DISTRICT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**WITNESSES:**

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Louisiana Notary/Bar # \_\_\_\_\_  
Orleans Parish  
My Commission is for Life

**THUS DONE AND PASSED** in the presence of the undersigned competent witnesses, who have hereunto signed their names with the said parties and me, Notary, in \_\_\_\_\_, Louisiana, on this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, after due reading of the whole.

**VENDEE:**

**AVONDALE MARINE, LLC**, a Delaware  
Limited Liability Company

By: TP Host, LLC, Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**WITNESSES:**

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Louisiana Notary/Bar # \_\_\_\_\_  
Orleans Parish  
My Commission is for Life

**EXHIBIT D**  
**to Lease Agreement and Agreement to Issue Bonds**

**JOINDER OF HUNTINGTON INGALLS INDUSTRIES, INC.**

Huntington Ingalls Industries, Inc., a corporation duly organized under the laws of the State of Delaware and authorized to do business in Louisiana, whose mailing address is 4101 Washington Ave., Newport News, VA 23607, does hereby join in the foregoing Lease Agreement and Agreement to Issue Bonds, dated \_\_\_\_\_, ~~2018~~ 2019 (the "Lease Agreement"), which Lease Agreement is by and between the Jefferson Parish Economic Development and Port District (the "Lessor") and Avondale Marine, LLC (the "Lessee").

Capitalized terms used in this Joinder shall have the meaning assigned to such terms in the Lease Agreement.

Huntington Ingalls Industries, Inc. enters into this joinder for the limited purposes of, and does hereby (a) guarantee to the Lessor the Lessee's obligation to acquire the Leased Property from the Lessor in accordance with the provisions of this Agreement and (b) further covenant, agree and bind itself to acquire the Leased Property from the Lessor upon thirty (30) calendar days' written notice given by the Lessor at the address shown above in the event that the Lessee does not so acquire the Leased Property from the Lessor upon the conditions set forth in the Lease Agreement.

**THUS DONE AND PASSED** in the presence of the undersigned competent witnesses, who have hereunto signed their names with the said parties and me, Notary, in \_\_\_\_\_, Louisiana, on this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, after due reading of the whole.

**HUNTINGTON INGALLS INDUSTRIES, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**WITNESSES:**

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Notary Public



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 constitutes a true and correct copy of proceedings taken by the Executive Committee of the Board of Commissioners of JEDCO on January 31, 2019, acknowledging that the requirements of a Memorandum of Understanding have been complied with to the satisfaction of JEDCO; approving the final form of and authorizing the execution of a Lease Agreement and Agreement to Issue Bonds and any and all additional documents and certificates deemed necessary in connection with the granting of a favorable payment in lieu of tax arrangement and the potential issuance of not exceeding \$150,000,000 in aggregate principal amount of taxable and/or tax-exempt Revenue Bonds of the Jefferson Parish Economic Development and Port District for the acquisition and construction of certain buildings and equipment at the site of the former Avondale Shipyards at 5100 River Road, for the benefit of Avondale Marine, LLC; and providing for other matters with respect to the foregoing.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of JEDCO on this the 31st day of January, 2019.

(SEAL)

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Secretary



## SUMMARY OF LEASE AGREEMENT AND AGREEMENT TO ISSUE BONDS

- Lessor:** Jefferson Parish Economic Development and Port District
- Lessee:** Avondale Marine, LLC
- Legal Authority:** Chapter 20, Title 34 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 34:2021 et seq.) (the "JEDCO Act"); and Sections 991 to 1001, inclusive of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "Revenue Bond Act"), and other constitutional and statutory authority supplemental thereto.
- Maximum Aggregate Par Amount of Future Bonds:** \$150,000,000 (to be issued only at the future request of the Lessee, subject to certain conditions).
- Leased Property:** Immovable property consisting ONLY of buildings and permanent cranes located at 5100 River Road in Avondale, Louisiana. "Leased Property" does not include any interest in the land or in movable vehicles, machinery and equipment nor any equipment installed by the Lessee after the PILOT effective date
- Lease Term:** Effective Date through the earlier to occur of (i) December 31, 2038 (twenty years), (ii) the first February 1<sup>st</sup> following two calendar years (consecutive or non-consecutive) during which the Lessee failed to meet Targeted Employment goals as defined by the PILOT Lease, (iii) the failure of the Company to make any rental payments for more than 20 calendar days after the due date, or there has been a default by the Company in meeting or complying with any other obligation under the PILOT Lease for more than 45 calendar days after the required date without a waiver of the JEDCO Board of Commissioners or Executive Committee, (iv) upon the Lessee's purchase of the Leased Property.
- Huntington Ingalls Joinder:** Huntington Ingalls Industries, Inc. is required to join in the PILOT Lease pursuant to a joinder (Exhibit D) for the purpose of guaranteeing the Lessee's obligation to acquire the Leased Property from JEDCO in the event that the Lessee does not acquire the Leased Property upon termination of the PILOT Lease in accordance with Lease terms.
- Rentals and Other Amounts Payable:**
- Closing Costs:** Per JEDCO's fee policy, an amount equal to \$58,750 shall be remitted to JEDCO. This is based on the capital cost of \$150,000,000.
- PILOT Rent:** Annually, commencing December 31, 2019 through the term of the PILOT, the Base PILOT Payment as shown in the PILOT Lease on page 14 shall be remitted to the Jefferson Parish Sheriff's Office. The Annual PILOT Rent will be distributed to the tax levying entities in the same proportion as ad valorem tax.

**Targeted Employment Clawback Rent:** The table within the PILOT Lease on page 14 also provides annual Targeted Employment goals. The Lessee shall report to JEDCO by February 1<sup>st</sup> of each year beginning February 1, 2020 the Actual Employment of all Qualified Employers for the prior calendar year. If the Actual Employment for the year is less than the Targeted Employment goal for the year, then clawback rent will be due and payable to JEDCO. See page 15 of PILOT Lease for clawback rent calculation example.

**Annual Administrative Rent:** On February 1<sup>st</sup> of each year commencing on February 1, 2020 through and including February 1, 2038, the Lessee shall pay to JEDCO an amount equal to \$58,750 in accordance with JEDCO's PILOT fee schedule, which is based on a capital investment of \$150,000,000.

**Supplemental PILOT Rent:** Reasonable out-of-pocket expenses of JEDCO in connection with administering the Lease or issuing future bonds, costs incurred by Lessor related to the enforcement of Lease terms, and late payment penalties.

**Cap on Annual Base PILOT Rent:** In no event shall the annual PILOT rent plus any Targeted Employment Clawback Rent exceed the Estimated Full PILOT Payment that would otherwise be due and payable on the Leased Property if the Leased Property were owned by the Lessee.

**General Lease Obligations:** The Lease is triple net to JEDCO (i.e. the Lessee is responsible for operating and maintaining the facility, paying taxes and other government charges, paying utilities, procuring property and liability insurance coverage, complying with applicable laws, and indemnification of JEDCO). The Lease also contains standard provisions relating to damage, destruction and condemnation.

**Insurance Required:** Throughout the Lease Term, Lessee shall provide and maintain, at its sole cost and expense, insurance on Leased Property and shall name JEDCO as an insured party on the following policies:

1. Comprehensive public liability insurance: min. \$2,000,000 per occurrence and \$5,000,000 in the aggregate

2. The Lessee shall ensure that each sublessee or other occupant of any portion of the Leased Property also provide at its sole cost and expense the same insurance and coverages as above, naming JEDCO as a party insured

Certificates of insurance for current and applicable policies are due to JEDCO on the date of execution of PILOT Lease and annually thereafter on or before February 1<sup>st</sup>. At JEDCO's request, Lessee shall provide copy of renewal notices and copy of receipts for paid premiums.

**Environmental Matters:** Lessee shall keep and maintain the Leased Property in compliance with, and shall not knowingly cause or permit the Leased Property to be in violation of, any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or affected the Leased Property. Release and indemnification covenants of the Lessee apply equally to JEDCO's officers, employees, Board of Commissioners and counsel and survive for the term of the PILOT Lease.

**Additional Environmental Insurance Required:** At the sole cost and expense of the Lessee, Environmental Contractors & Consultants General Liability & Professional Liability insurance policy/policies, or policies providing similar coverage, is required naming JEDCO and the individual members of the Board of Commissioners as insured, at the sole cost and expense of the Lessee. Minimum \$25,000,000 pollution liability aggregate limit and \$25,000,000 per occurrence limit and a deductible of not more than \$5,000 per occurrence. Failure to renew such policy/policies after 30 days' written notice by JEDCO shall constitute an Event of Default under the PILOT Lease.

- Assignment Provisions:** The Lessee's interests in the Lease and the Leased Property may be assigned under certain conditions.
- Leasehold Mortgage:** The Lease permits the Lessee to grant leasehold mortgages on the Leased Property.
- Events of Default:** The Lease contains standard default provisions, such as failure to make any payment required thereunder, failure to comply with other nonpayment obligations and dissolution or bankruptcy of the Lessee.
- Remedies on Default:** The Lease contains standard remedies, such as collection of amounts due, enforcement of the Lease and any other remedy at law or in equity.
- Options to Terminate:** The Lease expires on December 31, 2038, however the Lessee may optionally purchase the Leased Property and terminate the Lease at any time upon the payment in full of any amounts then due, owing or past due under the Lease, plus a \$1,000 purchase price.

## *MEMORANDUM*

**DATE:** January 24, 2019

**TO:** JEDCO Board of Commissioners

**FROM:** Jerry Bologna, President & CEO  
via Lacey Bordelon, Vice President & COO *lyb*

**SUBJECT:** Amendment No. 2 to the Contract for the Development of a Master Plan for the Churchill Technology & Business Park with Perkins+Will

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Background:

On January 25, 2018, JEDCO's Board of Commissioners authorized the execution of a contract with Perkins+Will for the development of a Master Plan for Churchill Technology & Business Park with a budget of not-to-exceed \$288,264. This contract, signed on February 14, 2018 by JEDCO and Perkins+Will, stipulated an end date of February 19, 2019, or when all tasks, deliverables, and payments had been completed, whichever is earlier.

On May 31, 2018, the JEDCO Board of Commissioners adopted and authorized the execution of Amendment No. 1 to the Contract with Perkins+Will to correct a typographical error to the name of the company within the contract. The second amendment to the contract is the subject of this memo.

Since contract commencement, Perkins+Will have held four multi-day in-person stakeholder symposia to solicit input and feedback from key stakeholders, as well as examined existing conditions, made recommendations for land use, development and infrastructure within the Park, and arrived at initial cost estimations. The draft plan was submitted to JEDCO staff on January 22, 2019 for staff review and comments, along with review by the project Steering Committee and other key stakeholders.

Discussion:

The contract end date of February 19, 2019 was selected prior to the finalization and release of a 2019 schedule of JEDCO board meetings. In alignment with the advice from the Perkins+Will Team, the JEDCO staff desires the formal adoption of the master plan by the JEDCO full Board of Commissioners via Resolution, so that the plan will serve as JEDCO's official guide to future development within the Park. However, the first board meeting of 2019 is scheduled for February 21<sup>st</sup>, after the contract end date. Extending the contract end date to March 15 would enable the review and adoption of the master plan by the full board of commissioners, as well as allow for any other project and administrative close-out activities following the February 21<sup>st</sup> board meeting.

This proposed extension of contract term will in no way entail the allocation of additional funds to this project. The total amount JEDCO will expend on this project is consistent with the original Board-approved budget of this contract of not-to-exceed \$288,264.

**Recommendation:**

We are requesting that the JEDCO Board of Commissioners approve the attached resolution, which resolves the following:

1. Authorizes Amendment No. 2 to the Contract which amends the end date of the Contract for the Development of a Master Plan for Churchill Technology & Business Park with Perkins+Will from February 19, 2019 to March 15, 2019; and
2. Authorizes JEDCO's President and CEO to execute Amendment No. 2 to the aforementioned contract, required to carry out the provisions of the resolution.

**Attachments (2):**

- JEDCO Board Resolution
- Exhibit A – Amendment No. 2 Contract for the Development of a Master Plan for the Churchill Technology & Business Park Between JEDCO and Perkins+Will

**JEDCO RESOLUTION**

On motion of \_\_\_\_\_, seconded by \_\_\_\_\_, the following resolution was offered:

**RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO THE CONTRACT BETWEEN JEDCO AND PERKINS+WILL FOR THE DEVELOPMENT OF A MASTER PLAN FOR CHURCHILL TECHNOLOGY & BUSINESS PARK**

**WHEREAS**, on the 25<sup>th</sup> day of January, 2018, the Jefferson Parish Economic Development and Port District (JEDCO) through resolution authorized the execution of a contract for the development of a Master Plan for the Churchill Technology & Business Park with Perkins+Will in an amount not-to-exceed Two Hundred Eighty-Eight Thousand Two Hundred Sixty-Four dollars (\$288,264.00); and

**WHEREAS**, the contract stipulates an end date of February 19, 2019, or at such time as all tasks, deliverables, and payments have been completed, whichever is earlier; and

**WHEREAS**, the JEDCO Board of Commissioners desires to formally adopted the master plan document via Resolution as the official guide to future development within the Park; and

**WHEREAS**, the full JEDCO Board of Commissioners is not scheduled to meet until February 21, 2019, after the current contract end date; and

**WHEREAS**, the importance of this project warrants the review and approval by the full board and, therefore, an amendment to the contract end date to accommodate the master plan’s presentation to and adoption by the full JEDCO Board of Commissioners is necessary; and

**WHEREAS**, this amendment does not change personnel, scope of work, budget, or any other terms of the contract.

**NOW, THEREFORE BE IT RESOLVED**, by the Board of Commissioners of the Jefferson Parish Economic Development and Port District that:

Amendment No. 2 to the contract between JEDCO and Perkins+Will for the development of a master plan for the Churchill Technology & Business park, which extends the contract end date from February 19, 2019 to March 15, 2019 and is further shown within “Exhibit A”, is hereby approved.

Be it further resolved that Jerry Bologna, President & CEO of JEDCO, is hereby authorized to execute Amendment No. 2 and any and all documents required to effectuate this change.

The foregoing resolution having been submitted to a vote, the vote hereon was as follows:

**YEAS:**                              **NAYS:**                              **ABSENT:**

The resolution was declared to be adopted on this the 31<sup>st</sup> day of January, 2019.

Attested by:

\_\_\_\_\_  
Thomas Gennaro  
Secretary

**AMENDMENT NO. 2 TO  
CONTRACT FOR THE DEVELOPMENT OF A MASTER PLAN FOR CHURCHILL  
TECHNOLOGY & BUSINESS PARK  
BETWEEN  
JEFFERSON PARISH ECONOMIC DEVELOPMENT AND PORT DISTRICT  
AND  
PERKINS+WILL**

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**PARISH OF JEFFERSON  
STATE OF LOUISIANA**

THIS AMENDMENT NO. 2 is made and entered into on this \_\_\_ day of \_\_\_\_\_, 2019, by and between Perkins+Will, hereinafter called CONTRACTOR, represented by represented herein by Stephen Coulston, its duly authorized representative, and the Jefferson Parish Economic Development and Port District, herein after called JEDCO, acting herein by and through its President & CEO, Jerry Bologna, and as duly authorized to act pursuant to the provisions of a resolution adopted by its Board of Commissioners on the \_\_\_\_ day of \_\_\_\_\_, 2019 and attached as Exhibit "A".

**WITNESS THAT:**

**WHEREAS**, JEDCO and the CONTRACTOR entered into a contract on February 14, 2018, to develop a master plan for Churchill Technology & Business Park; and

**WHEREAS**, Amendment No. 1 to the contract was adopted by the Board of Commissioners on May 31, 2018 to correct a typo in the name of the CONTRACTOR within the contract; and

**WHEREAS**, the contract stipulates an end date of February 19, 2019, or at such time as all tasks, deliverables, and payments have been completed, whichever is earlier; and

**WHEREAS**, the contract end date was selected prior to the adoption of 2019 JEDCO Board of Commissioners meeting dates; and

**WHEREAS**, the JEDCO Board of Commissioners desires to formally adopted the master plan document via Resolution as the official guide to future development within the Park; and

**WHEREAS**, the full JEDCO Board of Commissioners is not scheduled to meet until February 21, 2019, after the current contract end date; and

**WHEREAS**, the importance of this project warrants the review and approval by the full board and, therefore, an amendment to the contract end date to accommodate the master plan's presentation to and adoption by the full JEDCO Board of Commissioners is necessary; and



**WHEREAS**, this amendment does not change personnel, scope of work, budget, or any other terms of the contract.

**NOW THEREFORE**, it is hereby agreed by JEDCO and CONTRACTOR that the Contract of February 14, 2018, be amended as follows:

In "Exhibit A: Scope of Services, Deliverables, and Schedule of Tasks/Payments," section "A.II. Schedule of Tasks," page 16:

replace "February 19, 2019" with "March 15, 2019." The revised sentence in full shall read:

"This Agreement shall be effective upon the signed date aforesaid and shall terminate on the earlier of March 15, 2019, or at such time as all tasks, deliverables, and payments have been completed."

All other terms and conditions of the Contract will remain unchanged and in full force and effect except as amended herein.

This Amendment to the Contract may be executed in two or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument. Signatures to this Amendment to the Contract transmitted by facsimile, email, portable document format (or .pdf) or by any other electronic means intended to preserve the original graphic and pictorial appearance of this Amendment shall have the same effect as the physical delivery of the paper document bearing original signature.

WITNESSES:

JEDCO

\_\_\_\_\_  
Print Name:

By: \_\_\_\_\_  
Jerry Bologna  
President & CEO

\_\_\_\_\_  
Print Name:

Date: \_\_\_\_\_

WITNESSES:

CONTRACTOR

\_\_\_\_\_  
Print Name:

By: \_\_\_\_\_  
Stephen Coulston  
Principal

\_\_\_\_\_  
Print Name:

Date: \_\_\_\_\_

## MONTHLY FINANCIAL REPORT HIGHLIGHTS

DECEMBER 2018

### JEDCO-

#### Revenues:

- Collected \$137,320 from departmental serving fees (\$78,687-Finance, \$30,240-EDS, \$21,660-Marketing, \$1,090-Conference Center and \$5,643 in interest).

#### Expenses:

- PR/Advertising expenses to market finance programs totaling \$6,221 (Entercom \$1,880, Renaissance Publishing \$2,000, N.O. Publishing Group \$2,170 and Documart \$171) (Finance)
- Travel Expenses reimbursements for various meetings, conferences, networking and the La. Leadership Jefferson retreat \$1,030 (Finance)
- PR/Advertising fees of \$1,623 for subscriptions, domain service, printing and signs (Marketing)
- Program Events charges of \$32,884 related to JEDCO's annual luncheon (hotel, video production. pictures, emcee) (Marketing)
- Press Announcements expenses of \$1,760 associated with the Avondale project (Marketing)
- Computer/Equip./Svc. expenses totaling \$32,757 for laptop purchases, security cameras assessment, license renewal, software, support service and subscription renewal (Administration)
- AEDO Accreditation cost of \$3,950 for renewal of JEDCO's accreditation (Administration)
- HVAC Maintenance charges of \$3,719 for change of wires and monthly service (Building Expenses)
- Hog Abatement expenses for two months \$6,425 (Tech Park)

#### Others:

- JEDCO LAMP account balance at 12/31/2018 was \$2.5M

### JEFFERSON EDGE-

#### Revenues:

- Revenues received totaled \$62,980 (private funds of \$61,250 and interest of \$1,730)

#### Expenses:

- Tech Park Implementation charges of \$49,164 for Master Plan (Perkins + Will)
- Tech Park Marketing expenses of \$4,575 (Deep Fried Advertising \$4,500 and Plaine Studios \$75)

#### Others:

- EDGE LAMP account balance at 12/31/2018 was \$825K

### SUPPLEMENTARY INFORMATION-

- Transferring bank responsibilities to contracted bank (Iberia Bank).

**JEDCO'S INVESTMENT REPORT**  
12/31/2018

<b>ACTIVE DATE</b>	<b>INSTITUTIONS</b>	<b>OPENING BALANCE</b>	<b>CURRENT BALANCE</b>	<b>INTEREST</b>	<b>TERMS</b>	<b>MATURITY DATE</b>	<b>CURRENT STATUS</b>
12/04/03	JEDCO LAMP	\$350,000	\$2,556,435	2.44%	DAILY		OPEN
	TOTAL	<u>\$350,000</u>	<u>\$2,556,435</u>				

Updated January 7, 2019

JEFFERSON ECONOMIC DEVELOPMENT COMMISSION (JEDCO)  
End of Month-December 2018  
Fiscal Year Ending December 31, 2018

	(A)	(B)	(C)	(D)	(E)	(F)
	2017 Final Amended Budget	2018 Final Amended Budget	Actual December-18	Actual Year-to-Date ( @ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 Final Amended Budget
<b>SUMMARY OF REVENUES BY SOURCES</b>						
<b>LOCAL SOURCES:</b>						
Occupational Licenses	\$ 2,020,000	\$ 2,052,320	\$ -	\$ 2,052,320	\$ -	\$ 2,052,320
Business Innovation Ctr. (Schedule A)	-	21,500	-	16,781	19	16,800
Financing Activities (Schedule B)	211,000	310,000	78,687	375,856	(60,856)	315,000
Econ. Dev. Svc. Fees (Schedule C)	126,720	150,110	30,240	168,562	24,648	193,210
Strategic Initiatives (Schedule D)	25,500	25,000	-	25,000	-	25,000
Marketing - P/R (Schedule E)	67,000	52,650	21,660	57,955	(735)	57,220
Administration (*) (**) (Schedule F)	158,330	-	-	-	-	-
Interest, Misc.	22,000	11,000	5,643	56,200	(9,200)	47,000
Kenner Program (Schedule G)	25,000	-	-	-	-	-
Tech. Park Revenues (Schedule I)	15,650	22,000	-	19,240	(40)	19,200
FORJ (Ground Lease Payment)	-	-	-	-	-	-
Conference Center (Schedule J)	9,200	26,000	1,090	15,365	(365)	15,000
<b>Total Revenues from Local Sources</b>	<b>\$ 2,680,400</b>	<b>\$ 2,670,580</b>	<b>\$ 137,320</b>	<b>\$ 2,787,279</b>	<b>\$ (46,529)</b>	<b>\$ 2,740,750</b>
<b>SUMMARY OF EXPENDITURES BY AGENCY</b>						
<b>JEDCO</b>						
<b>Total Expenditures by Agency</b>	<b>\$ 2,442,960</b>	<b>\$ 2,854,527</b>	<b>\$ 251,864</b>	<b>\$ 2,578,527</b>	<b>\$ 152,681</b>	<b>\$ 2,731,208</b>
<b>SUMMARY OF EXPENDITURES BY DEPARTMENTS</b>						
<b>Departments:</b>						
Business Innovation Ctr. (Schedule A)	124,789	67,600	5,138	61,581	2,369	63,950
Finance (Schedule B)	245,900	312,000	31,932	274,280	4,620	278,900
Econ. Dev. Svc. (Schedule C)	258,100	318,200	25,576	279,600	26,580	306,180
Strategic Initiatives (Schedule D)	66,600	129,367	13,495	92,940	33,566	126,506
Marketing - P/R (Schedule E)	244,850	210,900	43,703	232,227	11,585	243,812
Admin. Exp. (Schedule F)	877,700	1,070,300	102,865	1,009,705	37,195	1,046,900
Kenner Program (Schedule G)	25,000	-	-	-	-	-
JEDCO Bldg. Expenses (Schedule H)	482,200	583,760	20,552	528,636	31,754	560,390
Tech. Park Expenses (Schedule I)	68,550	103,400	6,425	71,577	3,193	74,770
Conference Center (Schedule J)	49,271	59,000	2,178	27,981	1,819	29,800
<b>Total Expenditures by Departments</b>	<b>\$ 2,442,960</b>	<b>\$ 2,854,527</b>	<b>\$ 251,864</b>	<b>\$ 2,578,527</b>	<b>\$ 152,681</b>	<b>\$ 2,731,208</b>

\* Restricted funds of \$49,725 received from J.P. in 2015 for Strategic Neighborhood Revitalization Plan project with expenses occurring in 2016 (\$47,948) and 2017 (\$1,777). Additional related expenses incurred by JEDCO are also included.

\*\*Restricted funds of \$158,330 received from J.P. in 2017 for Select Comfort project. Expenses are expected to be paid out in 2018 (\$100,000), 2019 (\$33,330) and 2020 (\$25,000).

JEFFERSON ECONOMIC DEVELOPMENT COMMISSION (JEDCO)  
 End of Month-December 2018  
 Fiscal Year Ending December 31, 2018

	(A)	(B)	(C)	(D)	(E)	(F)
	2017	2018		Actual	Estimate	Projected
	Final Amended	Final Amended	Actual	Year-to-Date	Remaining for	Actual Result at
	Budget	Budget	December-18	( @ 12/31/2018)	Year	Year End-2018 Final
						Amended Budget
<b>SUMMARY OF EXPENDITURES BY CHARACTERS</b>						
Salaries/HB&Taxes/SEP-Retirement	1,316,590	1,511,717	135,349	1,471,731	31,825	1,503,556
Communications	32,250	41,000	2,423	29,376	10,924	40,300
Equipment Rental/Maintenance	7,375	13,750	313	5,513	7,637	13,150
Office Supplies & Postage	19,540	33,350	1,268	16,651	16,899	33,550
Dues & Subscriptions	33,900	49,150	3,045	35,149	9,951	45,100
PR/Advertising/Video Equip. Expense	58,500	75,900	7,843	78,793	(7,293)	71,500
Travel/Mileage	9,170	20,800	2,055	7,423	9,077	16,500
Staff & Professional Development	15,300	24,000	2,383	10,652	7,348	18,000
Special Project/Programs/Events	79,900	38,000	32,901	47,103	1,527	48,630
Attorney Fees	14,000	16,200	420	7,717	2,783	10,500
Program Costs	6,000	5,000	-	300	700	1,000
Gretna Expenses	25,000	25,000	-	25,000	-	25,000
Data Base Analysis/Website Update	3,300	5,000	75	2,894	506	3,400
Entrepreneur Challenge	25,200	28,000	-	28,432	-	28,432
Seminars/Conferences & Conventions	14,000	13,500	235	11,615	2,885	14,500
Admin.Fees/Personnel & Emergency Exp.	19,000	23,000	1,751	16,328	4,672	21,000
Computer/Equip./Svc.	80,100	98,600	32,758	72,631	369	73,000
Committee Mtg./Business Development	13,000	15,000	69	12,699	3,801	16,500
Professional Svc.	-	2,000	-	-	-	-
Utilities/Water	63,700	81,800	3,313	51,239	1,061	52,300
Repairs and Maintenance	17,000	15,000	-	8,226	3,274	11,500
Janitorial & Contract Services	53,000	49,000	2,776	34,414	2,586	37,000
Insurance and Security	73,650	87,100	5,040	60,152	28,348	88,500
Accounting/Audit	32,000	40,000	-	34,264	5,736	40,000
Lawn Maintenance	13,000	18,000	-	10,377	4,623	15,000
Generator Expenses	3,500	14,140	-	13,279	(9)	13,270
Bldgs. Supplies	3,821	13,000	290	3,109	(309)	2,800
HVAC Expenses	16,800	16,800	3,719	27,911	(2,911)	25,000
Elevator Repairs and Maintenance	6,200	5,400	535	6,369	(969)	5,400
Landscaping	5,700	13,500	-	8,850	650	9,500
Grass Cutting/Clearing/Fill	9,000	41,400	-	11,750	1,750	13,500
Access Road Expenses	6,800	5,000	-	-	-	-
Hog Abatement	38,550	38,500	6,425	38,550	(50)	38,500
Appraisal Expenses	4,500	-	-	-	-	-
Sales and Marketing	-	5,500	-	-	-	-
Garbage Collection/Pest Control/Door Mat	6,600	4,620	587	5,475	(455)	5,020
JEDCO Loan Payment	212,000	212,000	-	211,156	844	212,000
Food & Beverage Expenses	-	1,000	-	-	-	-
Neighborhood Revitalization Expenses *	4,000	-	-	-	-	-
Services	12,500	1,500	-	-	-	-
Contract Svc./Loan Processing	24,000	-	-	-	-	-
AEDO Accreditation	-	-	3,950	3,950	950	4,900
Business Attraction	2,000	2,500	248	1,750	750	2,500
Economic Dev. (Select Comfort)	-	100,000	-	100,000	-	100,000
Bad Debt	53,239	-	-	-	-	-
Prosper Jefferson	-	1,800	333	2,919	(419)	2,500
Pond Maintenance	-	8,000	-	5,522	2,478	8,000
Office Build-out	-	40,000	-	42,504	(504)	42,000
Press Announcements Expenses	-	-	1,760	7,484	1,646	9,130
Delgado Road Expenses	-	-	-	9,270	-	9,270
<b>Total Expenditures by Characters</b>	<b>2,433,685</b>	<b>2,854,527</b>	<b>251,864</b>	<b>2,578,527</b>	<b>152,681</b>	<b>2,731,208</b>

January 31, 2019

JEFFERSON ECONOMIC DEVELOPMENT COMMISSION (JEDCO)  
 End of Month-December 2018  
 Fiscal Year Ending December 31, 2018

	(A)	(B)	(C)	(D)	(E)	(F)
	2017 Final Amended Budget	2018 Final Amended Budget	Actual December-18	Actual Year-to-Date ( @ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 Final Amended Budget
<b>SUMMARY OF OTHER FINANCING USES</b>						
Transfer to other funds	-	-	-	-	-	-
Transfer from other funds	-	-	-	-	-	-
<b>Total Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>237,440</b>	<b>(183,947)</b>	<b>(114,544)</b>	<b>208,752</b>	<b>(199,210)</b>	<b>9,542</b>
<b>ESTIMATED BEGINNING BALANCE</b>	<b>2,489,660</b>	<b>2,534,391</b>				<b>2,534,391</b>
<b>ESTIMATED ENDING BALANCE</b>	<b>\$ 2,727,100</b>	<b>\$ 2,350,444</b>				<b>\$ 2,543,933</b>

	(A)	(B)	(C)	(D)	(E)	(F)
	2017 Final Amended Budget	2018 Adopted Budget	Actual December-18	Actual Year-to-Date ( @ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 (1st Amended Budget)
<b>SUMMARY OF REVENUES BY SOURCES</b>						
<b>LOCAL SOURCES:</b>						
Private Funds	\$ 217,500	\$ 250,000	\$ 61,250	\$ 249,250	\$ (26,750)	\$ 222,500
Investment Income	7,100	5,000	1,730	16,469	(2,969)	13,500
<b>Total Revenues from Local Sources</b>	<b>\$ 224,600</b>	<b>\$ 255,000</b>	<b>\$ 62,980</b>	<b>\$ 265,719</b>	<b>\$ (29,719)</b>	<b>\$ 236,000</b>
<b>SUMMARY OF EXPENDITURES BY CHARACTERS</b>						
<b>Marketing P/R:</b>						
Local Market/PR Campaign	9,500	30,000	1,195	14,340	5,660	20,000
<b>Sub-Total</b>	<b>\$ 9,500</b>	<b>\$ 30,000</b>	<b>\$ 1,195</b>	<b>\$ 14,340</b>	<b>\$ 5,660</b>	<b>\$ 20,000</b>
<b>Technology Park Development:</b>						
Tech. Park Implementation	-	300,000	49,164	245,078	9,922	255,000
Site Selectors Initiative	5,000	-	-	-	-	-
Tech Park Marketing	40,000	25,000	4,575	28,235	(3,235)	25,000
Infrastructure Expenses	-	25,000	-	-	-	-
<b>Sub-Total</b>	<b>\$ 45,000</b>	<b>\$ 350,000</b>	<b>\$ 53,739</b>	<b>\$ 273,313</b>	<b>\$ 6,687</b>	<b>\$ 280,000</b>
<b>Administrative:</b>						
Misc. Project Fund	10,000	16,000	9,372	13,917	(1,417)	12,500
EDGE Fundraising	18,000	18,000	1,513	17,122	878	18,000
Investor Relations/Staff Support	1,000	500	-	612	4,388	5,000
Meetings/Meals	5,000	2,000	811	3,264	736	4,000
<b>Sub-Total</b>	<b>\$ 34,000</b>	<b>\$ 36,500</b>	<b>\$ 11,696</b>	<b>\$ 34,915</b>	<b>\$ 4,585</b>	<b>\$ 39,500</b>
<b>Total Expenditures by Characters</b>	<b>\$ 88,500</b>	<b>\$ 416,500</b>	<b>\$ 66,630</b>	<b>\$ 322,568</b>	<b>\$ 16,932</b>	<b>\$ 339,500</b>
<b>SUMMARY OF OTHER FINANCING USES</b>						
Transfer to other funds(JEDCO-Clearing	-	-	-	-	-	-
Transfer from other funds	-	-	-	-	-	-
<b>Total Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 136,100</b>	<b>\$ (161,500)</b>	<b>\$ (3,650)</b>	<b>\$ (56,849)</b>	<b>\$ (46,651)</b>	<b>\$ (103,500)</b>
<b>ESTIMATED BEGINNING FUND BALANCE</b>	<b>\$ 894,550</b>	<b>\$ 948,486</b>				<b>\$ 948,486</b>
<b>ESTIMATED ENDING FUND BALANCE</b>	<b>\$ 1,030,650</b>	<b>\$ 786,986</b>				<b>\$ 844,986</b>

	(A)	(B)	(C)	(D)	(E)	(F)
	2017 Final Amended Budget	2018 Adopted Budget	Actual December-18	Actual Year-to-Date ( @ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 (1st Amended Budget)
<b>SUMMARY OF REVENUES BY SOURCES</b>						
<b>LOCAL SOURCES:</b>						
Account Balance	\$ 10,000	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000
JEDCO Bldg. Lease Income	-	-	-	-	-	-
Insurance Revenues	-	-	-	-	-	-
<b>Total Revenues from Local Sources</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 10,000</b>
<b>SUMMARY OF EXPENDITURES BY CHARACTERS</b>						
Debt Service/Capital One Loan	-	-	-	-	-	-
Monthly Lease Payments	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Other Fees	-	-	-	-	-	-
<b>Total Expenditures by Characters</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>SUMMARY OF OTHER FINANCING USES</b>						
Transfer to other funds (JEDCO)	-	-	-	-	-	-
<b>Total Other Financing Uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>-</b>	<b>\$ 10,000</b>



	(A)	(B)	(C)	(D)	(E)	(F)
	2017 Final Amended Budget	2018 Adopted Budget	Actual December-18	Actual Year-to-Date ( @ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 (1st Amended Budget)
<b>SUMMARY OF REVENUES BY SOURCES</b>						
<b>LOCAL SOURCES:</b>						
Interest Earned from Payment	\$ 175,000	\$ 180,000	\$ 14,900	\$ 195,151	\$ (151)	\$ 195,000
Interest Earned from Investment	1,800	1,500	253	2,792	8	2,800
Recovery Revenues	-	255,000	-	-	-	-
<b>Total Revenues From Local Sources</b>	<b>\$ 176,800</b>	<b>\$ 436,500</b>	<b>\$ 15,153</b>	<b>\$ 197,943</b>	<b>\$ (143)</b>	<b>\$ 197,800</b>
<b>SUMMARY OF EXPENDITURES</b>						
Administration Expenses	100,000	105,000	10,064	109,941	59	110,000
Loan Loss Reserve	1,872,283	-	-	-	-	-
Bad Debt	112,442	26,000	-	-	-	-
<b>Total Expenditures by Characters</b>	<b>\$ 2,084,725</b>	<b>\$ 131,000</b>	<b>\$ 10,064</b>	<b>\$ 109,941</b>	<b>\$ 59</b>	<b>\$ 110,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,907,925)</b>	<b>\$ 305,500</b>	<b>\$ 5,089</b>	<b>\$ 88,002</b>	<b>\$ (202)</b>	<b>\$ 87,800</b>
<b>ESTIMATED BEGINNING FUND BALANCE</b>	<b>\$ 8,190,698</b>	<b>\$ 8,203,365</b>				<b>\$ 8,203,365</b>
<b>ESTIMATED ENDING FUND BALANCE</b>	<b>\$ 6,282,773</b>	<b>\$ 8,508,865</b>				<b>\$ 8,291,165</b>

	(A)	(B)	(C)	(D)	(E)	(F)
	2017 Final Amended Budget	2018 Adopted Budget	Actual December-18	Actual Year-to-Date ( @ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 (1st Amended Budget)
<b>SUMMARY OF REVENUES BY SOURCES</b>						
<b>LOCAL SOURCES:</b>						
Interest Earned from Payment	\$ 33,000	\$ 51,000	\$ 4,424	\$ 52,881	\$ (1,881)	\$ 51,000
Interest Earned from Investment	1,050	250	320	1,855	(255)	1,600
<b>Total Revenues from Local Sources</b>	<b>\$ 34,050</b>	<b>\$ 51,250</b>	<b>\$ 4,744</b>	<b>\$ 54,736</b>	<b>\$ (2,136)</b>	<b>\$ 52,600</b>
<b>SUMMARY OF EXPENDITURES BY CHARACTERS</b>						
Administrative Expenses	45,000	50,000	4,704	46,480	520	47,000
<b>Total Expenditures by Characters</b>	<b>\$ 45,000</b>	<b>\$ 50,000</b>	<b>\$ 4,704</b>	<b>\$ 46,480</b>	<b>\$ 520</b>	<b>\$ 47,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (10,950)</b>	<b>\$ 1,250</b>	<b>\$ 40</b>	<b>\$ 8,256</b>	<b>\$ (2,656)</b>	<b>\$ 5,600</b>
<b>ESTIMATED BEGINNING FUND BALANCE</b>	<b>\$ 1,347,675</b>	<b>\$ 1,359,325</b>				<b>\$ 1,359,325</b>
<b>ESTIMATED ENDING FUND BALANCE</b>	<b>\$ 1,336,725</b>	<b>\$ 1,360,575</b>				<b>\$ 1,364,925</b>

	(A)	(B)	(C)	(D)	(E)	(F)
	2017 Final Amended Budget	2018 Adopted Budget	Actual December-18	Actual Year-to-Date ( @ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 (1st Amended Budget)
<b>SUMMARY OF REVENURES BY SOURCES</b>						
<b>LOCAL SOURCES:</b>						
Interest Earned from Payment	\$ 42,000	\$ 48,000	\$ 3,963	\$ 54,817	\$ 5,183	\$ 60,000
Interest Earned from Investment	600	450	82	943	7	950
<b>Total Revenues from Local Sources</b>	<b>\$ 42,600</b>	<b>\$ 48,450</b>	<b>\$ 4,045</b>	<b>\$ 55,760</b>	<b>\$ 5,190</b>	<b>\$ 60,950</b>
<b>SUMMARY OF EXPENDITURES BY CHARACTERS</b>						
Administrative Expenses	18,000	29,592	4,754	35,290	(290)	35,000
<b>Total Expenditures by Characters</b>	<b>\$ 18,000</b>	<b>\$ 29,592</b>	<b>\$ 4,754</b>	<b>\$ 35,290</b>	<b>\$ (290)</b>	<b>\$ 35,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 24,600</b>	<b>\$ 18,858</b>	<b>\$ (709)</b>	<b>\$ 20,470</b>	<b>\$ 5,480</b>	<b>\$ 25,950</b>
<b>ESTIMATED BEGINNING FUND BALANCE</b>	<b>\$ 2,350,229</b>	<b>\$ 2,393,865</b>				<b>\$ 2,393,865</b>
<b>ESTIMATED ENDING FUND BALANCE</b>	<b>\$ 2,374,829</b>	<b>\$ 2,412,723</b>				<b>\$ 2,419,815</b>

	(A)	(B)	(C)	(D)	(E)	(F)
	2017 Final Amended Budget	2018 Adopted Budget	Actual December-18	Actual Year-to-Date ( @ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 (1st Amended Budget)
<b>SUMMARY OF REVENUES BY SOURCES</b>						
<b>LOCAL SOURCES</b>						
Fee Payments	\$ 60,000	\$ 61,809	\$ 7,234	\$ 82,407	\$ 593	\$ 83,000
<b>Total Revenues from Local Sources</b>	<b>\$ 60,000</b>	<b>\$ 61,809</b>	<b>\$ 7,234</b>	<b>\$ 82,407</b>	<b>\$ 593</b>	<b>\$ 83,000</b>
<b>SUMMARY OF EXPENDITURES BY CHARACTERS</b>						
Administrative Expenses	60,000	61,809	7,234	82,407	593	83,000
<b>Total Expenditures by Characters</b>	<b>\$ 60,000</b>	<b>\$ 61,809</b>	<b>\$ 7,234</b>	<b>\$ 82,407</b>	<b>\$ 593</b>	<b>\$ 83,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Jefferson Economic Development Commission  
End of Month-December 2018  
Business Innovation Center (BIC)-Schedule A

	( A )	( B )	( C )	( D )	( E )	( F )
	2017 Final Amended Budget	2018 First Amended Budget	Actual December-18	Actual Year-to-Date (@ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 Final Amended Budget
<b>PROGRAM REVENUES</b>						
Tenant Revenue	\$ -	\$ 20,000	\$ -	\$ 16,781	\$ 19	\$ 16,800
Services	-	1,500	-	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 21,500</b>	<b>\$ -</b>	<b>\$ 16,781</b>	<b>\$ 19</b>	<b>\$ 16,800</b>
<b>PROGRAM EXPENDITURES</b>						
Staff Salaries	45,500	47,500	4,108	47,440	60	47,500
Health Benefits & Taxes	5,600	6,800	471	6,435	365	6,800
SEP/IRA-Retirement	6,000	5,800	501	5,787	13	5,800
Communications	700	700	58	830	(130)	700
Equipment Rental/Maintenance	1,000	3,050	-	989	2,061	3,050
PR/Advertising	-	2,000	-	-	-	-
Office Supplies	-	-	-	-	-	-
Dues & Subscriptions	250	250	-	100	-	100
Postage	-	-	-	-	-	-
Travel/Mileage	-	-	-	-	-	-
Staff Development	-	-	-	-	-	-
Special Projects	-	-	-	-	-	-
Services	12,500	1,500	-	-	-	-
Bad Debt	53,239	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 124,789</b>	<b>\$ 67,600</b>	<b>\$ 5,138</b>	<b>\$ 61,581</b>	<b>\$ 2,369</b>	<b>\$ 63,950</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer to other funds	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET PROGRAM SURPLUS/DEFICIT</b>	<b>\$ (124,789)</b>	<b>\$ (46,100)</b>	<b>\$ (5,138)</b>	<b>\$ (44,800)</b>	<b>\$ (2,350)</b>	<b>\$ (47,150)</b>

Jefferson Economic Development Commission  
 End of Month-December 2018  
 Financing-Schedule B

	(A)	(B)	(C)	(D)	(E)	(F)
	2017 Final Amended Budget	2018 First Amended Budget	Actual December-18	Actual Year-to-Date (@ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 Final Amended Budget
<b>PROGRAM REVENUES</b>						
Financing Income	\$ 113,000	\$ 185,000	\$ 65,123	\$ 251,939	\$ (56,939)	\$ 195,000
BRGL & LRCF Fees	98,000	125,000	13,564	123,917	(3,917)	120,000
<b>Total Revenues</b>	<b>\$ 211,000</b>	<b>\$ 310,000</b>	<b>\$ 78,687</b>	<b>\$ 375,856</b>	<b>\$ (60,856)</b>	<b>\$ 315,000</b>
<b>PROGRAM EXPENDITURES</b>						
Staff Salaries	45,500	204,000	18,458	193,784	(1,284)	192,500
Health Benefits & Taxes	9,100	14,000	784	9,912	88	10,000
SEP/IRA-Retirement	20,000	24,500	2,252	23,704	(204)	23,500
Communications	5,000	6,000	489	5,882	118	6,000
Program Costs	500	-	-	-	-	-
Equipment Rental/Maintenance	1,500	1,500	75	900	-	900
PR/Advertising	800	23,000	6,221	17,141	(3,141)	14,000
Office Supplies	1,500	4,500	149	2,206	2,794	5,000
Postage & Coping	2,000	2,500	117	2,064	136	2,200
Travel/Mileage	1,500	6,000	1,030	1,305	4,895	6,200
Staff Development	4,000	6,000	1,592	4,140	(140)	4,000
Dues & Subscriptions	11,000	12,000	765	9,972	128	10,100
Attorney Fees	5,000	8,000	-	3,270	1,230	4,500
Contract Svc./Loan Processing	24,000	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 131,400</b>	<b>\$ 312,000</b>	<b>\$ 31,932</b>	<b>\$ 274,280</b>	<b>\$ 4,620</b>	<b>\$ 278,900</b>
<b>NET PROGRAM SURPLUS/DEFICIT</b>	<b>\$ 79,600</b>	<b>\$ (2,000)</b>	<b>\$ 46,755</b>	<b>\$ 101,576</b>	<b>\$ (65,476)</b>	<b>\$ 36,100</b>

Jefferson Economic Development Commission  
 End of Month-December 2018  
 Economic Development Services (EDS)-Schedule C

	(A)	(B)	(C)	(D)	(E)	(F)
	2017 Final Amended Budget	2018 First Amended Budget	Actual December-18	Actual Year-to-Date (@ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 Final Amended Budget
<b>PROGRAM REVENUES</b>						
Incentive Fees	\$ 1,120	\$ 2,000	\$ 45	\$ 1,862	\$ 138	\$ 2,000
Gretna Revenues	-	-	-	-	-	-
Pilot Administration Fees	125,600	148,110	30,195	143,795	24,510	168,305
Bond Closing Fees	-	-	-	22,905	-	22,905
<b>Total Revenues</b>	<b>\$ 126,720</b> 45,500.00	<b>\$ 150,110</b>	<b>\$ 30,240</b>	<b>\$ 168,562</b>	<b>\$ 24,648</b>	<b>\$ 193,210</b>
<b>PROGRAM EXPENDITURES</b>						
Staff Salaries	152,000	192,700	17,879	186,581	6,119	192,700
Health Benefits & Taxes	27,500	39,920	2,256	29,399	10,521	39,920
SEP/IRA-Retirement	20,900	23,880	2,181	22,861	1,019	23,880
Communications	8,000	8,300	489	5,881	2,419	8,300
Program Costs	8,500	4,000	-	110	390	500
Equipment Rental/Maintenance	1,200	2,000	75	900	1,100	2,000
Office Supplies	1,500	1,000	120	1,067	(67)	1,000
Dues & Subscriptions	15,500	22,400	1,784	18,833	3,567	22,400
Postage	2,000	2,000	106	1,411	589	2,000
Data Base Analysis	6,000	3,000	-	-	-	-
Travel/Mileage	4,500	5,000	661	3,446	54	3,500
Staff Development	6,000	6,000	25	965	1,035	2,000
Special Projects	4,500	4,000	-	2,861	119	2,980
Gretna Expenses	-	-	-	-	-	-
Seminars/Conferences & Conventions	-	4,000	-	5,285	(285)	5,000
<b>Total Expenditures</b>	<b>\$ 258,100</b>	<b>\$ 318,200</b>	<b>\$ 25,576</b>	<b>\$ 279,600</b>	<b>\$ 26,580</b>	<b>\$ 306,180</b>
<b>NET PROGRAM SURPLUS/DEFICIT</b>	<b>\$ (131,380)</b>	<b>\$ (168,090)</b>	<b>\$ 4,664</b>	<b>\$ (111,038)</b>	<b>\$ (1,932)</b>	<b>\$ (112,970)</b>

Jefferson Economic Development Commission  
End of Month-December 2018  
Strategic Initiatives-Schedule D

	(A)	(B)	(C)	(D)	(E)	(F)
	2017 Final Amended Budget	2018 First Amended Budget	Actual December-18	Actual Year-to-Date (@ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 Final Amended Budget
<b>PROGRAM REVENUES</b>						
Gretna Revenues	\$ 25,000	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000
Scholarship	500	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 25,500</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ 25,000</b>
<b>PROGRAM EXPENDITURES</b>	<b>45,500</b>					
Staff Salaries	20,000	55,667	10,528	42,376	15,624	58,000
Health Benefits & Taxes	4,000	10,600	506	6,200	5,025	11,225
SEP/IRA-Retirement	5,000	10,000	649	7,584	2,797	10,381
Communications	900	2,000	100	1,200	100	1,300
Program Costs	275	1,000	-	190	310	500
Equipment Rental/Maintenance	125	700	13	501	199	700
Office Supplies	150	400	42	212	188	400
Dues & Subscriptions	2,500	8,000	392	4,107	1,893	6,000
Postage	100	200	6	76	124	200
Conferences/Conventions	5,000	5,000	74	2,016	2,984	5,000
Travel/Mileage	300	800	153	233	567	800
Staff Development	1,000	3,500	767	1,258	2,242	3,500
Business Attraction Strategy	2,000	2,500	248	1,750	750	2,500
Gretna Expenses	25,000	25,000	-	25,000	-	25,000
Special Projects	250	4,000	17	237	763	1,000
<b>Total Expenditures</b>	<b>\$ 66,600</b>	<b>\$ 129,367</b>	<b>\$ 13,495</b>	<b>\$ 92,940</b>	<b>\$ 33,566</b>	<b>\$ 126,506</b>
<b>NET PROGRAM SURPLUS/DEFICIT</b>	<b>\$ (41,100)</b>	<b>\$ (104,367)</b>	<b>\$ (13,495)</b>	<b>\$ (67,940)</b>	<b>\$ (33,566)</b>	<b>\$ (101,506)</b>



Jefferson Economic Development Commission  
End of Month-December 2018  
Marketing-Schedule E

	(A)	(B)	(C)	(D)	(E)	(F)
	2017 Final Amended Budget	2018 First Amended Budget	Actual December-18	Actual Year-to-Date (@ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 Final Amended Budget
<b>PROGRAM REVENUES</b>						
Program/Event Revenues	\$ 14,000	\$ 16,000	\$ 14,177	\$ 15,566	\$ (566)	\$ 15,000
Entrepreneur Challenge	20,000	20,000	-	20,500	0	20,500
Sponsorship	33,000	15,000	-	11,750	-	11,750
Prosper Jefferson	-	1,650	-	2,655	245	2,900
Press Announcement Fees	-	-	7,483	7,484	(414)	7,070
<b>Total Revenues</b>	<b>\$ 45,500</b>	<b>\$ 52,650</b>	<b>\$ 21,660</b>	<b>\$ 57,955</b>	<b>\$ (735)</b>	<b>\$ 57,220</b>
<b>PROGRAM EXPENDITURES</b>						
Staff Salaries	60,000	64,000	5,288	62,078	1,922	64,000
Health Benefits & Taxes	6,800	7,100	442	6,156	944	7,100
SEP/IRA-Retirement	6,500	6,850	645	7,574	(724)	6,850
Communications	6,000	7,000	489	5,881	1,119	7,000
Equipment Rental/Maintenance	1,500	2,500	75	900	1,600	2,500
PR/Advertising	57,700	50,400	1,623	61,058	(4,058)	57,000
Office Supplies	1,500	3,000	32	380	2,620	3,000
Dues & Subscriptions	500	4,500	-	135	4,365	4,500
Postage	750	750	58	1,385	(635)	750
Travel/Mileage	-	500	-	59	441	500
Staff Development	100	2,000	-	97	1,903	2,000
Web-Site Update	3,300	2,000	75	2,894	506	3,400
Programs/Event	75,000	30,000	32,884	44,005	645	44,650
Video Equipment Expenses	-	500	-	596	(96)	500
Entrepreneur Challenge	25,200	28,000	-	28,432	-	28,432
Prosper Jefferson	-	1,800	332	3,113	(613)	2,500
Press Announcement Expenses	-	-	1,760	7,484	1,646	9,130
<b>Total Expenditures</b>	<b>\$ 244,850</b>	<b>\$ 210,900</b>	<b>\$ 43,703</b>	<b>\$ 232,227</b>	<b>\$ 11,585</b>	<b>\$ 243,812</b>
<b>NET PROGRAM SURPLUS/DEFICIT</b>	<b>\$ (199,350)</b>	<b>\$ (158,250)</b>	<b>\$ (22,043)</b>	<b>\$ (174,272)</b>	<b>\$ (12,320)</b>	<b>\$ (186,592)</b>

Jefferson Economic Development Commission  
 End of Month-December 2018  
 Administration-Schedule F

	(A)	(B)	(C)	(D)	(E)	(F)
	2017	2018		Actual	Estimate	Projected
	Final Amended	First Amended	Actual	Year-to-Date	Remaining for	Actual Result at
	Budget	Budget	December-18	(@ 12/31/2018)	Year	Year End-2018 Final
						Amended Budget
<b>PROGRAM REVENUES</b>						
Economic Assist. (Select Comfort) **	\$ 158,330	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 158,330</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>PROGRAM EXPENDITURES</b>						
Staff Salaries	526,000	561,000	49,575	581,861	(15,861)	566,000
Health Benefits & Taxes	45,500	65,000	4,465	63,273	1,727	65,000
SEP/IRA-Retirement	62,500	70,000	5,853	68,345	1,655	70,000
Communications	10,000	11,000	716	8,853	2,147	11,000
Equipment Rental/Maintenance	2,000	4,000	75	1,322	2,678	4,000
Office Supplies	7,000	16,000	418	5,582	10,418	16,000
Dues & Subscriptions	2,500	1,500	83	1,748	(248)	1,500
Postage	3,000	3,000	221	2,267	733	3,000
Committee Meetings	8,000	10,000	-	6,498	3,502	10,000
Seminars/Conventions	9,000	4,500	161	4,311	189	4,500
Accounting/Audit	32,000	40,000	-	34,263	5,737	40,000
Insurance	35,000	36,000	2,139	24,582	11,418	36,000
Business Development	5,000	5,000	69	6,203	297	6,500
Travel/Mileage	2,500	8,000	212	2,280	2,720	5,000
Staff Development	1,200	3,500	-	1,295	2,205	3,500
Administrative Fees	12,000	13,000	1,751	11,853	1,147	13,000
Computer/Equip./Svc.	80,000	98,600	32,757	72,631	369	73,000
AEDO Accreditation	-	-	3,950	3,950	950	4,900
Personnel Expenses	7,000	7,000	-	4,141	859	5,000
Emergency Expenses	-	3,000	-	-	3,000	3,000
Attorney Fees	9,000	8,200	420	4,447	1,553	6,000
Professional Services/Loan Expenses	-	-	-	-	-	-
Neighborhood Revitalization Expenses *	4,000	2,000	-	-	-	-
Economic Assist. (Select Comfort) **	-	100,000	-	100,000	-	100,000
<b>Total Expenditures</b>	<b>\$ 863,200</b>	<b>\$ 1,070,300</b>	<b>\$ 102,865</b>	<b>\$ 1,009,705</b>	<b>\$ 37,195</b>	<b>\$ 1,046,900</b>
<b>NET PROGRAM SURPLUS/DEFICIT</b>	<b>\$ (704,870)</b>	<b>\$ (1,070,300)</b>	<b>\$ (102,865)</b>	<b>\$ (1,009,705)</b>	<b>\$ (37,195)</b>	<b>\$ (1,046,900)</b>

\* Restricted funds of \$49,725 received from J.P. in 2015 for Strategic Neighborhood Revitalization Plan project with expenses occurring in 2016 (\$47,948) and 2017 (\$1,777). Additional related expenses incurred by JEDCO are also included.

\*\*Restricted funds of \$158,330 received from J.P. in 2017 for Select Comfort project. Expenses are expected to be paid out in 2018 (\$100,000), 2019 (\$33,330) and 2020 (\$25,000).

Jefferson Economic Development Commission  
End of Month-December 2018  
Kenner-Schedule G

	(A)	(B)	(C)	(D)	(E)	(F)
	2017 Final Amended Budget	2018 First Amended Budget	Actual December-18	Actual Year-to-Date (@ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 Final Amended Budget
<b>PROGRAM REVENUES</b>						
City of Kenner	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -
<b>PROGRAM EXPENDITURES</b>						
Staff Salaries	17,350	-	-	-	-	-
Health Benefits & Taxes	45,500	-	-	-	-	-
SEP/IRA-Retirement	2,340	-	-	-	-	-
Communications	450	-	-	-	-	-
Equipment Rental/Maintenance	50	-	-	-	-	-
Office Supplies	40	-	-	-	-	-
Seminar	-	-	-	-	-	-
Travel Expenses	320	-	-	-	-	-
Program & Project Expenses	150	-	-	-	-	-
Staff Development	-	-	-	-	-	-
Computer Expenses	100	-	-	-	-	-
Data Base Analysis	-	-	-	-	-	-
Dues and Subscriptions	1,150	-	-	-	-	-
Total Expenditures	67,450	-	-	-	\$ -	\$ -
NET PROGRAM SURPLUS/DEFICIT	\$ (42,450)	\$ -	\$ -	\$ -	\$ -	\$ -

Jefferson Economic Development Commission  
 End of Month-December 2018  
 Building Operations-Schedule H

	(A)	(B)	(C)	(D)	(E)	(F)
	2017 Final Amended Budget	2018 First Amended Budget	Actual December-18	Actual Year-to-Date (@ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 Final Amended Budget
<b>PROGRAM EXPENDITURES</b>						
Staff Salaries	75,200	78,500	6,734	78,188	312	78,500
Health Benefits & Taxes	12,000	14,200	949	12,651	1,549	14,200
SEP/IRA-Retirement	9,250	9,700	822	9,539	161	9,700
Communications	1,200	6,000	83	995	5,005	6,000
Travel/Mileage	50	500	-	114	386	500
Repairs and Maintenance	5,500	5,500	-	3,584	416	4,000
Janitorial Services	45,500	34,000	2,220	25,374	3,626	29,000
Utilities	39,500	55,000	1,470	31,295	705	32,000
Security	1,500	600	61	2,317	183	2,500
Insurance	37,000	50,000	2,840	33,257	16,743	50,000
JEDCO Bldg. Lease Expenses	-	-	-	-	-	-
Lawn Maintenance	13,000	18,000	-	10,377	4,623	15,000
Garbage Collection	2,000	1,620	128	1,665	(45)	1,620
Generator Maintenance	3,500	3,040	-	3,212	(12)	3,200
Bldg. Supplies	2,000	5,500	204	1,852	(352)	1,500
Water	2,400	1,800	307	3,730	(430)	3,300
Dues and Subscriptions	500	500	21	252	248	500
HVAC Maintenance	16,800	16,800	3,719	27,911	(2,911)	25,000
Elevator Repairs and Maintenance	6,200	5,400	535	6,366	(966)	5,400
Door Mat Services	2,100	1,800	169	2,037	(237)	1,800
Pest Control	2,500	1,200	290	1,772	(172)	1,600
Generator Repairs	-	11,100	-	10,068	2	10,070
Professional Development	3,000	3,000	-	2,898	102	3,000
JEDCO Loan Payment	212,000	212,000	-	211,156	844	212,000
Pond Retention	-	8,000	-	5,522	2,478	8,000
Office Build-out	-	40,000	-	42,504	(504)	42,000
<b>Total Expenditures</b>	<b>\$ 492,700</b>	<b>\$ 583,760</b>	<b>\$ 20,552</b>	<b>\$ 528,636</b>	<b>\$ 31,754</b>	<b>\$ 560,390</b>

Jefferson Economic Development Commission  
 End of Month-December 2018  
 Tech Park Expenses-Schedule I

	(A)	(B)	(C)	(D)	(E)	(F)
	2017 Final Amended Budget	2018 First Amended Budget	Actual December-18	Actual Year-to-Date (@ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 Final Amended Budget
<b>PROGRAM REVENUES</b>						
Common Area Revenues	\$ 15,650	\$ 22,000	\$ -	\$ 19,240	\$ (40)	\$ 19,200
Insurance (Pond)	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 15,650</b>	<b>\$ 22,000</b>	<b>\$ -</b>	<b>\$ 19,240</b>	<b>\$ (40)</b>	<b>\$ 19,200</b>
<b>PROGRAM EXPENDITURES</b>						
Landscaping	45,500	13,500	-	8,850	650	9,500
Grass Cutting/Clearing/Fill	9,000	41,400	-	11,750	1,750	13,500
Utilities	3,000	1,000	-	1,590	410	2,000
Repairs and Maintenance	1,000	4,000	-	1,565	435	2,000
Liability Insurance	-	-	-	-	-	-
Access Road Expenses	6,800	5,000	-	-	-	-
Lease Expenses	-	-	-	-	-	-
Hog Abatement	38,550	38,500	6,425	38,552	(52)	38,500
Appraisal Expenses	4,500	-	-	-	-	-
Delgado Road Extension	-	-	-	9,270	-	9,270
<b>Total Expenditures</b>	<b>\$ 108,350</b>	<b>\$ 103,400</b>	<b>\$ 6,425</b>	<b>\$ 71,577</b>	<b>\$ 3,193</b>	<b>\$ 74,770</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer to other funds	-	-	-	-	-	-
Transfer from other funds	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET PROGRAM SURPLUS/DEFICIT</b>	<b>\$ (92,700)</b>	<b>\$ (81,400)</b>	<b>\$ (6,425)</b>	<b>\$ (52,337)</b>	<b>(3,233)</b>	<b>\$ (55,570)</b>

Jefferson Economic Development Commission  
 End of Month-December 2018  
 Conference Center-Schedule J

	(A)	(B)	(C)	(D)	(E)	(F)
	2017 Final Amended Budget	2018 First Amended Budget	Actual December-18	Actual Year-to-Date (@ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 Final Amended Budget
<b>PROGRAM REVENUES</b>						
Building Rent	\$ 9,200	\$ 25,000	\$ 1,090	\$ 15,365	\$ (365)	\$ 15,000
Food & Beverage Revenues	-	1,000	-	-	-	-
<b>Total Revenues</b>	<b>\$ 9,200</b>	<b>\$ 26,000</b>	<b>\$ 1,090</b>	<b>\$ 15,365</b>	<b>\$ (365)</b>	<b>\$ 15,000</b>
<b>PROGRAM EXPENDITURES</b>						
Repairs and Maintenance	45,500	5,500	-	3,063	2,437	5,500
Utilities	18,800	24,000	1,536	14,623	377	15,000
Contract Services	18,000	15,000	556	9,039	(1,039)	8,000
Insurance	-	-	-	-	-	-
Sales and Marketing	-	5,500	-	-	-	-
Supplies	1,821	7,500	86	1,256	44	1,300
Security	150	500	-	-	-	-
Food & Beverage Expenses	-	1,000	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 84,271</b>	<b>\$ 59,000</b>	<b>\$ 2,178</b>	<b>\$ 27,981</b>	<b>\$ 1,819</b>	<b>\$ 29,800</b>
<b>NET PROGRAM SURPLUS/DEFICIT</b>	<b>\$ (75,071)</b>	<b>\$ (33,000)</b>	<b>\$ (1,088)</b>	<b>\$ (12,616)</b>	<b>\$ (2,184)</b>	<b>\$ (14,800)</b>

**BRGL Dedicated Funds  
End of Month-December 2018**

	(A)	(B)	(C)	(D)	(E)	(F)
	2017 Final Amended Budget	2018 First Amended Budget	Actual December-18	Actual Year-to-Date (@ 12/31/2018)	Estimate Remaining for Year	Projected Actual Result at Year End-2018 Final Amended Budget
<b>PROGRAM EXPENDITURES</b>						
Staff Salaries	\$ 54,200	\$ 9,968	\$ -	\$ 9,968	\$ -	\$ 9,968
Health Benefits & Taxes	8,400	1,046	-	1,046	-	1,046
SEP/IRA-Retirement	6,600	1,089	-	1,089	-	1,089
<b>Total Expenditures</b>	<b>\$ 69,200</b>	<b>\$ 12,103</b>	<b>\$ -</b>	<b>\$ 12,103</b>	<b>\$ -</b>	<b>\$ 12,103</b>
	45500					

## MONTHLY CASH REPORT

ACCOUNTS:	@12/31/17	REVENUES	EXPENSES	OTHERS	BALANCE
<b>JEDCO Checking</b>	\$273,123.24				
January '18		\$40,820.63	\$494,170.68	\$504,529.45	\$324,302.64
February '18		17,786.07	156,845.45	200,470.74	385,714.00
March '18		35,382.28	203,679.54	206,042.61	423,459.35
April '18		36,201.71	175,759.25	204,592.56	488,494.37
May '18		53,059.06	207,045.28	(46,727.38)	287,780.77
June '18		23,318.06	190,672.68	1,116.52	121,542.67
July '18		34,916.09	224,286.92	226,073.78	158,245.62
August '18		14,980.50	171,992.56	210,226.80	211,460.36
September '18		22,467.98	160,069.28	14,748.76	88,607.82
October '18		50,572.55	225,327.90	204,983.77	118,836.24
November '18		174,756.46	180,876.28	200,521.46	313,237.88
December '18		56,073.43	258,379.16	270,073.83	381,005.98
<b>Jefferson EDGE Checkin</b>	\$231,527.62				
January '18		\$3,000.00	\$3,195.00	(\$1,420.45)	\$229,912.17
February '18		7,500.00	1,195.00	49.28	236,266.45
March '18		0.00	8,449.45	(2,862.54)	224,954.46
April '18		47,750.00	1,644.00	-1,407.57	269,652.89
May '18		1,500.00	1,954.29	75.44	269,274.04
June '18		25,000.00	4,273.88	77.07	290,077.23
July '18		42,500.00	5,762.75	-4,353.19	322,461.29
August '18		27,000.00	127,321.18	-1,425.99	220,714.12
September '18		0.00	31,774.96	-1,443.58	187,495.58
October '18		20,000.00	37,242.93	-1,444.74	168,807.91
November '18		13,750.00	18,799.94	69.16	163,827.13
December '18		61,250.00	34,368.31	-4,392.27	186,316.55
<b>BRGL (I &amp; II) Revenues</b>	\$12,102.56				
January '18		\$0.00	\$5,499.31	\$0.00	\$6,603.25
February '18		0.00	5,567.48	0.00	1,035.77
March '18		0.00	1,035.77	0.00	(0.00)
April '18		0.00	0.00	0.00	(0.00)
May '18		0.00	0.00	0.00	(0.00)
June '18		0.00	0.00	0.00	(0.00)
July '18		0.00	0.00	0.00	(0.00)
August '18		0.00	0.00	0.00	0.00
September '18		0.00	0.00	0.00	0.00
October '18		0.00	0.00	0.00	0.00
November '18		0.00	0.00	0.00	0.00
December '18		0.00	0.00	0.00	0.00



**INVESTMENTS:**

<b>JEDCO Lamp</b>	<b>\$2,551,336.73</b>				
January '18	\$2,696.22	\$0.00	\$0.00	\$2,554,032.95	
February '18	2,485.92	0.00	(300,000.00)	2,256,518.87	
March '18	2,992.29	0.00	0.00	2,259,511.16	
April '18	3,353.87	0.00	0.00	2,262,865.03	
May '18	4,458.58	0.00	1,300,000.00	3,567,323.61	
June '18	5,757.69	0.00	0.00	3,573,081.30	
July '18	5,858.72	0.00	(200,000.00)	3,378,940.02	
August '18	5,615.15	0.00	(200,000.00)	3,184,555.17	
September '18	5,381.23	0.00	0.00	3,189,936.40	
October '18	5,565.24	0.00	(200,000.00)	2,995,501.64	
November '18	5,415.36	0.00	(200,000.00)	2,800,917.00	
December '18	5,517.82	0.00	(250,000.00)	2,556,434.82	
<b>Jefferson EDGE Lamp</b>	<b>\$811,896.27</b>				
January '18	\$935.20	\$0.00	\$0.00	\$812,831.47	
February '18	896.46	0.00	0.00	813,727.93	
March '18	1,079.07	0.00	0.00	814,807.00	
April '18	1,209.45	0.00	0.00	816,016.45	
May '18	1,302.91	0.00	0.00	817,319.36	
June '18	1,319.16	0.00	0.00	818,638.52	
July '18	1,400.35	0.00	0.00	820,038.87	
August '18	1,405.77	0.00	0.00	821,444.64	
September '18	1,388.06	0.00	0.00	822,832.70	
October '18	1,528.32	0.00	0.00	824,361.02	
November '18	1,549.17	0.00	0.00	825,910.19	