

COOPERATIVE ENDEAVOR AGREEMENT

AMONG

THE CITY OF LAKE CHARLES

STATE OF LOUISIANA

AND

FILED 7/27/17
[Signature]
Deputy Clerk of Court

MORGANFIELD DEVELOPMENT, L.L.C.

ARROZAL INVESTMENT PART A, L.L.C.

ARROZAL INVESTMENT PART B, L.L.C.

ARROZAL INVESTMENT PART C, L.L.C.

STANSEL PROPERTIES, L.L.C.

THE LACASSANE COMPANY, INC.

AND

MORGANFIELD ECONOMIC DEVELOPMENT DISTRICT

DATED AS OF AND EFFECTIVE
JULY 20, 2017



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COOPERATIVE ENDEAVOR AND ANNEXATION AGREEMENT

In accordance with Article VII, Section 14(C) of the 1974 Louisiana Constitution,

The **City of Lake Charles** ("**City**"), a political subdivision of the State, herein represented by Hon. Randy Roach ("**Mayor**") acting pursuant to Ordinance No. 16788 adopted by the City Council of the City dated November 16, 2013 and Ordinance No. _____ adopted by the City Council of the City dated June 7, 2017 (individually and collectively "**City CEA Ordinance**"), a copy of which is attached hereto as **Exhibit "1"**;

MorganField Development, L.L.C. ("MD"), a Louisiana limited liability company, herein represented by John C. Thielen;

Arrozal Investment Part A, L.L.C. ("AIP - A"), a Louisiana limited liability company, herein represented by John C. Thielen;

Arrozal Investment Part B, L.L.C. ("AIP - B"), a Louisiana limited liability company, herein represented by John C. Thielen;

Arrozal Investment Part C, L.L.C. ("AIP - C"), a Louisiana limited liability company, herein represented by John C. Thielen;

Stansel Properties, L.L.C. ("SP"), a Louisiana limited liability company, herein represented by Leo Paul Bonin, II;

The Lacassane Company, Inc. ("TLC"), a Louisiana corporation, herein represented by John C. Thielen;

and

MorganField Economic Development District ("Economic District"), which Economic District was authorized for establishment pursuant to this agreement by the City of Lake Charles pursuant to Ordinance No. _____ approved by the City Council of the City on June 7, 2017, herein represented by _____, its Chairman, acting pursuant to Ordinance No. _____ adopted by the governing authority of the Economic District dated the July 19, 2017, a copy of which is attached hereto as **Exhibit "2"**.

do hereby enter into this Cooperative Endeavor ("**Agreement**") to serve the public for the purposes herein declared.

ARTICLE 1
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 **Defined Terms.** As used herein the following terms shall have the following meanings unless the context otherwise requires, and such meanings shall be equally applicable to both singular and plural forms of the terms herein defined:

- a. **"Act"** shall mean Section 14(C) of Article VII of the Constitution, as amended, and Parts I and II of the Cooperative Economic Development Law.
- b. **"Affiliate"** shall mean, with respect to a designated person under this Agreement, any other person that, directly or indirectly, controls, is controlled by, or is under common control with such designated person. For purposes of this definition, the term **"control"** (including the correlative meanings of the terms **"controlled by"** and **"under common control with"**), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person.
- c. **"Agreement"** shall mean this Cooperative Endeavor and Annexation Agreement and any amendments or modifications thereto.
- d. **"AIP-A"** means Arrozal Investment Part A, L.L.C., a Louisiana limited liability company, together with its Affiliates, transferees, successors and assigns.
- e. **"AIP-B"** means Arrozal Investment Part B, L.L.C., a Louisiana limited liability company, together with its Affiliates, transferees, successors and assigns.
- f. **"AIP-C"** means Arrozal Investment Part C, L.L.C., a Louisiana limited liability company, together with its Affiliates, transferees, successors and assigns.
- g. **"Allocation of Reimbursement of Public Improvement Projects"** means the pro rata allocation of reimbursement of Third Party Costs incurred by the City and/or the Owners in connection with the Public Improvement Projects.
- h. **"Annexation Ordinances"** means Ordinances 16617 and 16619 and Ordinances 17312 and 17314 adopted by the City Council of the City of Lake Charles, Louisiana, individually and collectively.
- i. **"Applicable Laws"** shall mean all applicable federal, state, parish, city, municipal and local laws, rules, regulations, ordinances, and codes.
- j. **"Approved Public Improvement Projects Conceptual Graphics"** shall mean the conceptual graphical plans for the Approved Public Improvement Projects which are identified on **Exhibit "13"**.

k. **"Approved Public Improvement Projects"** shall mean the design, development, financing and construction of Public Improvements which have been approved by the City and the Economic District and which are identified on **Exhibit "14"** as Groups 1 through 5 and Groups A through R in their entirety and generally in conformity with the Approved Public Improvement Projects Conceptual Graphics. Additionally, in addition to the projects identified on Exhibit 14, Approved Public Improvement Projects shall also include any Future Extension of City Infrastructure within the Development which are not undertaken by the City under the Development Agreement and which the Owner, in its sole discretion, wishes to construct, in accordance with City specifications, notice to and consent of the City and in accordance with all applicable laws.

l. **"Approved Rezoning"** means the First Rezoning and the Second Rezoning, individually and collectively.

m. **"Base Year"** shall mean the calendar year 2015.

n. **"Bonds"** shall mean the revenue bonds, if any, which may be issued by the Economic District in order to pay costs permitted by the EDD Act.

o. **"Business Day"** shall mean a day which is not (a) a Saturday or Sunday, (b) a legal holiday, or (c) a day on which banking institutions are authorized by law to close in the State of Louisiana.

p. **"City"** shall mean City of Lake Charles, Louisiana, a political subdivision of the State.

q. **"City Attorney"** shall mean, individually or collectively, any attorney or firm of attorneys for the City, engaged by the City for the purpose, inter alia, of representing the City and/or the Economic District with respect to this Agreement, and shall include any successors or assigns of any such City Attorney.

r. **"City Council"** shall mean the City Council for the City.

s. **"City Engineer"** shall mean the duly authorized registered professional Louisiana civil engineer recommended by the Mayor and appointed by the City Council to address engineering related items on behalf of the City in conjunction with the MorganField Development.

t. **"City Undertakings"** shall mean the following undertakings by the City which are more fully described in this Agreement:

- (1) Allow for the creation of the Economic District;

- (2) Allow for the levy and collection of the New Tax;
- (3) Allow for the Allocation of Reimbursement of the Public Projects through the Economic District from Sales and Use Taxes; and
- (4) Authorize the Approved Rezoning, which Approved Rezoning has been completed.

u. **"Code"** means the Lake Charles Code of Ordinances as amended.

v. **"Collection Agreement"** shall mean any of the collection agreements to be executed between: (i) the City and the Tax Collector and (ii) the Economic District and the Tax Collector providing for the collection of the City Sales Tax and for the New Tax.

w. **"Commission"** means the Louisiana State Bond Commission.

x. **"Constitution"** means the 1974 Louisiana Constitution, as amended.

y. **"Contingencies"** shall mean existing or future market conditions, monetary conditions, regulatory or legislative acts, rulings or changes or Force Majeure, as herein defined, that make it financially or practically impracticable, infeasible or impossible for the Owners to timely complete the development of MorganField or its obligations hereunder.

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

aa. **"Development Agreement"** means the Development Agreement dated June _____, 2017 entered into between the Owners and the City.

bb. **"District Court"** shall mean the 14th Judicial District Court, Calcasieu Parish, Louisiana or such federal court as may have jurisdiction over any matter.

cc. **"Economic Development Benefits"** means the direct and indirect benefits of economic development in a geographic area, which includes, without limitation:

- (1) the creation of permanent and temporary constructions jobs,
- (2) mitigation of the condition of unemployment or underemployment;
- (3) increases to the tax base for ad valorem taxation;
- (4) increase in sales and use tax collections;
- (5) retention, expansion and recruitment of businesses;

- (6) enhancement of quality of life;
- (7) creation of housing stock; and
- (8) other ancillary financial and economic development benefits.

dd. **"Economic District"** shall mean the MorganField Economic Development District established by the City of Lake Charles pursuant to the EDD Ordinance, which shall encompass the property shown on **Exhibit "16-A"** and described on **Exhibit "16-B"**. The City Council shall serve as the governing authority of the Economic Development District pursuant to Section 33:9038.32(D) of the EDD Act

ee. **"Economic District Public Projects Costs"** means (i) any and all Third Party Costs incurred and paid by the Economic District in connection with the Public Projects.

ff. **"EDD Act"** shall mean the provisions of Part II of Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:9038.31 to 9038.42, inclusive).

gg. **"EDD Funding Priorities"** means the EDD's required priority funding of the Public Improvement Projects from the Pledged Sales Tax Revenues in the initial priorities as set forth on **Exhibit "14"**, which may be modified by the Owners in their sole discretion.

hh. **"EDD Ordinance"** means the City ordinance establishing the Economic District adopted on June 7, 2017.

ii. **"Effective Date"** means the date on which this Agreement becomes effective, which shall be the later of the date of execution hereof by each party to this Agreement.

jj. **"First Annexation"** means the annexation of the First Annexation Property into the municipal boundary of the City pursuant to Louisiana Revised Statutes, Title 33, Section 172 et seq. pursuant to Ordinances 16617 dated May 15, 2013.

kk. **"First Annexation Property"** means the 277.31 acres of property owned by Owners identified on the survey attached as **Exhibit "3"** and as more fully described on **Exhibit "4"** and ordinance number 16617 as **Exhibit "5"**.

ll. **"First Rezoning"** means the rezoning of the First Annexation Property which was assigned and classified in the "Residential" Classification, subject to "Traditional Neighborhood Development" guidelines pursuant to Ordinance Number 16618 adopted on May 15, 2013, which is attached as **Exhibit "6"**.

mm. **"Force Majeure"** shall mean any and all events as a result of which either Party is unable to fulfill, or shall be delayed or restricted in the fulfillment of any obligation under any provision of this Agreement without fault by such Party and/or as a result of factors beyond the control of such Party, including but not limited to reason of war or acts of military authority, rebellion or civil commotion, force or explosion, invasion, insurrection, riot, mob violence, sabotage, vandalism, fire, windstorm, flood, wind, water, earthquake, hurricane, tornado or other Act of God or other casualty, or by reason of labor strike, lockout or unrest, disruption of normal transportation means, or other reason for being unable to obtain any materials, goods, equipment, services, labor, or utilities in usual and timely manner so as to enable such Party to fulfill such obligation, or by reason of any statute or law or any regulation of order passed or made pursuant thereto or by reason of the order or direction of any administrator, controller or board or any governmental department or officer or other authority, or by reason of any other cause or beyond its control or not wholly or mainly in its control, whether of the foregoing character or not, and not caused by its default or its act of commission or omission and not avoidable by the exercise of reasonable effort or foresight by it.

nn. **"Future Extensions of City Infrastructure"** shall have the meaning provided in the Development Agreement.

oo. **"Governing Authority"** means the City Council.

pp. **"Local Services Agreements"** shall mean, collectively, the agreements by and among the Economic District and the City, as may be required, to complete the Public Improvement Projects.

qq. **"Local Services Law"** shall mean Chapter 2 of Title 33 of the Louisiana Revised Statutes of 1950, as amended (R.S. 33:1321 to 1337, inclusive), and other constitutional and statutory authority, which provides for financing agreements between political subdivisions and other constitutional and statutory authority and which authorizes the City and the Economic District to enter into local services agreements with other political subdivisions to use sales and use tax revenues and receipts in order to provide for funding the costs of infrastructure improvements within the Economic District, including the Public Improvements.

rr. **"Maintenance Support"** shall include, without limitation, the maintenance, repair, reconstruction, replacement, revitalization, rehabilitation, modification and general upkeep of any and all of the Public Improvements.

ss. **"Mayor"** means the Mayor of the City.

tt. **"MD"** means MorganField Development, L.L.C., a Louisiana limited liability company, together with its Affiliates, transferees, successors and assigns.

uu. **"Month"** shall mean a calendar month.

vv. **"Monthly Pledged Collection"** shall mean the pledged Sales and Use Taxes collected by or on behalf of the Participating Tax Recipient Entity within the geographic area comprising the Economic District attributable to any Month during the Term.

ww. **"MorganField Development"** means any and all of the variety of residential and/or mixed-use neighborhoods which may be developed on the Property in multiple phases pursuant to a MorganField Master Plan.

xx. **"MorganField Master Plan"** means the initial master plan of the MorganField Development, which is attached as **Exhibit "11"**, which MorganField Master Plan may be implemented by Owners in their sole discretion in the future from time to time in accordance with Applicable Laws and subject to Contingencies.

yy. **"MorganField User Density"** means the projected density of owners, occupants and users resulting from the complete and final development of MorganField as provided on **Exhibit "12"** which is imbedded in the Approved Rezoning which may be changed from time to time subject to Applicable Law.

zz. **"New Tax"** shall mean the new one (1%) percent of sales and use taxes upon the sale at retail, the use, the lease or rental, the consumption and storage for use or consumption of tangible personal property and on sales of services in the District and one (1%) percent of hotel occupancy taxes within the Economic District pursuant to this Agreement for the term of this Agreement.

aaa. **"New Tax Ordinance"** shall mean the Ordinance adopted by the Economic District on levying the New Tax effective January 1, 2018, as amended or supplemented from time to time.

bbb. **"Owners"** means MB, AIP-A, AIP-B, AIP-C, SP and TLC, individually and collectively.

ccc. **"Parish"** means the Parish of Calcasieu, a political subdivision of the State.

ddd. **"Parties"** means Owners, the Economic District and the City, individually and collectively.

eee. **"Participating Tax Recipient Entity"** shall mean the Economic District.

fff. **"Person"** shall mean an individual, a corporation, a partnership, a joint venture, an association, a trust or any other entity or organization, including a state or

municipal corporation or government or political subdivision or an agency or instrumentality thereof.

ggg. **"Plans"** means the plans and specifications for the Public Improvement Projects which will comply with Applicable Law.

hhh. **"Pledged Sales Tax Revenues"** shall mean, individually and collectively, the Sales and Use Taxes, all of which are pledged and dedicated pursuant to this Agreement by each Participating Tax Recipient Entity.

iii. **"Projected Sales Date"** means the date that the Owners projects that lots in a phase of MorganField will be available for sale, lease and/or transfer to third party acquirers.

jjj. **"Property"** means the First Annexed Property and the Second Annexed Property, individually and collectively.

kkk. **"Public Improvement Projects"** shall mean the design, development, financing and construction of any and all of the Public Improvements within the Economic District or on the Property which are approved by the Economic District and the Owners, for Public Improvements, including, without limitation the Approved Public Improvement Projects.

III. **"Public Improvement Projects Costs"** shall mean:

(1) any and all Third Party Costs incurred in connection with design, permitting, construction and maintenance of any and all components of the Public Improvement Projects, including any hard and soft costs as well as the cost of obtaining governmental approvals; and/or

(2) as to the City, any and all reasonable costs in connection with design, permitting, construction and maintenance of any and all components of the Public Improvement Projects, including any hard and soft costs as well as the cost of obtaining governmental approvals for self-performed components of Public Improvement Projects which are:

- (a) comparable to Third Party Costs; and
- (b) subject to the approval of the Owner, which approval shall not be unreasonably withheld, conditioned or delayed.

mmm. **"Public Improvements"** shall include all public improvements in the Economic District, including, without limitation, the financing, funding, planning, establishment, acquisition, construction or reconstruction, enlargement, extension, enhancement, expansion, equipping, operation, and any and all Maintenance Support, of the systems, facilities, and basic infrastructures for:

- (1) water supply, drainage, transmission, treatment, management and control;
- (2) sewer and wastewater management, transmission, distribution, treatment, reclamation, and reuse or any combination thereof;
- (3) bridges or culverts that may be needed across any drain, ditch, canal, floodway, holding basin, excavation, public highway, tract, grade, fill, or cuts and roadways over levees and embankments;
- (4) roads, streets, sidewalks and street lights equal to or exceeding the specifications of the City and Parish;
- (5) parks, green space and facilities for indoor and outdoor recreational, cultural, and educational uses, including without limitation, trails;
- (6) communications equipment, wiring and installation, including but not limited to, public Wi-Fi, fiber optic or other cable, switches and related items; and
- (7) infrastructure and facilities to connect some or all of the Public Improvements within the Economic District.

nnn. **"Public Landscaping"** means the landscaping and treescape within the public rights of ways for public streets.

ooo. **"Request for Advance"** means a request by a Tax Proceeds Recipient to the Trustee for reimbursement or direct payment of costs expended for the Public Improvements and qualifying as a Tax Proceeds Use hereunder.

ppp. **"Sales and Use Taxes"** shall mean the New Tax levied and collected in the Economic District by the Participating Tax Recipient Entity, respectively, on the sale at retail, the use, lease or rental, the consumption and storage for use or consumption of tangible personal property, and on sales and services, all as defined in Section 301 et seq. of Title 47 of the Louisiana Revised Statutes of 1950, as amended, or any other appropriate provisions of law as amended.

qqq. **"Second Annexation"** means the annexation of the Second Annexed Property into the municipal boundary of the City pursuant to Louisiana Revised Statutes, Title 33, Section 172 et seq. pursuant to Ordinance 17312 dated July 15, 2015.

rrr. **"Second Annexation Property"** means the 95.51 acre tract owned by Owners identified on the survey attached as **Exhibit "7"** and as more fully described on **Exhibit "8"** and ordinance number 17312 as **Exhibit "9"**.

sss. **"Second Rezoning"** means the rezoning of the Second Annexation Property which was assigned and classified in the "Mixed Use" zoning classification pursuant to Ordinance Number 17313 adopted on July 15, 2015 which is attached as **Exhibit "10"**.

ttt. **"SP"** means Stansel Properties, L.L.C., a Louisiana limited liability company, together with its Affiliates, transferees, successors and assigns.

uuu. **"State"** shall mean the State of Louisiana.

vvv. **"Tax Collector"** shall mean the Calcasieu Parish School Board, in its capacity as collector and recipient of the Sales and Use Taxes within the City on behalf of the Participating Tax Recipient Entity.

www. **"Tax Proceeds Recipient"** shall mean any of the entities permitted to receive payments of the Sales and Use Taxes, including the Owners, City, contractors and/or the Economic District.

xxx. **"Tax Proceeds Uses"** shall mean the payment or reimbursement of Public Improvement Projects Costs:

(1) made directly to one or more contractors as payment for work performed on the Public Projects,

(2) made directly to the City as payment or reimbursement of payment of work performed by or at the direction of the City on the Public Projects, approved by the Owner, which approval shall not be unreasonably withheld, conditioned or delayed;

(3) made directly to the Owners as payment or reimbursement of payment of work performed by or at the direction of the Owners for Public Projects;

(4) made directly to the Economic District as payment or reimbursement of payment of work performed by or at the direction of the Economic District on the Public Improvements,

(5) made to the Economic District or Owners for debt service and other payments related to Bond, conventional or other financing used to finance the Public Improvements;

(6) made to any Community Development District that includes all or a portion of the Property for the payment or reimbursement of payment of Public Improvement Projects Costs incurred by the Community Development District.

yyy. "Term" shall mean the term of this Agreement as set forth in Section 9.1 of this Agreement.

zzz. "TLC" means The Lacassane Company, Inc., a Louisiana corporation together with its Affiliates, transferees, successors and assigns.

aaaa. "Third Party Costs" means any commercially reasonable and appropriate costs, fees, expenses and charges paid to third party Persons.

bbbb. "Trustee" shall mean the entity responsible for managing the Sales and Use Taxes as designated by the Economic District from time to time in the Collection Agreement.

Section 1.2 Use of Defined Terms. Terms defined in this Agreement shall have their defined meanings when used herein and in any document, certificate, report or agreement furnished from time to time in connection with this Agreement unless the context otherwise requires.

ARTICLE 2 **RECITATIONS**

Section 2.1 MorganField Development.

a. The Owners own the Property which they are developing for the MorganField Development which will occur in phases.

b. The Property originally was located in Calcasieu Parish contiguous to, but outside, of the Lake Charles, Louisiana city limits at the time of the adoption of the City CEA Ordinance.

Section 2.2 Annexation.

a. The Owners annexed the Property into the City pursuant to the Annexation Ordinances.

b. It is projected that MorganField Development will result in significant Economic Development Benefits to the City.

c. The City supported the Economic Development Benefits of MorganField Development occurring within the municipal limits of the City relying on the information provided by the owners of MorganField Development regarding said Economic Development Benefits at the time of the adoption of the City CEA Ordinance and continues to support the Economic Development Benefits of MorganField Development.

d. The Annexations were undertaken by the Owners during continued negotiations related to the adoption of the CEA Ordinance and the terms of this agreement which said negotiations continued up to execution of this agreement.

e. The Owners may petition to annex additional property owned by one or more of the Owners in the future. It is contemplated that this Agreement will serve as a template for future annexations, subject to approval by the City Council

Section 2.3 **Rezoning.** In an effort to facilitate the Economic Development Benefits goals of the Owner and City as contemplated by the Owners and City in the City CEA Ordinance, the Property was rezoned to the Approved Rezoning.

Section 2.4 **Creation of Economic Development District.**

a. One of the City Undertakings is the creation of the Economic District with the identical boundary as the Property to collect sales and use taxes to be utilized for financing the Public Projects, subject to approval by the City Council.

b. The City has established a requirement for the Economic District based on the following minimum requirements which have been satisfied by the MorganField Development:

(1) The Economic District shall contain not less than approximately 329 acres. This is the First and Second annexation less and except the subdivision phases where improvements have already been sold to third parties;

(2) There will be component of the Economic District which satisfies the zoning requirements for a traditional neighborhood development with not less than One Hundred (100) acres; and

(3) The area within the Economic District is subject to a master plan.

c. The Economic District is a political subdivision established as an economic development district for public purposes under and pursuant to the EDD Act.

d. The EDD Act empowers the Economic District to participate in sales tax increment financing and to enter into financing structures to construct and maintain public improvements, including without limitation, to issue bonds to provide funds for and to fulfill and achieve its authorized public functions or corporate purposes as set forth in the EDD Act.

e. Pursuant to the EDD Act, a sales tax increment consists of that portion of sales tax revenues for any or all Tax Proceeds Recipient Entity collected each year on the sale at retail, the use, the lease or rental, the consumption and storage for use or consumption of tangible personal property and on sales of services, all as defined in La. R.S. 47:301 *et seq.*, or any other appropriate provision of law, as amended, from taxpayers located within an economic development district, which exceeds the sales tax revenues that were collected for such taxing authority in the year immediately prior to the year in which such area was designated as an economic development district.

f. The Economic District has been designated by the City as an economic development district within the municipal boundaries of the City pursuant to the EDD Act.

g. Owners' attorney shall prepare all of the legal and other documents required to establish the Economic District, to obtain the approval of this Agreement before the Economic District and levy the New Tax, subject to reimbursement as provided herein and subject to approval by the City Attorney and City Council where necessary.

Section 2.5 Sales and Use Taxes Within Economic District.

a. The Economic District will levy the New Tax within the Economic District to fund the Public Improvement Projects.

b. The Economic District may in the future issue Bonds to provide financing for costs related to:

- (1) the Public Improvement Projects;
- (2) funding a deposit to the debt service reserve fund;
- (3) paying capitalized interest on the Bonds; and
- (4) paying costs of issuance of the Bonds.

c. If approved by the Economic District, the Bonds will be secured by and payable from a pledge and dedication by the Participating Tax Recipient Entity of a portion of the increase in designated sales tax revenues that would be received by the Economic District and such Participating Tax Recipient Entity in each year in excess of the sales tax

revenues generated in the calendar year immediately prior to the calendar year in which the Economic District was formed as well as the New Tax.

Section 2.6 Cooperative Endeavor Agreement.

a. The Parties are granted the authority, pursuant to the Act, to enter into cooperative endeavor and annexation agreements with public and private entities for a public purpose, including agreements which may require the use of public funds or property, provided legal guidelines are met:

(1) Article VII, Section 14(C) of the Constitution provides that for a public purpose, political subdivisions may engage in cooperative endeavors with private entities and/or individuals.

(2) Economic development constitutes a public purpose for the expenditure of public funds as determined by the Louisiana State Legislature under various provisions of law, including but not limited to the Cooperative Economic Development Law.

(3) The Cooperative Economic Development Law clearly authorizes the participation by the parties hereto in economic development activities, including the expenditure of public funds under certain circumstances.

b. The Parties desire to enter into this Agreement as a Cooperative Endeavor Agreement under Article VII, Section 14(C) of the Constitution and the Cooperative Economic Development Law.

c. Furthermore, the City has entered into this Agreement to protect the general health, safety and welfare of its citizens.

ARTICLE 3
OBLIGATIONS OF THE PARTIES

Section 3.1 Obligations of the Parties. The Parties agree to satisfy the obligations identified in this Article 3 and each recognizes that the obligations, where identified, run concurrently.

Section 3.2 City Obligations

a. **City Undertakings.** To support and promote the Owners with the MorganField Development in the City of Lake Charles and to protect the general health, safety and welfare of its citizens the City hereby covenants and agrees to use its best efforts to do the following City Undertakings.

b. **Validation Suit.** The City shall institute a validation suit which shall confirm that the documents described herein to which the Owners, City and/or the Economic District are parties are legal, binding and enforceable under Applicable Laws. The Owners' attorney shall prepare all legal documentation for the validation suit and all necessary memorandums and/or briefs in support of same which shall be approved by the City Attorney and which shall be reimbursed as provided for herein. If and after a favorable final judgment in the Validation Suit is obtained the Parties shall be authorized to move forward on the terms and conditions of this agreement. Ordinances and other legal documents shall move forward simultaneously with the Validation Suit. All Parties agree they shall complete their obligations in a timely manner to allow the validation suit to be filed within thirty (30) days following the passage of the resolution by the Economic District authorizing the levy of the New Tax. The New Tax shall not be effective until January 1, 2018 and no New Tax Revenue shall be disbursed until a favorable final judgment has been obtained in the validation suit.

Section 3.3 Obligations of Economic District. The Economic District agrees to the following obligations with regards to the Annexation:

a. **Levy of New Tax.** The Economic District shall levy the New Tax effective January 1, 2018 to provide the Pledged Sales Tax Revenues for the development and construction of the Public Improvement Projects subject to the approval of the Owners.

b. **Approval of Public Improvement Projects.**

(1) The Economic District will, to the extent necessary, approve the Public Improvement Projects and agree to utilize the Sales and Use Taxes to reimburse the Owners for Public Improvement Project Costs.

(2) Notwithstanding the foregoing, the City and the Economic District have approved the Approved Public Improvement Projects in the EDD Funding Priorities without further action of the City and/or the Economic District. It is recognized by the Economic District that the EDD Funding Priorities identified on **Exhibit "14"** reference Groups 1 through 5 are in initial specific priorities. The Approved Public Improvement Projects reference as Groups A through R are segregated by specific Group reference but are not referenced in any particular priority other than they are subordinate to the Group 1 through 5 Approved Public Improvement Projects.

(3) The Owners have the absolute authority and control to prioritize and/or change the priority of all or any of the Approved Public Improvement Projects in their sole discretion. (4) Once the Owners determine to proceed with the construction of one or more the Approved Public Improvement Projects, the Owners shall provide the Economic District with written notice of its election no less than ninety (90) days prior to proceeding with one or more such project. (5) Other than the Approved

Public Improvement Projects, the Economic District will not approve any Public Improvement Projects without the express written consent of Owners. (6)

All Public Improvement Projects shall be performed in compliance with all applicable laws, including but not limited to the Louisiana Public Bid Law, if applicable, to projects performed by the Owners anticipating reimbursement from the Economic District.

c. **Security Interest in Payment of Tax Proceeds to Owners.** The Economic District expressly consents to any future assignment and/or pledge of rights hereunder by one or more of the Owners, including without limitation, a security interest in the proceeds to be received by one or more of the Owners from the Economic District, to their lender or lenders subject to the terms of this Agreement ("**Security Interest**"), subject to all applicable laws regarding said consent. The Economic District, in a timely manner, shall execute reasonable and appropriate documentation required to perfect the Security Interest.

Section 3.4 Obligations of Owners. Owners agree to the following obligations with regards to the Annexation:

a. **Development and Construction of MorganField Development.** Subject to Contingencies, the Owners shall use all reasonable efforts to develop and construct the MorganField Development in such future phases as the Owners shall determine in their sole discretion, at their sole cost and expense. Furthermore, all future phases of the MorganField Development shall comply at the time of actual construction with all then current City codes related to development unless a deviation of all or any portion of same is specifically authorized herein or the Development Agreement.

b. **Public Improvement Projects.**

(1) The Owners shall design, permit and construct the Public Improvement Projects at the Owners' expense in phases and such expenses are eligible for reimbursement as a Tax Proceeds Use.

(2) The Owners shall have the right, but not the obligation, to maintain landscaping within the Public Landscaping. However, said landscaping shall be installed and maintained in compliance with all applicable City Code provisions. The City shall have no obligation to maintain landscaping within the Public Landscaping.

Section 3.5 Other Public Improvements.

(1) The Owner and the Economic District may agree to provide for other Public Improvement ("**Other Public Improvements**") with a priority agreed to by the Economic District (and modification of the EDD Funding Priorities schedule) and the

Owners in the future but not including roads, drainage, water and sewer infrastructure which the Owners would be responsible for as any other developer within the City limits.

(2) Notwithstanding the foregoing, the Economic District recognizes that the Owner has elected to establish the additional New Tax on its Property for the benefit of constructing Public Improvements with the Development. This additional tax burden was only created so that Owner would have the opportunity to construct Other Public Improvements in the future when and where it deems appropriate. The Economic District shall not unreasonably withhold, delay or condition its consent to the addition of Other Public Improvements in the future.

(3) Nothing contained herein shall suggest that either Party will apply for and/or approve any Other Public Improvements.

ARTICLE 4 **PUBLIC IMPROVEMENT PROJECTS**

Section 4.1 Public Improvement Projects.

a. The Owners wish to undertake the design, permitting, financing, construction and maintenance of the Public Improvement Projects in conjunction with MorganField Development.

b. It is contemplated that components of the Public Improvement Projects shall be undertaken by one or more of the Owners, in some cases individually and in others collectively.

c. The Approved Public Improvement Projects in the EDD Funding Priorities are deemed approved by the City and the Economic District.

d. The Owners agree to take all reasonable measures to design, permit, develop, permit, construct, equip, manage, operate and maintain the Public Improvement Projects according to the Plans and pursuant to all Applicable Laws, subject to existing or future market conditions, monetary and/or financing conditions, regulatory or legislative acts, rulings or changes or Force Majeure, that make it financially or practically impossible or impracticable for the Owners to complete its obligations hereunder.

Section 4.2 Funding.

a. The funding and/or reimbursement of costs for the Public Improvement Projects shall come from the Pledged Sales Tax Revenues and shall be paid in the pursuant to the EDD Funding Priorities.

b. The Parties acknowledge that if and when Bonds are issued by the Economic District in connection with the financing of the Public Improvement Projects, the approval of their issuance must be obtained from the Commission.

Section 4.3 Public Purpose.

a. The Public Improvement Projects are within the scope of the EDD Act.

b. The Parties anticipate that the Public Improvement Projects will result in the creation of jobs, stimulate economic development and increase sales and use tax receipts within the geographic area comprising the Public Improvement Projects, serving an integral public purpose.

c. The City has determined that, based solely on the financial projections and other information provided to it by the Owners to date, the respective Pledged Sales Tax Revenues are less in value than the financial benefits to be received by each Participating Tax Recipient Entity as a result of the Public Improvement Projects based on financial projections for the Property provided to the City by the Owners which are attached as **Exhibit "16"**.

Section 4.4 Delivery of Plans For Review. Each component together with the Plans of the Public Improvement Projects shall be provided to the Economic District for its review as to the general compliance of the Plans to the Public Improvement Projects in the EDD Funding Priorities. It is understood by the City and the Economic District that the Owners will have considerable latitude in the development of the Plans so that they generally conform the conceptual graphics of the approved Public Improvement Projects.

Section 4.5 Commission Approval. Each of the Parties to this Agreement acknowledges that the Economic District will not be able to issue the Bonds unless the Commission approves of said issuance. The Parties hereby agree to cooperate with the Commission to answer any questions or provide any information necessary to aid in its analysis of the Bonds.

Section 4.6 Pledge of Sales Tax Revenues. In order to provide for the payment of the Public Improvement Projects Costs, the Economic District hereby agrees to pledge and dedicate the New Tax to the payment of the Tax Proceeds Uses.

Section 4.7 Use of Local Resources. In connection with the Public Improvement Projects, the Owners hereby agree to use, or cause to be used, its reasonable efforts to purchase materials and equipment from businesses and individuals located in the City and to employ residents of the City for construction jobs and permanent jobs.

Section 4.8 Reimbursement of Legal Fees.

a. The Economic District hereby agrees that each Tax Proceeds Recipient shall be reimbursed from Monthly Tax Collections, to the extent such funds are available, or from other available sources, if any, for reasonable legal fees and expenses incurred by the EDD in connection with the negotiation, execution and delivery of this Agreement as further set forth in Section 5.4 of this Agreement.

b. In addition to the foregoing, the Economic District shall reimburse the Owners' attorney for the preparation of the documents in connection with (i) formation of the EDD, (ii) approval of the CEA by EDD; (iii) the assessment of the New Tax; (iv) the drafting of the Collection Agreement, (v) the validation suit and (vi) any other document requested by the City's Attorney. The initial rate for the Owners' attorney shall be \$200 per hour with increases approved by the Economic District.

Section 4.9 Ancillary Proceedings. The Economic District agrees to adopt all proceedings necessary and incidental to the authorization, execution and delivery of this Agreement. The Economic District further agrees to adopt all proceedings necessary and incidental to provide for the collection of the Pledged Sales Tax Revenues by the Tax Collector, including, but not limited to any necessary amendment to the Collection Agreement.

Section 4.10 Renewal of Taxes. The Economic District hereby covenants to use its best efforts to renew or maintain in place its Sales and Use Taxes constituting any portion of the Pledged Sales Tax Revenues. Failing any such renewal or maintenance, the Economic District agrees that any other duly authorized, legally available and appropriately dedicated sales and use tax levied and collected within the Economic District by a Participating Tax Recipient Entity may be used, or that there may be added a new Participating Tax Recipient Entity or a new pledge of a duly authorized, legally available and appropriately dedicated sales and use tax levied and collected within the Economic District equivalent to such sales and use tax that would otherwise be lost.

Section 4.11 Administration. The Economic District may recover as a priority payment of Pledged Sales Tax Revenues the reasonable and customary administrative costs and expenses of the Economic District, including accounting, legal as set forth in Section 4.8 above, auditing and insurance fees and costs incurred subsequent to the effective date hereof.

ARTICLE 5

COLLECTION AND TRANSFER

Section 5.1 Department and Tax Collector. The Tax Collector will act as agent of the Economic District commencing on the Effective Date, for the sole purpose of collecting the Monthly Pledged Collection. Pursuant to the Collection Agreement, the Tax Collector shall cooperate in the collection of the Sales and Use Taxes with the Economic

District. The Economic District shall notify the Tax Collector of the Effective Date and shall provide to it the name, address and transfer information relative to the Trustee. Such agency shall continue from the Effective Date until the last day of the Term of this Agreement, or as otherwise provided by amendment or addendum to this Agreement.

Section 5.2 **Transfer of Funds.** It shall be the continuing duty of the Tax Collector to deposit the Monthly Pledged Collection for the preceding Month with the Trustee no later than the twenty-fifth (25th) day of each Month next succeeding the Month of collection.

Section 5.3 **Calculations.**

a. The Economic District hereby agrees that the Monthly Pledged Collection shall be calculated at least monthly for each Month during the Term of this Agreement. Such calculations shall be made by the Tax Collector and the calculation shall be provided to the Economic District, if any, and the Trustee. Collections of the Sales and Use Taxes by the Tax Collector shall be attributed to the Month for which such collections are actually made and included in the corresponding Monthly Pledged Collection, regardless of when such Sales and Use Taxes are deemed due and owing; provided that collections of Sales and Use Taxes paid under protest shall be set aside in accordance with the Tax Collector's normal procedures and shall not be included in the calculation of the Monthly Pledged Collection unless and until a determination is made according to law that such Sales and Use Taxes have been legally collected.

b. If it is determined that for any period of time fewer monies have been transferred to the Trustee on behalf of the Economic District than were due, or more funds have been transferred than were due, for whatever reason, the Tax Collector shall direct an adjustment in the Monthly Pledged Collection paid to the Trustee in order that the shortfall or over-collection for any prior period is eliminated as soon as practicable and in any event no more than ninety (90) days subsequent to the recalculation giving rise to the need for the adjustment; provided that the Tax Collector shall not be obligated to use any funds for adjustments other than from Pledged Sales and Use Tax Revenues.

Section 5.4 **Payment of Tax Proceeds Uses.**

a. Generally, the Trustee shall first pay monies from the Monthly Pledged Collection to pay the fees of the Trustee as they become due and the administrative costs as provided for in Section 4.11 above.

b. The Trustee shall pay the remaining monies from the Monthly Pledged Collection subject to the EDD Funding Priorities as follows:

(1) The proceeds from the Monthly Pledged Collection shall be paid to the Tax Proceeds Recipient on or before the last Business Day of each month as

construction of the Public Improvements progresses. The Trustee shall make payments to each Tax Proceeds Recipient in proportion to such Tax Proceeds Recipient's Allocation of Reimbursement of Public Improvement Projects for such quarter, calculated as described herein. The Trustee shall make payments to each Tax Proceeds Recipient in accordance with instructions actually received by the Trustee from each Tax Proceeds Recipient as further described in the Collection Agreement.

(2) Payment for construction costs shall be made only to the extent that the work is actually completed in accordance with Plans, including materials actually incorporated in the Public Improvements, or stored on-site, but excluding materials stored elsewhere.

(3) Payment shall be made only if there is no Default by the Tax Proceeds Recipient which has occurred or is continuing which has not been cured within the applicable curative period.

(4) For each Public Improvement Project, the Tax Proceeds Recipient shall provide to the Trustee copies of all supporting invoices and bills and reasonable evidence of payment with respect to the Third Party Costs which have been paid for such Public Improvement Project, including the following information:

- (a) **AIA Documents.** Application and Certificate for Payment using the appropriate AIA form or similar form approved by the Trustee signed by the Tax Proceeds Recipient's general contractor and/or architect and properly notarized.
- (b) **Invoices.** Copies of all supporting invoices and bills with respect to the costs for which the Tax Proceeds Recipient is requesting to be paid.
- (c) **Certificate.** Certificate from the Tax Proceeds Recipient's engineer and/or architect which shall state (A) that the work completed and to be paid for has been performed and constructed in accordance with the Plans and (B) that the disbursements to date (including the current Request for Advance) correspond with the percentage of work completed and/or in place as of the Request for Advance.

c. If the Monthly Pledged Collection in any Month to be paid to the Economic District pursuant to this Section exceeds the amount of Public Improvement Project Costs submitted to the Trustee but not yet reimbursed by the Trustee to the Economic District pursuant to this Section, the Trustee shall retain such excess funds in reserve pending future submittal of Public Improvement Project Costs.

d. At any time during the Term of this Agreement, the Parties may determine to pay or reimburse additional Third Party Costs from the Monthly Pledged Collection by mutual agreement of the Parties. In such event, the additional Third Party Costs shall, solely for purposes of this Section, be included in the definition of Public Improvement Projects Costs, as applicable. Such additional Third Party Costs may include, but shall not be limited to, costs associated with constructing, equipping and furnishing a public safety complex within the Economic District.

Section 5.5 Accuracy of Base Year Collections. The Economic District hereby covenant and represent that Sales and Use Taxes in the amount of zero dollars (\$0.00) were collected in the geographic area comprising the Economic District in the Base Year.

Section 5.6 Trustee Status. By acceptance of this Agreement, the Trustee is hereby deemed to be a third-party beneficiary hereof for the benefit of the owners of the Bonds, in the event Bonds are issued.

Section 5.7 Audit. The Legislative Auditor of the State or the City's auditor may audit any and all books and records of the Economic District related to this Agreement, and the Economic District shall make such books and records available for such purpose upon reasonable notice during reasonable business hours.

ARTICLE 6 **REPRESENTATIONS**

Section 6.1 Authority of the Participating Tax Recipient Entity. The Tax Recipient Entity is vested with and granted the authority to execute and deliver this Agreement under the authority of Article VII, Section 14(C) of the Constitution, the provisions of the Local Services Law, the EDD Act, and other applicable constitutional and statutory authority, and subject to Section 6.3 (f) and (g) herein.

Section 6.2 Representations of the Owners. The Owners hereby represents as follows:

a. The Owners are Louisiana limited liability companies, duly organized and existing and qualified to do business in and is in good standing under the laws of the State, has full power and authority to enter into this Agreement and any other document to which it is a party and to carry out its obligations hereunder and there under and has duly authorized the execution and delivery of this Agreement and all other documents contemplated hereby and thereby.

b. The execution and delivery of this Agreement and all other documents contemplated hereby and the performance by the Owners of its obligations hereunder

and there under will not conflict with or constitute a breach of or default under any contract and/or document to which it is a party.

c. The Owners have authorized the execution, delivery and due performance of this Agreement and the taking of any and all action required of the Owners to carry out, give effect to and consummate the transactions contemplated hereby, have been taken, granted or received. This Agreement constitutes a valid and legally binding obligation of the Owners.

d. There is no action, suit, investigation or proceeding pending of which the Owners have been served notice, or to its best knowledge, threatened, against the Owners, before any court, arbitrator, or administrative or governmental body, or insurance underwriting agency which could reasonably be expected to materially adversely affect the ability of the Owners to comply with its obligations hereunder or in connection with the transactions contemplated hereby.

e. In pursuit of the development and construction of MorganField Development, and in consideration of the obligations of the City and the Economic District as stated herein, the Owners will comply with all Applicable Laws and will use all reasonable commercial efforts to meet its obligations hereunder, subject to the City's and the Economic District's performance of their respective obligations hereunder.

f. The Owners intend that the Economic Development Benefits to the City will result due to the Owners' investment in the Property, the Owners' development and operation thereof, and the retention and maintenance of jobs for the benefit of citizens of the City.

Section 6.3 **Representations of the City.** The City makes the following representations:

a. The City is a body corporate and politic and a political subdivision of the State. The City may fully comply with all of the terms and conditions of this Agreement and the City is not aware of any circumstance which has occurred and is continuing, and no event, act or omission which has occurred and is continuing which, with the lapse of time, the giving of notice, or both, would constitute a default hereunder.

b. The City will take or cause to be taken all necessary and proper action to authorize the execution, issuance and delivery of, and the performance of its obligations under this Agreement and any and all instruments and documents required to be executed or delivered pursuant hereto or in connection herewith subject to any future City Council approvals required by law.

c. The execution and delivery of this Agreement and all other documents contemplated hereby and the performance by the City of its obligations hereunder and

thereunder will not conflict with or constitute a breach of or default under any contract and/or document.

d. The City has authorized the execution, delivery and due performance of this Agreement and the taking of any and all action required of the City to carry out, give effect to and consummate the transactions contemplated hereby, have been taken, granted or received. This Agreement constitutes a valid and legally binding obligation of the City.

e. There is no action, suit, investigation or proceeding pending of which the City has been served notice, or to its best knowledge, threatened, against the City, before any court, arbitrator, or administrative or governmental body, or insurance underwriting agency which could reasonably be expected to materially adversely affect the ability of the City to comply with its obligations hereunder or in connection with the transactions contemplated hereby.

f. The representations herein are contingent upon a favorable ruling in the validation suit referred to in Section 3.2 (a) herein.

g. In the event of an unfavorable ruling in the validation suit, this agreement is null and void.

Section 6.4 Representations of the Economic District. The Economic District makes the following representations:

a. The formation of the Economic District is valid under Applicable Law, and the approval and execution of this Agreement has been the subject of public meetings and hearings held in accordance with the EDD Act. All formalities necessary or required by Applicable Law to form and operate the Economic District have been complied with in all respects.

b. The Economic District is vested with and granted the authority to execute and deliver this Agreement under the authority of Article VII, Section 14(C) of the Louisiana Constitution, the provisions of the Local Services Law, the EDD Act, and other applicable constitutional and statutory authority.

c. This Agreement constitutes a valid and legally binding obligation of the Economic District.

d. The performance of the Economic District's obligations hereunder do not conflict with or constitute on the part of the Economic District a violation of, breach of, or default under: (i) any provision of any indenture, mortgage, deed of trust, loan agreement or other contract or instrument to which the Economic District is a party or by which it is bound or (ii) any order, injunction or decree of any court or governmental authority.

- e. The Economic District has the power and authority to levy the New Tax.
- f. The Economic District will take or cause to be taken all necessary and proper action to authorize the execution, issuance and delivery of, and the performance of its obligations under this Agreement and any and all instruments and documents required to be executed or delivered pursuant hereto or in connection herewith.
- g. The Economic District is not aware of any circumstance which has occurred and is continuing, and no event, act or omission which has occurred and is continuing which, with the lapse of time, the giving of notice, or both, would constitute a default hereunder.
- h. There is no action, suit, investigation or proceeding pending of which the Economic District has been served notice, or to its best knowledge, threatened, against the Economic District, before any court, arbitrator, or administrative or governmental body, or insurance underwriting agency which could reasonably be expected to materially adversely affect the ability of the Economic District to comply with its obligations hereunder or in connection with the transactions contemplated hereby.
- i. The representations herein are contingent upon a favorable ruling in the validation suit referred to in Section 3.2(a) herein.
- j. In the event of an unfavorable ruling in the validation suit, this agreement is null and void.

ARTICLE 7 OWNERS' GRANT OF LIMITED POWERS OF ATTORNEY

Section 7.1 Owners Decisions.

a. The Agreement provides for numerous terms, agreements, requirements, covenants and conditions related to the Owners (individually and collectively "**Owner Decisions**"). Although this Agreement anticipates that the Owner Decisions will be made on a unanimous basis, the Owners acknowledge that it may not be convenient and/or efficient to obtain the written approval of all of the Owners related to Owner Decisions, including for example, without any limitation, the amendment of this Agreement and matters related to changes in the EDD Funding Priorities in the future.

b. Furthermore, although portions of the Property have been and will continue to be transferred to purchasers in the future ("**Purchasers**"), the full and complete authority to make Owner Decisions is limited to the approval and/or disapproval of the Owners subject to the terms of this Article 7.

c. MorganField Lafayette, L.L.C. ("**MorganField Lafayette**") is serving as the developer of the MorganField Development. As developer, the Owners grant authority to MorganField Lafayette certain authority to make Administrative Decisions as defined below.

d. Owners have classified the Owner Decisions into decisions related to the "day to day" management and administrative of this Agreement and matters related to the Economic District ("**Administrative Decisions**") and those more important decisions which the Owners characterize as major decisions ("**Major Decisions**").

e. Major Decisions are limited to the following:

- (1) Amend this Agreement;
- (2) Delegate or assign the authority granted to MorganField Lafayette to another party;
- (3) Enter into any agreement regarding indebtedness of an Owner;
- (4) Make demand against the City and EDD for default in connection with this Agreement;
- (5) Institute litigation in connection with this Agreement;
- (6) Compromise of claims in connection with disputes related to this Agreement;
- (7) Amend, modify or waive any term or provision of the CEA; and/or
- (8) Allocate EDD funding to the various projects and designate the order of the Approved Public Improvement Projects to benefit the EDD.

f. All Owners Decisions except for the Major Decisions are "Administrative Decisions", including without limitation, to:

- (1) give, make, sign, execute and deliver any and all agreements, documents, letters, notices, certificates, acknowledgements, instructions or other instruments related to the terms and conditions of this Agreement on behalf of the Owners;
- (2) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of MorganField Lafayette may be a benefit to, or in the best interest of, the Owners, individually and collectively, or legally required in connection with the foregoing, it being understood that the documents executed by MorganField

Lafayette on behalf of each Owner pursuant to this MorganField Lafayette Limited Power of Attorney shall be in such form and shall contain such terms and conditions as MorganField Lafayette may approve in MorganField Lafayette's discretion as a fiduciary on behalf of Owners; and

(3) approve the assignment by one Owner of its right to make Owner Decisions.

g. The Owners wish to designate one or more agents and duly authorize representatives to serve with powers of attorney with authority to act as to the Owner Decisions without additional written approval of the Owners.

Section 7.2 Administrative Decisions - Limited Power of Attorney of MorganField Lafayette. During the term of this Agreement or the earlier revocation as provided below, the Owners, individually and collectively, appoint MorganField Lafayette as the Owners agent with power of attorney and authority ("**MorganField Lafayette Limited Power of Attorney**") to take all actions related to Administrative Decisions.

Section 7.3 Major Decisions - Limited Power of Attorney of MorganField Lafayette and MorganField Development.

a. For purpose of this Section 7.3, MorganField Lafayette has initially appointed Robert W. Daigle to serve as its representative ("**MorganField Lafayette Representative**") and MorganField Development has initially appointed John C. Thielen to serve as its representative ("**MorganField Development Representative**"). Either party may substitute a representative in the future, from time to time, with written notice to the Owners.

b. During the term of this Agreement or the earlier revocation as provided below, the Owners, individually and collectively, appoint (i) MorganField Lafayette and (ii) MorganField Development, jointly and collectively, as the Owners agents with power of attorney and authority ("**MorganField Lafayette and MorganField Development Limited Power of Attorney**") to take all actions related to Major Decisions.

Section 7.4 Deemed Unanimous. The execution of documents related to the Owner Decisions by the agent(s) in the MorganField Development Limited Power of Attorney and/or the MorganField Lafayette and MorganField Development Limited Power of Attorney (individually and collectively "**Powers of Attorney**") shall be deemed unanimous for purposes of the agreements and no Owner shall take any action to dispute such approval.

Section 7.5 **No Requirement for Inquiries.** The Powers of Attorney shall be conclusive and binding upon each Owner, and no person or corporation having dealings with the agent(s) under the Powers of Attorney shall be under any obligation to make any inquiries as to whether or not the Powers of Attorney has been revoked and all acts hereunder shall be valid and binding on each Owner unless express notice of its revocation shall have been received by such person or corporation.

Section 7.6 **Revocation.** The Powers of Attorney shall not be revoked unless the revocation is signed by all of the Owners.

Section 7.7 **Owner Decision Documents.**

a. Upon the approval of an Owner Decision by MorganField Lafayette and/or MorganField Development , each Owner agrees to execute and deliver promptly, but in any event within ten (10) business days of receipt, any written documentation necessary or incidental to such Owner Decision, including, without limitation, agreements, consents, approvals or certifications (all such documentation, "**Owner Decision Documents**"); provided, however, that the Owner Decision Documents shall be identical in all respects, except as otherwise based on the Owners' proportionate (a) ownership of the acreage of the Property or (b) EDD Funding advanced.

b. The failure of an Owner ("**Delinquent Owner**") to timely execute and deliver an Owner Decision Document shall constitute the appointment by such Delinquent Owner of John C. Thielen ("**Thielen**") as its absolute, unconditional agent, duly authorized agent and limited power of attorney to execute and deliver such Owner Decision Documents on behalf of a Delinquent Owner.

ARTICLE 8
DEFAULT

Section 8.1 **Default.** If any Party to this Agreement has made a material misrepresentation and such misrepresentation is not cured within ten (10) days after written notice thereof from the other party, or otherwise defaults hereunder and such default is not cured within forty-five (45) days after written notice thereof from the other party, then the non-defaulting party may thereupon terminate this Agreement by written notice to the defaulting party or may seek such other rights and remedies as may be available to it at law or in equity, including, without limitation, specific performance and seek reasonable damages. If any such default cannot with due diligence be cured within the applicable cure period, and such defaulting party, prior to the expiration of the applicable cure period, commences to eliminate the cause of such default, and diligently pursues same to its reasonable completion, then such action shall constitute a cure of such default.

Section 8.2 **Force Majeure.** Upon the occurrence of an event of Force Majeure, and for so long as any such impediment exists, (a) a Party shall be relieved from fulfillment of its obligations hereunder, (b) all dates and deadlines provided hereunder shall be extended by the number of days during which the event of Force Majeure existed plus a reasonable number of startup and mobilization days following the cessation of such event (which number of days for startup and mobilization may vary based on the predictability, or advance notice, of the cessation of the event of Force Majeure), and (c) the other Party shall not be entitled to compensation from such delayed Party for any damage, inconvenience, nuisance or discomfort thereby occasioned.

Section 8.3 **Attorney's Fees.** In any dispute, in addition to any other relief granted in favor of a Party, the prevailing Party shall, to the extent allowed by Applicable Laws, be entitled to an award of its legal expenses, which means and includes, among other things, the reasonable fees and charges of attorneys as well as legal assistants, paralegals, law clerks and others used by attorneys and under attorney supervision and all costs incurred or advanced by any of them irrespective of whether incurred in or advanced prior to the initiation of any legal, equitable, arbitration, administrative, bankruptcy, trial or similar proceedings and any appeal, as well as the reasonable costs of expert expenses; and all court costs and expenses.

ARTICLE 9 **TERM AND TERMINATION**

Section 9.1 **Term.** The term of this Agreement shall be from the Effective Date until fifty (50) years from such date.

ARTICLE 10 **ADDITIONAL PROVISIONS**

Section 10.1 **Entire Agreement.** This Agreement and the exhibits hereto shall constitute the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and preliminary agreements. There is no representation or warranty of any kind made in connection with the transactions contemplated hereby that is not expressly contained in this Agreement. This Agreement is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association as between the City and the Owners nor between the City and any officer, employee, contractor or representative of the Owners. No joint employment is intended or created by this Agreement for any purpose.

Section 10.2 **Notices.** All reports, statements or notices required or advisable to be given hereunder shall be deemed to be given if sent to the following parties at the following addresses:

City: City of Lake Charles, LA
Attention: Mayor
326 Pujó Street, 10th Floor
Lake Charles, LA 70601

Economic District:

MorganField Economic Development District
Attention: Council Clerk
326 Pujó Street, 10th Floor
Lake Charles, LA 70601

With a copy to:

MorganField Economic Development District
Attention: Mayor
326 Pujó Street, 10th Floor
Lake Charles, LA 70601

Owners:

MorganField Development, L.L.C.
Arrozal Investment Part A, L.L.C.
Arrozal Investment Part B, L.L.C.
Arrozal Investment Part C, L.L.C.
Attention: John C. Thielen
500 Kirby Street
Lake Charles, LA 70601

AND

Stansel Properties, L.L.C.
Attention: Leo Paul Bonin, II
131 State Street
Lake Charles, LA 70605

AND

The Lacassane Company, Inc.
Attention: John C. Thielen
500 Kirby Street
Lake Charles, LA 70601

AND

c.c. Charles A. Landry
Fishman Haygood LLP
Suite 800
100 North Street
Baton Rouge, LA 70802

Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be either hand-delivered or mailed, postage prepaid by first-class mail, registered or certified, return receipt requested, or by private, commercial carrier, express mail, such as Federal Express, or sent by telex, telegram, telecopy or other similar form of rapid transmission confirmed by written confirmation mailed (postage prepaid by first-class mail, registered or certified, return receipt requested or private, commercial carrier, express mail, such as Federal Express) at substantially the same time as such rapid transmission, or personally delivered to an officer of the receiving party. All such communications shall be mailed, sent or delivered to the address or numbers set forth above, or as to each party at such other address or numbers as shall be designated by such party in a written notice to the other party.

Section 10.3 Venue. Any suit brought by any party hereto arising out of or by reason of this Agreement shall be brought in the District Court.

Section 10.4 Severance. To the fullest extent possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or a portion of any provision of this Agreement shall be prohibited or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 10.5 No Personal Liability. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any member, official, trustee, officer, agent or employee of the Owners, the Economic District, the City or the Trustee in his individual capacity, and neither the officers thereof nor any official executing this Agreement shall be liable personally with respect hereto or be subject to any personal liability or accountability by reason of the execution and delivery of this Agreement. Moreover, none of the Participating Tax Recipient Entity shall be responsible for more than the Pledged Sales Tax Revenues attributable to it during any year of the Term.

Section 10.6 Counterparts. This Agreement may be executed in several counterparts, each which shall be an original and all of which when taken together shall be deemed one and the same Agreement.

Section 10.7 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Louisiana without regard for conflict of laws principles.

Section 10.8 Third Party Reliance. This Agreement shall be executed and delivered for the benefit of the parties hereto for the public purposes set forth herein, and shall not be construed as creating any third party beneficiary rights in favor of the Owners or any of their principals, Affiliates, subsidiaries, or related parties.

Section 10.9 Amendments, Supplements and Modifications. This Agreement may not be amended, supplemented or modified, except in writing and with the unanimous consent of all Parties affected by such amendment, supplement or modification.

Section 10.10 Further Assurances. From time to time hereafter, the Parties shall execute and deliver such additional instruments, certificates or documents, and take all such actions as the other party hereto may reasonably request for the purpose of fulfilling its obligations hereunder.

Section 10.11 The Owners Assignment. It is contemplated that all or a portion of the Property will be transferred in the future. Subject to the provisions of Article 8, the Owners shall have the full and complete authority to transfer the Property together with an assignment and/or pledge of any and/or all of its rights in and to this Agreement. Upon assignment of this Agreement by the Owners and/or the Owners, the Owners and/or the Owners shall be released of all of its obligations under this Agreement; however, the transferee shall assume in writing any and all of the Owners and/or the Owners' obligations under this Agreement. Notwithstanding the foregoing, the Owners will not be released until the full satisfaction of the Owners and/or the Owners' obligation under Section 3.4 of this Agreement.

Section 10.12 Rules of Interpretation. Unless the context clearly indicates to the contrary, the following rules shall apply to the interpretation and construction of the Agreement:

a. Words, including defined terms in Section 1.1, importing the singular number shall include the plural number and vice versa. Both gender specific and gender neutral terms include the masculine, feminine, and neutral genders as the case may be.

b. References herein to particular articles, sections, paragraphs, and exhibits are references to articles, sections, or paragraphs of, or exhibits to, this Agreement (except in the case of references to statutory sections).

c. The captions and headings herein are solely for convenience of references and shall not constitute part of this Agreement, nor shall they affect its meaning, construction or effect.

d. The words "hereby", "hereof", "hereto", "herein", "hereunder" or any similar terms as used in this Agreement refer to the Agreement in its entirety and not the particular article, section, or paragraph of this Agreement in which they may appear.

e. The word "hereafter" and other references to future and/or possible events each means after the Effective Date, and the word "heretofore" and other references in the past tense each means before the Effective Date.

f. The word "include" and derivations thereof shall be deemed to be followed by words "without limitation".

g. References to agreements and other contractual instruments, including this Agreement, include all subsequent amendments and other modifications to such instruments and/or to any Exhibits, Schedules, or attachments thereto.

h. References to statutes include all statutory provisions consolidating, amending or replacing the statute to which reference is made and all regulations promulgated pursuant to such statutes.

i. References to the Parties include their respective contractual and legal successors and assigns.

Section 10.13 Delay or Omission. No delay or omission in the exercise of any right or remedy accruing to either party upon any breach by the other party under this Agreement shall impair such right or remedy or be construed as a waiver of any breach theretofore or thereafter occurring. The waiver of any condition or the breach of any term, covenant, or condition herein or therein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or any other term, covenant or condition herein or therein contained.

Section 10.14 Successors and Assigns. The rights and obligations set forth herein shall inure to the benefit of the parties hereto and to their respective successors, assigns and Affiliates. It being recognized and agreed that the Owners, the present owner of the Property, shall not develop the Property for the MorganField Development, but will be transferring tracts of the Property to other persons for development. Furthermore, it is contemplated that the MorganField Development will be undertaken by the Owners and/or its successors, assigns and transferees, each of which shall be permitted assignee under this Agreement together with any other assignees and/or Affiliates of each of the Owners.

Section 10.15 Ratification of Actions. Without limiting the validity, enforceability and effectiveness of any action, representation and/or obligation created in this Agreement, the City agrees to ratify and reaffirm, if necessary, any action, representation, and/or obligation created in this Agreement subsequent to the Annexation.

[Remainder of this page intentionally left blank and Signature Pages to Follow]

This Agreement has been executed by the parties on the dates indicated but effective as of the Effective Date.

effective

APPROVED BY LEGAL DEPARTMENT CITY OF LAKE CHARLES	
<i>[Signature]</i> Approval subject to signature, date and initials below regarding ordinance approval.	
By:	<i>[Signature]</i>
	Billy E. Loftin, Jr., City Attorney
Date:	<i>June 7, 2017 *</i>
<input type="checkbox"/>	Authorization ordinance attached.
<input type="checkbox"/>	No ordinance approval required.

** reviewed June 2, 2017, .
Contingent upon Council
Approval and attachment
of said ordinance*

CITY OF LAKE CHARLES
STATE OF LOUISIANA

By: *[Signature]*
Its: Mayor

Date: June 13, 2017

MORGANFIELD ECONOMIC DEVELOPMENT
DISTRICT

By: *[Signature]*
Its: Chairman

By: *[Signature]*
Its: Clerk

Date: JUNE 19, 2017

This Agreement has been executed by the parties on the dates indicated but effective as of the Effective Date.

**CITY OF LAKE CHARLES
STATE OF LOUISIANA**

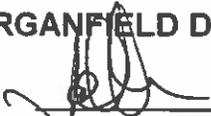
By: _____
Its: Mayor *SEE OTHER SIGNATURE PAGE*
Date: _____, 2017

**MORGANFIELD ECONOMIC DEVELOPMENT
DISTRICT**

By: *Rodney Lape*
Its: Chairman
By: *Mark Ekerd*
Its: _____
Date: *7-19-17*, 2017

This Agreement has been executed by the parties on the dates indicated but effective as of the Effective Date.

MORGANFIELD DEVELOPMENT, L.L.C.

By: 
John C. Thielen
Its: Managing Member
Date: 7/20, 2017

ARROZAL INVESTMENT PART A, L.L.C.

By: 
John C. Thielen
Its: Managing Member
Date: 7/20, 2017

ARROZAL INVESTMENT PART B, L.L.C.

By: 
John C. Thielen
Its: Managing Member
Date: 7/20, 2017

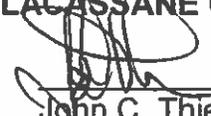
ARROZAL INVESTMENT PART C, L.L.C.

By: 
John C. Thielen
Its: Managing Member
Date: 7/20, 2017

STANSEL PROPERTIES, L.L.C.

By: 
Leo Paul Bonin, II
Its: Managing Member
Date: 7/20, 2017

THE LACASSANE COMPANY, INC.

By: 
John C. Thielen
Its: Authorized Representative
Date: 7/20, 2017