



**NOTICE AND AGENDA
STATE BOND COMMISSION
July 15, 2021
10:00 AM - SENATE COMMITTEE ROOM E
State Capitol Building**

1. **Call to Order and Roll Call**
2. **Approval of the minutes of the June 17, 2021 meeting.**

Local Governmental Units - Elections (November 13, 2021)

3. **L21-224 - Calcasieu Parish School Board**
9.52 mills tax, 10 years, 2023-2032, providing additional support for maintenance and operation of the public schools.
4. **L21-225 - Calcasieu Parish School Board, Sales Tax District No. 2**
½% sales tax, 10 years, beginning January 1, 2023, offsetting losses of revenues from the State of Louisiana and/or supplementing other revenues.
5. **L21-231 - East Baton Rouge Parish, East Side Fire Protection District No. 5**
Not exceeding \$32.00 service charge, 10 years, 2022-2031, (1) development, operation and maintenance of the fire protection facilities and (2) paying the costs of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service.
6. **L21-232 - East Baton Rouge Parish, Fire Protection District No. 6**
15.0 mills tax, 10 years, 2022-2031, (1) salaries and benefits for all employees, (2) purchasing fire protection equipment and (3) maintaining and operating fire protection facilities.
7. **L21-236 - East Baton Rouge Parish, Fire Protection District No. 6**
Not exceeding \$32.00 service charge, 10 years, 2022-2031, (1) development, operation and maintenance of the fire protection facilities and (2) paying the costs of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service.

Local Political Subdivisions - Cash Flow Borrowings

8. **L21-227 - St. John the Baptist Parish School Board**
Not exceeding \$12,000,000 Revenue Anticipation Notes, not exceeding 5%, mature no later than June 30, 2022, current operations.

Local Political Subdivisions - Loans

9. **L21-222 - Beauregard Parish, Fire Protection District No. 4**
Not exceeding \$490,000 Limited Tax Bonds, Series 2021, not exceeding 2.04%, mature no later March 1, 2031, acquiring and constructing fire protection facilities and equipment.
10. **L21-230 - East Baton Rouge Parish Redevelopment Authority**
Not exceeding \$500,000 Loan, non-interest bearing, not exceeding 30 years, acquire immovable property for redevelopment into a grocery-anchored mixed-use development.
11. **L21-233 - East Baton Rouge Parish, Capital Region Planning Commission**
Not exceeding \$150,000 Certificates of Indebtedness, not exceeding 6%, not exceeding 10 years, improve and/or equip existing facilities in the City of Baton Rouge.

Local Political Subdivisions - Bonds - Final Approval

- 12. L21-202 - Jefferson Parish, Stonebridge Neighborhood Improvement and Beautification District**
Not exceeding \$6,550,000 Taxable Limited Tax Bonds, not exceeding 6%, mature no later than March 1, 2035, **(1)** approximately \$5,955,000 Refunding Bonds, refunding Taxable Limited Tax Bonds, Series 2018 and **(2)** approximately \$595,000 Revenue Bonds, acquiring, constructing, improving, operating and/or maintaining recreational and other facilities.
- 13. L21-223 - LaSalle and Winn Parishes, Town of Tulos**
(1) Not exceeding \$620,000 Water Revenue Bonds, not exceeding 2%, not exceeding 40 years, construct and acquire improvements and replacements to the waterworks system, including appurtenant equipment, accessories and fixtures; **(2)** Not exceeding \$620,000 Bond Anticipation Notes, not exceeding 4.5%, not exceeding one year, interim financing.
- 14. L21-228 - Rapides Parish, Town of Ball**
Not exceeding \$1,200,000 Sewer Revenue Bonds, or other evidences of indebtedness, in one or more series, not exceeding 5%, not exceeding 20 years, acquiring, constructing, extending and improving the sewer collection, treatment and disposal system, including equipment and fixtures.
- 15. L21-235 - Sabine Parish, Waterworks District No. 1 (LDH Program)**
Not exceeding \$200,000 Taxable Excess Revenue Bond, non-interest bearing, not exceeding 10 years, acquiring, constructing and installing improvements, extension and additions to the drinking water system, including the acquisition and consolidation of the Ajax-Beulah Water Association into the District's water system.

Local Political Subdivisions - Refinancings

- 16. L21-226 - Beauregard Parish, Waterworks District No. 3**
Not exceeding \$3,000,000 Water Revenue Refunding Bonds, not exceeding 4%, mature no later than January 1, 2034, refunding Water Revenue Bonds, Series 2012A and 2013.
- 17. L21-229 - Caddo Parish School Board, Parishwide School District**
Not exceeding \$6,500,000 General Obligation School Refunding Bonds, not exceeding 3%, mature no later than March 1, 2029, refunding General Obligation School Refunding Bonds, Series 2012.
- 18. L21-234 - Natchitoches Parish, Waterworks District No. 2**
Not exceeding \$5,000,000 Water Revenue Refunding Bonds, in one or more series, not exceeding 4%, mature no later than November 1, 2036, **(1)** refunding Water Revenue Refunding Bonds, Series 2016A and 2016B and **(2)** funding a debt service reserve fund, if necessary.
- 19. L21-214 - Tangipahoa Parish, Hospital Service District No. 1 (North Oaks Health System Project)**
Not exceeding \$180,000,000 Hospital Revenue Refunding Bonds, not exceeding 5% fixed or 12% variable rate, mature no later than February 1, 2042, refunding Hospital Revenue and Refunding Bonds, Series 2003A, Variable Rate Hospital Revenue Bonds, Series 2003B, Taxable Hospital Revenue Bonds (BABs), Series 2009A, Hospital Revenue Bonds, Series 2011 and 2015 and Hospital Revenue Refunding Bonds, Series 2013A.

State Agencies, Boards and Commissions

- 20. S20-053A - Louisiana Housing Corporation (Lee Hardware & United Jewelers Apartments Project)**
Not exceeding \$600,000 Multifamily Housing Revenue Bonds (Volume Cap), in one or more series, not exceeding 12%, not exceeding 40 years, acquisition, construction, rehabilitation and equipping of a 109-unit multifamily housing facility in Shreveport.
- 21. S20-057 - Louisiana Housing Corporation (Lafitte 2017 Project)**
Not exceeding \$7,370,000 Multifamily Housing Revenue Bonds (Volume Cap), in one or more series, not exceeding 12%, not exceeding 40 years, acquisition, construction, rehabilitation and equipping of a 23-unit multifamily housing development in New Orleans.
- 22. S21-027 - Louisiana Housing Corporation (Home Ownership Program)**

Not exceeding \$60,000,000 Single Family Mortgage Revenue Bonds (Volume Cap), not exceeding 10%, not exceeding 40 years, finance first mortgage loans for first-time home buyers or to finance qualified home improvement loans and qualified rehabilitation loans.

23. S21-028 - Louisiana Housing Corporation

Not exceeding \$9,000,000 Single Family Mortgage Revenue Refunding Bonds (Taxable), in one or more series or subseries, not exceeding 10%, not exceeding 40 years, refunding all or a portion of Single Family Mortgage Revenue Bonds, Series 2012A.

Political Subdivisions - Bonds

24. S21-022 - Louisiana Community Development Authority (Caddo-Bossier Parishes Port Commission Project)

Not exceeding \$35,000,000 Revenue Bonds, not exceeding 6%, not exceeding 30 years, (1) financing the expansion and construction of approximately 182,000 square feet to an existing facility and (2) funding debt service reserve fund, if necessary.

25. S21-029 - Louisiana Community Development Authority (Parish of Jefferson, State of Louisiana - Jefferson Protection and Animal Welfare Services (JPAWS) Department, East Bank Animal Shelter Project)

Not exceeding \$11,000,000 Revenue Bonds, Series 2021, not exceeding 5%, not exceeding 15 years, (1) acquiring, constructing and equipping a humane animal control shelter and related services and (2) funding a deposit to the reserve fund, if required.

Public Trust - Final Approval

26. S21-031 - Louisiana Public Facilities Authority (ENCORE Academy Project)

Not exceeding \$13,000,000 Revenue Bonds, not exceeding 7% fixed or variable (convertible) rate, not exceeding 40 years, (1) acquisition, construction, renovation and equipping of existing facilities for the operation of ENCORE Academy, a pre-kindergarten through eighth grade, tuition free, public charter school in New Orleans, including the acquisition of land and capitalized interest and (2) funding one or more reserve funds, as necessary.

Ratifications and or Amendments to Prior Approvals

27. L21-126A - Caddo-Bossier Parishes Port Commission

Amendment of a prior approval granted on April 15, 2021, to reflect change in cost of issuance and professionals.

28. S21-009B - Louisiana Public Facilities Authority (Mentorship STEAM Academy Project)

Amendment of prior approvals granted on March 18, 2021 and May 20, 2021, to reflect change in cost of issuance.

State of Louisiana

29. S21-015B - State of Louisiana (Deepwater Horizon Economic Damages)

Consideration of a resolution authorizing for (1) the issuance of not exceeding \$300,000,000 Deepwater Horizon Economic Damages Revenue Bonds, in multiple series, not exceeding 3.5% fixed rate, with a default rate not exceeding 5.5%, funding projects listed in La. R.S. 39:91(B)(5); (2) approving the form and authorizing the execution and delivery of a Master Trust Indenture, a First Supplemental Trust Indenture and multiple Supplemental Trust indentures; (3) authorizing the execution and delivery of the related Loan Agreement for each series and the Collection Agreement; (4) authorizing the Commission to do all things necessary to effectuate this resolution; and (5) providing for other matters in connection therewith.

Other Business

30. Monthly Reports

31. Adjourn

Notice is hereby further provided that the Commission may vote to hold an Executive Session on any agenda or other duly approved item that is exempted from discussion at an open meeting pursuant to La.R.S. 42:17.

In compliance with Americans with Disabilities Act, contact Cassie Berthelot at (225) 342-0040

To advise special assistance is needed and describe the type of assistance necessary.



MINUTES
STATE BOND COMMISSION
June 17, 2021
9:00 AM - Senate Committee Room A-B
State Capitol Building

1. Call to Order and Roll Call

The items listed on the Agenda are incorporated and considered to be a part of the minutes herein.

Treasurer Schroder called the meeting to order. Then Ms. Wright called the roll.

MEMBERS PRESENT:

Mr. Matthew Block, representing Governor John Bel Edwards
Mr. Brandon Burris, representing Lieutenant Governor William Nungesser
Honorable R. Kyle Ardoin, Secretary of State (Arrived during approval of Items 26-28)
Mr. Craig Cassagne, representing Attorney General Jeffery Landry
Senator Page Cortez, President of the Senate
Senator Heather Cloud, representing the Chair, Senate Finance Committee
Senator Mike Reese, representing the Chair, Senate Revenue and Fiscal Affairs Committee
Senator Ed Price, representing the Senator at Large
Representative Clay Schexnayder, Speaker of the House
Representative Jerome Zeringue, Chair, House Appropriations Committee
Representative Stuart Bishop, Chair, House Ways and Means Committee
Representative John Stefanski, Representative at Large
Mr. Jay Dardenne, Commissioner of Administration
Honorable John M. Schroder, State Treasurer

MEMBERS ABSENT:

None

2. Approval of the minutes of the May 20, 2021 meeting.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the minutes were approved.

Treasurer Schroder provided information about the Ad Hoc Elections Subcommittee.

Local Political Subdivisions - Cash Flow Borrowings

3. L21-204 - St. Bernard Parish Council

Not exceeding \$4,000,000 Taxable Limited Tax Certificates of Indebtedness, not exceeding 4%, mature no later than March 1, 2022, maintaining and operating fire protection facilities.

Ms. Folse provided a synopsis. Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

Local Political Subdivisions - Loans

Ms. Folsie provided a synopsis on Items 4 through 6.

4. L21-166 - Evangeline Parish School Board

Agenda Item # 2

Not exceeding \$4,600,000 Limited Tax Bonds, not exceeding 1.5%, mature no later than March 1, 2031, acquiring, constructing and installing additions, improvements and replacements to public schools, including equipment, furnishings and fixtures.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

5. L21-206 - Iberia and Vermilion Parish, Twin Parish Port District

Not exceeding \$4,500,000 Grant Anticipation Notes, not exceeding 5%, not exceeding 5 years, acquiring, construction and equipping landside infrastructure.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

6. L21-212 - Terrebonne Parish, Recreation District No. 1

Not exceeding \$4,000,000 Limited Tax Bonds, not exceeding 5%, mature no later than March 1, 2028, constructing and improving recreational facilities, including purchase of equipment.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

Local Political Subdivisions - Bonds - Final Approval

Ms. Folsie provided a synopsis on Items 7 through 15.

7. L21-211 - Assumption Parish, Recreation District No. 2

Not exceeding \$1,000,000 Limited Tax Bonds, not exceeding 5%, mature no later than March 1, 2033, acquiring, constructing and improving recreational facilities, including equipment.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

8. L21-187 - Caddo Parish, City of Shreveport

Not exceeding \$5,675,000 Revenue Bonds, not exceeding 5%, not exceeding 18 years, **(1)** acquisition and construction of improvements, extensions and replacements to municipal buildings, roofs and related facilities and **(2)** funding a debt service reserve.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

9. L21-215 - Evangeline Parish, City of Ville Platte

Not exceeding \$16,000,000 Revenue and Refunding Bonds, not exceeding 5%, not exceeding 25 years, **(1)** approximately \$7,870,000 Refunding Bonds, refunding all or a portion of Utility Revenue Bonds, Series 2010A, 2010B, 2012 and 2017, and **(2)** approximately \$8,130,000 Utility Revenue Bonds, constructing and acquiring additions, extensions and improvements to the waterworks portion of the system, including replacement of water distribution lines throughout.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

10. L21-205 - Iberia Parish, City of New Iberia

Not exceeding \$12,500,000 Revenue and Refunding Bonds, not exceeding 5%, mature no later than November 1, 2041, **(1)** approximately \$10,140,000 Bonds, constructing and improving roads, streets and bridges including sidewalks, drainage and other improvements and **(2)** approximately \$2,360,000 Bonds, refunding LCDA Revenue Refunding Bonds (City of New Iberia Project), Series 2010B. Item # 2

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

11. L21-207 - Iberia and Vermilion Parishes, Twin Parish Port District

Not exceeding \$1,000,000 Limited Tax Revenue Bonds, not exceeding 5%, mature no later than March 1, 2030, acquiring, construction and equipping landside infrastructure.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

12. L21-208 - Lafayette Parish, City of Youngsville (LDH Program)

Not exceeding \$8,500,000 Taxable Water Revenue Bonds, not exceeding 2.45%, not exceeding 32 years, constructing, acquiring, extending and/or improving the waterworks system.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

13. L21-210 - Lafourche Parish Council, Consolidated Sales Tax District A

Not exceeding \$5,200,000 Public Improvement Revenue Bonds, in one or more series, not exceeding 4%, mature no later than March 1, 2027, **(1)** constructing, improving and maintaining public roads and bridges and drainage works and **(2)** funding a reserve fund, if necessary.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

14. L21-209 - Lafourche Parish Council, Road Sales Tax District No. 2

Not exceeding \$3,600,000 Public Improvement Revenue Bonds, in one or more series, not exceeding 4%, mature no later than November 1, 2027, **(1)** constructing, improving and maintaining public roads, bridges and drainage works and **(2)** funding a reserve fund, if necessary.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

15. L21-218 - West Carroll Parish, Town of Oak Grove (DEQ Project)

Not exceeding \$300,000 Taxable Sewer Revenue Bonds, in one or more series, non-interest bearing, not exceeding 22 years, repairs, rehabilitating and improvements to the wastewater collection, treatment and disposal system, including equipment and fixtures.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

Local Political Subdivisions - Refinancings

Ms. Folse provided a synopsis on Items 16 through 20.

16. L20-382 - East Carroll Parish, Town of Lake Providence

Not exceeding \$3,100,000 Revenue Refunding Bonds, in one or more series, not exceeding 5%, mature no later than June 1, 2049, **(1)** refunding Utility Revenue Bonds, Series 2003 and Public Improvement Bonds, Series 2008 and **(2)** funding a debt service reserve fund or paying the cost of a debt service reserve policy, if necessary.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

17. L21-217 - Evangeline Parish Police Jury, Road and Drainage Sales Tax District No. 1

Not exceeding \$13,750,000 Sales Tax Refunding Bonds, not exceeding 5%, mature no later than December 1, 2028, **(1)** refunding Sales Tax Bonds, Series 2013 and **(2)** funding a reserve fund, if necessary.

Agenda Item # 2

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

18. L21-216 - Orleans Parish, City of New Orleans

Not exceeding \$130,000,000 Limited Tax Refunding Bonds, Series 2021, not exceeding 5%, mature no later than September 1, 2030, **(1)** refunding Taxable Limited Tax Refunding Bonds, Series 2012 and **(2)** funding a reserve, if required.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

19. L21-203 - St. Bernard Parish Council

Not exceeding \$20,000,000, Utilities Revenue Refunding Bonds, not exceeding 5%, mature no later than June 1, 2037, refunding Taxable Utilities Revenue Bonds, Series 2015 and 2017.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

20. L21-213 - St. Tammany Parish, City of Slidell

Not exceeding \$5,000,000 General Obligation Refunding Bonds, not exceeding 4%, mature no later than March 1, 2029, refunding General Obligation Refunding Bonds, Series 2016.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

Local Political Subdivisions - Other

21. L21-201 - East Baton Rouge Parish, State of Louisiana/SLP Development LLC/Harveston Economic Development District

Approval of a Cooperative Endeavor Agreement between the State of Louisiana through the Department of Revenue, SLP Development LLC and the Harveston Economic Development District to provide for tax increment financing by authorizing the use of 45.0% of the state sales tax increment collected within the District to finance the cost of additions, acquisitions, construction, repairs and/or expansions needed to maintain works of public improvement.

Ms. Folse provided a synopsis and read in the opposition email received from Mr. Phillip Lillard. Treasurer Schroder read in cards of support from Bud Courson, Partner, Courson Nickel, Mike Wampold, CEO Wampold Companies and Mandi Mitchell, Assistant Secretary Louisiana Economic Development. Senator Page Cortez, President of the Senate moved approval, seconded by Representative Clay Schexnayder, Speaker of the House and without objection, the item was approved.

State Agencies, Boards and Commissions

Information was provided by Louisiana Housing Corporation Board Chairwoman, Jennifer Vidrine and Brad Sweazy, Interim Director Louisiana Housing Corporation. Ms. Folse provided a synopsis on Items 22 through 25.

22. S21-019 - Louisiana Housing Corporation (Galilee Senior Housing Project)

Not exceeding \$12,493,342 Multifamily Housing Revenue Bonds (Volume Cap), in one or more series, not exceeding 12%, not exceeding 40 years, acquisition, construction, rehabilitation and equipping of a 126-unit multifamily housing facility for seniors in Shreveport.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

23. S21-021 - Louisiana Housing Corporation (England Apartments Project)

Not exceeding \$8,000,000 Multifamily Housing Revenue Bonds (Volume Cap), in one or more series, not exceeding 12%, not exceeding 40 years, acquisition, construction, rehabilitation, and equipping of a 98-unit multifamily housing facility in Alexandria.

Agenda Item # 2

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

24. S21-023 - Louisiana Housing Corporation (Grove Place Project)

Not exceeding \$6,600,000 Multifamily Housing Revenue Bonds (Volume Cap), in one or more series, not exceeding 12%, not exceeding 40 years, acquisition, construction, and equipping of a 32-unit multifamily housing facility in New Orleans.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

25. S21-024 - Louisiana Housing Corporation (Malcolm Kenner Project)

Not exceeding \$10,000,000 Multifamily Housing Revenue Bonds (Volume Cap), in one or more series, not exceeding 12%, not exceeding 40 years, acquisition, construction, rehabilitation and equipping of a 66-unit multifamily housing facility in Kenner.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

Political Subdivisions - Bonds

Ms. Folse provided a synopsis on Items 26 through 28.

26. S20-073 - Louisiana Community Development Authority (LCTCS Act 360 Project)

Not exceeding \$155,000,000 Revenue Refunding Bonds, not exceeding 5%, mature no later than October 1, 2039, **(1)** refunding Revenue Bonds, Series 2014 and **(2)** funding a debt service reserve fund, if necessary.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

27. S21-017 - Louisiana Community Development Authority (City of Crowley, State of Louisiana Project)

Not exceeding \$3,000,000 Revenue Refunding Bonds, Series 2021, not exceeding 5%, mature no later than November 1, 2029, defeasing and/or refunding Revenue Refunding Bonds, Series 2011.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

28. S21-020 - Louisiana Community Development Authority (St. Martin Parish Project)

Not exceeding \$4,600,000 Revenue Refunding Bonds, not exceeding 5%, mature no later than October 1, 2031, **(1)** refunding Revenue Bonds (St. Martin Parish Project), Series 2011 and **(2)** funding a reserve fund, if necessary.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

Ratifications and or Amendments to Prior Approvals

Ms. Folse provided a synopsis on Items 29 through 32.

29. L20-436A - Natchitoches Parish, City of Natchitoches

Agenda Item # 2

Amendment of a prior approval granted on December 17, 2020, to reflect change in cost of issuance and professionals.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

30. L21-053A - Ascension Parish Council

Amendment of a prior approval granted on February 25, 2021, to reflect change in cost of issuance.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

31. S20-049A - Louisiana Housing Corporation (West Park Apartments Project)

Amendment of a prior approval granted on September 17, 2020, to reflect change in cost of issuance.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

32. S20-076A - Louisiana Public Facilities Authority (Lincoln Preparatory School Project)

Amendment of a prior approval granted on November 19, 2020, to reflect change in cost of issuance.

Representative Clay Schexnayder, Speaker of the House moved approval, seconded by Senator Page Cortez, President of the Senate and without objection, the item was approved.

State of Louisiana

33. S21-015A - State of Louisiana (Deepwater Horizon Economic Damages)

Status Update

Ms. Folse provided an update. Additional information was provided by the Undersecretary, Department of Transportation and Development, Barry Keeling.

Other Business

34. Discussion of Amendments to Cost of Issuance

Treasurer Schroder provided information.

35. Monthly Reports

Ms. Folse provided information relative to the Monthly Reports.

36. Adjourn

On the motion of the Chairman and without any objection, the meeting was adjourned.

(A verbatim transcript in specific order items were considered is available with the Bond Commission.)



STATE BOND COMMISSION

July 15, 2021

Local Governmental Units - Elections (November 13, 2021)

SYNOPSIS

APPLICATION NO: L21-224
ENTITY: Calcasieu Parish School Board
TYPE OF REQUEST: 9.52 Mills Ad Valorem Tax Proposition
ANALYST: Allison Roy

SUBMITTED BY:

Joseph A. Delafield, Joseph A. Delafield, APC

PARAMETERS:

9.52 mills tax, 10 years, 2023-2032, providing additional support for maintenance and operation of the public schools.

LEGISLATIVE AUTHORITY:

Article VIII, Section 13(C)(Third)
R.S. 39:811, et seq.

RECOMMENDATION:

The Staff finds no technical problem with the proposition and on that basis recommends the proposition be presented to the voters.

ATTACHMENTS:

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**



STATE BOND COMMISSION

July 15, 2021

Local Governmental Units - Elections (November 13, 2021)

ANALYSIS SUMMARY

APPLICATION NO: L21-224
ENTITY: Calcasieu Parish School Board
TYPE OF REQUEST: 9.52 Mills Ad Valorem Tax Proposition
ANALYST: Allison Roy

PARAMETERS:

Purposes for which proceeds will be used are:

9.52 mills tax, 10 years, 2023-2032, providing additional support for maintenance and operation of the public schools.

Based on the current taxable assessed valuation of the Parish, a 9.52 mills tax will generate an estimated \$23,721,923 annually.

The proposed proposition was last presented to the voters at the March 24, 2012 election for which it passed.

The proposition is considered a renewal tax.

The Notice of Election reflects the estimated cost of the election is \$138,700.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - ELECTIONS**

SBC Tracking # L21-224
Agenda Item # 3

Government Unit: * Calcasieu Parish School Board

Authority to Hold a Special Election *

in Calcasieu Parish, Louisiana, on Saturday, November 13, 2021, to submit to the electors of the Parish the following proposition:

Proposition Language *

MAINTENANCE MILLAGE RENEWAL PROPOSITION

Shall the Parish School Board of the Parish of Calcasieu, State of Louisiana, under the provisions of Article VIII, Section 13(C)(Third) of the Constitution of 1974 of the State of Louisiana, La. R.S. 39:811, et seq., and other constitutional and statutory authority supplemental thereto, renew the levy and collection each year for a period of ten years beginning January 1, 2023, a special tax of nine and fifty-two one-hundredths (9.52) mills on the dollar of all property subject to taxation in the Parish of Calcasieu, Louisiana, with collections from the levy of the tax estimated to be \$23,721,923 for one entire year for the purpose of providing additional support for maintenance and operation of the public schools of Calcasieu Parish?

Citation(s): * Article VIII, Section 13(C)(Third) of the Constitution; and (La. R.S. 39:811, et seq.)

As Set Forth By: * a resolution of the Calcasieu Parish School Board adopted on June 8, 2021

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.



STATE BOND COMMISSION

July 15, 2021

Local Governmental Units - Elections (November 13, 2021)

SYNOPSIS

APPLICATION NO: L21-225

ENTITY: Calcasieu Parish School Board, Sales Tax District No. 2

TYPE OF REQUEST: ½% Sales Tax Proposition

ANALYST: Allison Roy

SUBMITTED BY:

Joseph A. Delafield, Joseph A. Delafield, APC

PARAMETERS:

½% sales tax, 10 years, beginning January 1, 2023, offsetting losses of revenues from the State of Louisiana and/or supplementing other revenues.

LEGISLATIVE AUTHORITY:

Article VI, Section 29
R.S. 47:338.1, et seq.

RECOMMENDATION:

The Staff finds no technical problem with the proposition and on that basis recommends the proposition be presented to the voters.

ATTACHMENTS:

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**



STATE BOND COMMISSION

July 15, 2021

Local Governmental Units - Elections (November 13, 2021)

ANALYSIS SUMMARY

APPLICATION NO: L21-225
ENTITY: Calcasieu Parish School Board, Sales Tax District No. 2
TYPE OF REQUEST: ½% Sales Tax Proposition
ANALYST: Allison Roy

PARAMETERS:

Purposes for which proceeds will be used are:

½% sales tax, 10 years, beginning January 1, 2023, offsetting losses of revenues from the State of Louisiana and/or supplementing other revenues.

This ½% sales tax is expected to yield approximately \$31,511,635 annually.

The proposed proposition was last presented to the voters at the March 24, 2012 election for which it passed.

The proposition is considered a renewal tax.

The Notice of Election reflects the estimated cost of the election is \$138,700.

Pursuant to R.S. 47:338.54, Parishes and School Boards are authorized to levy 5% within the jurisdiction. The combined rate levied within the Parish, excluding the Law Enforcement District is currently 7% which does include the proposed tax.

Further, pursuant to R.S. 47:338:130, the School Board is authorized to levy an additional 1% sales tax above the 5% Parish limitation provided in R.S. 47:338.54 and pursuant to R.S. 47:338.139, any such renewal or continuation of a sales tax is authorized to exceed the limitation set forth in Article VI, Section 29(A) and shall be in addition to any limit set forth in any other statute.

Additionally, the Hope Economic Development District is authorized to levy an additional 2%, pursuant to R.S. 33:9038.39.

Total sales tax within this jurisdiction is:

Law Enforcement District	0.75%
School Board	2.50% (Includes Proposed)
City of Sulphur	2.50%
Hope Economic Development District	<u>2.00%</u>
Total	7.75%



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - ELECTIONS**

SBC Tracking # L21-225
Agenda Item # 4

Government Unit: * Sales Tax District No. Two of Calcasieu Parish, Louisiana

Authority to Hold a Special Election *

on Saturday, the 13th day of November, 2021, to submit to the qualified electors of the Parish the following proposition, to wit:

Proposition Language *

SALES TAX RENEWAL PROPOSITION

Shall Sales Tax District No. Two of Calcasieu Parish, Louisiana, under the provisions of Article 6, Section 29 of the Constitution of 1974 of the State of Louisiana, La. R.S. 47:338.1, et seq., and other constitutional and statutory authority supplemental thereto, extend for a period of ten years beginning January 1, 2023, and be authorized to continue to levy and collect, and adopt an ordinance providing for such levy and collection, a tax of one-half of one percent ($\frac{1}{2}$ of 1%), with collections from the tax estimated to be \$31,511,635 for one entire year, currently being collected 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 Sales Tax District No. Two of Calcasieu Parish, Louisiana, with the proceeds of the tax to be dedicated exclusively for offsetting losses of revenues from the State of Louisiana, and/or supplementing other revenues available to the District?

Citation(s): * Article VI, Section 29 of Constitution; La. R.S. 47:338.1, et seq.

As Set Forth By: * A resolution of the Calcasieu Parish School Board, governing authority of the District, on June 8, 2021

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.



STATE BOND COMMISSION

July 15, 2021

Local Governmental Units - Elections (November 13, 2021)

SYNOPSIS

APPLICATION NO: L21-231

ENTITY: East Baton Rouge Parish, East Side Fire Protection District No. 5

TYPE OF REQUEST: \$32.00 Special Assessment Proposition

ANALYST: Allison Roy

SUBMITTED BY:

H. Craig Davidson, Jr., Davidson Law Firm, L.L.C.

PARAMETERS:

Not exceeding \$32.00 service charge, 10 years, 2022-2031, **(1)** development, operation and maintenance of the fire protection facilities and **(2)** paying the costs of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service.

LEGISLATIVE AUTHORITY:

Article VI, Sections 19, 30 & 32
R.S. 40:1502.1, et seq.

RECOMMENDATION:

The Staff finds no technical problem with the proposition and on that basis recommends the proposition be presented to the voters.

ATTACHMENTS:

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**



STATE BOND COMMISSION

July 15, 2021

Local Governmental Units - Elections (November 13, 2021)

ANALYSIS SUMMARY

APPLICATION NO: L21-231
ENTITY: East Baton Rouge Parish, East Side Fire Protection District No. 5
TYPE OF REQUEST: \$32.00 Special Assessment Proposition
ANALYST: Allison Roy

PARAMETERS:

Purposes for which proceeds will be used are:

Not exceeding \$32.00 service charge, 10 years, 2022-2031, **(1)** development, operation and maintenance of the fire protection facilities and **(2)** paying the costs of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service.

Based on the number of residential and commercial structure, a \$32.00 service charge will generate an estimated \$239,899 annually.

The proposed proposition was last presented to the voters at the April 2, 2011 election for which it passed.

The proposition is considered a renewal tax.

The Notice of Election reflects the estimated cost of the election is \$21,800.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - ELECTIONS**

SBC Tracking # L21-231
Agenda Item # 5

Government Unit: * East Side Fire Protection District No. 5 (EBR Parish)

Authority to Hold a Special Election *

on Saturday, November 13, 2020, to submit to the electors of the District the following proposition:

Proposition Language *

Shall the East Side Fire Protection District No. 5 of East Baton Rouge Parish (the "District") pursuant to Article VI, Section 19, of the Louisiana, Title 40 of the Louisiana Revised Statutes, La. R.S. 40:1502. 1, all amendments thereto, and other constitutional and statutory authority, be authorized to renew the levy and collection of the Service Charge, also called the Service Fee, not to exceed \$32.00 per year, from the owners of each residential or commercial structure located wholly or partially within the District, which estimated amount of such Service Charge reasonably expected to be collected is approximately \$239,899.00 for each entire year of the levy, on all such property in the District for a period of ten (10) years, commencing in the year 2022, to and including the year 2031, and shall the avails or proceeds of the Service Charge be used entirely and exclusively for the development, operation and maintenance of the fire protection facilities of East Side Fire Protection District No. 5 and paying the costs of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service, within the District?

Citation(s): * La. Const. Art. VI, Sects. 19, 30, 32; LSA-RS 40:1502. 1 et seq.

As Set Forth By: * Resolution adopted by the District on May 17, 2021

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.



STATE BOND COMMISSION

July 15, 2021

Local Governmental Units - Elections (November 13, 2021)

SYNOPSIS

APPLICATION NO: L21-232

ENTITY: East Baton Rouge Parish, Fire Protection District No. 6

TYPE OF REQUEST: 15.0 Mills Ad Valorem Tax Proposition

ANALYST: Allison Roy

SUBMITTED BY:

H. Craig Davidson, Jr., Davidson Law Firm, L.L.C.

PARAMETERS:

15.0 mills tax, 10 years, 2022-2031, **(1)** salaries and benefits for all employees, **(2)** purchasing fire protection equipment and **(3)** maintaining and operating fire protection facilities.

LEGISLATIVE AUTHORITY:

Article VI, Sections 19, 30 & 32
R.S. 40:1501, et seq.

RECOMMENDATION:

The Staff finds no technical problem with the proposition and on that basis recommends the proposition be presented to the voters.

ATTACHMENTS:

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**



STATE BOND COMMISSION

July 15, 2021

Local Governmental Units - Elections (November 13, 2021)

ANALYSIS SUMMARY

APPLICATION NO: L21-232
ENTITY: East Baton Rouge Parish, Fire Protection District No. 6
TYPE OF REQUEST: 15.0 Mills Ad Valorem Tax Proposition
ANALYST: Allison Roy

PARAMETERS:

Purposes for which proceeds will be used are:

15.0 mills tax, 10 years, 2022-2031, **(1)** salaries and benefits for all employees, **(2)** purchasing fire protection equipment and **(3)** maintaining and operating fire protection facilities.

Based on the current taxable assessed valuation of the District, a 15.0 mills tax will generate an estimated \$802,708.56 annually.

The proposed proposition was last presented to the voters at the April 2, 2011 election for which it passed.

The proposition is considered a renewal tax.

The Notice of Election reflects the estimated cost of the election is \$32,300.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - ELECTIONS**

SBC Tracking # L21-232
Agenda Item # 6

Government Unit: * Fire Protection District Six (EBR Parish)

Authority to Hold a Special Election *

On November 13, 2021, to submit the following proposition to the voters of the District:

Proposition Language *

Shall the Fire Protection District Six (also known as Fire Protection District 6) in East Baton Rouge Parish, State of Louisiana (the "District"), Under the provisions of Article VI, Section 19 of the 1974 Constitution of Louisiana, Part I of Chapter 7 of the Louisiana Revised Statutes, La. R.S. 40:1501 et seq., as amended, and other constitutional and statutory authority, be authorized to renew and continue the levy and collection of the ad valorem property tax of fifteen (15) mills (the "Tax") in each calendar year on all property subject to taxation in the District for a period of ten (10) years, commencing in and including the year 2022 to and including the year 2031, which estimated amount of such tax reasonably expected to be collected from such levy renewal is approximately \$802,708.56 for each entire year of the levy, and shall the avails or proceeds of said Tax be used entirely and exclusively for salaries and benefits for all employees of Fire Protection District Six, purchasing fire protection equipment, and maintaining and operating the fire protection facilities of Fire Protection District Six of the Parish of East Baton Rouge?

Citation(s): * La. Const. Art. VI, Sects. 19, 30, 32; LSA-RS 40:1501 et seq.

As Set Forth By: * A resolution adopted by the Board of Commissioners of the District on May 18, 2021.

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.



STATE BOND COMMISSION

July 15, 2021

Local Governmental Units - Elections (November 13, 2021)

SYNOPSIS

APPLICATION NO: L21-236

ENTITY: East Baton Rouge Parish, Fire Protection District No. 6

TYPE OF REQUEST: \$32.00 Special Assessment Proposition

ANALYST: Stephanie Blanchard

SUBMITTED BY:

H. Craig Davidson, Jr., Davidson Law Firm, LLC

PARAMETERS:

Not exceeding \$32.00 service charge, 10 years, 2022-2031, **(1)** development, operation and maintenance of the fire protection facilities and **(2)** paying the costs of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service.

LEGISLATIVE AUTHORITY:

Article VI, Sections 19, 30 & 32
R.S. 40:1502.1, et seq.

RECOMMENDATION:

The Staff finds no technical problem with the proposition and on that basis recommends the proposition be presented to the voters.

ATTACHMENTS:

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**



STATE BOND COMMISSION

July 15, 2021

Local Governmental Units - Elections (November 13, 2021)

ANALYSIS SUMMARY

APPLICATION NO: L21-236
ENTITY: East Baton Rouge Parish, Fire Protection District No. 6
TYPE OF REQUEST: \$32.00 Special Assessment Proposition
ANALYST: Stephanie Blanchard

PARAMETERS:

Purposes for which proceeds will be used are:

Not exceeding \$32.00 service charge, 10 years, 2022-2031, **(1)** development, operation and maintenance of the fire protection facilities and **(2)** paying the costs of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service.

Based on the number of residential and commercial structures a \$32.00 service charge will generate an estimated \$179,686.67 annually.

The proposed proposition was last presented to the voters at the April 2, 2011 election for which it passed.

The proposition is considered a renewal tax.

The Notice of Election reflects the estimated cost of the election is \$32,300.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - ELECTIONS**

SBC Tracking # L21-236

Government Unit: * Fire Protection District 6 (East Baton Rouge Parish)

Authority to Hold a Special Election *

The Fire Protection District 6 of East Baton Rouge Parish (the "District") on November 13, 2021 to submit to the electors of the District

the following proposition;

Proposition Language *

Shall the Fire Protection District Six (also referred to as Fire Protection District 6) of East Baton Rouge Parish (the "District") pursuant to Article VI, Section 19, of the Louisiana, Title 40 of the Louisiana Revised Statutes, La. R.S. 40:1502.1, all amendments thereto, and other constitutional and statutory authority, be authorized to renew the levy and collection of the Service Charge, also called the Service Fee, not to exceed \$32.00 per year, from the owners of each residential or commercial structure located wholly or partially within the District, which estimated amount of such Service Charge reasonably expected to be collected is approximately \$179,686.67 for each entire year of the levy, on all such property in the District for a period of ten (10) years, commencing in the year 2022, to and including the year 2031, and shall the avails or proceeds of the Service Charge be used entirely and exclusively for the development, operation and maintenance of the fire protection facilities of Fire Protection District Six and paying the costs of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service, within the District?

Citation(s): * La. Const. Art. VI, Sects. 19, 30, 32; LSA-RS 40:1502.1 et seq.

As Set Forth By: * Resolution adopted on May 18, 2021 by the Board of Commissioners of Fire Protection District 6, of East Baton Rouge Parish, State of Louisiana and resolution adopted on June 9, 2021 by the Parish Council of East Baton Rouge

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.



STATE BOND COMMISSION

July 15, 2021

Local Political Subdivisions - Cash Flow Borrowings

SYNOPSIS

APPLICATION NO: L21-227

ENTITY: St. John the Baptist Parish School Board

TYPE OF REQUEST: \$12,000,000 Budgetary Loan

ANALYST: Ty DeLee

SUBMITTED BY:

Jason Akers, Foley & Judell, LLP

PARAMETERS:

Not exceeding \$12,000,000 Revenue Anticipation Notes, not exceeding 5%, mature no later than June 30, 2022, current operations.

LEGISLATIVE AUTHORITY:

R.S. 39:501, et seq.

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ❑ **Analysis Summary**
- ❑ **Approval Parameter Form**
- ❑ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

July 15, 2021

Local Political Subdivisions - Cash Flow Borrowing

ANALYSIS SUMMARY

APPLICATION NO: L21-227
ENTITY: St. John the Baptist Parish School Board
TYPE OF REQUEST: \$12,000,000 Budgetary Loan
ANALYST: Ty DeLee

PARAMETERS:

Not exceeding \$12,000,000 Revenue Anticipation Notes, not exceeding 5%, mature no later than June 30, 2022, current operations.

The School Board is requesting a budgetary loan for cash flow purposes, caused by a large current year budget deficit. Staff has been provided projections showing necessary drawdowns of \$7.5 million between August 2021 and January 2022, and that it will be repaid at that time. Further, projections indicate the School Board may need to apply for another, smaller budgetary loan for cash flow purposes in FY 23.

The School Board had anticipated receiving significantly increased ad valorem tax revenues due to the expiration of an Industrial Tax Exemption for the Marathon Ashland Petroleum, LLC facility in the Parish that accounts for approximately one-third of St. John the Baptist Parish's total taxable assessed value. In addition, the School Board also ended fiscal years 2018-2020 with decreasing governmental fund balances. Due to the exemption expiration being included as part of the reassessment, and complications with rolling forward millages in the reassessment year, the School Board did not receive the originally budgeted increase in revenues. The culmination has resulted in a projected shortfall of approximately \$7 million in the FY 21 budget, and significant expected cash flow difficulty. The Board has fully adopted a resolution to roll forward the millages for FY 22 and, if assessed values are constant, tax revenues for the general fund should increase by approximately \$9 million.

The School Board is anticipating taking additional steps to recover from the shortfall. On April 29, 2021, measures were adopted to reduce staffing by approximately 130 non-certified and 30 certified teachers by the start of the 2021-2022 school year. This is expected to reduce expenditures by more than \$7 million per year. The new staffing model is designed to adjust based on declining enrollment.

Budgeted Revenues - Year ending June 30, 2022*	\$49,878,635
100% Limit	\$49,878,635
Outstanding Budgetary Loan	\$0

* The FY 22 budget figures above reflect 50% of the current adopted budget for FY 21 pursuant to R.S. 39:1312. The School Board will adopt their FY 22 budget at a meeting currently scheduled for September 16, 2021.

The School Board has not requested approval of a budgetary loan in recent years.

**STATE BOND COMMISSION**

	Audited Actual 6/30/2019	Unaudited Actuals Ending 6/30/2020	Budget Ending 6/30/2021**
Revenues	\$ 66,539,342	\$ 72,788,059	\$ 62,990,164
Expenses	\$ (69,396,084)	\$ (71,730,301)	\$ (68,747,781)
Excess (Deficit)	\$ (2,856,742)	\$ 1,057,758	\$ (5,757,617)
Other Financing Sources & Uses	\$ 33,959	\$ -	\$ (1,232,334)
Excess (Deficit)	\$ (2,822,783)	\$ 1,057,758	\$ (6,989,951)
Beginning Fund Balance	\$ 13,876,251	\$ 11,053,468	
Ending Fund Balance *	\$ 11,053,468	\$ 12,111,226	
Fund Balance Nonspendable	\$ 724,622	\$ 860,601	
Fund Balance Unassigned	\$ 4,508,312	\$ 8,398,893	
Fund Balance Assigned	\$ 5,820,534	\$ 2,851,732	

The figures above represent the School Board's General Fund.

*The School Board's governmental fund balance is projected to contain approximately \$7.2M cash and equivalents on July 1, 2021, per a letter dated June 15, 2021.

**The FY 21 budget figures above reflect the projected amended budget, to be presented at a School Board meeting on August 12, 2021, and adopted at a meeting on September 16, 2021.

The School Board anticipates receiving additional funding of approximately \$24 million from the American Rescue Plan Act. As the School Board has no control over the timing of the arrival of that funding, and some of the allocations may be spread out over multiple years, it is not included in the budget or projections provided. Further, much of the funding for schools must target certain programs, and is not eligible to cover general expenses.

Selection Method: Private Placement

Purchaser: Capital One Public Funding, LLC

Terms:

Interest Rate Not exceeding 5%

Maturity No later than June 30, 2022

Security: Revenues of the School Board for the fiscal year ending June 30, 2022.

In a letter dated July 8, 2021, Capital One Public Funding, LLC indicated interest in purchasing the Notes according to the parameters above.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # L21-227
Agenda Item # 8

Applicant: *

Parish School Board of the Parish of St. John the Baptist, State of Louisiana

Parameters / Purposes: *

Authority to issue, sell and deliver not exceeding \$12,000,000 of Revenue Anticipation Notes (the "Notes"), for the purpose of paying current operations of the Issuer in anticipation of the revenues of the Issuer for the current fiscal year to be secured by and payable from a pledge of the Issuer's revenues for the fiscal year ending June 30, 2022. The Notes will be issued at an interest rate not exceeding 5% per annum and shall mature on or before June 30, 2022.

Citation(s): *

Part II of Ch 4 of Sub II of Title 39 of LA RS 1950

Security: *

pledge of the Issuer's revenues for the fiscal year ending June 30, 2022

As Set Forth By: *

A resolution adopted on May 13, 2021 by the Parish School Board of the Parish of St. John the Baptist, State of Louisiana

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 8

			\$12,000,000 L21-227 St. John the Baptist Parish School Board Budgetary Loan July 15, 2021		\$8,000,000 L21-182 Plaquemines Parish Council Budgetary Loan May 18, 2021	
	Paid From Proceeds					
Firm/Vendor	Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond	
ISSUANCE COSTS						
Legal						
Bond Counsel	Foley & Judell	Y	54,525	4.54	48,025	6.00
Co-Bond Counsel				0.00		0.00
Issuer Counsel				0.00		0.00
Purchaser Counsel	TBD	Y	7,500	0.63	10,000	1.25
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements				0.00		0.00
DEQ Counsel				0.00		0.00
Trustee Counsel				0.00		0.00
Escrow Trustee Counsel				0.00		0.00
Total Legal			62,025	5.17	58,025	7.25
Other						
Publishing/Advertising	Official Journal	Y	2,000	0.17	2,500	0.31
Rating Agency(s)				0.00		0.00
Insurance				0.00		0.00
Bond Commission				0.00		0.00
Issuer Financing				0.00		0.00
Municipal Advisor	Government Consultants	Y	20,000	1.67		0.00
Trustee				0.00		0.00
Escrow Agent				0.00		0.00
Paying Agent				0.00		0.00
Feasibility Consultants				0.00		0.00
POS/OS Printing				0.00		0.00
Accounting				0.00		0.00
Account Verification				0.00		0.00
Escrow Verification				0.00		0.00
Contingencies				0.00		0.00
Total Other			22,000	1.83	2,500	0.31
TOTAL ISSUANCE COSTS			84,025	7.00	60,525	7.57



STATE BOND COMMISSION

July 15, 2021

Local Political Subdivisions - Loans

SYNOPSIS

APPLICATION NO: L21-222

ENTITY: Beauregard Parish, Fire Protection District No. 4

TYPE OF REQUEST: \$490,000 Anticipation of Avails Loan

ANALYST: Allison Roy

SUBMITTED BY:

Alan L. Offner, Foley & Judell, LLP

PARAMETERS:

Not exceeding \$490,000 Limited Tax Bonds, Series 2021, not exceeding 2.04%, mature no later March 1, 2031, acquiring and constructing fire protection facilities and equipment.

LEGISLATIVE AUTHORITY:

R.S. 39:522

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ❑ **Analysis Summary**
- ❑ **Approval Parameter Form**
- ❑ **Fee Comparison Worksheet**



STATE BOND COMMISSION

July 15, 2021

Local Political Subdivisions - Loans

ANALYSIS SUMMARY

APPLICATION NO: L21-222
ENTITY: Beauregard Parish, Fire Protection District No. 4
TYPE OF REQUEST: \$490,000 Anticipation of Avails Loan
ANALYST: Allison Roy

PARAMETERS:

Not exceeding \$490,000 Limited Tax Bonds, Series 2021, not exceeding 2.04%, mature no later March 1, 2031, acquiring and constructing fire protection facilities and equipment.

The proceeds of the loan will be used to purchase a new fire truck for the District.

Tax Avails *	\$	404,354
75% Limit:	\$	303,266
Outstanding Anticipation of Avails Loan:	\$	57,610
Maximum Combine Annual Debt Service:	\$	90,443

* Tax avails above are from FYE March 31, 2021 unaudited actuals.

Outstanding Debt Secured by Same Pledge of Revenues Includes:
Limited Tax Certificates, Series 2014

The purposes of the requested loan are consistent with the proposition purposes for the millage pledged as security.

Selection Method: Private Placement
Purchasers: Patterson State Bank
LPFA

Terms:
Interest Rate Not exceeding 2.04%
Maturity No later than March 1, 2031
Security: Avails of a 24.61 tax authorized at an election held on April 6, 2013 to be levied through 2032.

In a letter dated June 1, 2021, Patterson State Bank has agreed to purchase \$368,000 of the total loan. In a letter dated June 2, 2021, the Louisiana Public Facilities Authority has agreed to purchase the remaining \$122,000 of the total loan.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

Agenda Item # 9
SBC Tracking # L21-222

Applicant: *

Fire Protection District No. 4 of the Parish of Beauregard, State of Louisiana

Parameters / Purposes: *

not exceeding \$490,000 of Limited Tax Bonds, Series 2021, to mature annually no later than March 1, 2031, bear interest at a rate or rates not exceeding 2.04% per annum, to pay costs of acquiring and constructing fire protection facilities and equipment for the Issuer and pay costs of issuance of the Bonds

Citation(s): *

La. R.S. 39:522

Security: *

a pledge and dedication of the Issuer's special tax of 24.61 mills authorized at an election held on April 6, 2013 to be levied through 2032.

As Set Forth By: *

A resolution adopted on June 14, 2021 by the Board of Commissioners of Fire Protection District No. 4 of the Parish of Beauregard, State of Louisiana

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 9

			\$490,000 L21-222		\$700,000 L20-269	
			Beauregard Parish, Fire Protection District No. 4		Claiborne Parish Police Jury	
			Anticipation of Avails Loan July 15, 2021		Anticipation of Avails Loan August 20, 2020	
Firm/Vendor		Paid From Proceeds Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS						
Legal						
Bond Counsel	Foley & Judell, LLP	Y	7,600	15.51	10,325	14.75
Co-Bond Counsel				0.00		0.00
Issuer Counsel				0.00		0.00
Underwriter Counsel				0.00		0.00
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements				0.00		0.00
DEQ Counsel				0.00		0.00
Trustee Counsel				0.00		0.00
Escrow Trustee Counsel				0.00		0.00
Total Legal			7,600	15.51	10,325	14.75
Other						
Publishing/Advertising	Kinder Courier	Y	2,000	4.08	2,000	2.86
Rating Agency(s)				0.00		0.00
Insurance				0.00		0.00
Bond Commission	SBC	Y	319	0.65	445	0.64
Issuer Financing				0.00		0.00
Municipal Advisor				0.00		0.00
Trustee				0.00		0.00
Escrow Agent				0.00		0.00
Paying Agent				0.00		0.00
Feasibility Consultants				0.00		0.00
POS/OS Printing				0.00		0.00
Accounting				0.00		0.00
Account Verification				0.00		0.00
Escrow Verification				0.00		0.00
Contingencies				0.00		0.00
Total Other			2,319	4.73	2,445	3.49
TOTAL ISSUANCE COSTS			9,919	20.24	12,770	18.24



STATE BOND COMMISSION

July 15, 2021

Local Political Subdivisions - Loans

SYNOPSIS

APPLICATION NO: L21-230

ENTITY: East Baton Rouge Parish Redevelopment Authority

TYPE OF REQUEST: \$500,000 Loan

ANALYST: James Pounders

SUBMITTED BY:

Christopher J. Tyson, President & CEO, East Baton Rouge Redevelopment Authority, Build Baton Rouge

PARAMETERS:

Not exceeding \$500,000 Loan, non-interest bearing, not exceeding 30 years, acquire immovable property for redevelopment into a grocery-anchored mixed-use development.

LEGISLATIVE AUTHORITY:

R.S. 33:4720.151(H)(14)

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**
- ☐ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

July 17, 2021

Local Political Subdivision - Loans - Final Approval

ANALYSIS SUMMARY

APPLICATION NO: L21-230
ENTITY: East Baton Rouge Parish Redevelopment Authority
TYPE OF REQUEST: \$500,000 Loan
ANALYST: James Pounders

PARAMETERS:

Not exceeding \$500,000 Loan, non-interest bearing, not exceeding 30 years, acquire immovable property for redevelopment into a grocery-anchored mixed-use development.

The East Baton Rouge Redevelopment Authority, referred to as Build Baton Rouge (“BBR”), is seeking approval for loan to finance the acquisition of property to support development of a grocery-anchored mixed-use development in accord with the Plank Road Masterplan in Baton Rouge. The loan will be financed by Hope Federal Credit Union pursuant to the Baton Rouge Healthy Food Retail Initiative (“HFRI”) established by the City of Baton Rouge and Parish of East Baton Rouge in partnership with the mayor’s Healthy City Initiative.

HFRI is a financing program created to award low-interest loans to real estate developers that will lease space to a grocery retail operator, supermarkets, grocery stores, and other fresh food retailers that are located in or plan to locate in a low-to-moderate income area in East Baton Rouge Parish. These loans will enable operators to open, renovate, or expand retail outlets that stock and sell healthy food options, particularly fresh fruit and vegetables. The goal is to increase access to affordable healthy foods, to make available other quality food items, and to promote the sale and consumption of fresh fruits and vegetables, particularly those that are Louisiana-grown, while keeping dollars circulating in the community.

BBR will use loan proceeds to purchase 23 lots of land in Baton Rouge with the project site bounded by Plank Road, Choctaw Drive, Seneca Street and Osceola Street. The lots will then be the base for a mixed-use development anchored by an approximately 32,000 sq ft Class-A grocery store. In addition to the grocery store, the project will include approximately 8,000 sq ft ground-level retail spaces and two additional stories with approximately 40 residential units, half of which will be designated for income-qualified residents. The building will be oriented to face the Plank Road corridor, and approximately 200 parking spaces will be located in the rear of the property to be accessed via Choctaw Drive.

The purchase price for 22 of the lots is \$390,000. Appraisals dated March-April 2019 estimated the market value of the lots to be \$399,500 which does approximate the purchase price. Negotiations for the purchase price of the final lot are in progress. Staff has been informed the purchase price will be at or below the appraised value which is \$51,000.

Maximum Interest Cost	0.00%
Maximum Debt Service	\$16,667

**STATE BOND COMMISSION****Calculation of Coverage Ratio:**

Annual Net Income Excluding Debt Service and Depreciation	\$	40,852
Maximum Current Debt Service	\$	8,820
Debt Service on Proposed Issue	\$	16,667
Maximum Combined New Debt Service	\$	25,487
Coverage Ratio		1.60

Annual net income detailed above is based upon audited financial statements for FYE December 31, 2020.

Outstanding Debt Secured by Same Pledge of Revenue Includes:
Line of Credit with CAFA

Selection Method:	Private Placement
Purchaser:	Hope Federal Credit Union
Terms:	
Interest Rate	Non-interest bearing
Maturity	Not exceeding 30 years
Security:	Available funds of the Authority

In a letter dated July 7, 2021, Hope Credit Union indicates its interest in providing financing for the project and states the project appears to be a mission fit for Hope financing. The letter is not a commitment to providing financing, and financing is contingent upon presentation of a full underwriting package and due diligence.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # L21-230

Agenda Item # 10

Applicant: *

East Baton Rouge Redevelopment Authority, Build Baton Rouge (the "Authority")

Parameters / Purposes: *

Parameters:

Loan principal amount not to exceed five hundred thousand and no/00 dollars (\$500,000.00).

Interest rate not to exceed zero percent (0%).

Maturity date not to exceed thirty (30) years.

Purpose: to acquire immovable property for redevelopment into a grocery-anchored mixed-use development

Citation(s): *

LA R.S. 33:4720.151(C) and (H)(14)

Security: *

Loan will be repaid by available funds of the Authority and will be secured by immovable property purchase with the loan proceeds.

As Set Forth By: *

Resolution adopted by the Authority on June 16, 2021

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 10

		\$500,000 L21-230		\$520,000 L21-033	
		East Baton Rouge Parish Redevelopment Authority		Tensas Parish Police Jury	
		Loan July 15, 2021		Budgetary Loan February 23, 2021	
Firm/Vendor	Paid From Proceeds Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS					
Legal					
Bond Counsel			0.00	4,400	8.46
Co-Bond Counsel			0.00		0.00
Issuer Counsel			0.00		0.00
Underwriter Counsel			0.00		0.00
Underwriter Co-Counsel			0.00		0.00
Preparation of Blue Sky Memo			0.00		0.00
Preparation of Official Statements			0.00		0.00
DEQ Counsel			0.00		0.00
Trustee Counsel			0.00		0.00
Escrow Trustee Counsel			0.00		0.00
Total Legal		0	0.00	4,400	8.46
Other					
Publishing/Advertising			0.00	1,000	1.92
Rating Agency(s)			0.00		0.00
Insurance			0.00		0.00
Bond Commission	SBC	N	325		0.00
Issuer Financing			0.00		0.00
Municipal Advisor			0.00		0.00
Trustee			0.00		0.00
Escrow Agent			0.00		0.00
Paying Agent			0.00		0.00
Feasibility Consultants			0.00		0.00
POS/OS Printing			0.00		0.00
Accounting			0.00		0.00
Account Verification			0.00		0.00
Escrow Verification			0.00		0.00
Contingencies			0.00		0.00
Total Other		325	0.65	1,000	1.92
TOTAL ISSUANCE COSTS		325	0.65	5,400	10.38
INDIRECT COSTS					
Beneficiary Organizational					
Settlement Fees	Baker Donelson	Y	10,000	20.00	0.00
Abstract	Baker Donelson	Y	7,500	15.00	0.00
Lender's Policy	Baker Donelson	Y	3,500	7.00	0.00
Owner's Policy	Baker Donelson	Y	300	0.60	0.00
Recording Fees	Baker Donelson	Y	1,250	2.50	0.00
Courier Fees	Baker Donelson	Y	250	0.50	0.00
Total Beneficiary Organizational			22,800	45.60	0
Mortgage Banking Costs					
Origination Fees	Hope Credit Union	Y	5,000	10.00	0.00
Mortgage Servicer Counsel				0.00	0.00
Mortgage Insurance				0.00	0.00
Examination				0.00	0.00
Inspection				0.00	0.00
Total Mortgage Banking			5,000	10.00	0
TOTAL INDIRECT COSTS			27,800	55.60	0
TOTAL ISSUANCE AND INDIRECT COSTS			28,125	56.25	10.38



STATE BOND COMMISSION

July 15, 2021

Local Political Subdivisions - Loans

SYNOPSIS

APPLICATION NO: L21-233

ENTITY: East Baton Rouge Parish, Capital Region Planning Commission

TYPE OF REQUEST: \$150,000 Excess Revenue Loan

ANALYST: Ty DeLee

SUBMITTED BY:

Wesley S. Shafto, Boles Shafto, LLC

PARAMETERS:

Not exceeding \$150,000 Certificates of Indebtedness, not exceeding 6%, not exceeding 10 years, improve and/or equip existing facilities in the City of Baton Rouge.

LEGISLATIVE AUTHORITY:

R.S. 33:131, et seq.

R.S. 39:501, et seq.

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**
- ☐ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

July 15, 2021

Local Political Subdivisions - Loans

ANALYSIS SUMMARY

APPLICATION NO: L21-233
ENTITY: East Baton Rouge Parish, Capital Region Planning Commission
TYPE OF REQUEST: \$150,000 Excess Revenue Loan
ANALYST: Ty DeLee

PARAMETERS:

Not exceeding \$150,000 Certificates of Indebtedness, not exceeding 6%, not exceeding 10 years, improve and/or equip existing facilities in the City of Baton Rouge.

The Commission is seeking to use proceeds for capital improvements to their office building on South Harrell's Ferry Road in Baton Rouge, including replacement of the roof and some remodeling of the interior.

The Commission serves as the federally mandated transportation policy-making Metropolitan Planning Organization for the Baton Rouge region. Member governments include Ascension Parish, East Baton Rouge Parish, East Feliciana Parish, Iberville Parish, Livingston Parish, Pointe Coupee Parish, St. Helena Parish, Tangipahoa Parish, Washington Parish, West Baton Rouge Parish and West Feliciana Parish. There are also 38 municipalities from the region that are Commission members.

	Audited Actual 6/30/2020	Budget Ending 6/30/2022
Revenues	\$ 4,026,993	\$ 4,503,350
Expenses	\$ (4,449,390)	\$ (4,281,506)
Excess (Deficit)	\$ (422,397)	\$ 221,844
Other Financing Sources	\$ 300,000	\$ -
Excess (Deficit)	\$ (122,397)	\$ 221,844
Beginning Fund Balance	\$ 885,688	
Ending Fund Balance	\$ 763,291	
Fund Balance Reserved	None	
Fund Balance Designated	None	
Fund Balance Unassigned	\$ 763,291	
Budgeted for Outstanding Debt		\$ 38,556
Budgeted for Proposed Debt		None
Proposed Maximum Annual Debt Service		\$22,800
Proposed & Outstanding Maximum Annual Debt Service		\$57,547

The FY 22 budget reflects \$221,844 in excess revenues which is sufficient for payment of the proposed maximum annual debt service.



STATE BOND COMMISSION

Outstanding Debt Secured by Same Pledge of Revenues Includes:
LCDA Revenue Bonds, Series 2020

Selection Method: Private Placement

Purchaser: IberiaBank

Terms:

Interest Rate Not exceeding 6%

Maturity Not exceeding 10 years

Security: Excess annual revenues.

In a letter dated June 24, 2021, IberiaBank stated that they are working on underwriting the loan.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # L21-233

Agenda Item # 11

Applicant: *

Capital Region Planning Commission, State of Louisiana

Parameters / Purposes: *

Authority to issue, sell and deliver Certificates of Indebtedness, in one or more series, in an amount not exceeding One Hundred and Fifty Thousand Dollars (\$150,000), bearing interest at a rate or rates of not to exceed six percent (6.00%), maturing not later than ten years from the date of issuance for the purposes of providing funds to: (i) improve and/or equip existing facilities necessary for the day to day operation and discharge of the duties of the Commission, and (ii) pay the costs incurred in connection with the issuance, sale and delivery of the Certificates, (collectively, the "Project").

Citation(s): *

R.S. 33:131, et seq. and 39:501, et seq.

Security: *

Excess Revenues of the Commission above that which is legally dedicated and required for other purposes

As Set Forth By: *

Resolution adopted by the Commission on June 16, 2021

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 11

			\$150,000 L21-233 East Baton Rouge Parish, Capital Region Planning Commission Loan July 15, 2021		\$125,000 L20-273 St. Helena Parish Police Jury Revenue Bonds August 20, 2020	
Firm/Vendor		Paid From Proceeds Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS						
Legal						
Bond Counsel	Boles Shafto	Y	2,500	16.67	2,175	17.40
Co-Bond Counsel				0.00		0.00
Issuer Counsel				0.00		0.00
Underwriter Counsel				0.00		0.00
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements				0.00		0.00
DEQ Counsel				0.00		0.00
Trustee Counsel				0.00		0.00
Escrow Trustee Counsel				0.00		0.00
Total Legal			2,500	16.67	2,175	17.40
Other						
Publishing/Advertising	Official Journal	N	2,500	16.67	2,000	16.00
Rating Agency(s)				0.00		0.00
Insurance				0.00		0.00
Bond Commission	SBC	Y	100	0.67	100	0.80
Issuer Financing				0.00		0.00
Municipal Advisor				0.00		0.00
Trustee				0.00		0.00
Escrow Agent				0.00		0.00
Paying Agent				0.00		0.00
Feasibility Consultants				0.00		0.00
POS/OS Printing				0.00		0.00
Accounting				0.00		0.00
Account Verification				0.00		0.00
Escrow Verification				0.00		0.00
Contingencies				0.00		0.00
Total Other			2,600	17.33	2,100	16.80
TOTAL ISSUANCE COSTS			5,100	34.00	4,275	34.20



STATE BOND COMMISSION

July 15, 2021

Local Political Subdivisions - Bonds - Final Approval

SYNOPSIS

APPLICATION NO: L21-202

ENTITY: Jefferson Parish, Stonebridge Neighborhood Improvement and Beautification District

TYPE OF REQUEST: \$6,550,000 Revenue & Refunding Bonds

ANALYST: James Pounders

SUBMITTED BY:

C. Grant Schlueter, Foley & Judell, LLP

PARAMETERS:

Not exceeding \$6,550,000 Taxable Limited Tax Bonds, not exceeding 6%, mature no later than March 1, 2035, **(1)** approximately \$5,955,000 Refunding Bonds, refunding Taxable Limited Tax Bonds, Series 2018 and **(2)** approximately \$595,000 Revenue Bonds, acquiring, constructing, improving, operating and/or maintaining recreational and other facilities.

LEGISLATIVE AUTHORITY:

R.S. 39:501-531

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**
- ☐ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

July 15, 2021

Local Political Subdivisions - Bonds - Final Approval

ANALYSIS SUMMARY

APPLICATION NO: L21-202
ENTITY: Jefferson Parish, Stonebridge Neighborhood Improvement and Beautification District
TYPE OF REQUEST: \$6,550,000 Revenue & Refunding Bonds
ANALYST: James Pounders

PARAMETERS:

Not exceeding \$6,550,000 Taxable Limited Tax Bonds, not exceeding 6%, mature no later than March 1, 2035, **(1)** approximately \$5,955,000 Refunding Bonds, refunding Taxable Limited Tax Bonds, Series 2018 and **(2)** approximately \$595,000 Revenue Bonds, acquiring, constructing, improving, operating and/or maintaining recreational and other facilities.

The Stonebridge Neighborhood Improvement and Beautification District (the "District") is seeking approval for a current, non-economic refunding that will provide debt service relief by refinancing and extending the debt. The request also seeks approval for approximately \$595,000 in new money proceeds to fund improvements to the Stonebridge Golf Club (the "Club") located in Gretna, LA. Staff has been informed the intent is to add the new money proceeds and re-level debt service through the extended term.

The proposed debt will be issued as taxable as the prior bonds were taxable due to proceeds being partially used for operations and maintenance, not entirely for capital expenditures. Further, the Club is managed by a third party management company (Touchstone Golf, LLC) which would cause the bonds to be "private activity bonds" under the IRS Code. As such, the taxable designation provides the District with operational flexibility.

The District purchased the Club in 2018 and began renovations to the facilities at that time. The Club had been in disrepair and unconditioned since 2004 before its purchase. The District has faced the challenge of restoring the facilities while trying to improve its financial condition. This has proved difficult as increased rehabilitation costs and delays resulting from operating as a governmental entity and the COVID-19 pandemic have hampered the District's ability to achieve a positive net change in fund balance. The District expects that as renovations are completed, increased golf memberships and events at the Club will result in increased revenues.

New Money Uses:

Legal Fees	\$35,000
Small Kitchen Buildout	\$260,000
Updates to Existing Dining/Bar Event Center	\$100,000
Add to Contingency/Reserve Fund	\$200,000
Total	\$595,000

The Series 2018 bonds being refunded were originally issued to purchase the Club and related improvements, furnishings and equipment and to fund renovations and operating capital to keep the Club operational.

Original Asset Life:

The final maturity date of the bonds being refunded is March 1, 2033. The issuance of refunding bonds

**STATE BOND COMMISSION**

will result in the extension of maturity by two years. Staff has been informed the useful life of the underlying assets is greater than the proposed refunding bond's length of maturity.

Interest Rate Reduction:

Interest rate on outstanding Bonds	4.85% to 5.80%
Estimated interest rate on Refunding Bonds	4.85% to 5.80%

Refunding Effects:

Average Difference in Annual Debt Service	(\$40,214)
Estimated Total Difference in Debt Service	(\$603,207)
Estimated Present Value Difference in Debt Service	(\$142,157)

The refunding effects above are based on maximum parameters of 6% and reflect a more favorable Estimated Present Value Debt Difference in Debt Service than the Estimated Total Difference in Debt Service. This occurs due to the present value factor of the majority of savings of approximately \$615,268 taking place in the first 13 years, while the extension of the debt from 2033 to 2035 reflect additional debt services.

The redemption provisions reflect the bonds being refunded are not callable. However, the holder of the bonds, Hancock Whitney Bank, has agreed to the extension and new money proceeds. Staff has been informed Hancock Whitney required the extension of maturity for the refunded bonds in order to add the new money portion of the debt.

Calculation of Coverage Ratio:

Estimated Annual Proceeds from Pledged Millage	\$	956,844
Maximum Allowable Debt Service	75%	\$ 717,633
Maximum Current Debt Service	\$	677,042
Debt Service on Proposed Issue *	\$	669,075
Maximum Combined New Debt Service	\$	669,075
Legal Bonds Test		1.07

* Based on a term sheet from Hancock Whitney, the rate will be 4.85-5.80% on the proposed issuance which reflects a total debt service decrease from the prior bonds. Further, the debt service figure listed above is the last maturity of the bonds and at the max rate of 6%.

Outstanding Debt Secured by Same Pledge of Revenue Includes:

Taxable Limited Tax Bonds, Series 2018**

** To be refunded by the proposed issuance

The purposes of the requested bonds are consistent with the proposition purposes for the millage pledged as security.

Selection Method: Private Placement

Purchaser: Hancock Whitney

Terms:

Interest Rate Not exceeding 6%

Maturity No later than March 1, 2035

Security: Avails of a 44.02 tax authorized at an election held on November 18, 2017, to be levied through 2037.

In a letter dated June 18, 2021, Hancock Whitney Bank states their commitment to purchase the bonds.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # L21-202

Agenda Item # 12

Applicant: *

Stonebridge Neighborhood Improvement and Beautification District, Parish of Jefferson, State of Louisiana (the "Issuer")

Parameters / Purposes: *

Authority to issue, sell and deliver not exceeding Six Million Five Hundred Fifty Thousand Dollars (\$6,550,000) of Taxable Limited Tax Bonds, in one or more series (the "Bonds"), approximately \$5,955,000 Refunding Bonds for the purpose of (i) refunding and extending the Issuer's outstanding Taxable Limited Tax Bonds, Series 2018 (the "Refunded Bonds"), approximately \$595,000 Revenue Bonds for the purpose of (ii) acquiring, constructing, improving, operating and/or maintaining recreational and other facilities of the Issuer and (iii) paying the costs incurred in connection with the issuance thereof. The Bonds shall bear interest at a rate or rates not to exceed six percent (6%) per annum, to be determined by subsequent resolution of the Board of Commissioners of the Issuer at the time of the sale of the Bonds, and shall mature no later than March 1, 2035.

Citation(s): *

Part II of Chapter 4 of Subtitle II of Title 39

Security: *

an irrevocable pledge and dedication of the funds to be derived by the Issuer from the levy and collection of a 44.02 mills tax (such rate being subject to adjustment from time to time due to reassessment) authorized to be levied each year through the year 2037 within the boundaries of the Issuer, pursuant to an election held therein on 11/18/17

As Set Forth By: *

A resolution adopted on April 20, 2021 by the Board of Commissioners of the Issuer and a resolution adopted on May 19, 2021 by the Parish Council of the Parish of Jefferson, State of Louisiana

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 12

				\$6,550,000 L21-202		\$4,250,000 L21-049	
				Jefferson Parish, Stonebridge Neighborhood Improvement and Beautification District		East Carroll Parish, Lake Providence Port Commission	
		Paid From Proceeds		Revenue & Refunding Bonds July 15, 2021		Revenue & Refunding Bonds February 18, 2021	
Firm/Vendor		Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond	
ISSUANCE COSTS							
Legal							
Bond Counsel	Foley & Judell	Y	22,000	3.36	37,025	8.71	
Co-Bond Counsel	The Becknell Law Firm	Y	11,000	1.68		0.00	
Issuer Counsel				0.00	10,000	2.35	
Bank Counsel				0.00		0.00	
Underwriter Co-Counsel				0.00		0.00	
Preparation of Blue Sky Memo				0.00		0.00	
Preparation of Official Statements				0.00		0.00	
Bank Counsel				0.00	10,000	2.35	
Trustee Counsel				0.00		0.00	
Escrow Trustee Counsel				0.00		0.00	
Total Legal			33,000	5.04	57,025	13.42	
Credit Enhancement							
Bond Insurance				0.00		0.00	
Letter of Credit				0.00		0.00	
Guarantee				0.00	102,000	24.00	
Total Credit Enhancement			0	0.00	102,000	24.00	
Other							
Publishing/Advertising	The Advocate	Y	3,000	0.46	2,500	0.59	
Rating Agency(s)				0.00		0.00	
Insurance				0.00		0.00	
Bond Commission	SBC	Y	3,878	0.59	2,575	0.61	
Issuer Financing				0.00		0.00	
Municipal Advisor				0.00		0.00	
Trustee				0.00		0.00	
Escrow Agent				0.00		0.00	
Paying Agent				0.00	2,500	0.59	
Feasibility Consultants				0.00		0.00	
POS/OS Printing				0.00		0.00	
Accounting				0.00		0.00	
Account Verification				0.00		0.00	
Escrow Verification				0.00		0.00	
Contingencies				0.00		0.00	
Total Other			6,878	1.05	7,575	1.78	
TOTAL ISSUANCE COSTS			39,878	6.09	166,600	39.20	



STATE BOND COMMISSION

July 15, 2021

Local Political Subdivisions - Bonds - Final Approval

SYNOPSIS

APPLICATION NO: L21-223

ENTITY: LaSalle and Winn Parishes, Town of Tullos

TYPE OF REQUEST: \$620,000 Revenue Bonds and \$620,000 Bond Anticipation Notes

ANALYST: Ty DeLee

SUBMITTED BY:

Alan L. Offner, Foley & Judell, LLP

PARAMETERS:

(1) Not exceeding \$620,000 Water Revenue Bonds, not exceeding 2%, not exceeding 40 years, construct and acquire improvements and replacements to the waterworks system, including appurtenant equipment, accessories and fixtures; (2) Not exceeding \$620,000 Bond Anticipation Notes, not exceeding 4.5%, not exceeding one year, interim financing.

LEGISLATIVE AUTHORITY:

R.S. 39:528

R.S. 39:1430

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ❑ **Analysis Summary**
- ❑ **Approval Parameter Form**
- ❑ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

July 15, 2021

Local Political Subdivision - Bonds - Final Approval

ANALYSIS SUMMARY

APPLICATION NO: L21-223
ENTITY: LaSalle and Winn Parishes, Town of Tullos
TYPE OF REQUEST: \$620,000 Revenue Bonds
 \$620,000 Bond Anticipation Notes
ANALYST: Ty DeLee

PARAMETERS:

(1) Not exceeding \$620,000 Water Revenue Bonds, not exceeding 2%, not exceeding 40 years, construct and acquire improvements and replacements to the waterworks system, including appurtenant equipment, accessories and fixtures; (2) Not exceeding \$620,000 Bond Anticipation Notes, not exceeding 4.5%, not exceeding one year, interim financing.

The Town will use proceeds and the associated US Department of Agriculture Rural Development Grant funds to construct a water treatment plant to eliminate current problems with the Town's drinking water. The improvements in this project will also include a backwash waste lift station, waste force main and emergency power generator. The current water system is noncompliant with the Louisiana Department of Health's Sanitary Code, exceeding limits for Total Trihalomethanes (TTHMs), and the entity is currently on the Louisiana Legislative Auditor's Fiscally Distressed Municipalities List due to the "significant problems with its water system."

Maximum Interest Cost 2.0%
 Maximum Debt Service \$55,366 *

Calculation of Coverage Ratio:

Annual Net Income Excluding Debt Service and Depreciation	\$	88,150
Maximum Current Debt Service	\$	-
Debt Service on Proposed Issue	\$	55,366
Maximum Combined New Debt Service	\$	55,366
Coverage Ratio		1.59

* The maximum debt service figure used for coverage includes debt service for the proposed loan, debt service reserve payments and funding a short-lived assets fund.

Outstanding Debt Secured by Same Pledge of Revenues Includes: None

The purchase price for the approximately one acre tract of land (adjacent to the current Water Well No. 1 site) on Highway 127 in Olla, Louisiana, being purchased for this project is \$6,500. An appraisal dated April 14, 2021, estimated the market value of the land to be \$6,500, which does approximate the purchase price.

Selection Method: Private Placement
 Purchaser: Bonds - US Department of Agriculture (USDA)
 BANs - Southern Heritage Bank - \$372,000
 LPFA - \$248,000



STATE BOND COMMISSION

Terms:

Interest Rate Bonds - Not exceeding 2%
 BANs - Not exceeding 4.5%

Maturity Bonds - Not exceeding 40 years
 BANs - Not exceeding 1 year

Security: Bonds - Income and revenues derived or to be derived from the operation of the Town's waterworks system after paying the reasonable and necessary expenses of operating and maintaining the system.
 BANs - Proceeds to be derived from the sale and issuance of the Bonds.

Project Revenue Sources Include:

Bond Proceeds	\$ 620,000
USDA Grant	<u>\$ 1,674,200</u>
Total	\$ 2,294,200

In letters dated June 11, 2021, Southern Heritage Bank and the LPFA express willingness to purchase the Bond Anticipation Notes. In a letter dated May 8, 2020, the USDA expresses the offer of the Rural Development Loan.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

Agenda Item # 13
SBC Tracking # L21-223

Applicant: *

Town of Tullos, State of Louisiana

Parameters / Purposes: *

Bonds:

To issue not exceeding \$620,000 of Water Revenue Bonds, to be issued in the form of two bonds, with Bond R-1 being in the principal amount of not exceeding \$473,000, bearing interest at a rate not exceeding 2.00% per annum, and Bond R-2 being in the principal amount of not exceeding \$147,000, bearing interest at a rate not exceeding 1.375% per annum, which bonds will be payable over a period of not exceeding 40 years from the date thereof, to construct and acquire improvements and replacements to the waterworks system of the Town, including appurtenant equipment, accessories and fixtures, a work of public improvement.

BANs:

To issue not exceeding \$620,000 of Bond Anticipation Notes, to bear interest at a rate or rates not to exceed (4.5%) per annum and mature no later than one (1) year from the date thereof, to provide interim financing.

Citation(s): *

Bonds: R.S. 39:1430; BANs: 39:528

Security: *

Bonds: Income and revenues derived or to be derived by the Town from the operation of its waterworks system, after paying the reasonable and necessary expenses of operating and maintaining the System; BANs: payable from the proceeds to be derived from the sale and issuance of the Bonds

As Set Forth By: *

a resolution adopted on June 7, 2021 by the Mayor and Board of Aldermen of the Town of Tullos, State of Louisiana

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 13

			\$620,000 L21-223 LaSalle and Winn Parishes, Town of Tullos Revenue Bonds and BANs July 15, 2021		\$588,000 L20-377 Franklin Parish, Village of Gilbert Revenue Bonds and BANs October 15, 2020	
	Firm/Vendor	Paid From Proceeds Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS						
Legal						
Bond Counsel	Foley & Judell	Y	10,050	16.21	9,550	16.24
Co-Bond Counsel				0.00		0.00
Issuer Counsel				0.00		0.00
Underwriter Counsel				0.00		0.00
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements				0.00		0.00
DEQ Counsel				0.00		0.00
Trustee Counsel				0.00		0.00
Escrow Trustee Counsel				0.00		0.00
Total Legal			10,050	16.21	9,550	16.24
Other						
Publishing/Advertising	Jena Times	Y	3,500	5.65	4,500	7.65
Rating Agency(s)				0.00		0.00
Insurance				0.00		0.00
Bond Commission	SBC	Y	397	0.64	378	0.64
Issuer Financing				0.00		0.00
Municipal Advisor				0.00	4,500	7.65
Trustee				0.00		0.00
Escrow Agent				0.00		0.00
Paying Agent				0.00	750	1.28
Feasibility Consultants				0.00		0.00
POS/OS Printing				0.00		0.00
Accounting				0.00		0.00
Account Verification				0.00		0.00
Escrow Verification				0.00		0.00
Contingencies				0.00		0.00
Total Other			3,897	6.29	10,128	17.22
TOTAL ISSUANCE COSTS			13,947	22.50	19,678	33.47
INDIRECT COSTS						
Beneficiary Organizational						
Beneficiary Counsel				0.00		0.00
Development				0.00		0.00
Title & Rights-of-Way	Gold Law Firm	Y	5,500	8.87	5,400	9.18
Consultant				0.00		0.00
Insurance				0.00		0.00
Engineer*	Pan American Engineers, Inc.		342,250	552.02	211,835	360.26
Total Beneficiary Organizational			347,750	560.89	217,235	369.45
TOTAL INDIRECT COSTS			347,750	560.89	217,235	369.45
TOTAL ISSUANCE AND INDIRECT COSTS			361,697	583.38	236,913	402.91

* Engineering fees consist of the following: Basic engineering services - \$153,400; Inspection services - \$101,200; Other costs - \$87,750. Engineering fees will be paid from both BANs/Bond proceeds and grant proceeds.



STATE BOND COMMISSION

July 15, 2021

Local Political Subdivisions - Bonds - Final Approval

SYNOPSIS

APPLICATION NO: L21-228

ENTITY: Rapides Parish, Town of Ball

TYPE OF REQUEST: \$1,200,000 Revenue Bonds

ANALYST: Stephanie Blanchard

SUBMITTED BY:

Brennan K. Black, Foley & Judell, LLP

PARAMETERS:

Not exceeding \$1,200,000 Sewer Revenue Bonds, or other evidences of indebtedness, in one or more series, not exceeding 5%, not exceeding 20 years, acquiring, constructing, extending and improving the sewer collection, treatment and disposal system, including equipment and fixtures.

LEGISLATIVE AUTHORITY:

R.S. 39:524

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**
- ☐ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

July 15, 2021

Local Political Subdivision - Bonds - Final Approval

ANALYSIS SUMMARY

APPLICATION NO: L21-228
ENTITY: Rapides Parish, Town of Ball
TYPE OF REQUEST: \$1,200,000 Revenue Bonds
ANALYST: Stephanie Blanchard

PARAMETERS:

Not exceeding \$1,200,000 Sewer Revenue Bonds, or other evidences of indebtedness, in one or more series, not exceeding 5%, not exceeding 20 years, acquiring, constructing, extending and improving the sewer collection, treatment and disposal system, including equipment and fixtures.

Bond proceeds will be used for the construction of a new lift station on Camp Livingston Road.

Maximum Interest Cost 5%
Maximum Debt Service \$99,000

Calculation of Coverage Ratio:

Annual Net Income Excluding Debt Service and Depreciation	\$ 271,543
Maximum Current Debt Service	\$ -
Debt Service on Proposed Issue	\$ 99,000
Maximum Combined New Debt Service	\$ 99,000
Coverage Ratio	2.74

* Annual Net Income is based upon projections provided by the Town after 1st full year of project completion in FY 2024, inclusive of a rate increase adopted by the Town on May 19, 2020 with an effective date of June 1, 2020.

Outstanding Debt Secured by Same Pledge of Revenue Includes: None

Selection Method: Private Placement
Purchaser: Cottonport Bank
Terms:
Interest Rate Not exceeding 5%
Maturity Not exceeding 20 years
Security: Income and revenues derived or to be derived from the operation of the sewer collection, treatment and disposal system (the "System"), after paying the reasonable and necessary expenses of administering, operating and maintaining the System.

In a letter dated June 9, 2021, Cottonport Bank has agreed to purchase the bonds.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # L21-228
Agenda Item # 14

Applicant: *

Town of Ball, State of Louisiana (the "Issuer")

Parameters / Purposes: *

Not exceeding One Million Two Hundred Thousand Dollars (\$1,200,000) of Sewer Revenue Bonds, or other evidences of indebtedness (collectively, the "Bonds"), in the name of the Issuer, in one or more series, the proceeds of which will be used to pay the cost of acquiring, constructing, extending and improving the sewer system of the Issuer (the "System"), including equipment and fixtures therefor, and paying costs of issuance of the Bonds. The Bonds shall be of such series, bear such dates, mature at such time or times, not to exceed twenty (20) years from their date of issuance, bear interest at such rate or rates not exceeding 5.00% per annum, be sold at such price or prices, be in such denomination or denominations, be in fully registered form, carry such registration privileges, be payable in such medium of payment and at such place or places, be subject to such terms of prepayment and be entitled to such priorities on the income and revenues of the System as the Issuer may provide by ordinance(s) adopted at the time or times of issuance of the Bonds.

Citation(s): *

La. R.S. 39:524

Security: *

The income & revenues derived or to be derived by the Issuer from the operation of the sewer system of the Issuer, after paying the reasonable & necessary expenses of administering, operating and maintaining the System

As Set Forth By: *

Resolution adopted by the Mayor and Board of Aldermen of the Issuer on June 15, 2021.

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 14

			\$1,200,000 L21-228		\$1,900,000 L20-367	
			Rapides Parish, Town of Ball		Ouachita Parish, Cadeville Water District (LDH Program)	
		Paid From Proceeds	Revenue Bonds July 15, 2021		Revenue Bonds September 17, 2020	
Firm/Vendor		Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS						
Legal						
Bond Counsel	Foley & Judell, LLP	Y	20,000	16.67	25,375	13.36
Co-Bond Counsel				0.00		0.00
Issuer Counsel				0.00	5,000	2.63
Underwriter Counsel				0.00		0.00
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements				0.00		0.00
DEQ Counsel				0.00		0.00
Trustee Counsel				0.00		0.00
Escrow Trustee Counsel				0.00		0.00
Total Legal			20,000	16.67	30,375	15.99
Other						
Publishing/Advertising	The Town Talk	Y	2,500	2.08	5,000	2.63
Rating Agency(s)				0.00		0.00
Insurance				0.00		0.00
Bond Commission	SBC	Y	745	0.62	1,165	0.61
Issuer Financing				0.00		0.00
Municipal Advisor				0.00		0.00
Trustee				0.00		0.00
Escrow Agent				0.00		0.00
Paying Agent				0.00		0.00
Feasibility Consultants				0.00		0.00
POS/OS Printing				0.00		0.00
Accounting				0.00		0.00
CPA Fees	Rozier McKay & Willis	Y	10,000	8.33		0.00
Escrow Verification				0.00		0.00
Contingencies				0.00		0.00
Total Other			13,245	11.04	6,165	3.24
TOTAL ISSUANCE COSTS			33,245	27.70	36,540	19.23



STATE BOND COMMISSION

July 15, 2021

Local Political Subdivisions - Bonds - Final Approval

SYNOPSIS

APPLICATION NO: L21-235

ENTITY: Sabine Parish, Waterworks District No. 1 (LDH Program)

TYPE OF REQUEST: \$200,000 Revenue Bonds

ANALYST: Allison Roy

SUBMITTED BY:

David Wolf, Adams and Reese LLP

PARAMETERS:

Not exceeding \$200,000 Taxable Excess Revenue Bond, non-interest bearing, not exceeding 10 years, acquiring, constructing and installing improvements, extension and additions to the drinking water system, including the acquisition and consolidation of the Ajax-Beulah Water Association into the District's water system.

LEGISLATIVE AUTHORITY:

R.S. 39:526

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**
- ☐ **Fee Comparison Worksheet**



STATE BOND COMMISSION

July 15, 2021

Local Political Subdivision - Bonds - Final Approval

ANALYSIS SUMMARY

APPLICATION NO: L21-235
ENTITY: Sabine Parish, Waterworks District No. 1 (LDH Program)
TYPE OF REQUEST: \$200,000 Revenue Bonds
ANALYST: Allison Roy

PARAMETERS:

Not exceeding \$200,000 Taxable Excess Revenue Bond, non-interest bearing, not exceeding 10 years, acquiring, constructing and installing improvements, extension and additions to the drinking water system, including the acquisition and consolidation of the Ajax-Beulah Water Association into the District's water system.

The District is seeking to increase their original loan amount of \$2,295,000 that was approved by the SBC on March 31, 2020 by \$200,000. Staff has been informed the increase is a result of the recent increases to the price of materials necessary for the project.

The proceeds will be used for the consolidation of Sabine Parish Waterworks District No.1 (the "District") and the Ajax-Beulah Water Association ("Ajax"). The District will absorb Ajax and will own, operate and maintain the Ajax system as a result of this project. The project consists of installing various distribution piping, valving and metering improvements to connect the existing distribution systems, in addition to construction of a granular activated carbon (GAC) treatment unit, ground storage tank, booster station and chlorination systems, site piping and site work. The USDA Rural Utilities Service has approved the takeover of the Ajax system by the District.

These bonds will be purchased by the Drinking Water Revolving Loan Fund (DWRLF), which is administered by the Louisiana Department of Health (LDH). The DWRLF is funded in part with capitalization grants from the U.S. Environmental Protection Agency (EPA). Under federal law, EPA requires that each state use a certain percentage of its annual grant funds to provide additional subsidization to loan recipients in the form of grants, negative interest rate loans and/or principal forgiveness. Because the DWRLF is not empowered under state law (R.S. 40:2821, et seq.) to make grants or to structure negative interest rate loans, it complies with the terms of the EPA Grant by providing principal forgiveness on new loans.

The LDH has formulated program guidelines, which essentially provides for partial forgiveness loans, and 100% forgiveness loans. Staff has relied on the LDH Administrator to assure the entity is a qualified applicant and meets all program eligibility requirements. Pursuant to a letter dated May 26, 2021, from LDH, the District meets all program eligibility requirements and has been granted a 100% forgiveness loan. Due to the nature of the transaction, a coverage ratio was not completed.

Selection Method: Private Placement
Purchaser: LDH (Drinking Water Revolving Loan Fund)
Terms:
 Interest Rate Non-interest bearing
 Maturity Not exceeding 10 years
Security: Revenues of the District



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # L21-235
Agenda Item # 15

Applicant: * Sabine Parish Waterworks District No. 1, State of Louisiana

Parameters / Purposes: *

ISSUE AND PURPOSE: Increasing the indebtedness of the previously issued Two Million Two Hundred Ninety Five Thousand Dollar (\$2,295,000) Taxable Excess Revenue Bond, by an amount not to exceed Two Hundred Thousand Dollars (\$200,000), by issuing a replacement not exceeding Two Million Four Hundred Ninety Five Thousand Dollar (\$2,495,000) Taxable Excess Revenue Bond, to be issued by the District for the purpose of acquiring, constructing and installing improvements, extensions and additions to the drinking water system of the District, including the acquisition and consolidation of the Ajax-Beulah Water Association into the District's water system.

CITATION: The Bond shall be issued pursuant to the Consolidated Local Government Public Finance Act, specifically La. R.S. 39:526 and other constitutional and statutory authority supplemental thereto.

INTEREST AND MATURITY: The Bond shall be non-interest bearing, and mature not later than ten (10) years from the date of the original bond.

SECURITY: The Bond shall be secured by and payable from the revenues of the District of subsequent years, after the payment from such revenues of (1) all charges required by law or regulation, (2) all contractual obligations, (3) all necessary and usual charges provided for by ordinance or resolution, excluding depreciation and (4) all payments in respect of bonds for which a pledge or dedication of specified taxes or revenues has been provided by law or in proceedings authorizing such bonds, regardless of the date of issue of such bonds, including any senior lien bonds.

Citation(s): * As stated above under CITATION

Security: * As stated above under SECURITY

As Set Forth By: * A resolution adopted by the governing authority of the District on February 3, 2020 and June 7, 2021.

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 15

			\$200,000 L21-235		\$300,000 L21-218	
			Sabine Parish, Waterworks District No. 1 (LDH Program)		West Carroll Parish, Town of Oak Grove (DEQ Project)	
			Revenue Bonds July 15, 2021		Revenue Bonds June 17, 2021	
Firm/Vendor		Paid From Proceeds Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS						
Legal						
Bond Counsel	Adams and Reese LLP	Y	3,500	17.50	5,000	16.67
Co-Bond Counsel				0.00		0.00
Issuer Counsel	Tony C. Tillman, Esq.	Y	3,500	17.50		0.00
Underwriter Counsel				0.00		0.00
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements				0.00		0.00
DEQ Counsel				0.00	3,500	11.67
Trustee Counsel				0.00		0.00
Escrow Trustee Counsel				0.00		0.00
Total Legal			7,000	35.00	8,500	28.33
Other						
Publishing/Advertising	Sabine Index	Y	1,500	7.50	1,000	3.33
Rating Agency(s)				0.00		0.00
Insurance				0.00		0.00
Bond Commission	SBC	Y	130	0.65	195	0.65
Issuer Financing				0.00		0.00
Municipal Advisor				0.00		0.00
Trustee				0.00		0.00
Escrow Agent				0.00		0.00
Paying Agent				0.00	2,500	8.33
Feasibility Consultants				0.00		0.00
POS/OS Printing				0.00		0.00
Accounting				0.00		0.00
Account Verification				0.00		0.00
Escrow Verification				0.00		0.00
Contingencies				0.00		0.00
Total Other			1,630	8.15	3,695	12.32
TOTAL ISSUANCE COSTS			8,630	43.15	12,195	40.65



STATE BOND COMMISSION

July 15, 2021

Local Political Subdivisions - Refinancings

SYNOPSIS

APPLICATION NO: L21-226

ENTITY: Beauregard Parish, Waterworks District No. 3

TYPE OF REQUEST: \$3,000,000 Refunding Bonds

ANALYST: Ty DeLee

SUBMITTED BY:

Joseph A. Delafield, Joseph A. Delafield - A Professional Corporation

PARAMETERS:

Not exceeding \$3,000,000 Water Revenue Refunding Bonds, not exceeding 4%, mature no later than January 1, 2034, refunding Water Revenue Bonds, Series 2012A and 2013.

LEGISLATIVE AUTHORITY:

R.S. 39:501, et seq.

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ❑ **Analysis Summary**
- ❑ **Approval Parameter Form**
- ❑ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

July 15, 2021

Local Political Subdivisions - Refinancings

ANALYSIS SUMMARY

APPLICATION NO: L21-226
ENTITY: Beauregard Parish, Waterworks District No. 3
TYPE OF REQUEST: \$3,000,000 Refunding Bonds
ANALYST: Ty DeLee

PARAMETERS:

Not exceeding \$3,000,000 Water Revenue Refunding Bonds, not exceeding 4%, mature no later than January 1, 2034, refunding Water Revenue Bonds, Series 2012A and 2013.

The District is seeking approval for a current economic refunding that will provide approximately \$281,053 in gross debt service savings benefits.

The Series 2012A and 2013 bonds being refunded were originally issued for constructing, acquiring, extending and improving the waterworks system.

Original Asset Life:

The final maturity dates of the Series 2012A and 2013 bonds being refunded are January 1, 2032, and January 1, 2034. The issuance of refunding bonds will result in the same maturities.

Interest Rate Reduction:

	Series 2012A	Series 2013
Interest rate on outstanding Bonds	2.90% to 5.00%	3.45%
Estimated interest rate on Refunding Bonds	2.00%	2.00%

Present Value / Future Value Savings:

Average Annual Savings	\$17,752	\$9,702
Estimated Total Gross Debt Service Savings	\$195,276	\$116,422
Transfer from Prior Debt Service Reserve Fund	(\$156,885)	(\$144,460)
Deposit into New Debt Service Reserve Fund	\$133,000	\$137,700
Estimated Net Present Value Debt Service Savings	\$155,416	\$98,236
Net Present Value Savings as % of Refunded Principal:	11.774%	6.606%

The redemption provisions reflect the Series 2012A bonds being refunded were callable on January 1, 2017, and the Series 2013 bonds are callable at any time. Therefore this level of current value savings falls within SBC guidelines. The refunding results presented above projects an executed call date of August 15, 2021.

Selection Method: TBD

Purchaser: TBD

Terms:

Interest Rate Not exceeding 4%

Maturity No later than January 1, 2034

Security: Revenues from the operation of the water and sewer system after reasonable and necessary expenses.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # L21-226
Agenda Item # 16

Applicant: * Waterworks District No. 3 of Beauregard Parish, Louisiana

Parameters / Purposes: *

to refund certain outstanding maturities of the District's Water Revenue Bonds, Series 2012A, and its Taxable Water Revenue Bonds, Series 2013, involving issuance of not to exceed \$3,000,000 Water Revenue Refunding Bonds, Series 2021 (the "Bonds"), to mature not later than January 1, 2034, at a rate or rates of interest not exceeding 4.00% per annum to be secured by revenues from operation of the water and sewer system after reasonable and necessary expenses

Citation(s): * La. R.S. 39:501 et seq.

Security: * Revenues from operation of the water and sewer system of the District after reasonable and necessary expenses

As Set Forth By: * a resolution of the Board of Commissioners, governing authority of the District, adopted on May 25, 2021 and a resolution of the Beauregard Parish Police Jury adopted on June 8, 2021

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 16

			\$3,000,000 L21-226		\$4,500,000 L21-091	
			Beauregard Parish, Waterworks District No. 3		Allen Parish, Town of Kinder	
			Refunding Bonds July 15, 2021		Refunding Bonds March 18, 2021	
	Firm/Vendor	Paid From Proceeds Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS						
Legal						
Bond Counsel	Joseph Delafield	Y	35,775	11.93	40,775	9.06
Co-Bond Counsel				0.00		0.00
Issuer Counsel				0.00		0.00
Underwriter Counsel	Jones Walker	Y	20,000	6.67	17,500	3.89
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements				0.00	10,000	2.22
DEQ Counsel				0.00		0.00
Trustee Counsel				0.00		0.00
Escrow Trustee Counsel				0.00		0.00
Total Legal			55,775	18.59	68,275	15.17
Underwriting						
Sales Commission*	Crews and Associates	Y	30,000	10.00	56,250	12.50
Management Fees				0.00		0.00
MSRP/CUSIP/PSA				0.00		0.00
Takedown				0.00		0.00
Day Loan				0.00		0.00
Placement Fee*	Crews and Associates	Y	30,000	10.00		0.00
Total Underwriting			60,000	20.00	56,250	12.50
Credit Enhancement						
Bond Insurance	TBD	Y	25,000	8.33	41,500	9.22
Letter of Credit				0.00		0.00
Surety	TBD	Y	10,000	3.33	9,200	2.04
Total Credit Enhancement			35,000	11.67	50,700	11.27
Other						
Publishing/Advertising	Official Journals	Y	4,500	1.50	5,000	1.11
Rating Agency(s)	S&P	Y	12,500	4.17		0.00
Insurance				0.00		0.00
Bond Commission	SBC	Y	1,825	0.61	2,725	0.61
Issuer Financing				0.00		0.00
Municipal Advisor	Government Consultants	Y	13,500	4.50	10,500	2.33
Trustee				0.00	3,500	0.78
Escrow Agent				0.00		0.00
Paying Agent	Hancock Whitney Bank	Y	2,500	0.83	1,500	0.33
Feasibility Consultants				0.00		0.00
POS/OS Printing				0.00		0.00
Accounting				0.00		0.00
Account Verification				0.00		0.00
Escrow Verification				0.00		0.00
Contingencies		Y	1,000	0.33		0.00
Total Other			35,825	11.94	23,225	5.16
TOTAL ISSUANCE COSTS			186,600	62.20	198,450	44.10

* It has not yet been determined whether the bonds will be underwritten or placed. In no event will the issuer incur fees for both Placement and Underwriting



STATE BOND COMMISSION

July 15, 2021

Local Political Subdivisions - Refinancings

SYNOPSIS

APPLICATION NO: L21-229

ENTITY: Caddo Parish School Board, Parishwide School District

TYPE OF REQUEST: \$6,500,000 Refunding Bonds

ANALYST: Ty DeLee

SUBMITTED BY:

C. Grant Schlueter, Foley & Judell, LLP

PARAMETERS:

Not exceeding \$6,500,000 General Obligation School Refunding Bonds, not exceeding 3%, mature no later than March 1, 2029, refunding General Obligation School Refunding Bonds, Series 2012.

LEGISLATIVE AUTHORITY:

R.S. 39:501, et seq.

RECOMMENDATION:

The staff recommends approval of this application.

ATTACHMENTS:

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**
- ☐ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

July 15, 2021

Local Political Subdivisions - Refinancings

ANALYSIS SUMMARY

APPLICATION NO: L21-229
ENTITY: Caddo Parish School Board, Parishwide School District
TYPE OF REQUEST: \$6,500,000 Refunding Bonds
ANALYST: Ty DeLee

PARAMETERS:

Not exceeding \$6,500,000 General Obligation School Refunding Bonds, not exceeding 3%, mature no later than March 1, 2029, refunding General Obligation School Refunding Bonds, Series 2012.

The School Board is seeking approval for a current economic refunding that will provide approximately \$334,556 in gross debt service savings benefits to the District.

The Series 2012 bonds being refunded were originally issued for refunding General Obligation Bonds, Series 2004.

Original Asset Life:

The final maturity date of the bonds being refunded is March 1, 2029. The issuance of refunding bonds will result in the same maturity.

Interest Rate Reduction:

Interest rate on outstanding Bonds	2.875% to 3.125%
Estimated interest rate on Refunding Bonds	2.000% to 3.000%

Present Value / Future Value Savings:

Average Annual Savings	\$41,820
Estimated Total Gross Debt Service Savings	\$334,556
Sinking/Reserve Fund Transfer Amount	\$0
Estimated Net Present Value Debt Service Savings	\$322,376
Net Present Value Savings as % of Refunded Principal:	5.373%

The refunding analysis reflects bonds being issued with a premium & All Inclusive TIC of 1.618%.

The redemption provisions reflect the bonds being refunded are callable on March 1, 2022, therefore this level of current value savings falls within SBC guidelines. Staff has been informed the bonds will be issued in December 2021, which is within 90 days of the call date, resulting in the issuance being considered as a current refunding.

Estimated Millage Requirement:

Current Millage	0.52
Projected Millage Reduction	<u>0.03</u>
Total Millage After Refunding	0.49

Selection Method: TBD
 Underwriter: Crews and Associates, Inc.
 Terms:
 Interest Rate: Not exceeding 3%
 Maturity: no later than March 1, 2029
 Security: Unlimited Ad Valorem Taxes



LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS

SBC Tracking # L21-229

Agenda Item # 17

Applicant: *

Parishwide School District of Caddo Parish, Louisiana

Parameters / Purposes: *

Not exceeding Six Million Five Hundred Thousand Dollars (\$6,500,000) of General Obligation School Refunding Bonds (the "Bonds"), of Parishwide School District of Caddo Parish, Louisiana, in one or more series, to be issued for the purpose of refunding all or any portion of the Issuer's outstanding General Obligation School Refunding Bonds, Series 2012, dated May 1, 2012, and paying the costs of issuance of the Bonds. The Bonds shall bear interest at a rate or rates not to exceed three percent (3%) per annum and shall mature no later than March 1, 2029.

Citation(s): *

Part II of Ch 4 of Sub II of Title 39 of LA RS 1950

Security: *

secured by unlimited ad valorem taxes now being levied and collected annually in excess of all other taxes on all the property subject to taxation within the territorial limits of the Issuer.

As Set Forth By: *

A resolution adopted on June 15, 2021 by the Parish School Board of the Parish of Caddo, State of Louisiana

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 17

			\$6,500,000 L21-229		\$6,200,000 L21-083	
			Caddo Parish School Board, Parishwide School District		Ouachita Parish School Board, East Ouachita School District	
			Paid From Proceeds	Refunding Bonds July 15, 2021	Refunding Bonds March 18, 2021	
Firm/Vendor	Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond	
ISSUANCE COSTS						
Legal						
Bond Counsel	Foley & Judell/Butler Snow	Y	44,275	6.81	45,875	7.40
Co-Bond Counsel				0.00		0.00
Issuer Counsel				0.00		0.00
Underwriter Counsel				0.00		0.00
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements	Foley & Judell/Butler Snow	Y	20,000	3.08	20,000	3.23
DEQ Counsel				0.00		0.00
Purchaser Counsel				0.00	7,500	1.21
Escrow Trustee Counsel				0.00		0.00
Total Legal			64,275	9.89	73,375	11.83
Underwriting						
Sales Commission*	Crews and Associates	Y	48,750	7.50	18,250	2.94
Management Fees				0.00	5,000	0.81
MSRP/CUSIP/PSA				0.00	20,150	3.25
Takedown				0.00		0.00
Day Loan				0.00		0.00
Placement Fee*	Crews and Associates	Y	48,750	7.50	21,700	3.50
Total Underwriting			97,500	15.00	65,100	10.50
Credit Enhancement						
Bond Insurance	TBD	Y	30,000	4.62	50,000	8.06
Letter of Credit				0.00		0.00
Surety				0.00		0.00
Total Credit Enhancement			30,000	4.62	50,000	8.06
Other						
Publishing/Advertising	The Times	Y	2,500	0.38	2,500	0.40
Rating Agency(s)	S&P	Y	15,000	2.31	16,750	2.70
Insurance				0.00		0.00
Bond Commission	SBC	Y	3,850	0.59	3,685	0.59
Issuer Financing				0.00		0.00
Municipal Advisor	Argent Advisors, Inc.	Y	6,500	1.00	15,000	2.42
Trustee				0.00		0.00
Escrow Agent/Trustee	Argent Trust Company	Y	2,500	0.38	3,000	0.48
Paying Agent	Argent Trust Company	Y	1,500	0.23		0.00
Feasibility Consultants				0.00		0.00
POS/OS Printing and Posting	Alphagraphics/I-Deal	Y	2,000	0.31	2,000	0.32
Accounting				0.00		0.00
Account Verification				0.00		0.00
Escrow Verification	TBD	Y	2,500	0.38	2,500	0.40
Contingencies				0.00		0.00
Total Other			36,350	5.59	45,435	7.33
TOTAL ISSUANCE COSTS			228,125	35.10	233,910	37.73

* It has not yet been determined whether the bonds will be underwritten or placed. In no event will the issuer incur fees for both Placement and Underwriting.



STATE BOND COMMISSION

July 15, 2021

Local Political Subdivisions - Refinancings

SYNOPSIS

APPLICATION NO: L21-234

ENTITY: Natchitoches Parish, Waterworks District No. 2

TYPE OF REQUEST: \$5,000,000 Refunding Bonds

ANALYST: Stephanie Blanchard

SUBMITTED BY:

Wesley S. Shafto, Boles Shafto, LLC

PARAMETERS:

Not exceeding \$5,000,000 Water Revenue Refunding Bonds, in one or more series, not exceeding 4%, mature no later than November 1, 2036, **(1)** refunding Water Revenue Refunding Bonds, Series 2016A and 2016B and **(2)** funding a debt service reserve fund, if necessary.

LEGISLATIVE AUTHORITY:

R.S. 39:501, et seq.
R.S. 39:1444-1456

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**
- ☐ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

July 15, 2021

Local Political Subdivisions - Refinancings

ANALYSIS SUMMARY

APPLICATION NO: L21-234
ENTITY: Natchitoches Parish, Waterworks District No. 2
TYPE OF REQUEST: \$5,000,000 Refunding Bonds
ANALYST: Stephanie Blanchard

PARAMETERS:

Not exceeding \$5,000,000 Water Revenue Refunding Bonds, in one or more series, not exceeding 4%, mature no later than November 1, 2036, **(1)** refunding Water Revenue Refunding Bonds, Series 2016A and 2016B and **(2)** funding a debt service reserve fund, if necessary.

The District is seeking approval for current refundings that will provide approximately \$199,261 in gross debt service savings benefits to the District

Refunding of the 2016A bonds will be an economic refunding, while the refunding of the 2016B bonds will be a non-economic refunding that will provide debt service relief by readjusting, restructuring, refinancing, extending, or unifying the debt. The District intends to eliminate the Debt Service Reserve Funds for both series and replace with a surety if necessary. If a potential purchaser does not need a debt service reserve fund or surety, the District could possibly downsize the issue or shorten the refinancing by 3 to 4 years to provide greater flexibility for the District. In addition, as one issue with one indenture, rate covenants could be lowered.

The Series 2016A and 2016B bonds being refunded were originally issued for refunding the Water Revenue Bonds, Series 2004, 2008 & 2010 and Certificates of Indebtedness, Series 2012 and providing a reserve fund.

Original Asset Life:

The final maturity date of the bonds being refunded is 2016A and 2016B is November 1, 2036 and November 1, 2026 respectively.

Interest Rate Reduction:

	Series 2016A	Series 2016B
Interest rate on outstanding Bonds	3.0% to 3.375%	2.40%
Estimated interest rate on Refunding Bonds	3.0%	3.0%
All Inclusive TIC	2.539905%	3.107178%

Present Value / Future Value Savings:

Average Annual Savings	\$30,383	\$35,329
Estimated Total Gross Debt Service Savings	\$486,134	\$211,974
Transfers from Prior Issue DSR Fund	(\$224,481)	(\$274,366)
Estimated Net Present Value Debt Service Savings	\$246,231	(\$18,725)
Net Present Value Savings as % of Refunded Principal:	8.207709%	-1.004032%

* Series 2016B reflects positive Average Annual Savings and Estimated Total Gross Debt Service Savings; however, the Estimated Net Present Value Debt Service Savings and Net Present Value Savings as % of Refunded Principal are negative; therefore, the refunding of Series 2016B is considered a non-economic refunding. The positive gross savings is reflected prior to the release of the prior issue Debt Service Reserve Funds.



STATE BOND COMMISSION

The redemption provisions reflect the bonds being refunded are callable on November 1, 2021, therefore this level of current value savings falls within SBC guidelines. Staff has been informed the bonds will be issued in August, which is within 90 days of the call date, resulting in the issuance being considered as a current refunding.

Selection Method:	TBD
Purchaser:	Piper Sandler & Co.
Terms:	
Interest Rate	Not exceeding 4%
Maturity	No later than November 1, 2036
Security:	Revenues derived solely from the ownership and operation of the waterworks system (the "System"), after payment of the reasonable and necessary costs of operating and maintaining the System



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # L21-234
Agenda Item # 18

Applicant: * Natchitoches Waterworks District No. 2, State of Louisiana

Parameters / Purposes: *

Authority to issue, sell and deliver Water Revenue Refunding Bonds, in one or more series, in an amount not exceeding Five Million Dollars (\$5,000,000), bearing interest at a rate or rates of not to exceed five percent (4.00%), maturing not later than November 1, 2036 for the purposes of (i) providing for a current refunding of: (a) Three Million Dollars (\$3,000,000) Water Revenue Refunding Bonds, Series 2016A; and (b) Three Million Five Hundred Seventy-Five Thousand Dollars (\$3,575,000) Water Revenue Refunding Bonds, Series 2016B (the "Refunded Bonds"); (ii) funding a debt service reserve fund or paying the cost of a debt service reserve policy, if necessary.

Citation(s): * Chapters 14 & 14A of Title 39 and La.R.S. 39:501

Security: * Revenues derived from the ownership and operation of the waterworks system (the "System"), after the payment of the reasonable and necessary costs of operating and maintaining the System (the "Net Revenues of the System").

As Set Forth By: * Resolution adopted by the District on May 19, 2021 and resolution adopted by the Parish Council on June 21, 2021.

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 18

			\$5,000,000 L21-234 Natchitoches Parish, Waterworks District No. 2 Refunding Bonds July 15, 2021		\$6,500,000 L20-381 Rapides Parish, Waterworks District No. 3 Refunding Bonds October 15, 2020	
	Firm/Vendor	Paid From Proceeds Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS						
Legal						
Bond Counsel	Boles Shafto, LLC	Y	39,775	7.96	44,275	6.81
Co-Bond Counsel				0.00		0.00
Issuer Counsel	Brittain & Sylvester, LLC	Y	10,000	2.00		0.00
Underwriter/Placement Agent Counsel	Mahtook & LaFleur	Y	20,000	4.00	7,500	1.15
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements	TBD	Y	19,000	3.80	20,000	3.08
DEQ Counsel				0.00		0.00
Trustee Counsel				0.00		0.00
Purchaser Counsel	TBD	Y	10,000	2.00		0.00
Total Legal			98,775	19.76	71,775	11.04
Underwriting						
Sales Commission				0.00		0.00
Management Fees	Piper Sandler & Co.	Y	50,000	10.00	17,220	2.65
MSRP/CUSIP/PSA				0.00	17,215	2.65
Takedown				0.00	17,215	2.65
Day Loan				0.00		0.00
Placement Fee				0.00		0.00
Total Underwriting			50,000	10.00	51,650	7.95
Credit Enhancement						
Bond Insurance	TBD	Y	35,000	7.00	40,000	6.15
Letter of Credit				0.00		0.00
Surety	TBD	Y	25,000	5.00	21,080	3.24
Total Credit Enhancement			60,000	12.00	61,080	9.40
Other						
Publishing/Advertising	Official Journal	Y	2,500	0.50	2,500	0.38
Rating Agency(s)				0.00	20,500	3.15
Insurance				0.00		0.00
Bond Commission	SBC	Y	3,025	0.61	3,850	0.59
Issuer Financing				0.00		0.00
Municipal Advisor	Government Consultants	Y	30,000	6.00	15,540	2.39
Trustee				0.00		0.00
Escrow Trustee	TBD	Y	5,000	1.00	5,000	0.77
Paying Agent	TBD	Y	5,000	1.00	2,500	0.38
Feasibility Consultants				0.00		0.00
POS/OS Printing				0.00	3,000	0.46
Accounting				0.00		0.00
Account Verification				0.00		0.00
Miscellaneous				0.00	2,500	0.38
Verification Agent	TBD	Y	3,000	0.60	2,500	0.38
Total Other			48,525	9.71	57,890	8.91
TOTAL ISSUANCE COSTS			257,300	51.46	242,395	37.29



STATE BOND COMMISSION

July 15, 2021

Local Political Subdivisions - Refinancings

SYNOPSIS

APPLICATION NO: L21-214

ENTITY: Tangipahoa Parish, Hospital Service District No. 1 (North Oaks Health System Project)

TYPE OF REQUEST: \$180,000,000 Refunding Bonds

ANALYST: James Pounders

SUBMITTED BY:

Meredith L. Hathorn, Foley & Judell, L.L.P.

PARAMETERS:

Not exceeding \$180,000,000 Hospital Revenue Refunding Bonds, not exceeding 5% fixed or 12% variable rate, mature no later than February 1, 2042, refunding Hospital Revenue and Refunding Bonds, Series 2003A, Variable Rate Hospital Revenue Bonds, Series 2003B, Taxable Hospital Revenue Bonds (BABs), Series 2009A, Hospital Revenue Bonds, Series 2011 and 2015 and Hospital Revenue Refunding Bonds, Series 2013A.

LEGISLATIVE AUTHORITY:

R.S. 39:1444-1456

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ☐ **Analysis Summary**
- ☐ **Additional Supporting Documentation**
- ☐ **Approval Parameter Form**
- ☐ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

July 15, 2021

Local Political Subdivisions - Refinancings

ANALYSIS SUMMARY

APPLICATION NO: L21-214
ENTITY: Tangipahoa Parish, Hospital Service District No. 1 (North Oaks Health System Project)
TYPE OF REQUEST: \$180,000,000 Refunding Bonds
ANALYST: James Pounders

PARAMETERS:

Not exceeding \$180,000,000 Hospital Revenue Refunding Bonds, not exceeding 5% fixed or 12% variable rate, mature no later than February 1, 2042, refunding Hospital Revenue and Refunding Bonds, Series 2003A, Variable Rate Hospital Revenue Bonds, Series 2003B, Taxable Hospital Revenue Bonds (BABs), Series 2009A, Hospital Revenue Bonds, Series 2011 and 2015 and Hospital Revenue Refunding Bonds, Series 2013A.

Hospital Service District No. 1 (the "District"), operator of the North Oaks Health System (the "Hospital"), is seeking approval for a combination economic and non-economic refunding that will provide, in aggregate, approximately \$44,301,794 in gross, debt service savings benefits to the District. Approval for refunding the District's Series 2011, 2013A and 2015 bonds are not economic but is requested to allow the District the ability to refund all or a portion of the bonds to restructure the debt and possibly provide a new indenture with more modern covenants. This flexibility affords the District the opportunity to restructure their debt given market conditions at the time of closing. The bonds will not be refunded if it does not ultimately provide an overall debt service savings benefit to the District.

The bonds being refunded were originally issued for:

- Series 2003A - (1) Acquisition and construction of certain improvements, renovation and extensions to the Hospital and (2) refund Hospital Revenue Bonds, Series 1994
- Series 2003B - Acquisition and construction of certain improvements, renovation and extensions to the Hospital
- Series 2009A - Construction, acquisition and installation of improvements to North Oaks Medical Center Campus and North Oaks Rehabilitation Hospital Campus
- Series 2011 - Additional improvements to the Hospital.
- Series 2013A - Refund Hospital Revenue and Refunding Bonds, Series 2003A
- Series 2015 - Additional improvements to the Hospital.

The information below reflects the aggregate of all six requested refundings. Attached is a breakdown by series refunded.

Interest Rate Reduction:

Interest rate on outstanding Bonds	2.35% to 5.00%
Estimated interest rate on Refunding Bonds	3.00% to 5.00%

Present Value / Future Value Savings:

Average Annual Savings	\$2,807,003
Estimated Total Gross Debt Service Savings	\$58,947,059
Prior Issue Debt Service Reserve Funds	(\$14,645,265)
Estimated Net Present Value Debt Service Savings	\$33,563,828
Net Present Value Savings as % of Refunded Principal:	19.840%



STATE BOND COMMISSION

Although the Average Annual Savings and Estimated Total Gross Debt Service Savings are positive for the overall refunding, the Series 2011, 2013A and 2015 refundings are considered non-economic due to their extension of maturity.

The bonds being refunded were originally secured by income, revenues and receipts derived by the District, from the operation of the Hospital, subject only to the payment of reasonable and necessary expenses of operation of the Hospital. However, the proposed refunding bonds may additionally be secured by a Mortgage, Security Agreement and Assignment of Leases and Rents Securing Future Advances. Staff has been informed this additional security, which does not represent a source of repayment, is being added as a possibility as potential bond purchasers may determine there is a need for a mortgage on the main campus of the Hospital.

Selection Method:	Negotiated
Underwriter:	Bank of America Securities, Inc.
Terms:	
Interest Rate	Not exceeding 5% fixed or 12% variable rate
Maturity	No later than February 1, 2042
Security:	(1) Income, revenues and receipts derived by the District, from the operation of the Hospital, subject only to the payment of reasonable and necessary expenses of operation of the Hospital. (2) Mortgage, Security Agreement and Assignment of Leases and Rents Securing Future Advances

Tangipahoa Parish, Hospital Service District No. 1 (North Oaks Health System Project)
Refunding Bonds
L21-214

	<u>Series 2003A</u>	<u>Series 2003B</u>	<u>Series 2009A</u>	<u>Series 2011</u>	<u>Series 2013A *</u>	<u>Series 2015 **</u>
Type of Refunding:	Current	Current	Current	Current	Advance	Current
Original Asset Life:						
Maturity of Refunded Bonds	2/1/2030	2/1/2033	2/1/2042	2/1/2027	2/1/2025	2/1/2028
Maturity of Refunding Bonds	2/1/2029	2/1/2033	2/1/2040	2/1/2042	2/1/2042	2/1/2041
Call Date	2/1/2013	10/1/2011	2/1/2020	Anytime	2/1/2023	Anytime
Interest Rate Reduction						
Interest Rate on Outstanding Bonds	5.00%	2.35%	4.90%	3.86%	3.20-3.43%	2.65%
Estimated Interest Rate on Refunding Bonds	5.00%	5.00%	3.00-5.00%	3.00-5.00%	3.00-5.00%	3.00-5.00%
All-In TIC	1.75%	2.22%	2.63%	3.00%	3.17%	2.31%
Present Value / Future Value Savings:						
Average Annual Savings	\$ 1,213,652	\$ 21,383	\$ 2,911,528	\$ (270,992)	\$ (347,322)	\$ (19,494)
Estimated Total Gross Debt Service Savings	\$ 10,922,867	\$ 256,595	\$ 61,142,082	\$ (5,690,830)	\$ (7,293,767)	\$ (389,889)
Prior Issue Debt Service Reserve Funds	\$ (5,338,797)	\$ (621,418)	\$ (8,685,050)	\$ -	\$ -	\$ -
Estimated Net Present Value Debt Service Savings	\$ 3,765,687	\$ 141,518	\$ 32,155,887	\$ (893,562)	\$ (1,680,100)	\$ 74,397
Net Present Value Savings as % of Refunded Principal	17.254%	0.919%	32.481%	-7.143%	-12.035%	1.149%

Refunding results projects the bonds will be delivered on September 9, 2021.

* The refunding analysis presented above includes certain maturities of the 2013A bonds that are not callable. Staff has been informed if negotiations with the lender for a waiver of the redemption dates are unsuccessful, the District may fund an escrow to defease the maturities using the District's existing cash or by a taxable loan or bond. Alternatively, the District may leave the non-callable debt outstanding.

** The Series 2015 refunding reflects positive Estimated Net Present Value Debt Service Savings while the Average Annual Savings and Estimated Total Gross Debt Service Savings are negative. This occurs due to the present value factor of the majority of savings of approximately \$2,161,000 taking place in the first seven years while the extension of the debt from 2029 to 2041 reflect additional debt services.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # L21-214

Agenda Item # 19

Applicant: *

Hospital Service District No. 1 of the Parish of Tangipahoa, State of Louisiana (the "District")

Parameters / Purposes: *

Approval of the issuance of not exceeding \$180,000,000 of Hospital Service District No. 1 of the Parish of Tangipahoa, State of Louisiana Hospital Revenue Refunding Bonds (North Oaks Health System Project), being issued for the purpose of refunding all or a portion of the District's outstanding (i) Hospital Revenue and Refunding Bonds (North Oaks Medical Center Project) Series 2003A, (ii) Variable Rate Hospital Revenue Bonds (North Oaks Medical Center Project) Series 2003B, (iii) Taxable Hospital Revenue Bonds (North Oaks Health System Project – Build America Bonds) Series 2009A, (iv) Hospital Revenue Bonds (North Oaks Health System Project) Series 2011, (v) Hospital Revenue Refunding Bonds (North Oaks Health System Project) Series 2013A, and (vi) Hospital Revenue Bonds (North Oaks Health System Project) Series 2015 (collectively, the "Prior Bonds"), and paying costs of issuance of the Bonds. The Bonds shall be issued in fully registered form, shall mature not later than February 1, 2042, shall bear interest at fixed rates not to exceed 5.000% per annum or variable rates not to exceed twelve percent (12.0%) per annum. The Refunding Bonds are being issued on a parity with the District's unrefunded Prior Bonds, if any (collectively, the "Outstanding Parity Bonds"), except for the reserve fund, which does not secure the Series 2011 Bonds or Series 2015 Bonds. The Board will determine in the Series Resolution or Trust Indenture whether the Refunding Bonds have the benefit of the Reserve Fund.

Security:

The Refunding Bonds, equally with the Outstanding Parity Bonds, will be payable in principal, interest and redemption premium, if any, solely from the income, revenues and receipts derived by the District from the operation of North Oaks Health System (the "Hospital"), subject only to the payment of the reasonable and necessary expenses of operation of the Hospital. The Outstanding Parity Bonds and the Refunding Bonds may also be secured by a Mortgage, Security Agreement and Assignment of Leases and Rents Securing Future Advances, as amended and supplemented to reflect the issuance of the Refunding Bonds.

Citation(s): *

Chapter 14-A of Title 39 of L.R.S.

Security: *

See above.

As Set Forth By: *

Resolution adopted by the Board of Commissioners of the District on April 28, 2021 and resolution adopted by the Tangipahoa Parish Council at their meeting on June 14, 2021.

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 19

				\$180,000,000 L21-214 Tangipahoa Parish, Hospital Service District No. 1 (North Oaks Health System Project) Refunding Bonds July 15, 2021		\$270,000,000 S21-018 LPFA (University Medical Center New Orleans LCMC Project) Refunding Bonds May 20, 2021	
	Firm/Vendor	Paid From Proceeds Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond	
ISSUANCE COSTS							
Legal							
Bond Counsel	Foley & Judell, LLP	Y	185,900	1.03	251,900	0.93	
Issuer Counsel				0.00	45,000	0.17	
Mortgage Counsel	TBD	Y	250,000	1.39		0.00	
Underwriter Counsel	Breazeale, Saches & Wilson, LLP	Y	137,000	0.76	180,000	0.67	
Borrower Counsel				0.00	212,000	0.79	
Preparation of Blue Sky Memo	Breazeale, Saches & Wilson, LLP	Y	4,500	0.03		0.00	
Collateral Mortgage Trustee Counsel				0.00		0.00	
Company Counsel				0.00		0.00	
Trustee Counsel	Gregory A. Pletsch & Associates	Y	7,500	0.04	20,000	0.07	
Escrow Trustee Counsel	Gregory A. Pletsch & Associates	Y	2,500	0.01		0.00	
Total Legal			587,400	3.26	708,900	2.63	
Underwriting							
Sales Commission				0.00		0.00	
Management Fees	Bank of America Securities, Inc.	Y	250,000	1.39		0.00	
MSRP/CUSIP/PSA	Bank of America Securities, Inc.	Y	40,000	0.22		0.00	
Takedown	Bank of America Securities, Inc.	Y	1,500,000	8.33		0.00	
Day Loan				0.00		0.00	
Purchaser's Fee				0.00	1,345,500	4.98	
Total Underwriting			1,790,000	9.94	1,345,500	4.98	
Credit Enhancement							
Bond Insurance *	Assured Guaranty	Y	4,500,000	25.00		0.00	
Letter of Credit				0.00		0.00	
Surety				0.00		0.00	
Total Credit Enhancement			4,500,000	25.00	0	0.00	
Other							
Publishing/Advertising	Various	Y	10,000	0.06	10,000	0.04	
Rating Agency(s)	S&P & Fitch	Y	184,000	1.02	121,843	0.45	
Insurance				0.00		0.00	
Bond Commission	SBC	Y	69,775	0.39	257,500	0.95	
Issuer Financing				0.00	135,000	0.50	
Municipal Advisor	Warbird Municipal Advisors	Y	120,000	0.67		0.00	
Trustee	Hancock Whitney Bank	Y	7,500	0.04	10,000	0.04	
Escrow Trustee	Hancock Whitney Bank	Y	2,000	0.01		0.00	
Collateral Mortgage Bond Trustee				0.00		0.00	
Feasibility Consultants				0.00		0.00	
POS/OS Printing				0.00		0.00	
Accounting	Horne LLP	Y	35,000	0.19	50,000	0.19	
Investor Roadshow				0.00		0.00	
Escrow Verification	TBD	Y	4,000	0.02		0.00	
Transcripts	Alliance	Y	5,000	0.03	2,500	0.01	
Total Other			437,275	2.43	586,843	2.17	
TOTAL ISSUANCE COSTS			7,314,675	40.64	2,641,243	9.78	
INDIRECT COSTS							
Beneficiary Organizational							
Beneficiary Counsel				0.00		0.00	
Development				0.00		0.00	
Title, Survey & Appraisal				0.00		0.00	
Consultant				0.00		0.00	
Title Insurance	TBD	Y	250,000	1.39		0.00	
Total Beneficiary Organizational			250,000	1.39	0	0.00	
TOTAL INDIRECT COSTS			250,000	1.39	0	0.00	
TOTAL ISSUANCE AND INDIRECT COSTS			7,564,675	42.03	2,641,243	9.78	

* Staff has been informed the District does not currently intend purchase bond insurance. However, the fee is requested in the approval in case the need arises or the purchase becomes beneficial for the District to pursue.



STATE BOND COMMISSION

July 15, 2021

State Agencies, Boards and Commissions

SYNOPSIS

APPLICATION NO: S20-053A

ENTITY: Louisiana Housing Corporation (Lee Hardware & United Jewelers Apartments Project)

TYPE OF REQUEST: \$600,000 Revenue Bonds (Volume Cap)

ANALYST: Stephanie Blanchard

SUBMITTED BY:

Wayne J. Neveu, Butler Snow LLP

PARAMETERS:

Not exceeding \$600,000 Multifamily Housing Revenue Bonds (Volume Cap), in one or more series, not exceeding 12%, not exceeding 40 years, acquisition, construction, rehabilitation and equipping of a 109-unit multifamily housing facility in Shreveport.

LEGISLATIVE AUTHORITY:

R.S. 40:600.86-600.111

RECOMMENDATION:

The applicant meets all legal and coverage requirements and on that basis the Staff recommends approval of this application.

ATTACHMENTS:

- ❑ Analysis Summary
- ❑ Additional Supporting Documentation
- ❑ Approval Parameter Form
- ❑ Fee Comparison Worksheet
- ❑ Additional Supporting Documentation



STATE BOND COMMISSION

July 15, 2021

State Agencies - Bonds - Final Approval

ANALYSIS SUMMARY

APPLICATION NO: S20-053A
ENTITY: Louisiana Housing Corporation (Lee Hardware & United Jewelers Apartments Project)
TYPE OF REQUEST: \$600,000 Revenue Bonds (Volume Cap)
ANALYST: Stephanie Blanchard

PARAMETERS:

Not exceeding \$600,000 Multifamily Housing Revenue Bonds (Volume Cap), in one or more series, not exceeding 12%, not exceeding 40 years, acquisition, construction, rehabilitation and equipping of a 109-unit multifamily housing facility in Shreveport.

Bond proceeds will be used for the rehabilitation of the Lee Hardware and United Jeweler buildings in Shreveport. The Lee Hardware building was constructed in 1909 and the United Jeweler building was constructed around 1926. Redeveloped in 1999, the buildings were converted into 109 affordable loft-style apartments and common work space for artists. Once rehabilitation is complete, the development will be a mixed-income property with units for lower-income and market-rate households.

This project previously received State Bond Commission approval on September 17, 2020, under application S20-053 for not exceeding \$8.8M of bonds. In May 2021, it was discovered that \$2M notes payable to the City of Shreveport was not included in the 50% test to qualify for tax credits. Tax Counsel advised that this needed to be included and in order to ensure compliance with the 50% test under the Tax Code, the owner needed to apply for an additional \$600,000 of tax-exempt bonds to increase the total principal amount to \$9.4M.

A Funding Loan Agreement was entered into on June 1, 2021 with U.S. Bank at a max aggregate principal amount of \$9.4M on a draw-down basis provided that \$600,000 would not be advanced until a supplemental opinion of Butler Snow LLP had been delivered that the SBC approved the Supplemental Principal. At the June 9, 2021 LHC meeting, a resolution was adopted to authorize an additional \$600,000 subject to SBC approval. LHC provided a letter to U.S. Bank outlining the transaction, including the supplemental request for approval by SBC for the additional \$600,000 which is included in this analysis. The delivery/closing date for the entire \$9.4M was June 15, 2021.

According to the Developer (HRI), the push to close before the July 15 SBC meeting was due to the General Contractor being under pressure from subcontractors and suppliers to proceed or the pricing in labor and construction costs would increase.

The bonds shall not constitute a debt, liability or a pledge of the faith and credit of the Parish or of the State of Louisiana, or of any political or governmental unit thereof. **The issuer will utilize a carry forward allocation from the State's Private Activity Volume Cap under Section 146 of the Internal Revenue Code of 1986.**



STATE BOND COMMISSION

Project

Construction of the project began in June 2021 with project completion in May 2022. Specifics of the project are as follows:

- 719 Edwards Street and 301 Crocket Street
- Rehabilitation of 5 buildings with 109 units and common spaces
- Unit mix
 - 73 one-bedroom units (724 sq ft each)
 - 36 two-bedroom units (1,065 sq ft each)
- Average price per unit and per square foot based on Total Development Cost of \$19,489,886:
 - Price per unit - \$178,806
 - Price per square foot for residential space - \$214 (91,192 sq ft)
 - Price per square foot for combined residential and community space - \$204 (95,692 sq ft)
- Each unit will include refrigerator, dishwasher, microwave oven, range/oven with fan hood, stove, washer/dryer and smoke detectors.
- Property amenities include a leasing office, swimming pool, cabana building, community BBQ area, dog walk area, clubhouse with full kitchen, fitness center and electronically-controlled access gate.

According to the Market Study prepared by Cook, Moore, Davenport & Associates, the project should have the ability to cashflow after the rehabilitation of the units, and the site will reach a stabilized occupancy of approximately 100% within 8 months following the completion of renovations. The project is expected to create approximately 150 temporary construction jobs, 2 new permanent jobs and retain 2 existing jobs in the local economy. The current site has an occupancy rate of 32%. Leasing has stopped over the past year in order for the occupancy rate to drop naturally in order to facilitate the renovation and to avoid the displacement of any residents.

The Defined Tenant Benefit Package meets SBC guidelines and includes:

1. Material Rent Differential: All 55 low-income units will be set-aside for occupancy by households at or below 60% of the area median income ("AMI") for Caddo Parish. Of the 55 affordable units, 8 units will be restricted for 50% AMI households. Rents for all units within the property will comply with applicable Low Income Housing Tax Credit guidelines and IRS code.
2. Deposit Waivers and/or Application Fees: Tenant application fees will be waived for all tenants in units to be occupied by households at or below 30% AMI.

Participants/Team

Participants of the transaction are below and all are registered with the Secretary of State to do business in the State of Louisiana and are in good standing:

- Owner and Beneficiary - New Shreveport Renewal, LLC
- Developer - Historic Restoration, Incorporated
- Property Manager - HRI Management

The principal officer of the Owner/Beneficiary and Developer is A. Thomas Leonhard, Jr. Based in New Orleans, Historic Restoration Inc, and HRI Management have been a prominent developer and property manager in the Louisiana for 30 years. HRI owns and manages several thousand units of hotels, market rate apartments as well as affordable and mixed-income units. David Abbenante is the principal officer of HRI Management.

**STATE BOND COMMISSION****Sources & Uses**

Total sources include:

1 st Lien Permanent Mortgage Loan with Berkadia	\$ 2,700,000
Low-Income Housing Tax Credits	\$ 4,568,463
State of LA OCD CDBG Disaster Recovery Loan	\$ 6,000,000
City of Shreveport HOME Funds	\$ 2,624,000
Federal Historic Tax Credit Equity	\$ 1,728,136
State Historic Tax Credit Equity	\$ 1,814,187
Replacement Reserve Transfer & Managing Member Equity	\$ 55,100
Bond Proceeds *	\$ 0
Total	\$19,489,886

- * The entity has issued the entire \$9,400,000 of requested tax-exempt bonds and upon the placement in service and audited cost certification in connection with the low-income housing credits generated, immediately pay the bonds down with the additional project source to a balance of \$2,700,000 which converts to the 1st Lien Permanent Mortgage Loan.

Total uses include:

Building & Land Acquisition	\$ 5,607,000
Rehabilitation Hard Costs	\$ 8,414,755
Construction Contingency	\$ 765,655
Soft Costs	
Developer Fee	\$ 1,762,000
Other Soft Costs	\$ 2,940,476
Total Development Cost	\$19,489,886

Selection Method: Private Placement
Purchaser: U.S. Bank National Association
Terms:
 Interest Rate: Not exceeding 12%
 Maturity: Not exceeding 40 years
Security: Revenues of the Project

Pursuant to R.S. 39:1426(B), Bonds sold in a private sale require approval by two-thirds of the members present and voting of the State Bond Commission.

	As Approved	As Amended	Difference from Approved to Amended
Sources			
1st Lien Permanent Mortgage Loan	\$5,300,000	\$2,700,000	-\$2,600,000
Low-Income Housing Tax Credits	\$2,446,957	\$4,568,463	\$2,121,506
State of LA OCD CDBG Disaster Recovery Loan	\$4,000,000	\$6,000,000	\$2,000,000
City of Shreveport HOME Funds	\$2,657,000	\$2,624,000	-\$33,000
Federal Historic Tax Credit Equity	\$1,569,890	\$1,728,136	\$158,246
State Historic Tax Credit Equity	\$1,668,175	\$1,814,187	\$146,012
Replacement Reserve Transfer & Managing Member Equity	\$244,168	\$55,100	-\$189,068
Bond Proceeds	\$0	\$0	\$0
	\$17,886,190	\$19,489,886	\$1,603,696
Uses			
Building & Land Acquisition	\$6,050,000	\$5,607,000	-\$443,000
Rehabilitation Hard Costs	\$6,789,150	\$8,414,755	\$1,625,605
Construction Contingency	\$634,500	\$765,655	\$131,155
Developer Fee	\$1,762,000	\$1,762,000	\$0
Other Soft Costs	\$2,650,540	\$2,940,476	\$289,936
	\$17,886,190	\$19,489,886	\$1,603,696



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # S20-053A
Agenda Item # 20

Applicant: *

Louisiana Housing Corporation

Parameters / Purposes: *

Authority to issue, sell and deliver not exceeding Six Hundred Thousand Dollars (\$600,000) of Multifamily Housing Revenue Bonds (Lee Hardware & United Jewelers Apartments Project) (the "Bonds") in one or more series at a rate not to exceed 12%, with a maturity not-to-exceed 40 years, for the purpose of providing funds to (i) finance the acquisition, construction, rehabilitation, and equipping of a 109-unit multifamily housing development to be known as Lee Hardware & United Jewelers Apartments Project located in the City of Shreveport, Caddo Parish, Louisiana and (ii) pay the costs of issuance associated with the Bonds.

Nine Million Four Hundred Thousand Dollars (\$9,400,000) of Multifamily Housing Revenue Bonds (Lee Hardware & United Jewelers Apartments Project) was delivered on June 15, 2021. The request for additional \$600,000 is to satisfy tax credit counsel's concern about meeting the 50% test.

Citation(s): *

Chapter 3-G of Title 40 of the Louisiana Revised St

Security: *

Payable out of revenues with respect to the operations of the project

As Set Forth By: *

Resolution adopted on June 9, 2021 by the Board of Directors of the Louisiana Housing Corporation

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

STATE BOND COMMISSION

Agenda Item # 20

\$9,400,000
\$20-053A
LHC (Lee Hardware & United Jewelers Apartments Project)
Revenue Bonds (Volume Cap)

	Firm/Vendor	As Approved September 17, 2020		Paid From Proceeds Y / N	As Amended July 15, 2021		Variance	
		\$ Amount	\$ Per Bond		\$ Amount	\$ Per Bond	\$	%
ISSUANCE COSTS								
Legal								
Bond Counsel	Butler Snow LLP	46,625	4.96	N	55,625	5.92	9,000	19.3%
Co-Bond Counsel			0.00			0.00	0	0.0%
Issuer Counsel			0.00			0.00	0	0.0%
Underwriter Counsel			0.00			0.00	0	0.0%
Underwriter Co-Counsel			0.00			0.00	0	0.0%
Preparation of Blue Sky Memo			0.00			0.00	0	0.0%
Preparation of Official Statements			0.00			0.00	0	0.0%
Tax Counsel			0.00			0.00	0	0.0%
Trustee Counsel	TBD	10,000	1.06	N	10,000	1.06	0	0.0%
Escrow Trustee Counsel			0.00			0.00	0	0.0%
Total Legal		56,625	6.02		65,625	6.98	9,000	15.9%
Other								
Publishing/Advertising	LHC	2,000	0.21	N	3,436	0.37	1,436	71.8%
Rating Agency(s)			0.00			0.00	0	0.0%
Insurance			0.00			0.00	0	0.0%
Bond Commission	SBC	10,430	1.11	N	11,180	1.19	750	7.2%
Issuer Financing	LHC	8,800	0.94	N	9,400	1.00	600	6.8%
Municipal Advisor	Government Consultants, Inc.	17,600	1.87	N	18,800	2.00	1,200	6.8%
Trustee	TBD	10,000	1.06	N	10,000	1.06	0	0.0%
Escrow Trustee			0.00			0.00	0	0.0%
Paying Agent			0.00			0.00	0	0.0%
Feasibility Consultants			0.00			0.00	0	0.0%
Other Consultants			0.00			0.00	0	0.0%
Accounting			0.00			0.00	0	0.0%
Account Verification			0.00			0.00	0	0.0%
Escrow Verification			0.00			0.00	0	0.0%
Cash Flow Verification			0.00			0.00	0	0.0%
Other			0.00			0.00	0	0.0%
Total Other		48,830	5.19		52,816	5.62	3,986	8.2%
TOTAL ISSUANCE COSTS		105,455	11.22		118,441	12.60	12,986	12.3%
INDIRECT COSTS								
Beneficiary Organizational								
General Counsel	Elkins PLC	165,000	17.55	N	165,000	17.55	0	0.0%
Development	HRI	1,762,000	187.45	N	1,762,000	187.45	0	0.0%
Title, Survey & Appraisal	St. Charles Title, Atchley & Atchley, TBD	161,150	17.14	N	161,150	17.14	0	0.0%
Consultant			0.00			0.00	0	0.0%
Insurance			0.00			0.00	0	0.0%
Total Beneficiary Organizational Costs		2,088,150	222.14		2,088,150	222.14	0	0.0%
Mortgage Banking								
Lender Counsel	TBD	82,500	8.78	N	82,500	8.78	0	0.0%
Mortgage Servicer Counsel			0.00			0.00	0	0.0%
Mortgage Insurance			0.00			0.00	0	0.0%
Examination			0.00			0.00	0	0.0%
Financing Fee	U.S. Bank National Association	96,800	10.30	N	96,800	10.30	0	0.0%
Total Mortgage Banking Costs		179,300	19.07		179,300	19.07	0	0.0%
TOTAL INDIRECT COSTS		2,267,450	241.22		2,267,450	241.22	0	0.0%
TOTAL ISSUANCE AND INDIRECT COSTS		2,372,905	252.44		2,385,891	253.82	12,986	0.5%

* The developer provides certain guarantees to the tax credit investor. The developer will oversee numerous aspects during the development and construction of Lee Hardware and United Jewelers Apartments. Duties of the developer include but are not limited to negotiating and executing architectural, engineering, testing or consulting of services for the facility, assisting the owner/operator in dealing with neighborhoods groups, local organizations and other parties, assisting with identifying sources of financing and negotiating the terms, establishing and implementing appropriate administrative and financial controls, assisting in obtaining access to utilities and required zoning approvals and assisting in complying with all applicable present and future laws, ordinances, orders, rules, regulations and requirements.

JOHN BEL EDWARDS
Governor



EDSELLE KEITH CUNNINGHAM, JR.
Executive Director

Louisiana Housing Corporation

June 14, 2021

U.S. Bancorp Community Development Corporation
1307 Washington Avenue, Suite 300
St. Louis, MO 63103

**Re: \$9,400,000.00 Governmental Note Lee Hardware & United Jewelers Apartments
Shreveport, Louisiana**

To Whom It May Concern:

The Louisiana Housing Corporation (the “Governmental Lender”), a public body corporate and politic and an instrumentality organized and existing under the laws of the State of Louisiana presently intends to finance a mortgage loan to New Shreveport Renewal, LLC, a Louisiana limited liability company (the “Borrower”), in the maximum aggregate principal amount up to \$9,400,000.00 (the “Mortgage Loan”) pursuant to a Project Loan Agreement to be dated as of June 1, 2021 (the “Project Loan Agreement”), by and among the Governmental Lender, U.S. Bank National Association, a national banking association in its capacity as fiscal agent (the “Fiscal Agent”), and Borrower.

The Governmental Lender agrees to finance the Mortgage Loan pursuant to a Funding Loan Agreement (the “Funding Loan Agreement”) to be made and entered into as of June 1, 2021, by and among U.S. Bank National Association, a national banking association in its capacity as Initial Funding Lender (the “Initial Funding Lender”), the Governmental Lender, and the Fiscal Agent. The Funding Loan will be evidenced by a Multifamily Housing Revenue Note dated June 15, 2021 (the “Governmental Note”), in the form attached to the Funding Loan Agreement.

As of this date, the Governmental Lender has received all approvals required to advance tax-exempt proceeds of the Governmental Note in a principal amount up to \$8,800,000.00 (the “Original Government Note Principal”). On June 9, 2021, the Board of Directors of the Governmental Lender adopted a resolution to deliver, subject to approval of the Louisiana State Bond Commission on July 15, 2021, an additional principal amount of the Governmental Note up to \$600,000.00 (the “Supplemental Note Principal”), together with the Original Note Principal, the “Final Governmental Note Principal”).

The funds to finance the Mortgage Loan in full are expected to be provided from the Governmental Note in a principal amount up to the Final Governmental Note Principal. The foregoing intention and expectations are subject to the condition that the Governmental Lender, acting in its sole discretion, approves the closing and funding of the Mortgage Loan on or prior to June 15, 2021; provided that tax-exempt proceeds may only be advanced up to the Original Governmental Note Principal. Following approval of the Louisiana State Bond Commission of the Supplemental Note Principal on July 15, 2021, tax-exempt proceeds may be advanced to finance the Mortgage Loan up to the Final Governmental Note Principal.


Advances on the Governmental Note are expected to finance fifty percent (50%) or more of the aggregate basis of any building in the land and residential rental apartment units, and related capitalized costs of fixtures, equipment, furnishings and site improvements known as the Lee Hardware & United Jewelers Apartments located at 719 Edwards Street and 301 Crocket Street in Shreveport, Louisiana 71101 (the "Development").

We hereby confirm to you that, subject to approval of the Louisiana State Bond Commission of the Supplemental Note Principal on July 15, 2021, the Governmental Note will be issued subject to the volume cap of Section 146 of the Internal Revenue Code of 1986, as amended (the "Code") up to the Final Governmental Note Principal. Butler Snow LLP, as bond counsel to the Governmental Lender, will provide the Governmental Lender with its opinion that the interest on the Governmental Note up to the Final Governmental Note Principal will be excludable from gross income under the Code, subject to approval of the Louisiana State Bond Commission of the Supplemental Note Principal.

With respect to fifty percent (50%) or more of the aggregate basis of any building in the Development (and the land on which any such building is located), the Governmental Lender will finance the Mortgage Loan to the Borrower to reimburse preliminary expenditures (the "Reimbursements") of the Borrower for capitalized costs of the Development prior to the delivery of the Governmental Note to the extent permitted by Section 1.150-2 of the Treasury Regulations and to finance other advances to the Borrower pursuant to the Project Loan Agreement from the proceeds from the Governmental Note. The Governmental Lender intends to deliver the Governmental Note on or before June 15, 2021, **but in all events intends to issue the Supplemental Note Principal prior to placement in service of the Development** and, upon request, to provide to you a copy of IRS Form 8038.

Notwithstanding the foregoing, matters outside the control of the Governmental Lender could affect any and all expectations and representations made in this letter.

Sincerely,


Bradley R. Sweazy
Chief Operating Officer



STATE BOND COMMISSION

July 15, 2021

State Agencies, Boards and Commissions

SYNOPSIS

APPLICATION NO: S20-057

ENTITY: Louisiana Housing Corporation (Lafitte 2017 Project)

TYPE OF REQUEST: \$7,370,000 Revenue Bonds (Volume Cap)

ANALYST: James Pounders

SUBMITTED BY:

Wayne J. Neveu, Butler Snow LLP

PARAMETERS:

Not exceeding \$7,370,000 Multifamily Housing Revenue Bonds (Volume Cap), in one or more series, not exceeding 12%, not exceeding 40 years, acquisition, construction, rehabilitation and equipping of a 23-unit multifamily housing development in New Orleans.

LEGISLATIVE AUTHORITY:

R.S. 40:600.86-600.111

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ❑ **Analysis Summary**
- ❑ **Approval Parameter Form**
- ❑ **Fee Comparison Worksheet**
- ❑ **Additional Supporting Documentation**



STATE BOND COMMISSION

July 15, 2021

State Agencies - Bonds - Final Approval

ANALYSIS SUMMARY

APPLICATION NO: S20-057
ENTITY: Louisiana Housing Corporation (Lafitte 2017 Project)
TYPE OF REQUEST: \$7,370,000 Revenue Bonds (Volume Cap)
ANALYST: James Pounders

PARAMETERS:

Not exceeding \$7,370,000 Multifamily Housing Revenue Bonds (Volume Cap), in one or more series, not exceeding 12%, not exceeding 40 years, acquisition, construction, rehabilitation and equipping of a 23-unit multifamily housing development in New Orleans.

Lafitte 2017 represents the joint efforts of Providence Community Housing and Enterprise Community Partners to continue their commitment to the replacement of subsidized units from the pre-Katrina Lafitte public housing site as part of the Faubourg Lafitte redevelopment initiative. This project will rehabilitate the on-site historic structure (which is listed on the National Historic Register) at the Lafitte property and construct units on 14 scattered site lots in the Bienville Basin Choice Neighborhood Initiative area to create a total of 23 affordable rental housing units.

This project previously received State Bond Commission approval on May 17, 2018, under application S18-012 for not exceeding \$4,500,000 of bonds. During predevelopment, unavoidable circumstances increased the project's costs and extended the closing timeline to the fourth quarter of 2021. Consequently, the project owner and beneficiary is seeking an increase of \$2,870,000 in issuance authority to a new total of \$7,370,000. This application on today's agenda will replace the authority granted under application S18-012.

A letter is attached from Terri North, President and CEO of Providence Community Housing, one of the partners of the owner and beneficiary, Lafitte 2017 LLC, which addresses the significant cost increases the project has incurred as well as steps the project team have taken to help mitigate those increases. Below are the summary points:

- Hard cost increases due to rising labor costs and pandemic related disruptions
- Equity pricing change negatively affecting the tax credits to be used for the project as a result of the Tax Cuts and Jobs Act of 2017
- Historic building redesign as required by the National Park Service after their initial approval was given
- Environmental review and remediation challenges resulting from unforeseen assessments required on some lots in addition to lead and asbestos removal from the historic site
- Archeology challenges due to the location of some of the sites in the historic Treme neighborhood and the unforeseen extensive reviews which were required

The bonds shall not constitute a debt, liability or a pledge of the faith and credit of the Parish or of the State of Louisiana, or of any political or governmental unit thereof. **The issuer will utilize a carry forward allocation from the State's Private Activity Volume Cap under Section 146 of the Internal Revenue Code of 1986.**

**STATE BOND COMMISSION****Project**

Construction of the project is expected to begin in August 2021, with project completion in August 2022. Specifics of the project are as follows:

- Project addresses:

601 N. Johnson St	1138 Columbus St	1647 N Galvez St
928 N. Derbigny St	1214 Columbus St	1726 Bayou Rd
1463 Henriette Delille St	1216-18 Columbus St	1818 Dumaine St
1311 N Roman St	1608-10 Dumaine St	1909 St Ann St
1449-51 N Robertson St	1614 Laharpe St	2508 St Ann St
- Historic renovation and construction of 15 residential buildings with 23 units and a 2,700 sq ft commercial space to be utilized by the property manager
- Unit mix
 - 6 one-bedroom units (870-940 sq ft each)
 - 9 two-bedroom units (940-1,022 sq ft each)
 - 8 three-bedroom units (1,340-1,364 sq ft each)
- Average price per unit and per square foot based on Total Development Cost of \$12,929,777 which includes costs associated with both residential and commercial spaces
 - Price per unit - \$562,164
 - Price per square foot for residential space - \$516 (25,072 sq ft)
 - Price per square foot for combined residential and commercial space - \$466 (27,772 sq ft)
- Each unit will include a range, refrigerator, garbage disposal, dishwasher, microwave and washer/dryer hook-ups.
- Property amenities include a management office serving the overall Faubourg Lafitte community and will be located at 610 N. Johnson St.
- The redevelopment of historic structure will include six one-bedroom units on the upper floors and a first floor property management office space which will pay rent and will function as commercial space.
- Fourteen scattered parcels will create an additional 17 units which will be supported by Section 8 Project Based Vouchers from the Housing Authority of New Orleans, for a total of 18 supported units that count as Choice Neighborhood Replacement units. These tenants will pay a maximum of 30% of their income regardless of amount which aims to create a wide variety of Rent Differential across tenant populations and offer increased affordability.

According to the marketability study prepared by Novogradac Consulting LLP in August 2020, the project should have the ability to cashflow after the rehabilitation and construction of the units, and the site will reach a stabilized occupancy of approximately 100% within one to two months following the completion of renovations and construction. The project is expected create approximately 20 temporary construction jobs, two new permanent and retain three permanent jobs in the local economy. The current site is 0% occupied as the units have not been constructed or rehabilitated. The majority of the units will source tenants from the Housing Authority of New Orleans' Housing Choice Voucher Program Waitlist which currently has 10,920 applicants.

**STATE BOND COMMISSION**

The Defined Tenant Benefit Package meets SBC guidelines and includes:

1. Material Rent Differential:

- Five or more of the units will be subject to occupancy by households at or below 60% of the area median income ("AMI") for Orleans Parish. Rents for 100% of the 5 units will be capped at 30% of the imputed income of the unit by bedroom size.
- 18 or more of the units will be subject to occupancy by households at or below 60% of the AMI for Orleans Parish. Rents for 100% of the 18 units will be supported by Project Based Section 8 Vouchers and capped at 30% of the tenant's income.

2. Energy Conservation:

- All of the units will be built and certified to Enterprise Green Communities 2015 standards to provide energy efficiency and cost savings to tenants. When a lease begins, tenants will be provided with documentation of the efficient features and systems installed in the unit and any applicable maintenance or operation information.

Participants/Team

Participants of the transaction are below and all are registered with the Secretary of State to do business in the State of Louisiana and are in good standing:

- Owner and Beneficiary - Lafitte 2017, LLC
- Co-developer - Providence Community Housing
- Co-developer - Enterprise Community Partners, Inc.
- Property Manager - HRI Management, Inc.

The principal officer of the Lafitte 2017 LLC and Providence Community Housing is Terri B. North with Michelle Whetten being a principal officer of solely Enterprise Community Partners, Inc. The developers have over 14 years of experience in developing properties dedicated to seniors, individuals and families and to artists and cultural ambassadors. Providence Community Housing has developed and/or currently owns and operates over 1,300 units of affordable housing properties, all which include resident services tailored to special needs populations.

Historic Management, Inc. ("HRI"), has been a prominent developer and property manager in the state of Louisiana for 30 years. HRI owns and manages several thousand units of hotels, market rate apartments as well as affordable and mixed-income units. HRI is based in New Orleans, and David Abbenante is the principal officer.

Sources & Uses

Total sources include:

1 st Lien Permanent Mortgage Loan with Community Housing Capital	\$ 1,684,000
Loan with Housing Authority of New Orleans	\$ 1,980,000
City of New Orleans HOME Funds	\$ 1,000,000
State of LA OCD CDBG Loan through LHC	\$ 2,000,000
State Historic Tax Credits	\$ 782,777
Low-Income Housing Tax Credits	\$ 4,596,000
Federal Historic Tax Credits	\$ 792,000
Deferred Developer Fee (projected to be paid over 15 years)	\$ 95,000
Bond Proceeds *	\$ 0
Total	\$12,929,777

- * The entity will issue the entire \$7,370,000 of requested tax-exempt bonds and upon the placement in service and audited cost certification in connection with the low-income housing credits generated, the entity will immediately pay the bonds down with additional project sources to a balance of \$1,684,000 which converts to the 1st Lien Permanent Mortgage Loan.



STATE BOND COMMISSION

Total uses include:

Building & Land Acquisition	\$ 365,000
Rehabilitation & Construction Hard Costs	\$ 8,936,041
Other Hard Costs	\$ 72,730
Construction Contingency	\$ 529,252
Soft Costs	
Developer Fee	\$ 950,000
Other Soft Costs	\$ 2,076,754
Total Development Cost	\$12,929,777

Selection Method:	Private Placement
Purchaser:	Community Housing Capital
Terms:	
Interest Rate	Not exceeding 12%
Maturity	Not exceeding 40 years
Security:	Revenues of the Project

In a letter dated June 7, 2021, Community Housing Capital provided the preliminary terms for the purchase of the bonds and long term mortgage loan. The letter is not considered a commitment letter but only an expression of interest.

Pursuant to R.S. 39:1426(B), Bonds sold in a private sale require approval by two-thirds of the members present and voting of the State Bond Commission.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # S20-057

Agenda Item # 21

Applicant: *

Louisiana Housing Corporation

Parameters / Purposes: *

Authority to issue, sell and deliver not exceeding Seven Million, Three Hundred Seventy Thousand Dollars (\$7,370,000) of Multifamily Housing Revenue Bonds (Lafitte 2017 Project) (the "Bonds") in one or more series at a rate not to exceed 12%, with a maturity not-to-exceed 40 years, for the purpose of providing funds to (i) finance the acquisition, construction, rehabilitation and equipping of a 23-unit multifamily housing development located on multiple sites to be known as Lafitte 2017 Project located in the City of New Orleans, Orleans Parish, Louisiana and (ii) pay the costs of issuance associated with the Bonds.

Citation(s): *

Chap. 3-G of Title 40 of the La. RS of 1950

Security: *

Payable out of revenues with respect to the operations of the project

As Set Forth By: *

Resolution adopted on March 14, 2018 and June 9, 2021 by the Board of Directors of the Louisiana Housing Corporation

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 21

				\$7,370,000 S20-057		\$8,000,000 S20-046	
		Paid From Proceeds		LHC (Lafitte 2017 Project) Revenue Bonds (Volume Cap) July 15, 2021		LHC (Lemann Building Project) Revenue Bonds (Volume Cap) August 20, 2020	
	Firm/Vendor	Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond	
ISSUANCE COSTS							
Legal							
Bond Counsel	Butler Snow LLP	N	43,765	5.94	45,025	5.63	
Co-Bond Counsel				0.00		0.00	
Issuer Counsel				0.00		0.00	
Underwriter Counsel				0.00		0.00	
Underwriter Co-Counsel				0.00		0.00	
Preparation of Blue Sky Memo				0.00		0.00	
Preparation of Official Statements				0.00		0.00	
DEQ Counsel				0.00		0.00	
Trustee Counsel	TBD	N	10,000	1.36	10,000	1.25	
Escrow Trustee Counsel				0.00		0.00	
Total Legal			53,765	7.30	55,025	6.88	
Other							
Publishing/Advertising	LHC	N	2,500	0.34	2,000	0.25	
Rating Agency(s)				0.00		0.00	
Insurance				0.00		0.00	
Bond Commission	SBC	N	8,857	1.20	9,550	1.19	
Issuer Financing	LHC	N	7,370	1.00	8,000	1.00	
Municipal Advisor	Financial Consultants, Inc.	N	14,740	2.00	16,000	2.00	
Trustee	TBD	N	10,000	1.36	10,000	1.25	
Escrow Agent				0.00		0.00	
Paying Agent				0.00		0.00	
Feasibility Consultants				0.00		0.00	
POS/OS Printing				0.00		0.00	
Accounting				0.00		0.00	
Account Verification				0.00		0.00	
Escrow Verification				0.00		0.00	
Contingencies				0.00		0.00	
Total Other			43,467	5.90	45,550	5.69	
TOTAL ISSUANCE COSTS			97,232	13.19	100,575	12.57	
INDIRECT COSTS							
Beneficiary Organizational							
Beneficiary Counsel	Coats Rose	N	125,000	16.96	65,000	8.13	
Development *	Providence Community Housing, Inc.	N	950,000	128.90	1,625,162	203.15	
Title, Survey & Appraisal	TBD	N	150,000	20.35	120,000	15.00	
Consultant				0.00		0.00	
Insurance				0.00		0.00	
Total Beneficiary Organizational			1,225,000	166.21	1,810,162	226.27	
Mortgage Banking Costs							
Lender Counsel	TBD	N	60,000	8.14	40,000	5.00	
Mortgage Servicer Counsel				0.00		0.00	
Mortgage Insurance				0.00		0.00	
Examination				0.00		0.00	
Financing Fee	Community Housing Capital	N	100,000	13.57	98,000	12.25	
Total Mortgage Banking			160,000	21.71	138,000	17.25	
TOTAL INDIRECT COSTS			1,385,000	187.92	1,948,162	243.52	
TOTAL ISSUANCE AND INDIRECT COSTS			1,482,232	201.12	2,048,737	256.09	

* The developer provides certain guarantees to the tax credit investor. The developer will oversee numerous aspects during the development and construction of Lafitte 2017. Duties of the developer include but are not limited to negotiating and executing architectural, engineering, testing or consulting of services for the facility, assisting the owner/operator in dealing with neighborhoods groups, local organizations and other parties, assisting with identifying sources of financing and negotiating the terms, establishing and implementing appropriate administrative and financial controls, assisting in obtaining access to utilities and required zoning approvals and assisting in complying with all applicable present and future laws, ordinances, orders, rules, regulations and requirements.

Lafitte 2017, L.L.C.

2117 Ursulines Ave.
New Orleans, LA 70116

June 9, 2021

Louisiana State Bond Commission
900 N 3rd St #21
Baton Rouge, LA 70802

RE: Lafitte 2017 – Reprocessing submission

To whom it may concern:

Lafitte 2017 is a joint effort between Providence Community Housing and Enterprise Community Partners to rehabilitate the final Faubourg Lafitte on-site structure and develop 14 scattered parcels in the Bienville Basin Choice Neighborhoods/Faubourg Lafitte off-site area, creating 23 affordable rental housing units. 18 of the 23 units will be supported by Project Based Vouchers from the Housing Authority of New Orleans (HANO) as Choice Replacement units. It will utilize Federal and State Historic Tax Credits (HTCs), HANO match funding, Louisiana Housing Corporation (LHC) CDBG funds, City of New Orleans HOME funds and 4% Low Income Housing Tax Credits. In 2018, Lafitte 2017 was approved to receive up to \$4,500,000 in Multifamily Housing Revenue Bonds. During predevelopment, unavoidable circumstances (detailed below) increased the project's costs and extended the closing timeline to the third quarter of 2021. Consequently, Lafitte 2017 is requesting an increase in bond allocation to \$7,370,000 from \$4,500,000.

Explanation of factors driving the development cost increase and time delays:

- **Hard cost increases:** Construction costs are very different than they were at the time of Lafitte 2017's initial application for LIHTC's in 2017. We have made many scope changes to attempt to mitigate the increases, including eliminating a large addition to our historic building, and making numerous scope changes to the overall development program. However, the project's hard construction cost has increased by approximately \$1.7 million. The project's general contractor has cited several reasons for this increase. One, supply chains have been disrupted by the Coronavirus resulting in very large increases in the cost of lumber and many other critical materials. Second, labor costs for MEP and all other subcontractors have increased even before the Pandemic.
- **Equity pricing change:** The Tax Cuts and Jobs Act of 2017 was passed in December of 2017, after our original application and after our equity pricing projection was established. As a result of the large drop-in corporate tax rates, the project's syndication rate has dropped, resulting in a loss of equity on both Low Income Housing Tax Credits and Federal Historic Tax Credits. This drop in equity pricing was felt throughout the country and has persisted since 2018.
- **Historic building redesign and eligibility:** Lafitte 2017 will rehabilitate the historic structure using Federal Historic Tax Credits. After approving our initial application for historic tax credit eligibility prior to our 2017 application, the National Park Service decided to question their initial eligibility decision and required a complete redesign of the building's layout, circulation, and systems. These redesign and process negotiations cost the project additional architectural fees and caused several third-party reports to expire. In total, the delays associated with the NPS and the historic building design cost the project approximately 12 months and over \$100,000 in just soft costs.
- **Environmental review challenges and Remediation:** During the Part 58 review process, four of the project's scattered lots were required to have Phase II Environmental Assessments performed despite no clear evidence of current contamination. The delays in the design process caused us to have update our Phase I environmental assessments which added additional costs and several weeks to the timeline. These issues and Lafitte 2017's protracted closing schedule, coupled with unexpected Phase II investigations, more than doubled the project's environmental soft cost budget. During the environmental investigation of our historic building, lead and asbestos were also identified. This added to our soft costs based on the need to commission remediation scopes, and it also added an estimated \$60,000 to our construction costs.

- **Archeology challenges:** Another element of the Part 58 process was the requirement to receive an approval from the State Historic Preservation Office for any impacts to archeological resources. Due to the location of some of the scattered parcels in the historic Tremé neighborhood, several lots in Lafitte 2017 required extensive archeological reviews. Four of the original 15 scattered parcels required Phase II archeological studies, which far exceeded original budget and cost estimates. Due to finding in the Phase II reviews, SHPO called for Phase 3 level investigations on two of the project sites. The cost of these reviews would have been prohibitive, so we eliminated one lot from the project and adjusted the building size and footprint on another, resulting in the 2-unit reduction to 23 units total. In total, we now expect to spend approximately \$70,000 on archeological work and that total does not incorporate the costs of an extended closing timeline which the archeological contributed to. This total also does not include the costs of the Phase 3 investigations we did not undertake that led to the reduction in the project's unit count and that forced further redesign costs.

Providence Community Housing and Enterprise Community partners are eager to close and begin construction on Lafitte 2017. The project team will continue to work to reduce project costs. Some strategies already utilized were switching lenders, an extensive value engineering process, and even dropping a lot and two units from the project. However, time delays due to review processes, and changes to the material and labor markets have made it necessary for Lafitte 2017 to request a Multifamily Housing Revenue Bond increase to \$7,370,000 from \$4,500,000.

Thank you,



Terri North
President and CEO
Providence Community Housing



STATE BOND COMMISSION

July 15, 2021

State Agencies, Boards and Commissions

SYNOPSIS

APPLICATION NO: S21-027

ENTITY: Louisiana Housing Corporation (Home Ownership Program)

TYPE OF REQUEST: \$60,000,000 Revenue Bonds (Volume Cap)

ANALYST: Allison Roy

SUBMITTED BY:

Wayne J. Neveu, Butler Snow LLP

PARAMETERS:

Not exceeding \$60,000,000 Single Family Mortgage Revenue Bonds (Volume Cap), not exceeding 10%, not exceeding 40 years, finance first mortgage loans for first-time home buyers or to finance qualified home improvement loans and qualified rehabilitation loans.

LEGISLATIVE AUTHORITY:

R.S. 40:600.86-600.111

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**
- ☐ **Fee Comparison Worksheet**



STATE BOND COMMISSION

July 15, 2021

State Agencies - Bonds - Final Approval

ANALYSIS SUMMARY

APPLICATION NO: S21-027
ENTITY: Louisiana Housing Corporation (Home Ownership Program)
TYPE OF REQUEST: \$60,000,000 Revenue Bonds (Volume Cap)
ANALYST: Allison Roy

PARAMETERS:

Not exceeding \$60,000,000 Single Family Mortgage Revenue Bonds (Volume Cap), not exceeding 10%, not exceeding 40 years, finance first mortgage loans for first-time home buyers or to finance qualified home improvement loans and qualified rehabilitation loans.

Bond proceeds will be used to finance the origination of mortgage loans to qualified low and moderate income first time homebuyers for the purchase of owner-occupied, one to four bedroom homes located in the State.

The bonds shall not constitute a debt, liability, loan of the credit or a pledge of the faith and credit of the Parish or of the State of Louisiana, or of any political or governmental unit thereof. **The issuer will utilize a combination of new allocation and carry forward allocation from the State's Private Activity Volume Cap under Section 146 of the Internal Revenue Code of 1986.**

LHC offers two mortgage loan products as follows:

- **Assisted Mortgage Loans:** First-time Homebuyers will receive a grant equal to 4% of their 1st mortgage loan to cover closing costs and to provide additional down payment assistance.
- **Home MRB Loans:** Homebuyers with household incomes at 80% or less area median income adjusted by family size will receive 30 year fixed rate 1st mortgage financing substantially below market interest level plus down payment and closing cost assistance based upon the size of the 1st mortgage loan up to 9% of the mortgage loan amount depending on the income level of the eligible borrower.

Selection Method: Negotiated
Underwriter: J.P. Morgan Securities, LLC, Raymond James & Stifel
Terms:
 Interest Rate Not exceeding 10%
 Maturity Not exceeding 40 years
Security: Trust Estate as defined in the Indenture, inclusive of MBS* that securitize mortgage loans for first-time homebuyers pledged under the Series 2021B Supplemental Indenture.

* Mortgage backed securities released from the Series Indentures related to the Outstanding Prior Bonds.

In a letter dated June 23, 2021, Stifel indicated they have worked with LHC on the proposed issuance and expects the marketing of the bonds to be well received. The letter is not to be considered a commitment or offer to purchase or sell the bonds.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # S21-027
Agenda Item # 22

Applicant: *

Louisiana Housing Corporation

Parameters / Purposes: *

Authority to issue not exceeding Sixty Million Dollars (\$60,000,000) of Louisiana Housing Corporation Single Family Mortgage Revenue Bonds to finance first mortgage loans for first- time homebuyers throughout the State or to finance qualified home improvement loans and qualified rehabilitation loans under Section 143(k)(4) and Section 43(k)(5) of the Internal Revenue Code of 1986, as amended (the "Code").

The Bonds will bear interest at not exceeding ten percentum (10%) per annum and will mature not later than forty (40) years from their date of issuance.

Citation(s): *

Chapter 3-G of Title 40 of the LA RS of 1950

Security: *

The Bonds shall be secured by the Trust Estate as defined in the Indenture, inclusive of MBSs that securitize mortgage loans for first-time homebuyers throughout the State and shall be subject to redemption in accordance with the Indenture.

As Set Forth By: *

Resolution adopted by the LHC Board at its June 9, 2021 Board Meeting

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 22

			\$60,000,000 S21-027 LHC (Home Ownership Program) Revenue Bonds (Volume Cap) July 15, 2021		\$50,000,000 S21-001 LHC (Home Ownership Program) Revenue Bonds (Volume Cap) January 21, 2021	
	Firm/Vendor	Paid From Proceeds Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS						
Legal						
Bond Counsel	Butler Snow LLP	Y	75,220	1.25	69,220	1.38
Co-Bond Counsel				0.00		0.00
Issuer Counsel				0.00		0.00
Underwriter Counsel	Jones Walker LLP	Y	20,750	0.35	15,750	0.32
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo	Jones Walker LLP	Y	750	0.01	750	0.02
Disclosure Counsel	Butler Snow LLP	Y	27,500	0.46	25,000	0.50
DEQ Counsel				0.00		0.00
Trustee Counsel	Gregory A Pletsch	Y	5,000	0.08	5,000	0.10
Escrow Trustee Counsel				0.00		0.00
Total Legal			129,220	2.15	115,720	2.31
Underwriting						
Sales Commission				0.00		0.00
Management Fees	Stifel / JP Morgan / Raymond James	Y	75,000	1.25	62,500	1.25
MSRP/CUSIP/PSA				0.00		0.00
Takedown	Stifel / JP Morgan / Raymond James	Y	330,000	5.50	281,556	5.63
Day Loan				0.00		0.00
Expenses	Stifel / JP Morgan / Raymond James	Y	8,654	0.14	8,624	0.17
Total Underwriting			413,654	6.89	352,680	7.05
Other						
Publishing/Advertising	The Advocate / The DJC	Y	5,000	0.08	5,000	0.10
Rating Agency(s)	Moody's	Y	27,500	0.46	50,000	1.00
Insurance				0.00		0.00
Bond Commission	SBC	Y	27,775	0.46	24,275	0.49
Issuer Financing				0.00		0.00
Municipal Advisor	Government Consultants, Inc.	Y	120,000	2.00	100,000	2.00
Trustee	Hancock Whitney Bank	Y	5,500	0.09	6,500	0.13
Escrow Agent				0.00		0.00
Paying Agent				0.00		0.00
Feasibility Consultants				0.00		0.00
POS/OS Printing	ImageMaster	Y	2,000	0.03	2,500	0.05
Accounting				0.00		0.00
Verification Agent	Causey, Demgen & Moore	Y	4,500	0.08	4,500	0.09
Escrow Verification				0.00		0.00
Contingencies				0.00		0.00
Total Other			192,275	3.20	192,775	3.86
TOTAL ISSUANCE COSTS			735,149	12.25	661,175	13.22



STATE BOND COMMISSION

July 15, 2021

State Agencies, Boards and Commissions

SYNOPSIS

APPLICATION NO: S21-028

ENTITY: Louisiana Housing Corporation

TYPE OF REQUEST: \$9,000,000 Refunding Bonds

ANALYST: Allison Roy

SUBMITTED BY:

Wayne J. Neveu, Butler Snow LLP

PARAMETERS:

Not exceeding \$9,000,000 Single Family Mortgage Revenue Refunding Bonds (Taxable), in one or more series or subseries, not exceeding 10%, not exceeding 40 years, refunding all or a portion of Single Family Mortgage Revenue Bonds, Series 2012A.

LEGISLATIVE AUTHORITY:

R.S. 40:600.86-600.111

R.S. 39:1444-1456

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**
- ☐ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

July 15, 2021

State Agencies - Bonds - Final Approval

ANALYSIS SUMMARY

APPLICATION NO: S21-028
ENTITY: Louisiana Housing Corporation
TYPE OF REQUEST: \$9,000,000 Refunding Bonds
ANALYST: Allison Roy

PARAMETERS:

Not exceeding \$9,000,000 Single Family Mortgage Revenue Refunding Bonds (Taxable), in one or more series or subseries, not exceeding 10%, not exceeding 40 years, refunding all or a portion of Single Family Mortgage Revenue Bonds, Series 2012A.

LHC is seeking approval for a current economic refunding that will provide debt service savings of approximately \$1,075,408.

The proposed debt will be issue as taxable as the savings of a taxable monthly pass-through refunding is greater than a semi-annual tax-exempt refunding.

The bonds shall not constitute a debt, liability, loan of the credit or a pledge of the faith and credit of the Parish or of the State of Louisiana, or of any political or governmental unit thereof.

The Series 2012A bonds being refunded were originally issued to purchase mortgage-backed securities.

Original Asset Life:

The final maturity date of the 2012A bonds being refunded is December 1, 2041. The issuance of refunding bonds will result in the same maturity.

Interest Rate Reduction:

Interest rate on outstanding Bonds	2.75%
Estimated interest rate on Refunding Bonds	1.70%

Present Value / Future Value Savings:

Average Annual Savings	\$51,210
Estimated Total Gross Debt Service Savings	\$1,075,408
Sinking/Reserve Fund Transfer Amount	\$0
Estimated Net Present Value Debt Savings	\$740,557
Net Present Value Savings as % of Refunded Principal:	8.29%

The redemption provisions reflect the 2012A bonds being refunded are callable at the first business day of any month, therefore this level of current value savings falls within SBC guidelines.

Selection Method: Negotiated
Purchaser: Raymond James, Stifel and JPMorgan Securities
Terms:
 Interest Rate Not exceeding 10%
 Maturity Not exceeding 40 years
Security: Trust Estate as defined in the Indenture, inclusive of MBS* that securitize mortgage loans for first-time homebuyers and mortgage-backed securities transferred from Indentures of the outstanding bonds.

* Mortgage backed securities released from the Series Indentures related to Outstanding Prior Bonds.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # S21-028
Agenda Item # 23

Applicant: *

Louisiana Housing Corporation

Parameters / Purposes: *

Authority to issue not exceeding Nine Million Dollars (\$9,000,000) Single Family Mortgage Revenue Refunding Bonds (Taxable), in one or more series or subseries, (the "Refunding Bonds") to refund all or a portion of the outstanding Series 2012A single family mortgage revenue bonds (the "Outstanding Prior Bonds").

The Refunding Bonds will bear interest at not exceeding ten percentum (10%) per annum and will mature not later than forty (40) years from their date of issuance.

Citation(s): *

Chapter 3-G of Title 40 of the LA RS of 1950

R.S. 39:1444-1456

Security: *

The Bonds shall be secured by the Trust Estate as defined in the Indenture, inclusive of MBSs that securitize mortgage loans for first-time homebuyers throughout the State and mortgage backed securities transferred from Indentures of the outstanding prior bonds..

As Set Forth By: *

Resolution adopted by the LHC Board at its June 9, 2021 Board Meeting

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 23

			\$9,000,000 S21-028		\$12,500,000 S21-002		
			Louisiana Housing Corporation		Louisiana Housing Corporation		
			Paid From Proceeds	Refunding Bonds July 15, 2021		Refunding Bonds January 21, 2021	
	Firm/Vendor	Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond	
ISSUANCE COSTS							
Legal							
	Bond Counsel	Butler Snow LLP	Y	47,025	5.23	54,025	4.32
	Co-Bond Counsel				0.00		0.00
	Issuer Counsel				0.00		0.00
	Underwriter Counsel	Jones Walker	Y	10,750	1.19	10,750	0.86
	Underwriter Co-Counsel				0.00		0.00
	Preparation of Blue Sky Memo	Jones Walker	Y	750	0.08	750	0.06
	Preparation of Official Statements				0.00		0.00
	Disclsoure Counsel	Butler Snow LLP	Y	17,500	1.94	15,000	1.20
	Trustee Counsel				0.00		0.00
	Escrow Trustee Counsel				0.00		0.00
Total Legal				76,025	8.45	80,525	6.44
Underwriting							
	Sales Commission				0.00		0.00
	Management Fees	Stifel / JP Morgan / Raymond James	Y	11,155	1.24	15,625	1.25
	MSRP/CUSIP/PSA				0.00		0.00
	Takedown	Stifel / JP Morgan / Raymond James	Y	44,621	4.96	62,500	5.00
	Day Loan				0.00		0.00
	Expenses	Stifel / JP Morgan / Raymond James	Y	2,415	0.27	1,977	0.16
Total Underwriting				58,191	6.47	80,102	6.41
Other							
	Publishing/Advertising	Image Master	Y	1,000	0.11	2,500	0.20
	Rating Agency(s)	Moody's	Y	27,500	3.06	20,000	1.60
	Insurance				0.00		0.00
	Bond Commission	SBC	Y	5,225	0.58	7,025	0.56
	Issuer Financing				0.00		0.00
	Municipal Advisor	Government Consultants, Inc.	Y	17,848	1.98	25,000	2.00
	Trustee	Whitney Bank	Y	5,500	0.61	3,500	0.28
	Escrow Agent				0.00		0.00
	Paying Agent				0.00		0.00
	Feasibility Consultants				0.00		0.00
	POS/OS Printing				0.00		0.00
	Accounting				0.00		0.00
	Account Verification				0.00		0.00
	Escrow Verification				0.00		0.00
	Contingencies				0.00		0.00
Total Other				57,073	6.34	58,025	4.64
TOTAL ISSUANCE COSTS				191,289	21.25	218,652	17.49



STATE BOND COMMISSION

July 15, 2021

Political Subdivisions - Bonds

SYNOPSIS

APPLICATION NO: S21-022

ENTITY: Louisiana Community Development Authority (Caddo-Bossier Parishes Port Commission Project)

TYPE OF REQUEST: \$35,000,000 Revenue Bonds

ANALYST: Allison Roy

SUBMITTED BY:

William R. Boles, Jr., Boles Shafto, LLC

PARAMETERS:

Not exceeding \$35,000,000 Revenue Bonds, not exceeding 6%, not exceeding 30 years, **(1)** financing the expansion and construction of approximately 182,000 square feet to an existing facility and **(2)** funding debt service reserve fund, if necessary.

LEGISLATIVE AUTHORITY:

R.S. 33:4548.1-4548.16

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**
- ☐ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

July 15, 2021

Political Subdivision - Bonds

ANALYSIS SUMMARY

APPLICATION NO: S21-022
ENTITY: Louisiana Community Development Authority (Caddo-Bossier Parishes Port Commission Project)
TYPE OF REQUEST: \$35,000,000 Revenue Bonds
ANALYST: Allison Roy

PARAMETERS:

Not exceeding \$35,000,000 Revenue Bonds, not exceeding 6%, not exceeding 30 years, **(1)** financing the expansion and construction of approximately 182,000 square feet to an existing facility and **(2)** funding debt service reserve fund, if necessary.

The proposed financing will be for the expansion and construction of approximately 182,000 additional square feet to an existing facility which is currently approximately 100,000 square feet and is currently being leased by Ronpak, Inc. The construction will consist of a metal building to support manufacturing and distribution activities of Ronpak, Inc.

Staff has been informed a portion of the proposed debt could be issued as taxable due to the project being used by a private entity.

Maximum Interest Cost	6%
Maximum Debt Service	\$2,559,200

Calculation of Coverage Ratio:

Annual Net Income Excluding Debt Service and Depreciation	\$	5,845,449
Maximum Current Debt Service	\$	1,069,789
Debt Service on Proposed Issue	\$	2,559,200
Maximum Combined New Debt Service	\$	3,626,786
Coverage Ratio		1.61

* Annual net income is based upon projections provided by Kent Schexnayder with Sisung Securities in FY 2022. The Projections include the General Fund & Capital Projects Fund and also assume additional revenue for Ronpak lease beginning in FY2022.

Outstanding Debt Secured by Same Pledge of Revenue Includes:
 Revenue Refunding Bonds, Series 2017

Selection Method:	TBD
Underwriter:	Crews & Associates
Terms:	
Interest Rate	Not exceeding 6%
Maturity	Not exceeding 30 years
Security:	Lawfully Available Funds

In a letter dated May 18, 2021, Crews & Associates states they have been engaged as underwriter/placement agent and they are confident the proposed transaction is marketable to investors.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # S21-022
Agenda Item # 24

Applicant: *

Louisiana Local Government Environmental Facilities and Community Development Authority (Caddo-Bossier Port)

Parameters / Purposes: *

Authority for the Louisiana Local Government Environmental Facilities and Community Development Authority on behalf for the Caddo-Bossier Parishes Port Commission to incur debt and issue not exceeding Thirty-Five Million (\$35,000,000) Taxable or Tax-Exempt Revenue Bonds, in one or more series (the "Bonds") for the purposes of providing financing for: (i) the expansion and construction of approximately 182,000 square feet to an existing facility which is currently approximately 100,000 square feet, which is currently being leased by Ronpak, Inc.; (ii) funding a debt service reserve fund or purchasing a reserve fund surety policy, if necessary, and (iii) paying the costs of issuance of the Bonds, including the costs of purchasing a bond insurance policy, if deemed advisable (collectively, the "Project"). The Bonds shall not exceed thirty (30) years and will bear interest at a rate or rates not to exceed six per centum (6.00%) per annum, all in the manner provided for pursuant to Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority supplemental thereto. The Bonds shall be secured by payments under a loan agreement to be entered into by and between the Borrower and the Authority, which payments will be assigned and pledged to the Authority for payment of principal of and interest on the Bonds.

Citation(s): *

La. R.S. 33:4548.1-4548.16

Security: *

The Bonds shall be secured by payments under a loan agreement to be entered into by and between the Borrower and the Authority, which payments will be assigned and pledged to the Authority for payment of principal of and interest on the Bonds from Lawfully Available Funds of the Port.

As Set Forth By: *

Resolution No. 13 of 2021 adopted by the Port on June 14, 2021; Resolution adopted by the LCDA on July 8, 2021.

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 24

		\$35,000,000 S21-022 LCDA (Caddo-Bossier Parishes Port Commission Project)		\$20,000,000 S19-012 LCDA (City of Crowley Project)		
		Paid From Proceeds	Revenue Bonds July 15, 2021		Revenue Bonds April 24, 2019	
	Firm/Vendor	Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS						
Legal						
Bond Counsel	Boles Shafto, LLC	Y	75,150	2.15	64,900	3.25
Co-Bond Counsel				0.00		0.00
Issuer Counsel	Dunlap Fiore	Y	10,000	0.29	7,500	0.38
Bank Counsel				0.00		0.00
Underwriter Counsel	Jacqueline Scott & Associates	Y	55,000	1.57	57,000	2.85
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements	Boles Shafto, LLC	Y	7,500	0.21		0.00
DEQ Counsel				0.00		0.00
Trustee Counsel	Mahtook & LaFleur	Y	15,000	0.43	7,500	0.38
Purchaser Counsel	TBD	Y	15,000	0.43		0.00
Total Legal			177,650	5.08	136,900	6.85
Underwriting						
Sales Commission				0.00		0.00
Management Fees	Crews & Associates	Y	112,500	3.21	96,250	4.81
MSRP/CUSIP/PSA	Crews & Associates	Y	10,000	0.29	7,500	0.38
Takedown	Crews & Associates	Y	140,000	4.00	96,250	4.81
Day Loan				0.00		0.00
Placement Fee				0.00		0.00
Total Underwriting			262,500	7.50	200,000	10.00
Credit Enhancement						
Bond Insurance	BAM or AGM	Y	250,000	7.14	183,000	9.15
Letter of Credit				0.00		0.00
Surety	BAM or AGM	Y	100,000	2.86		0.00
Total Credit Enhancement			350,000	10.00	183,000	9.15
Other						
Publishing/Advertising	Official Journal	Y	5,000	0.14	5,000	0.25
Rating Agency(s)	S&P or Moody's	Y	32,000	0.91	25,000	1.25
Insurance				0.00		0.00
Bond Commission	SBC	Y	17,525	0.50	10,775	0.54
Issuer Financing	LCDA	Y	17,500	0.50	10,000	0.50
Municipal Advisor	Sisung Securities Corporation	Y	87,500	2.50	50,000	2.50
Escrow Agent				0.00		0.00
Trustee Agent	Regions Bank	Y	7,500	0.21	5,000	0.25
Paying Agent				0.00		0.00
Feasibility Consultants				0.00		0.00
POS/OS Printing	Imagemaster	Y	3,000	0.09	5,000	0.25
Accounting				0.00		0.00
Account Verification				0.00		0.00
Escrow Verification				0.00		0.00
Contingencies/Miscellaneous	TBD	Y	5,000	0.14	4,000	0.20
Total Other			175,025	5.00	114,775	5.74
TOTAL ISSUANCE COSTS			965,175	27.58	634,675	31.73



STATE BOND COMMISSION

July 15, 2021

Political Subdivisions - Bonds

SYNOPSIS

APPLICATION NO: S21-029

ENTITY: Louisiana Community Development Authority (Parish of Jefferson, State of Louisiana - Jefferson Protection and Animal Welfare Services (JPAWS) Department, East Bank Animal Shelter Project)

TYPE OF REQUEST: \$11,000,000 Revenue Bonds

ANALYST: Stephanie Blanchard

SUBMITTED BY:

Betty Earnest, The Becknell Law Firm

PARAMETERS:

Not exceeding \$11,000,000 Revenue Bonds, Series 2021, not exceeding 5%, not exceeding 15 years, **(1)** acquiring, constructing and equipping a humane animal control shelter and related services and **(2)** funding a deposit to the reserve fund, if required.

LEGISLATIVE AUTHORITY:

R.S. 33:4548.1-4548.16

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ❑ **Analysis Summary**
- ❑ **Approval Parameter Form**
- ❑ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

July 15, 2021

Political Subdivisions - Bonds - Final Approval

ANALYSIS SUMMARY

APPLICATION NO: S21-029
ENTITY: Louisiana Community Development Authority (Parish of Jefferson, State of Louisiana - Jefferson Protection and Animal Welfare Services (JPAWS) Department, East Bank Animal Shelter Project)
TYPE OF REQUEST: \$11,000,000 Revenue Bonds
ANALYST: Stephanie Blanchard

PARAMETERS:

Not exceeding \$11,000,000 Revenue Bonds, Series 2021, not exceeding 5%, not exceeding 15 years, **(1)** acquiring, constructing and equipping a humane animal control shelter and related services and **(2)** funding a deposit to the reserve fund, if required.

Bond proceeds will be used to construct a new 20,050 square foot state-of-the-art animal shelter serving the east bank of Jefferson Parish.

Maximum Interest Cost	5%
Maximum Debt Service	\$1,045,000

Calculation of Coverage Ratio:

Annual Net Income Excluding Debt Service and Depreciation	\$ 1,505,616
Maximum Current Debt Service	\$ -
Debt Service on Proposed Issue	\$ 1,045,000
Maximum Combined New Debt Service	\$ 1,045,000
Coverage Ratio	1.44

* Annual net income of the Animal Shelter Fund is based upon unaudited financial statements for FYE December 31, 2020.

Outstanding Debt Secured by Same Pledge of Revenue Includes: None

Selection Method:	TBD
Underwriters:	Stifel, Nicolaus & Co. and Sisung Securities Corporation
Terms:	
Interest Rate	Not exceeding 5%
Maturity	Not exceeding 15 years
Security:	Lawfully Available Funds

In a letter dated June 24, 2021, Stifel and Sisung commits to place the transaction on a best effort basis. The specific terms of the loan, with the stated parameters, will be set forth in subsequent commitment or offer to purchase.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # S21-029
Agenda Item # 25

Applicant: *

Louisiana Local Government Environmental Facilities and Community Development Authority

Parameters / Purposes: *

Not to exceed \$11,000,000 Revenue Bonds, Series 2021, Parish of Jefferson, State of Louisiana - Jefferson Protection and Animal Welfare Services (JPAWS) Department, East Bank Animal Shelter Project

maturing not later than 15 years from issuance

not exceeding 5.00% fixed interest rate

Purpose: (a) acquiring, constructing, and equipping a humane animal control shelter and related services (the "Project"); (b) paying all legally incurred costs and expenses in connection with the issuance of said Bonds; and (c) funding a deposit to the Reserve Fund, if required, for the sale of the Bonds

Citation(s): *

Chapter 10-D of Title 33

Security: *

Lawfully Available Funds of Jefferson Parish

As Set Forth By: *

Resolution of Jefferson Parish adopted June 9, 2021 and LCDA resolution adopted June 10, 2021.

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 25

		\$11,000,000 S21-029 LCDA (Parish of Jefferson, State of Louisiana - Jefferson Protections and Animal Welfare Services (JPAWS) Department, East Bank Animal Shelter Project) Revenue Bonds July 15, 2021			\$12,000,000 S20-060 LCDA (Bossier Parish Public Improvement Projects) Refunding Bonds October 15, 2020	
	Firm/Vendor	Paid From Proceeds Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS						
Legal						
Bond Counsel	Becknell Law Firm	Y	56,025	5.09	58,025	4.84
Co-Bond Counsel				0.00		0.00
Issuer Counsel	Jones Walker	Y	7,500	0.68	7,500	0.63
Underwriter or Placement Agent Counsel	Haley Law Firm	Y	35,000	3.18	32,500	2.71
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements				0.00		0.00
Purchaser Counsel	TBD	Y	15,000	1.36		0.00
Trustee Counsel	TBD	Y	7,500	0.68	7,500	0.63
Escrow Trustee Counsel				0.00		0.00
Total Legal			121,025	11.00	105,525	8.79
Underwriting						
Underwriting or Placement Agent	Sisung Securities/Stifel, Nicolaus	Y	88,000	8.00		0.00
Management Fees				0.00	54,600	4.55
MSRP/CUSIP/PSA				0.00	5,000	0.42
Takedown				0.00	36,400	3.03
Day Loan				0.00		0.00
Placement Fee				0.00		0.00
Total Underwriting			88,000	8.00	96,000	8.00
Credit Enhancement						
Bond Insurance	AGM or BAM	Y	30,000	2.73	50,000	4.17
Letter of Credit				0.00		0.00
Surety	AGM or BAM	Y	32,500	2.95		0.00
Total Credit Enhancement			62,500	5.68	50,000	4.17
Other						
Publishing/Advertising	Official Journal	Y	2,500	0.23	3,000	0.25
Rating Agency(s)	Standard and Poor's		24,000	2.18	30,000	2.50
Insurance				0.00		0.00
Bond Commission	SBC	Y	6,275	0.57	6,775	0.56
Issuer Financing	LCDA	Y	5,500	0.50	6,000	0.50
Municipal Advisor	Government Consultants	Y	24,750	2.25	30,000	2.50
Trustee	TBD	Y	7,500	0.68	5,000	0.42
Escrow Agent				0.00	2,500	0.21
Paying Agent				0.00		0.00
Feasibility Consultants				0.00		0.00
POS/OS Printing	Imagemaster	Y	3,500	0.32	4,000	0.33
Accounting				0.00		0.00
CPA Fees				0.00		0.00
Escrow Verification				0.00	2,500	0.21
Miscellaneous				0.00	5,000	0.42
Total Other			74,025	6.73	94,775	7.90
TOTAL ISSUANCE COSTS			345,550	31.41	346,300	28.86



STATE BOND COMMISSION

July 15, 2021

Public Trust - Final Approval

SYNOPSIS

APPLICATION NO: S21-031

ENTITY: Louisiana Public Facilities Authority (ENCORE Academy Project)

TYPE OF REQUEST: \$13,000,000 Revenue Bonds

ANALYST: James Pounders

SUBMITTED BY:

Meredith L. Hathorn, Foley & Judell, LLP

PARAMETERS:

Not exceeding \$13,000,000 Revenue Bonds, not exceeding 7% fixed or variable (convertible) rate, not exceeding 40 years, **(1)** acquisition, construction, renovation and equipping of existing facilities for the operation of ENCORE Academy, a pre-kindergarten through eighth grade, tuition free, public charter school in New Orleans, including the acquisition of land and capitalized interest and **(2)** funding one or more reserve funds, as necessary.

LEGISLATIVE AUTHORITY:

R.S. 9:2341-2347

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ❑ Analysis Summary
- ❑ Approval Parameter Form
- ❑ Fee Comparison Worksheet
- ❑ Diagram / Chart
- ❑ Additional Supporting Documentation
- ❑ Additional Supporting Documentation
- ❑ Letter of Support



STATE BOND COMMISSION

July 15, 2021

Public Trust - Final Approval

ANALYSIS SUMMARY

APPLICATION NO: S21-031
ENTITY: Louisiana Public Facilities Authority (ENCORE Academy Project)
TYPE OF REQUEST: \$13,000,000 Revenue Bonds
ANALYST: James Pounders

PARAMETERS:

Not exceeding \$13,000,000 Revenue Bonds, not exceeding 7% fixed or variable (convertible) rate, not exceeding 40 years, **(1)** acquisition, construction, renovation and equipping of existing facilities for the operation of ENCORE Academy, a pre-kindergarten through eighth grade, tuition free, public charter school in New Orleans, including the acquisition of land and capitalized interest and **(2)** funding one or more reserve funds, as necessary.

Project Summary

The Louisiana Public Facilities Authority ("LPFA") will issue bonds and loan the proceeds to ENCORE Learning ("Encore"). Encore will use proceeds to execute its Option to Purchase under a lease agreement with CSDC Facilities Corporation ("CSDC") to purchase the school building it currently occupies and perform improvements to the facility. Encore operates ENCORE Academy (the "School"), a Type 1 Charter School pursuant to a charter authorized by the Orleans Parish School Board ("OPSB"). The School is located at 2518 Arts Street in New Orleans.

The School facility includes a building of approximately 38,000 square feet with 22 classrooms and an arts annex with five arts classrooms. Per a lease agreement between CSDC and Encore, CSDC purchased the facility in 2015 and renovated the existing building and demolished two one-story buildings. The facility received all new systems (mechanical, electrical, plumbing, etc), windows, interior finishes, and an addition with an elevator and restrooms on each floor. Further, an additional 5-6 classroom building was constructed to create an arts space.

Using bond proceeds, Encore will buy out its lease of the facility from CSDC, which includes Encores taking possession of the facility, and will perform additional improvements including:

- Adding four additional classrooms for instructional space
- Adding an additional restroom
- Expanding the cafeteria area
- Renovating a former boiler room to provide an art studio
- Providing water intrusion prevention measures

Construction is scheduled to begin in November 2021 with completion in February 2022, and will be in accordance with Louisiana Public Bid Law, La. R.S. 38:2211 et seq. Staff has been informed there is no plan to engage a third party developer for this project.

It is the opinion of Bond Counsel, Foley & Judell, that should the School cease to operate and another charter school not take its place or Encore's charter be revoked, the facility and land will revert to OPSB.

Background of School

OPSB granted Encore a charter in 2012 to open a Pre-K through 8th grade school. The charter was then renewed in April 2017 for an additional six years by OPSB and will expire June 30, 2023 unless renewed or terminated sooner. The School is currently a Type 1 charter school. As per Title 17, Chapter 42 of the Louisiana Revised Statutes, a Type 1 charter school is under the supervision of a local school board, rather than the Board of Elementary and Secondary Education ("BESE").



STATE BOND COMMISSION

The School is arts focused and opened in the fall of 2012 with 200 students in grades Pre-K through 5. The School has since grown and has a current enrollment of 547 students in grades Pre-K through 8. Prior to the COVID-19 pandemic, the School's enrollment was 625 students.

Over 70% of the students come from the New Orleans Seventh Ward and New Orleans East, with 96% of all enrolled students being economically disadvantaged. The School also serves an English language learner population equal to 17% of its enrollment. Staff has been informed the School will return to full in-person instruction for the 2021-2022 school year.

Historical & Projected Enrollment by Grade

<u>School Year</u>	<u>Pre-K</u>	<u>K</u>	<u>1st-5th Grade</u>	<u>6th-8th Grade</u>	<u>Total</u>
2016-2017	39	51	308	113	511
2017-2018	40	53	324	142	559
2018-2019	39	58	312	195	604
2019-2020	40	55	278	231	604
2020-2021	29	38	260	226	553
2021-2022	32	60	300	201	593
2022-2023	35	60	300	178	573
2023-2024	39	60	300	178	577
2024-2025	40	60	300	178	578
2025-2026	40	60	300	178	578

Historical enrollment figures presented above are based on the February reported enrolled student count for the year. Future enrollment figures are presented based on the end of the school year.

The School experienced an enrollment decline for the 2021 school year due to the COVID-19 pandemic as a number of families moved out of Orleans Parish. Despite this, the School is confident enrollment will rebound to the figures presented above as Rounds 1 and 2 of citywide enrollment were favorable with Round 3 beginning in July. Historically Encore enrolls a large number of students during the Round 3 enrollment period.

For a period of time, there was a school seat shortage across the City of New Orleans. In response to this, Encore added a temporary third section at three grade levels in addition to their usual two. The 2022 school year will be the last year Encore holds the three sections and will revert back to all grade levels having only two sections for the 2023 school year.

Financing

The primary source of state and local funding for schools in Louisiana is the Minimum Foundation Program ("MFP" or "State Aid"). The MFP Resolution requires that State MFP funds shall only be expended for educational purposes. These expenditures are related to the operational and instructional activities of city, parish, or other public school systems or schools. BESE requires school systems and schools that receive MFP funds to spend seventy percent (70%) of general fund (state and local) dollars in the areas of instruction and school administration at the school building level. After meeting the expenditure requirement of BESE, school systems and schools can spend funds as they see fit to meet the needs of their schools and students, including construction and debt service. The School has submitted the following projections provided by 4th Sector Solutions. The below student counts are lower than the above expected enrollment trends in an effort to be conservative with the projections.

**STATE BOND COMMISSION**

	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY 2026</u>
Student Count:	513	505	513	527	527
Revenue:					
MFP (State & Local)	\$5,982,999	\$6,550,779	\$6,664,822	\$6,831,077	\$6,972,118
Other Funding	\$3,387,103	\$3,304,346	\$3,346,389	\$2,385,029	\$2,425,472
Total Revenue:	\$9,370,102	\$9,855,125	\$10,011,211	\$9,216,106	\$9,397,590
Average MFP per Student:	\$11,663	\$12,972	\$12,992	\$12,962	\$13,230
MFP as % of Total Funding:	64%	65%	67%	74%	74%
Maximum Interest Cost	7.00%				
Maximum Debt Service	\$967,650				

Calculation of Coverage Ratio:

Annual Net Income Excluding Debt Service and Depreciation	\$ 1,514,962
Maximum Current Debt Service	\$ -
Debt Service on Proposed Issue	\$ 967,650
Maximum Combined New Debt Service	\$ 967,650
Coverage Ratio	1.57

Annual net income above is based on projections completed by 4th Sector Solutions for FY 2023. The projections are based upon the debt service at max rates.

Outstanding Debt Secured by Same Pledge of Revenue Includes:

Line of Credit: There is a zero balance on this LOC, and Staff has been informed there is no intention to draw down.

SBA-PPP Loan: The School has indicated this loan is in the process of being forgiven.

The bonds shall not constitute a debt, liability, loan of the credit or a pledge of the faith and credit of the State of Louisiana or of any political or governmental unit thereof.

There are numerous cited risks that will be assumed by the bondholder in this transaction, including but not limited to dependence on State Aid payments that are subject to annual appropriation and political factors, charter school law, nonrenewal or revocation of charters, legal challenges, risk of reduction in state apportionment funding, limitations of availability of State Aid, competition of students, future changes to charter school laws, claims and insurance coverage, public school and charter school reputational risk and the School's ability to achieve enrollment and achieve revenue targets.

The underwriter, Truist Securities, has provided a letter dated June 9, 2021, stating they are highly confident in the ability to arrange the financing for the project. The bonds will be marketed pursuant to a Preliminary Limited Offering Memorandum that will outline all the risks cited above and will be sold only to sophisticated investors.

Uses of Proceeds

Project Fund	\$11,595,000
Debt Service Reserve	\$967,650
Cost of Issuance & Rounding	\$437,350
Total	\$13,000,000

**STATE BOND COMMISSION****Transaction Participants**

<u>Participants:</u>	<u>Secretary of State Reporting Status:</u>	<u>Agents / Officers:</u>
Borrower / Land & Building Owner / Charter Operator: ENCORE Learning	Non-Profit Corporation, registered with the Secretary of State to do business in the State of Louisiana and in good standing.	Agents: Terri Smith Directors: Jon Randall (President), Max Zwain, Jeff Benjamin, Brittney Joseph, Tiffany Lokey, Brain Turner, Ericka Windon, William Africk
School: ENCORE Academy	The name of the school that is operated by ENCORE Learning.	Founder & CEO: Terri Smith
Selection Method:	Negotiated	
Underwriter:	Truist Securities, Inc.	
Terms:		
Interest Rate	Not exceeding 7% fixed or variable (convertible) rate	
Maturity	Not exceeding 40 years	
Security:	(1) A Trust Estate established under the Indenture, which may include, among other things, all of the LPFA's right, title and interest in and to payments under the Loan Agreement and a mortgage on certain facilities and (2) An assignment of leases and rents, pledge of gross revenues, or such other security as may be provided in the Indenture.	

Letters of Support have been received from Jared C. Brossett, New Orleans City Councilmember and Henderson Lewis, Jr., Superintendent of Schools for NOLA Public Schools.



**LOUISIANA STATE BOND COMMISSION
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # S21-031
Agenda Item # 26

Applicant: *

Louisiana Public Facilities Authority (the "Authority") (ENCORE Academy Project)

Parameters / Purposes: *

Approval to issue not exceeding \$13,000,000 of Louisiana Public Facilities Authority Revenue Bonds (ENCORE Academy Project) for the purpose of (i) financing the acquisition, construction, renovation and equipping of existing facilities for the operation of ENCORE Academy, a pre-kindergarten through eighth grade, tuition free, public charter school in New Orleans, Louisiana, including the acquisition of land in connection therewith and capitalized interest, (ii) funding one or more reserve funds, as necessary, and (iii) paying the costs of issuance associated therewith, pursuant to a Trust Indenture (the "Indenture") between the Authority and a trustee to be identified by the herein defined Corporation. The proceeds of the Bonds are to be loaned to ENCORE Learning (the "Corporation") pursuant to a Loan Agreement (the "Loan Agreement") between the Authority and the Corporation. The Bonds may be issued in one or more series on a taxable basis and/or tax-exempt basis, bearing interest at a fixed or variable (convertible) rate not to exceed 7% per annum, and shall mature not later than 40 years from the date thereof.

The Corporation will own the Project and the land on which the Project is to be located.

The Bonds shall be sold to the Underwriter at a price of not less than 90% of the principal amount thereof (inclusive of underwriter's discount in an amount not exceeding 3% of the principal amount thereof).

Citation(s): *

La. R.S. 9:2341-2347, as amended

Security: *

A Trust Estate established under the Indenture, which may include, among other things, all of the Authority's right, title and interest in and to payments under the Loan Agreement and a mortgage on certain facilities of the Project and an assignment of leases and rents, pledge of gross revenues, or such other security as may be provided in the Indenture.

As Set Forth By: *

A resolution adopted by the Louisiana Public Facilities Authority on June 8, 2021.

Subject To:

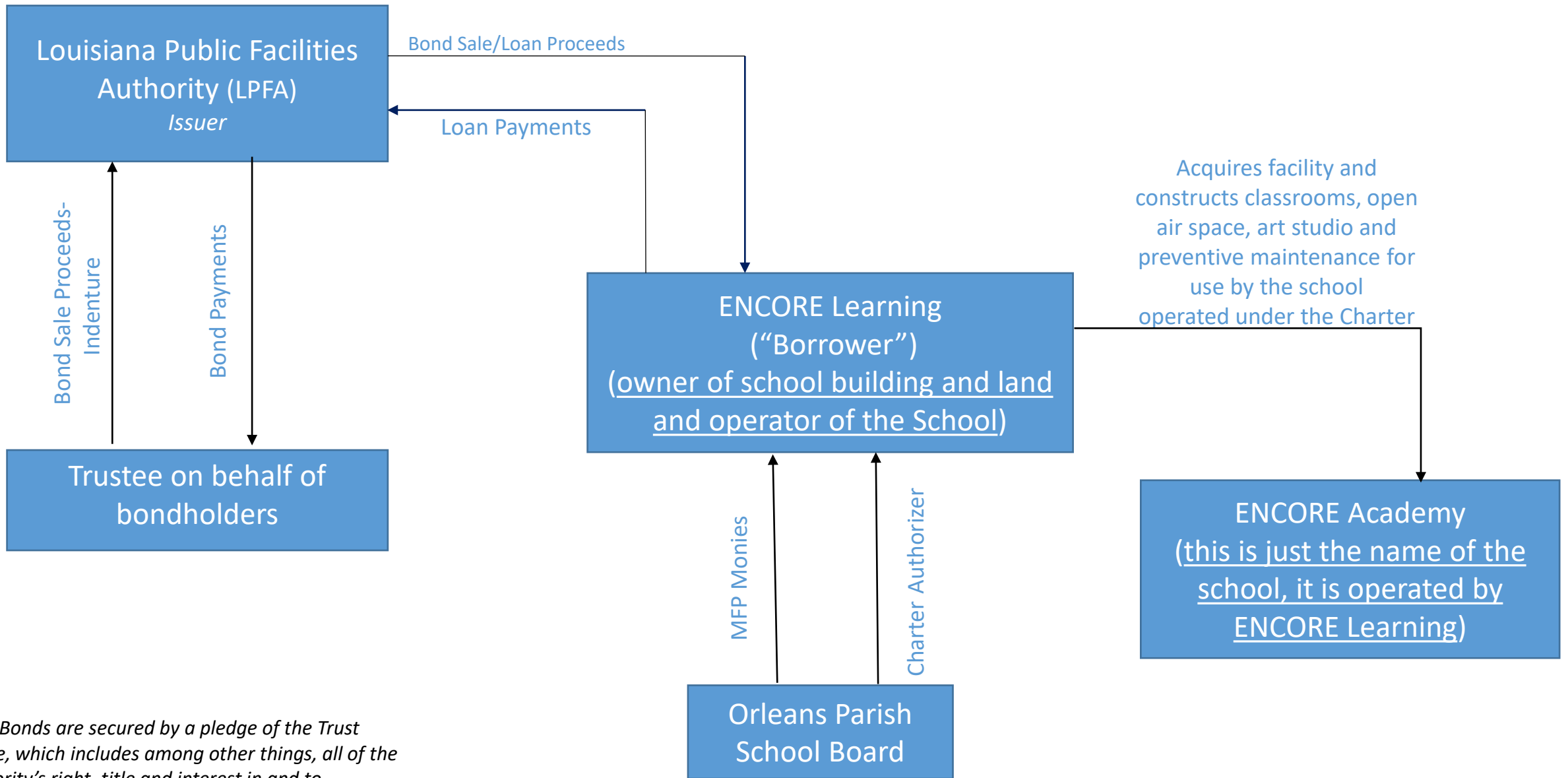
It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION
FEE COMPARISON WORKSHEET**

Agenda Item # 26

			\$13,000,000 S21-031 LPFA (ENCORE Academy Project) Revenue Bonds July 15, 2021		\$13,000,000 S21-009A LPFA (Mentorship STEAM Academy) Revenue Bonds May 20, 2021	
	Paid From Proceeds					
Firm/Vendor	Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond	
ISSUANCE COSTS						
Legal						
Bond Counsel	Foley & Judell, LLP	Y	60,025	4.62	60,025	4.62
Borrower's Counsel	Adams & Reese, LLP	Y	45,000	3.46	46,000	3.54
Issuer Counsel	Jacob S. Capraro, Esq.	Y	17,500	1.35	12,500	0.96
Underwriter Counsel	Orrick, Herrington, & Sutcliffe	Y	75,000	5.77	54,500	4.19
Special Tax Counsel				0.00	30,000	2.31
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements				0.00		0.00
DEQ Counsel				0.00		0.00
Trustee Counsel	Gregory A. Pletsch & Associates	Y	7,500	0.58	12,000	0.92
Escrow Trustee Counsel				0.00		0.00
Total Legal			205,025	15.77	215,025	16.54
Underwriting						
Truist Securities, Inc.	Y	234,000	18.00	253,500	19.50	
Sales Commission			0.00		0.00	
Management Fees			0.00		0.00	
MSRP/CUSIP/PSA			0.00		0.00	
Takedown			0.00		0.00	
Day Loan			0.00		0.00	
Placement Fee			0.00		0.00	
Total Underwriting			234,000	18.00	253,500	19.50
Other						
Publishing/Advertising	The Advocate; Various	Y	3,500	0.27	5,000	0.38
Rating Agency(s)				0.00		0.00
Insurance				0.00		0.00
Bond Commission	SBC	Y	15,050	1.16	15,050	1.16
Issuer Financing	LPFA	Y	6,500	0.50	6,500	0.50
Municipal Advisor				0.00	45,350	3.49
Trustee	Regions Bank	Y	5,000	0.38	7,000	0.54
Escrow Agent				0.00		0.00
Paying Agent				0.00		0.00
Feasibility Consultants				0.00		0.00
OS Posting	ImageMaster	Y	7,500	0.58		0.00
Dissemination Agent	DAC	Y	3,000	0.23		0.00
Account Verification				0.00		0.00
Transcripts	Alliance	Y	2,500	0.19	2,500	0.19
Contingencies				0.00		0.00
Total Other			43,050	3.31	81,400	6.26
TOTAL ISSUANCE COSTS			482,075	37.08	549,925	42.30
INDIRECT COSTS						
Beneficiary Organizational						
Beneficiary Counsel				0.00		0.00
Title, Survey & Appraisal	Adams and Reese Title, LLC	Y	160,622	12.36	112,900	8.68
Construction Counsel	Adams & Reese, LLP	Y	25,000	1.92		0.00
Total Beneficiary Organizational			185,622	14.28	112,900	8.68
TOTAL INDIRECT COSTS			185,622	14.28	112,900	8.68
TOTAL ISSUANCE AND INDIRECT COSTS			667,697	51.36	662,825	50.99



**The Bonds are secured by a pledge of the Trust Estate, which includes among other things, all of the Authority's right, title and interest in and to payments under the Loan Agreement and a mortgage on the facilities of ENCORE Learning.*

Total Enrollment	513	505	513	527	527	527
	Forecast FY22	Forecast FY23	Forecast FY24	Forecast FY25	Forecast FY26	Forecast FY27
Revenue						
Base Funding	5,982,999	6,550,779	6,664,822	6,831,077	6,972,118	7,116,325
Federal Entitlement Funding (Title I, Title II, IDEA)	1,675,535	1,559,491	1,568,775	631,403	635,673	640,028
State & Local Funding	692,032	698,518	702,519	648,767	654,289	654,289
Direct Student Services (DSS)	36,423	35,855	36,423	37,151	37,894	38,652
Philanthropy & Other Income	25,000	25,000	25,000	25,000	25,000	25,000
Pre-K Tuition	45,800	45,800	45,800	45,800	45,800	45,800
Food Service Revenue	912,313	939,682	967,873	996,909	1,026,816	1,057,621
Total Revenue	9,370,102	9,855,125	10,011,211	9,216,106	9,397,590	9,577,715
Expenses						
Salaries & Benefits						
Instructional Salaries	2,128,124	2,200,109	2,244,111	2,053,954	2,127,566	2,170,118
SPED Salaries	840,304	857,446	874,595	829,275	845,860	862,778
Support Salaries	953,252	892,087	909,928	686,669	700,403	714,411
General & Administrative Salaries	392,275	400,277	408,283	416,449	424,778	433,273
Benefits	1,140,285	1,136,014	1,147,455	1,016,205	1,036,967	1,057,706
Total Salaries & Benefits	5,454,240	5,485,934	5,584,372	5,002,551	5,135,574	5,238,285
Other than Personnel						
Regular Education OTP						
Curriculum	80,815	81,448	83,668	94,220	96,104	98,027
Educational Supplies	78,625	79,328	81,794	85,706	87,420	89,169
Assessments	89,500	90,657	93,106	96,914	98,852	100,829
Operational Software	5,177	5,306	5,385	5,493	5,603	5,715
Transportation	452,015	463,282	470,231	479,636	489,229	499,013
Equipment & Furniture (Non-Capital)	10,795	10,897	11,230	11,756	11,991	12,231
Rent & Rentals	26,090	26,242	26,335	26,462	26,591	26,723
Utilities	80,708	81,429	83,960	87,977	89,736	91,531
Custodial & Maintenance	240,293	242,641	244,089	246,049	248,048	250,087
Telecommunications	129,920	69,883	70,641	71,468	72,305	73,153
Insurance	71,283	73,060	74,156	75,639	77,152	78,695
Educational Consultants	286,242	292,728	296,729	302,142	307,665	313,297
Recruiting	5,583	5,722	5,807	5,924	6,042	6,163
Professional Development	6,090	6,242	6,335	6,462	6,591	6,723
Legal	3,553	3,641	3,696	3,770	3,845	3,922
Business Dues, Fees & Licenses	26,390	27,048	27,454	28,003	28,563	29,134
Business Supplies	25,375	26,008	26,398	26,926	27,464	28,013
Finance, HR & Ops Support	128,905	132,118	134,100	136,782	139,518	142,308
Operational Consultants	43,544	44,629	45,298	46,204	47,128	48,071
Food Service	891,685	913,911	927,619	946,172	965,095	984,397
Other Instruction	18,224	18,387	18,959	19,866	20,263	20,668
Other Administration	147,572	159,624	162,334	166,240	169,653	173,141
Total Other than Personnel	2,848,381	2,854,229	2,899,324	2,969,808	3,024,858	3,081,010
Other Expenses						
Depreciation	488,143	500,943	522,077	480,001	494,468	504,357
Interest	520,208	772,219	761,974	751,094	739,541	727,273
Total Other Expenses	1,008,351	1,273,162	1,284,051	1,231,096	1,234,009	1,231,630
Total Expenses	9,310,972	9,613,325	9,767,747	9,203,455	9,394,441	9,550,925
NET SURPLUS (DEFICIT)	59,129	241,800	243,464	12,651	3,149	26,791
Debt Service						
<i>Loan Amount</i>						
Principal Payments	104,897	165,438	175,683	186,563	198,116	210,384
Interest Payments	520,208	772,219	761,974	751,094	739,541	727,273
Debt Service	625,105	937,657	937,657	937,657	937,657	937,657
Depreciation	488,143	500,943	522,077	480,001	494,468	504,357
ADJUSTED SURPLUS (DEFICIT) - Adjusted Cash Basis	442,376	577,305	589,858	306,090	299,501	320,763
Debt Service Coverage						
Income Available for Debt Service	1,067,480	1,514,962	1,527,515	1,243,747	1,237,159	1,258,420
Pro Forma Debt Service Required	625,105	937,657	937,657	937,657	937,657	937,657
Debt Service Coverage	1.71	1.62	1.63	1.33	1.32	1.34
<i>Debt Service as a percent of Revenue</i>	7%	10%	9%	10%	10%	10%
70% of MFP Rule						
Total Instructional Expenses:	4,652,257	4,763,570	4,868,948	5,257,789	5,403,276	5,559,247
Total MFP:	5,982,999	6,550,779	6,664,822	6,831,077	6,972,118	7,116,325
	78%	73%	73%	77%	77%	78%

FOLEY & JUDELL, L.L.P.

ATTORNEYS AND COUNSELLORS AT LAW

ONE CANAL PLACE

SUITE 2600

365 CANAL STREET

NEW ORLEANS, LOUISIANA 70130-1138

(504) 568-1249 • FAX (504) 565-3900

Agenda Item # 26

BATON ROUGE OFFICE
ONE AMERICAN PLACE
SUITE 1040, 301 MAIN STREET
BATON ROUGE, LOUISIANA 70801
TELEPHONE (225) 923-2476
FAX (225) 923-2477

DUDLEY C. FOLEY, JR.
(1910-2006)
LONNIE L. BEWLEY
(1932-2009)
HAROLD B. JUDELL
(1915-2011)
WILLIAM H. BECK, JR.
(1928-2016)

OUR FILE NO:

MEMORANDUM

TO: Lela Folse, Director, Louisiana State Bond Commission

FROM: Meredith L. Hathorn and Tiffaney M. Sporn, Foley & Judell, L.L.P.

DATE: June 15, 2021

RE: Not to Exceed \$13,000,000 Louisiana Public Facilities Authority (ENCORE Academy Project) Series 2021 (the "Bonds")

* * * * *

This memorandum has been prepared to supplement information provided to you regarding the application to the Louisiana State Bond Commission (the "Commission") for the captioned Bonds.

ENCORE Learning, a Louisiana nonprofit corporation and tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Borrower"), operates the Type 1 Pre-K through 8 charter school, ENCORE Academy (the "School"), pursuant to a charter authorized by the Orleans Parish School Board ("OPSB"). The charter application for the School was approved in 2012, and was the first and only charter approved by OPSB following Hurricane Katrina. In April 2017, the charter was renewed for an additional six years by unanimous vote of OPSB.

The arts focused school opened in the Fall of 2012 with 200 students in grades Pre-K through 5. Over time, the School has grown and has a current enrollment of 547 students in grades Pre-K through 8. Prior to the COVID-19 pandemic, the School's enrollment was 625 students. Over 70% of the students come from the New Orleans Seventh Ward and New Orleans East, with 96% of all enrolled students being economically disadvantaged. The School also serves an English language learner population equal to 17% of its enrollment.

In addition to a rigorous academic program based on State approved Tier I curriculum, the School provides 60 to 90 minutes of daily arts instruction for all students. These arts options include foundational music, visual arts, theater arts, dance, band, strings, percussion, computer coding, voice and debate. Students in grades 5 through 8 are afforded the opportunity to select two arts classes each year. The School consistently works to identify students as talented in visual arts, music and theater, and this population is equal to over 10% of the School's enrollment.

Given the population of students served by the School, Social Emotional Learning is a critical component of the School's program. The School employs four licensed social workers to support students and families in navigating the many challenges they face each day such as neighborhood violence and other traumatic life experiences.

The Louisiana Public Facilities Authority (the "LPFA"), on behalf of the Borrower, is currently seeking approval from the Commission at its July 15, 2021 meeting for the Bonds, the proceeds of which will be loaned to the Borrower, pursuant to a Loan Agreement between the LPFA and the Borrower (the "Loan Agreement").

- The Borrower will use proceeds of the Bonds to purchase the existing school facility, which was renovated in 2015, and to make the following improvements:
 - (a) Approximately \$1,500,000 to \$2,000,000 of Bond proceeds will be used to add space to support the special education, English language learner and arts programs. Currently, small group instruction for these groups, as well as students in need of intervention, are occurring in hallways and storage spaces. By adding four additional classrooms, the School will be able to divide classrooms on each floor of the current building to be used for instructional space for these purposes. A fifth space added would be an additional restroom allowing easy access from the east side of the building and from the outdoor play area.
 - (b) The cafeteria area will also be extended by covering a portion of the current asphalt outdoor space. The outdoor space will be used for additional cafeteria seating, outdoor instructional programs, and a much needed performance space to support the robust arts program.
 - (c) The former boiler room of the original building will be renovated to provide an art studio for the academically gifted students, the talented in art students and the kiln.
 - (d) Some Bond proceeds will also be used to provide preventative measures against water intrusion.
- The Borrower will make payments under the Loan Agreement from Gross Revenues, which includes Eligible State Aid Monies.¹ The Loan Agreement and all payments thereunder will be assigned by the LPFA to the bond trustee and will be the primary source of repayment of the Bonds.
- The Borrower will comply with Louisiana's Public Bid Law, La. R.S. 38:2211, et seq., in construction of the improvements for the classrooms, open air space, art studio and preventive maintenance.

¹ "Gross Revenues" means any and all rights to receive all the receipts, revenues, cash and income of the Borrower from the ownership, use and operation of the School, whether in the form of accounts, accounts receivable, rents, fees, contract rights, chattel paper, general intangibles, commercial tort claims, profits and income, or other rights, and the proceeds of all of the foregoing, whether now owned or held or hereafter coming into existence or acquired. Gross Revenues includes (but is not limited to) (a) Charter Revenues, which means State Aid paid to the Borrower pursuant to its Charter and (b) Additional Revenues, which means any other Revenues derived from the operation of the School.

It is required that no State Aid may be applied by the Borrower in violation of the laws of the State, and the Borrower shall apply only Eligible State Aid (as defined below) monies to the payment of rent. "Eligible State Aid Monies" means State Aid legally available to pay debt service on the Bonds and which are in excess of amounts legally required to be used for other purposes, including, without limitation, instruction and school administration, as set forth in the laws, regulations, resolution or other directive governing State Aid. Under current and recent minimum foundation program formulas (which may be changed from time to time without limit), "eligible" funds are those general school funds that exceed 70% of general fund expenditures for areas of instruction and school administration as set forth in said formulas. "State Aid" means the minimum foundation payments or appropriated monies, payable by the State pursuant to Article VII, Section 13(B) of the Louisiana Constitution of 1974, as amended, and La. R.S. 17:3995A.(1), or other moneys appropriated to the School by the State or any agency thereof.

- OPSB unanimously approved a six year renewal of the charter agreement.

Foley & Judell, L.L.P. (as bond counsel), together with representatives of the Borrower, Adams and Reese LLP (as counsel to the Borrower), and Truist Securities, Inc. (as underwriter of the Bonds), has worked closely with the staff of the Commission in an effort to address questions relative to the Bonds.

Specifically, you raised the following questions which will be addressed more fully below: (1) whether the facility and land will at some point revert to the public, rather than to a private interest; (2) whether OPSB as the charter authorizer has any liability with respect to the operation of a charter school; (3) liability of the State of Louisiana (the "State"); and (4) what happens upon an event of default on the Bonds.

(1) Reversion of the Facility and Land to the Public

Three provisions require the reversion of the facility and land to the public. First, Section 5.13 of the Type 1 Charter Contract with OPSB requires that any assets acquired in whole or part with public funds shall be deemed to be the property of OPSB if the Charter Contract is revoked, non-renewed or otherwise terminated.

Second, La. R.S. 17:3995(E) requires that if the School closes for any reason, it must refund all equipment and cash on hand, which can be attributed to State or local funding, to the local school district (in this case, OPSB).

Third, the Borrower must comply with all legal requirements for the operation of the School as a Type 1 charter school under State law including, but not limited to, La. R.S. 17:3982 (the "Act"). Here, the Borrower will be the owner of the land and facilities, as well as the operator of the School. Accordingly, disposition of the land and facilities requires compliance with Section B.(1)(b)(ii) of the Act, whereby the Borrower must first offer to transfer title to the facility at no cost to a charter operator operating a school within the building. Next, the Borrower must offer to transfer title to the facility at no cost to the incoming school's chartering authority. Section B.(1)(b)(iii) of the Act further delineates the legal obligations on the Borrower, as it requires that at any time the Borrower, as the charter operator, ceases to operate a public school in the facility, it must transfer title to the facility, inclusive of all buildings and land, at no cost, to OPSB.

It is our opinion that these contractual and legal obligations, compliance with which will be specifically provided for in the bond documents, require reversion of the facility and land to the public.

(2) Liability of OPSB Relative to Activities of an Authorized Charter School

OPSB will not have any liability for debt service on the Bonds. To begin, all bond documents for this transaction will specifically state that the amounts owed are the responsibility of the Borrower.

To expand on this point, according to La. R.S. 17:3993, both OPSB and its members are immune from civil liability for any damages arising from any and all activities related to the operation of any type of charter school that a local school board may authorize, except as otherwise specifically provided in a charter.

If some action of the Borrower results in a default under the terms of the bond documents, neither OPSB nor its individual members are financially liable.

(3) Potential Obligation of the State Upon Occurrence of an Event of Default

There is no obligation of the State to pay MFP monies if the School's charter is terminated. The LPFA was created pursuant to Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950 (the "Public Trust Act"). Importantly, La. R.S. 9:2347 provides that any bonds issued under the Public Trust Act shall be special and limited obligations of the trust, shall be deemed to have been issued on behalf of the beneficiary of the trust, and in no event shall any bonds of a trust constitute an obligation, either general or special, of the State within the meaning of any constitutional or statutory provision whatsoever, and the Bonds shall contain a recital to that effect.

Additionally, the bond documents, including the limited offering memorandum, will contain similar language. The language will expressly provide that:

"THE BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE AUTHORITY AND DO NOT CONSTITUTE OR CREATE AN OBLIGATION, GENERAL OR SPECIAL, DEBT, LIABILITY OR MORAL OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER AND NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR THE INTEREST ON THE BONDS. THE BONDS ARE NOT A GENERAL OBLIGATION OF THE AUTHORITY (WHICH HAS NO TAXING POWER AND RECEIVES NO FUNDS FROM ANY GOVERNMENTAL BODY) BUT ARE A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE, INCLUDING THE INCOME, REVENUES, AND RECEIPTS DERIVED OR TO BE DERIVED FROM PAYMENTS MADE PURSUANT TO THE SECURITY."

(4) What Happens Upon an Event of Default on the Bonds

OPSB and its interests in the facilities and land is protected in multiple ways. OPSB's right to assets purchased with public funds will be protected under a Mortgage. Specifically, Section 4.15 of the Mortgage will prohibit the bond trustee, as mortgagee and representative of the bondholders, from taking any action that would result in the facilities and land (defined in the Mortgage as the "Property") from being used for purposes other than a public charter school. As a result, the obligation of the bond trustee/bondholders to work with OPSB to find a suitable, authorized charter operator to take over the facilities and land and to make debt service payments on the Bonds, will be contained in the Mortgage.

Upon an event of default on the Bonds because the Borrower's charter is terminated, revoked, non-renewed or surrendered, or the School otherwise ceases to operate in the facilities, OPSB has a right to any portion of the land and facilities purchased with public funds under both its Type 1 Charter Contract with OPSB and La. R.S. 17:3995(E). This allows OPSB to exercise its rights to determine a subsequent charter school operator. Additionally, it gives OPSB an ownership interest in the facilities and thus the right to be involved in any solution to a default situation.

While there will be the right to foreclosure under the Mortgage, we do not believe foreclosure is a viable solution given the above requirements of operation of the facilities as a charter school and OPSB's ownership interests in the facilities and land. Only by having another charter take over will a bondholder get any additional funds to remedy a default.

In conclusion, we are hopeful that this correspondence has addressed your questions and has provided guidance with respect to issues raised in prior charter school transactions. As always, please feel free to contact us at (504) 568-1249 at your convenience.



JARED C. BROSSETT
COUNCILMEMBER - DISTRICT D

Office (504) 658-1040
Fax (504) 658-1048
1300 Perdido Street • Suite 2W20
New Orleans, Louisiana 70112

New Orleans City Council

May 13, 2021

Honorable John M. Schroder
Louisiana State Treasurer
Chairman, Louisiana State Bond Commission
Louisiana State Capitol Building
900 North Third Street, Third Floor
Baton Rouge, LA 70802

Re: ENCORE Academy's Submitted Bond Request for the Expansion of the Current Site

Dear Commissioner Schroder:

I am pleased to write this letter of support on behalf of ENCORE Academy as they proceed with seeking financing to buy out of their current lease purchase agreement of 8.4 million and 2.4 million for an expansion on the current site.

ENCORE Academy serves 575 students in grades PK – 8th and employs over 100 staff members. New Orleans is an all access city for enrollment, however forty percent of ENCORE's students come from the St. Roch neighborhood where the school is located. In addition to a strong state approved academic program, ENCORE provides a rich arts program for all students including Foundational Music, Visual Arts, Dance, Band, Strings, Theater, Percussion, Debate, and Computer Coding.

ENCORE Academy is currently over enrolled and has no available space to serve small groups of students who need special education, ESL, and intervention services. Many of the students are facing tremendous challenges such as trauma and violence in their neighborhood. ENCORE employs four social workers and a Social Emotional Learning Coordinator to support their students as they navigate through challenging obstacles daily.

The buyout of their current lease agreement and expansion of their current site would allow ENCORE Academy the opportunity to save funds reserved for building maintenance and repairs, add five classrooms and small group learning spaces, as well as the addition of an outdoor café and performance space. It is my hope that you will assist in this endeavor.

Sincerely,

A handwritten signature in black ink, appearing to read "Brossett", is written over a horizontal line.

Jared C. Brossett
New Orleans City Councilmember, District "D"
Chair, Budget/Audit/Board of Review Committee
Chair, Emergency Preparedness and Cybersecurity Committee



2401 Westbend Parkway
New Orleans, LA 70114

Agenda Item # 26



504-304-5624



superintendent@nolapublicschools.com



nolapublicschools.com

May 18, 2021

Louisiana State Bond Commission
900 North Third Street, Third Floor
Baton Rouge, LA 70802

Dear Louisiana State Bond Commission:

I am writing to express my support of ENCORE Academy's efforts to expand its building by adding five classrooms, an outdoor cafe and learning space, an additional art studio, and additional small group instructional spaces.

High quality education facilities are critical resources, and every student deserves traditional learning spaces, and dedicated enrichment spaces to nurture their talents and passions. ENCORE's proposal would help to ensure that these underserved communities are provided a more equitable learning experience as 90% of ENCORE's enrollment are students of color, and 92% are economically advantaged. The district has received multiple reports from parents who are pleased with the arts-integration approach at ENCORE, and their proposal would enhance the arts experience for the school's students.

ENCORE has earned a "B" progress rating by the Louisiana Department of Education, an indication of how well the school is helping its students to make academic gains and close the achievement gap in comparison with other schools in the state. Additionally, 88% of 9th grade students of color who attended ENCORE in 8th grade are on track at the end of 9th grade, outperforming the state average on this metric. ENCORE is currently in good standing with NOLA Public Schools.

I wish to add my support to ENCORE Academy's goal to improve and expand its educational facilities for the students of New Orleans.

In service,

Henderson Lewis, Jr., Ph.D.
Superintendent of Schools



STATE BOND COMMISSION

July 15, 2021

Ratifications and or Amendments to Prior Approvals

SYNOPSIS

APPLICATION NO: L21-126A

ENTITY: Caddo-Bossier Parishes Port Commission

TYPE OF REQUEST: Amendment

ANALYST: Ty DeLee

SUBMITTED BY:

William R. Boles, Jr., Boles Shafto

PARAMETERS:

Amendment of a prior approval granted on April 15, 2021, to reflect change in cost of issuance and professionals.

RECOMMENDATION:

The Staff recommends approval of this amendment.

ATTACHMENTS:

- ❑ **Analysis Summary**
- ❑ **Fee Comparison Worksheet**



STATE BOND COMMISSION

July 15, 2021

Ratifications and/or Amendments to Prior Approval

ANALYSIS SUMMARY

APPLICATION NO: L21-126A
ENTITY: Caddo-Bossier Parishes Port Commission
TYPE OF REQUEST: Amendment
ANALYST: Ty DeLee

PARAMETERS:

Amendment of a prior approval granted on April 15, 2021, to reflect change in cost of issuance and professionals.

Final Approval:

Amount:	Not exceeding \$8,500,000 Limited Tax Revenue Bonds
Interest Rate:	Not exceeding 5%
Maturity:	No later than March 1, 2042
Purpose:	(1) Site acquisition for development within the Port Area and (2) construct, acquire, improve and/or equip facilities thereon.
Cost of Issuance:	\$208,225

Issuance:

Staff has been informed \$8,095,000 Limited Tax Revenue Bonds were issued June 18, 2021. Closing documentation will be submitted within 45 days of closing. Further, the below requested amended fee has not been paid.

Amendment Request - Additional Fees:

- Addition of \$20,238 for Municipal Advisor fee to Sisung Securities Corporation.
- At the time of application submission, the Port did not employ a municipal advisor.

Net difference in approved and amended fees is an increase of \$20,238.

A fee comparison worksheet is attached which reflects the previously approved costs and requested amendment to costs.

**STATE BOND COMMISSION
Amendment**

Agenda Item # 27

**\$8,500,000
L21-126A
Caddo-Bossier Parishes Port Commission
Revenue Bonds**

		As Approved April 15, 2021		Paid From Proceeds	As Amended July 15, 2021		Variance	
	Firm/Vendor	\$ Amount	\$ Per Bond	Y / N	\$ Amount	\$ Per Bond	\$	%
ISSUANCE COSTS								
Legal								
Bond Counsel	Boles Shafto, LLC	48,525	5.71	Y	48,525	5.71	0	0.0%
Co-Bond Counsel			0.00			0.00	0	0.0%
Issuer Counsel			0.00			0.00	0	0.0%
Underwriter Counsel	Jacqueline Scott & Associates	36,000	4.24	Y	36,000	4.24	0	0.0%
Underwriter Co-Counsel			0.00			0.00	0	0.0%
Preparation of Blue Sky Memo			0.00			0.00	0	0.0%
Preparation of Official Statements	Boles Shafto, LLC	5,000	0.59	Y	5,000	0.59	0	0.0%
Tax Counsel			0.00			0.00	0	0.0%
Trustee Counsel	TBD	12,500	1.47	Y	12,500	1.47	0	0.0%
Purchaser Counsel	TBD	7,500	0.88	Y	7,500	0.88	0	0.0%
Total Legal		109,525	12.89		109,525	12.89	0	0.0%
Underwriting								
Sales Commission	Crews & Associates	63,750	7.50	Y	63,750	7.50	0	0.0%
Management			0.00			0.00	0	0.0%
MSRP/CUSIP/PSA			0.00			0.00	0	0.0%
Takedown			0.00			0.00	0	0.0%
Day Loan			0.00			0.00	0	0.0%
Construction Monitoring Fee			0.00			0.00	0	0.0%
Total Underwriting		63,750	7.50		63,750	7.50	0	0.0%
Other								
Publishing/Advertising	Shreveport Times	5,000	0.59	N	5,000	0.59	0	0.0%
Rating Agency(s)	TBD	20,000	2.35	Y	20,000	2.35	0	0.0%
Insurance			0.00			0.00	0	0.0%
Bond Commission	SBC	4,950	0.58	Y	4,950	0.58	0	0.0%
Issuer Financing			0.00			0.00	0	0.0%
Municipal Advisor	Sisung		0.00	Y	20,238	2.38	20,238	20238.0%
Trustee	Regions	5,000	0.59	Y	5,000	0.59	0	0.0%
Escrow Trustee			0.00			0.00	0	0.0%
Paying Agent			0.00			0.00	0	0.0%
Feasibility Consultants			0.00			0.00	0	0.0%
Other Consultants			0.00			0.00	0	0.0%
Accounting			0.00			0.00	0	0.0%
Account Verification			0.00			0.00	0	0.0%
Escrow Verification			0.00			0.00	0	0.0%
Cash Flow Verification			0.00			0.00	0	0.0%
Other			0.00			0.00	0	0.0%
Total Other		34,950	4.11		55,188	6.49	20,238	57.9%
TOTAL ISSUANCE COSTS		208,225	24.50		228,463	26.88	20,238	9.7%



STATE BOND COMMISSION

July 15, 2021

Ratifications and or Amendments to Prior Approvals

SYNOPSIS

APPLICATION NO: S21-009B

ENTITY: Louisiana Public Facilities Authority (Mentorship STEAM Academy Project)

TYPE OF REQUEST: Amendment

ANALYST: Allison Roy

SUBMITTED BY:

Meredith Hathorn, Foley & Judell, LLP

PARAMETERS:

Amendment of prior approvals granted on March 18, 2021 and May 20, 2021, to reflect change in cost of issuance.

RECOMMENDATION:

The Staff recommends approval of this application.

ATTACHMENTS:

- ❑ **Analysis Summary**
- ❑ **Fee Comparison Worksheet**



STATE BOND COMMISSION

July 15, 2021

Ratifications and/or Amendments to Prior Approval

ANALYSIS SUMMARY

APPLICATION NO: S21-009B
ENTITY: Louisiana Public Facilities Authority (Mentorship STEAM Academy Project)
TYPE OF REQUEST: Amendment
ANALYST: Allison Roy

PARAMETERS:

Amendment of prior approvals granted on March 18, 2021 and May 20, 2021, to reflect change in cost of issuance.

Final Approval:

Amount:	Not exceeding \$13,000,000 Revenue Bonds
Interest Rate:	Not exceeding 7% fixed or variable (convertible rate)
Maturity:	Not exceeding 40 years
Purpose:	Financing the acquisition and equipping of existing facilities for operation of a ninth through twelfth grade tuition free public charter school in Baton Rouge, including the acquisition of land and funding a reserve fund, if necessary.
Cost of Issuance:	\$658,325

The application was amended on May 20, 2021, to increase Trustee & Master Trustee Counsel fee by \$4,500, due to additional work required. This brought the total cost of issuance approved to \$662,825.

Staff has been informed \$10,765,000 Revenue Bonds were issued June 29, 2021. Closing documentation will be submitted within 45-days of closing. Further, the below requested fees have not been paid.

Amendment Request - Additional Fees:

1. Addition of \$1,500 for Custodian Services to Hancock Whitney Bank.
 - o Unknown at the time of original SBC application.
2. Addition of \$5,000 for Continuing Disclosure Agent to DAC.
 - o Unknown at the time of original SBC application.
3. Addition of \$25,000 for Seller's Real Estate Counsel to Orrick/Snell Wilmer.
 - o As a part of the acquisition of the property and negotiation of related documents, the Seller required counsel, which was unknown at the time of original SBC application.
4. Addition of \$10,000 for Lessor's Real Estate Counsel to MacDonald.
 - o As a part of the acquisition of the property and negotiation of related documents, the Lessor required counsel, which was unknown at the time of original SBC application.
5. Addition of \$2,475 for Survey to Landmark Surveying.
 - o Unknown at the time of original SBC application.
6. Addition of \$2,800 for Environmental Survey to Terracon Engineers.
 - o Unknown at the time of original SBC application.

Net difference in approved and amended fees is a reduction of \$52,354 as amended fees were adjusted based on the actual par of bonds issued.

A fee comparison worksheet is attached which reflects the previously approved costs and requested amendment to costs.

**STATE BOND COMMISSION
Amendment**

Agenda Item # 28

**\$13,000,000
S21-009B
LPFA (Mentorship STEAM Academy Project)
Revenue Bonds**

		As Approved May 20, 2021		Paid From Proceeds	As Amended July 15, 2021		Variance	
	Firm/Vendor	\$ Amount	\$ Per Bond	Y / N	\$ Amount	\$ Per Bond	\$	%
ISSUANCE COSTS								
Legal								
Bond Counsel *	Foley & Judell, LLP	60,025	4.62	Y	55,555	4.27	-4,470	-7.4%
Borrower's Counsel	Baker, Donelson, Bearman & Caldwell	46,000	3.54	Y	46,000	3.54	0	0.0%
Issuer Counsel	Jacob S. Capraro, Esq.	12,500	0.96	Y	12,500	0.96	0	0.0%
Underwriter Counsel	Adams & Reese, LLP	54,500	4.19	Y	54,500	4.19	0	0.0%
Underwriter Co-Counsel			0.00			0.00	0	0.0%
Preparation of Blue Sky Memo			0.00			0.00	0	0.0%
Preparation of Official Statements			0.00			0.00	0	0.0%
Special Tax Counsel	Kutak Rock LLP	30,000	2.31	Y	30,000	2.31	0	0.0%
Trustee & Master Trustee Counsel	Breazeale, Sachse & Wilson LLP	12,000	0.92	Y	12,500	0.96	500	4.2%
Escrow Trustee Counsel			0.00			0.00	0	0.0%
Total Legal		215,025	16.54		211,055	16.24	-3,970	-1.8%
Underwriting								
Underwriting Fee	Stifel, Nicolaus & Company	253,500	19.50	Y	209,918	16.15	-43,582	-17.2%
Management			0.00			0.00	0	0.0%
MSRP/CUSIP/PSA			0.00			0.00	0	0.0%
Takedown			0.00			0.00	0	0.0%
Day Loan			0.00			0.00	0	0.0%
Construction Monitoring Fee			0.00			0.00	0	0.0%
Total Underwriting		253,500	19.50		209,918	16.15	-43,582	-17.2%
Other								
Publishing/Advertising	Various	5,000	0.38	Y	3,500	0.27	-1,500	-30.0%
Rating Agency(s)			0.00			0.00	0	0.0%
Insurance			0.00			0.00	0	0.0%
Bond Commission *	SBC	15,050	1.16	Y	12,592	0.97	-2,458	-16.3%
Issuer Financing	LPFA	6,500	0.50	Y	5,383	0.41	-1,117	-17.2%
Municipal Advisor	Sisung Group	45,350	3.49	Y	40,500	3.12	-4,850	-10.7%
Trustee	Hancock Whitney Bank	7,000	0.54	Y	7,000	0.54	0	0.0%
Escrow Trustee			0.00			0.00	0	0.0%
Custodian Services	Hancock Whitney Bank		0.00	Y	1,500	0.12	1,500	1500.0%
Feasibility Consultants			0.00			0.00	0	0.0%
Other Consultants			0.00			0.00	0	0.0%
Accounting			0.00			0.00	0	0.0%
Account Verification			0.00			0.00	0	0.0%
Continuing Disclosure Agent	DAC		0.00	Y	5,000	0.38	5,000	5000.0%
Transcripts	Alliance	2,500	0.19	Y	2,000	0.15	-500	-20.0%
Other			0.00			0.00	0	0.0%
Total Other		81,400	6.26		77,475	5.96	-3,925	-4.8%
TOTAL ISSUANCE COSTS		549,925	42.30		498,448	38.34	-51,477	-9.4%
INDIRECT COSTS								
Beneficiary Organizational								
Seller's Real Estate Counsel	Orrick/Snell Wilmer		0.00	Y	25,000	1.92	25,000	25000.0%
Lessor's Real Estate Counsel	MacDonald		0.00	Y	10,000	0.77	10,000	10000.0%
Development			0.00			0.00	0	0.0%
Appraisal	CBRE	12,900	0.99	Y	12,900	0.99	0	0.0%
Survey	Landmark Surveying		0.00	Y	2,475	0.19	2,475	2475.0%
Environmental Survey	Terracon Engineers		0.00	Y	2,800	0.22	2,800	2800.0%
Title Insurance	Baker Donelson Title Company	100,000	7.69	Y	58,848	4.53	-41,152	-41.2%
Total Beneficiary Organizational Costs		112,900	8.68		112,023	8.62	-877	-0.8%
TOTAL ISSUANCE AND INDIRECT COSTS		662,825	50.99		610,471	46.96	-52,354	-7.9%

* Bond Counsel and SBC fees are calculated based upon par issuance of \$10,765,000.

Deepwater Horizon Economic Damage Securitization

July 15, 2021

Agenda Item # 29

- Act No. 443
 - Permits securitization of BP Economic Damages
 - \$53.3 million per year, paid through 2033
 - Specific projects and dollar amounts specified in the Act
 - SBC is the issuer of the Bonds
- Purchaser - United States Department of Transportation (USDOT) acting under the Build America Bureau of **Transportation Finance and Innovation Act (TIFIA)**
 - Loan will not exceed 33% of reasonably anticipated total project cost,
 - Total federal assistance not to exceed 80% of total project cost,
 - Substantial completion of projects within 2 years of original projected substantial completion dates
 - Scheduled Loan repayments will commence not later than 5 years after substantial completion of the project.
- Two types of TIFIA Loans (current interest rates):
 - **Rural - 0.54%-0.77%**
 - **Non-Rural - 1.30%-1.56%**
- **Act 443 Projects to be funded with TIFIA Loans:**

	Sept 21	Nov 21	2022	2024	Total
LA 415 Bridge				\$70.1 M	\$70.1 M
I-49 South		\$94.2 M			\$94.2 M
LA 3241	\$21.5 M	\$26.9 M			\$48.4 M
Cameron Ferry			\$19.3 M		\$19.3 M
Bridge Program	\$17.2 M		\$22.2 M		\$39.4 M
Total	\$38.7 M	\$121.1 M	\$41.5 M	\$70.1 M	\$271.4 M

- TIFIA is requiring multiple loan agreements
 - At least one for each Project in Act No. 443 that is funded
 - Loans will be in a draw down format
 - DOTD will request periodic reimbursement of project expenditures from TIFIA
 - Closings will be paper closings only

Deepwater Horizon Economic Damage Securitization

July 15, 2021

Agenda Item # 29

- **07/15/21 Agenda Item** - SBC requested to adopt a final resolution authorizing the Treasurer and/or Director to sign applicable documents
 - Parameters:
 - Par amount - not to exceed \$300 million
 - Interest Rate - not to exceed 3.5%
 - default rate not to exceed 5.5%
 - Maturity - not later than December 1, 2033
 - There will be supplemental indentures for each borrowing (there is a form for each)
 - There will be loan agreements for each borrowing (there is a form for each)
 - 2021 closings will total approximately \$159.8 M with estimated costs of \$1.8 M (see attached for details)
 - 2022 and 2024 closings will total approximately \$112 M with estimated costs of \$1.8 M
 - **TIFIA loans** are estimated to provide a **net present value savings of \$15.5 M** over a public market deal, inclusive of all costs
 - SBC will pay costs of issuance to be paid from Construction Subfund as permitted in Act 443

**STATE BOND COMMISSION
FEE WORKSHEET**

Agenda Item # 29

**\$159,800,000
S21-015B
State of Louisiana (Deepwater Horizon Economic Damages)
Revenue Bonds / TIFIA Draw Down Loan
July 15, 2021**

Fees below are estimated based on the first 2 closings totaling approximately \$159.8 M expected to occur in September and November 2021 for a portion of the bridge program, LA 3241 and I-49 South. The remaining \$112 M to be funded through TIFIA for the ferry's, bridge program and LA 415 bridge is expected to occur in 2022 and 2024 and fees for these closings are expected to approximate the amounts below.

	Firm/Vendor	\$ Amount	\$ Per Bond
ISSUANCE COSTS			
Legal			
Bond Counsel	Foley & Judell, LLP	64,636	0.40
Co-Bond Counsel			0.00
Issuer Counsel			0.00
Underwriter Counsel			0.00
Underwriter Co-Counsel			0.00
TIFIA Counsel	White & Case LLP	635,000	3.97
Preparation of Official Statements			0.00
Tax Counsel			0.00
Trustee Counsel			0.00
Escrow Trustee Counsel			0.00
Total Legal		699,636	4.38
Other			
Publishing/Advertising	The Advocate	91	0.00
Rating Agency(s) *	Moody's	118,950	0.74
Insurance			0.00
Bond Commission			0.00
TIFIA Servicing Fee	TIFIA (for first 4 loans paid over the life of the loans)	490,000	3.07
Municipal Advisor to State	Lamont	137,700	0.86
Trustee	TBD	22,500	0.14
Annual Trustee Fee	TBD	10,000	0.06
Paying Agent			0.00
DOTD Consultant	Ernst & Young Infrastructure Advisors, LLC	162,900	1.02
Other Consultants			0.00
Municipal Advisor to TIFIA	PFM	130,000	0.81
Account Verification			0.00
Escrow Verification			0.00
Engineer			0.00
Cash Flow Verification			0.00
Total Other		1,072,141	6.71
TOTAL ISSUANCE COSTS		1,771,777	11.09

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

LOUISIANA STATE BOND COMMISSION

A resolution authorizing the issuance of not exceeding \$300,000,000 State of Louisiana Deepwater Horizon Economic Damages Revenue Bonds, in multiple series; approving the form of and authorizing the execution and delivery of a Master Trust Indenture, a First Supplemental Trust Indenture and multiple Supplemental Trust Indentures; authorizing the execution and delivery of the related Loan Agreement for each series and the Collection Agreement; authorizing the execution of other documents in connection therewith; authorizing the Commission to do all things necessary to effectuate this resolution; and providing for other matters in connection with the foregoing.

WHEREAS, Section 91 of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority, authorizes the Louisiana State Bond Commission (the "Commission"), on behalf of the State of Louisiana (the "State"), to issue bonds for the purpose of funding projects listed in La. R.S. 39:91(B)(5), and pledge the economic damage proceeds received by the State from the Deepwater Horizon oil spill litigation for the payment of the principal and interest of such bonds and related expenses;

WHEREAS, by resolution adopted on April 15, 2021, the Commission granted preliminary approval for the issuance of not exceeding \$300,000,000 of its Deepwater Horizon Economic Damages Revenue Bonds (the "Bonds"), in one or more series;

WHEREAS, the Notice of Intention to Issue Bonds was published in *The Advocate*, the official journal of the State, on April 23, 2021;

WHEREAS, the Bonds will be issued pursuant to a Master Trust Indenture dated as of the date determined by the Commission (the "Master Indenture"), among the Commission, the Department of Transportation and Development of the State (the "DOTD"), and a trustee bank to be selected by the Director of the Commission, as trustee (the "Trustee");

WHEREAS, the Commission desires to provide for the issuance of the initial series of Bonds to be designated "State of Louisiana Deepwater Horizon Economic Damages Revenue Bonds, Series 2021A" (the "Series 2021A Bonds"), pursuant to the Master Indenture and a First Supplemental Trust Indenture dated as of the date determined by the Commission (the "First Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), among the Commission, the DOTD, and the Trustee;

WHEREAS, the Commission also desires to authorize the issuance of additional series of Bonds in the future (the "Additional Bonds") and the execution of a supplemental indenture (each, a "Supplemental Indenture") to be dated as appropriate among the Commission, the DOTD, and the Trustee for each series;

WHEREAS, the Commission desires to provide for the sale of the Series 2021A Bonds and the Additional Bonds to the United States Department of Transportation (the "USDOT") and, as each series is issued, the Commission, the DOTD and the USDOT will enter into a separate TIFIA Loan Agreement for each series of Bonds and related loan (each, a "Loan Agreement"); and

WHEREAS, the Commission desires to fix the parameters necessary with respect to the issuance and sale of the Series 2021A Bonds and the Additional Bonds, to authorize the execution and delivery of

the Indenture, the Collection Agreement (as defined herein), the Loan Agreements, and the Supplemental Indentures and to authorize the execution of all documents necessary to accomplish the financings.

NOW, THEREFORE, BE IT RESOLVED by the Louisiana State Bond Commission as follows:

SECTION 1. The Series 2021A Bonds and the Additional Bonds are hereby authorized to be issued and sold to the USDOT pursuant to the provisions of the Act (at a price of par), in order to fund the projects identified in the Act, and to pay costs of issuance of the Series 2021A Bonds and the Additional Bonds.

The Series 2021A Bonds and the Additional Bonds shall be dated the date of delivery thereof, shall mature not later than December 31, 2033 and shall bear interest at the rates (not exceeding 3.5% per annum, with a default rate not to exceed 5.5%) as provided in the Indenture, the applicable Supplemental Indenture and the applicable Loan Agreement, and have such other details as shall be determined by the Director of the Commission, upon the advice of the Financial Advisor to the State and after consultation with and concurrence of the DOTD and the Attorney General of the State.

The Series 2021A Bonds and the Additional Bonds are hereby expressly authorized to be signed by the Chairman of the Commission and attested by the Secretary of State of Louisiana, and the signatures of said Chairman and Secretary of State may be evidenced by their facsimile signatures. The Commission, on behalf of the State, shall deliver the Series 2021A Bonds and the Additional Bonds to the Trustee for authentication. The Trustee shall, upon authentication of the Series 2021A Bonds and the Additional Bonds, deliver the same to the USDOT in accordance with the Indenture and the applicable Loan Agreement and shall receive from the USDOT for the account of the State the purchase price, and the Trustee shall deposit the proceeds of the Series 2021A Bonds and the Additional Bonds in the funds and accounts as prescribed in the Indenture and the Supplemental Indenture. The Trustee is hereby requested and authorized to authenticate the Series 2021A Bonds and the Additional Bonds.

The Series 2021A Bonds and the Additional Bonds shall be issued under and secured by the Indenture which provides a complete description of the pledged property and revenues constituting the Trust Estate (as defined in the Indenture), the nature and extent of the security, a statement of the terms and conditions on which the Series 2021A Bonds and the Additional Bonds are issued and secured; the rights, duties and obligations of the Commission, the rights, duties and immunities of the Trustee, the rights of the owners of the Series 2021A Bonds and the Additional Bonds, and the terms and conditions under which Additional Bonds may be issued. The Series 2021A Bonds and the Additional Bonds are special, limited obligations of the Commission, payable solely from certain amounts received by the Commission under and secured by a pledge of the Trust Estate, which includes, among other things, certain rights of the Commission and the DOTD under and pursuant to the Collection Agreement (as defined herein), the Pledged Revenues (defined below), and the funds held under the Indenture, and investment earnings thereon. Neither the full faith or credit nor the taxing power of the State is pledged to the payment of the principal of, premium, if any, or the interest on the Series 2021A Bonds and the Additional Bonds.

"Pledged Revenues" means all amounts paid to the State under the Settlement Agreement (the "Settlement Agreement") between the Gulf States and the BP Entities (as defined therein) with respect to economic and other claims arising from the Deepwater Horizon incident (as defined therein), the Primary Guaranty made as of October 5, 2015 (the "Primary Guaranty") by BP Corporation North America Inc. ("BPCNA") in favor of the State, and the Secondary Guaranty made as of October 5, 2015 (the "Secondary Guaranty") by BP p.l.c. in favor of the State, for the State's economic damages claims asserted in *State of Louisiana v. BP Exploration & Production, et al.*, MDL 2179 to recover economic damages sustained by the State from the Deepwater Horizon explosion and oil spill that occurred on or about April 20, 2010, at the MC 252 site in the Gulf of Mexico.

SECTION 2. The form, terms and provisions of the Loan Agreement relating to the Series 2021A Bonds are hereby approved in substantially the form submitted at this meeting, with such additions, omissions and changes as may be approved by bond counsel to the Commission and the Attorney General of the State. The Chairman and/or Director of the Commission are hereby authorized, empowered and directed to execute and deliver the Loan Agreement relating to the Series 2021A Bonds for and on behalf of the State, provided that the terms thereof comply with the parameters set forth in Section 1 hereof. The signatures of the said Chairman and/or Director upon such documents set forth above, or as may be otherwise required for or necessary, convenient or appropriate to the financing described in this resolution, are deemed to be conclusive evidence of their due exercise of the authority vested in them hereunder.

SECTION 3. The form, terms and provisions of the Indenture are hereby approved in substantially the same form as submitted to the Commission, all of the provisions of which are hereby made a part of this resolution, with such additions, omissions and changes as may be approved by bond counsel to the Commission and the Attorney General of the State. The Chairman and/or Director of the Commission are hereby authorized, empowered and directed to execute and deliver the Indenture for, on behalf of and in the name of the Commission, in accordance with the provisions and requirements of the Act, provided that the terms thereof comply with the parameters set forth in Section 1 hereof. The signatures of the said Chairman and/or Director upon such documents set forth above, or as may be otherwise required for or necessary, convenient or appropriate to the financing described in this resolution, are deemed to be conclusive evidence of their due exercise of the authority vested in them hereunder.

SECTION 4. The form, terms, and provisions of a separate Loan Agreement and Supplemental Indenture for each series of Additional Bonds are hereby approved in substantially the same form as the Loan Agreement relating to the Series 2021A Bonds and the First Supplemental Indenture for the Series 2021A Bonds with such necessary changes to reflect specific details of each series, including but not limited to, project description, interest rates, debt service schedule, dates, designation and identification of each series and deposits into various funds and accounts, with such additions, omissions and changes as may be approved by bond counsel to the Commission and the Attorney General of the State. The Chairman and/or Director of the Commission are hereby authorized, empowered and directed to execute and deliver a separate Loan Agreement and Supplemental Indenture for each series of Additional Bonds for, on behalf of and in the name of the Commission, in accordance with the provisions and requirements of the Act, provided that the terms thereof comply with the parameters set forth in Section 1 hereof. The signatures of the said Chairman and/or Director upon such documents set forth above, or as may be otherwise required for or necessary, convenient or appropriate to the financing described in this resolution, are deemed to be conclusive evidence of their due exercise of the authority vested in them hereunder.

SECTION 5. The form, terms and provisions of the Deepwater Horizon Economic Damages Collection Agreement dated as of the date determined by the Commission (the "Collection Agreement") among the Treasurer of the State, the Commission and the Trustee, is hereby approved in substantially the form submitted at this meeting. The Treasurer of the State and the Director of the Commission are hereby authorized, empowered and directed to execute and deliver the Collection Agreement for, on behalf of and in the name of the State and the Commission, respectively, in accordance with the provisions and requirements of the Act.

SECTION 6. The Commission will not consent and will not cause the Attorney General of the State and the Governor of the State to consent to any modification of the Settlement Agreement (including the schedule of payments to the State set as forth in the Settlement Agreement), the Primary Guaranty or the Secondary Guaranty, unless the Commission obtains the consent of the holders of all Bonds outstanding.

Whenever necessary to ensure timely receipt of the Pledged Revenues, the Commission shall, and shall request that the appropriate State officials, including the Governor and the Attorney General, pursue

all appropriate rights and remedies of the State under the Settlement Agreement, the Primary Guaranty, the Secondary Guaranty, any alternative form of financial assurance delivered pursuant to Section 5.6 of the Settlement Agreement and any applicable law in connection with the foregoing.

Whenever the consent of the State is required under the Settlement Agreement, the Primary Guaranty or the Secondary Guaranty, or otherwise requested by a party thereto, to approve any action of any party or a modification of any right of the State under the Settlement Agreement, the Primary Guaranty or the Secondary Guaranty, the Commission, on behalf of the State, will withhold its consent unless the Commission obtains the written consent of 100% in principal amount of the holders of any Bonds outstanding at such time. Notwithstanding the foregoing, the Commission on behalf of the State will not consent to (i) any assignment of the Primary Guaranty or the Secondary Guaranty or the release of BPCNA or BP p.l.c., respectively, from their obligations thereunder pursuant to Section 5.5 of the Settlement Agreement or (ii) the modification and/or replacement of the Primary Guaranty or Secondary Guaranty with any alternative form of financial assurance pursuant to Section 5.6 of the Settlement Agreement, unless, in any such case, the Commission first obtains the written consent of 100% in principal amount of the holders of any Bonds outstanding at such time.

Upon the occurrence of a "Change in Control" or an "Act of Insolvency", each as defined in the Settlement Agreement, the Commission shall request the appropriate State officials, including the Governor and Attorney General, to elect to and shall accelerate the schedule of payments to the State under the Settlement Agreement.

SECTION 7. The Chairman and/or Director of the Commission are hereby further authorized to execute and deliver or cause to be executed and delivered all documents required to be executed or perform any other action, in each case, on behalf of the State or deemed by any of them necessary or advisable to implement the provisions of this resolution and the Indenture and/or the Loan Agreements or to facilitate the sale of the Series 2021A Bonds and the Additional Bonds.

SECTION 8. The Chairman and/or Director of the Commission are hereby further authorized to take necessary steps, at the request of the DOTD, to obtain disbursements of the loan proceeds for the projects identified in the Loan Agreements.

SECTION 9. The Commission is hereby directed to pay all costs of issuance incurred by the Commission or DOTD in connection with the issuance of each series of Bonds, including but not limited to, the fees and expenses of the municipal advisor, financial advisor, bond counsel, counsel and municipal advisor to USDOT, rating agencies, Trustee, Trustee counsel, USDOT fees and upfront servicing fees of USDOT from economic damage proceeds deposited in the Construction Subfund of the Transportation Trust Fund. DOTD and the Commission are authorized to take such necessary actions as are required to pay costs of issuance for each series of Bonds in the amount agreed upon by DOTD and the Commission, after consultation with the Commission's municipal advisor.

SECTION 10. The Chairman and/or Director of the Commission and/or the Treasurer of the State are hereby further authorized and directed, for and on behalf of the Commission and the State, to accept, receive, execute, seal, attest and deliver all such documents, certificates and other instruments as are required, necessary, convenient and appropriate in connection with the authorization, issuance, sale and delivery of the Series 2021A Bonds and the Additional Bonds, including the Indenture, the Loan Agreements and the Collection Agreement, and to take such further action as may be required by the Commission or bond counsel to the Commission and the Attorney General of the State or appropriate or required by law in connection with the authorization, issuance, sale and delivery of the Series 2021A Bonds and the Additional Bonds. Said officers are hereby further authorized and directed to approve for, on behalf of, and in the name of the Commission and the State, any changes, additions or deletions in any of the documents, instruments or certificates referred to in this resolution, provided that all such changes, additions

or deletions, if any, shall be approved by bond counsel to the Commission and the Attorney General of the State and shall be consistent with the parameters set forth herein and with the authority provided by the Act. The signatures of the said Chairman and/or Director of the Commission and of the said Treasurer of the State upon such documents set forth above, or as may be otherwise required for or necessary, convenient or appropriate to the financing described in this resolution, are deemed to be conclusive evidence of their due exercise of the authority vested in them hereunder.

SECTION 11. The Chairman and/or Director of the Commission are hereby further authorized to take such action as is necessary, on the advice of bond counsel to the Commission, to effectuate and implement this resolution.

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

YEAS:

NAYS:

ABSTAINING:

ABSENT:

This resolution was declared to be adopted on this 15th day of July, 2021.

Certified to be a true copy.

Director

DRAFT: 07/09/2021

F&J: MLH/TMS

**DEEPWATER HORIZON ECONOMIC DAMAGES
COLLECTION AGREEMENT**

This Deepwater Horizon Economic Damages Collection Agreement, dated as of [_____, 2021] (the "Agreement"), among the State of Louisiana (the "State"), acting through the Treasurer of the State of Louisiana (the "Treasurer"), the State Bond Commission (the "Commission"), on behalf of the State, and [_____, 2021], as trustee (the "Trustee") under the Master Trust Indenture dated as of [_____, 2021], as amended and supplemented by the First Supplemental Trust Indenture dated as of [_____, 2021], and as the same may be amended and supplemented from time to time (collectively, the "Trust Indenture"), each among the Commission, the Department of Transportation and Development of the State and the Trustee.

WITNESSETH:

WHEREAS, pursuant to the provisions of La. R.S. 39.91 (the "Act") and other constitutional and statutory authority, including, without limitation, Article VII, Section 6 and Section 9(A)(6) of the Louisiana Constitution of 1974, as amended, the Commission has been authorized to issue bonds secured by a pledge of the economic damages proceeds received by the State from the Deepwater Horizon oil spill litigation (the "Deepwater Horizon Economic Damages Proceeds");

WHEREAS, pursuant to the provisions of the Act, all Deepwater Horizon Economic Damages Proceeds necessary to provide for the payment of principal of and interest on the Bonds (as defined hereinbelow), Administrative Expenses (as defined hereinbelow) and any other requirements of the Trust Indenture shall be classified and set aside in a separately identifiable fund or account outside of the State Treasury but maintained by the Treasurer, and such Deepwater Horizon Economic Damages Proceeds shall be assigned and pledged to the Trustee under the Trust Indenture for the benefit of the holders of any Bonds issued thereunder;

WHEREAS, pursuant to the provisions of the Act, there has been created and established a separately identifiable fund designated as the "Deepwater Horizon Economic Damages Escrow Fund," and such fund is outside of the State Treasury but is maintained by the Treasurer; and

WHEREAS, the parties have entered into this Agreement in order to provide that the Deepwater Horizon Economic Damages Proceeds pledged to the payment of the Bonds and other amounts required to be paid under the Trust Indenture are applied to such payment in a timely manner and to provide for the application of the amounts on deposit in the Deepwater Horizon Economic Damages Escrow Fund to the purposes thereof;

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements herein set forth and the undertakings of each party to the other, the parties to this Agreement, do hereby promise, covenant and agree as follows:

**ARTICLE I
DEFINITIONS**

SECTION 101. As used and referred to in this Agreement, and unless a different meaning clearly appears from the context:

"**Act**" shall mean Section 91 of Title 39 of the Louisiana Revised Statutes of 1950, as amended from time to time.

"**Agreement**" shall mean this Deepwater Horizon Economic Damages Collection Agreement, dated as of [_____, 2021], as the same may be amended and supplemented in accordance with the terms hereof.

"**Administrative Expenses**" shall mean the necessary, reasonable and direct out-of-pocket expenses incurred by the Commission and the DOTD in connection with the performance and enforcement of the Loan Agreement and Trust Indenture, all fees, costs, expenses and other amounts (other than principal of and interest and premium on the Bonds) payable by the Commission or the DOTD pursuant to any Loan Agreement and expenses required to be paid under Section 28 of the Loan Agreement, the compensation of the Trustee under the Trust Indenture (including, but not limited to any annual administrative fee charged by the Trustee), and the necessary, reasonable and direct out-of-pocket expenses incurred by the Trustee in the performance of its duties under the Trust Indenture, rating agency fees, servicing fees and all other necessary, reasonable and direct out-of-pocket expenses related to the Bonds which are payable under the Loan Agreement and the Trust Indenture, [AMOUNT, CAP, BUDGET – TO BE DISCUSSED] but in no event will the foregoing fees and expenses exceed [\$ _____] in the aggregate for the Commission Fiscal Year ending [June 30, 2022], plus an increase therein for each Commission Fiscal Year in an amount calculated in accordance with the percentage change in the CPI (in a manner consistent with the manner set out in Section 28(b) of the Loan Agreement for the adjustment of the loan servicing fee referred to in that section), from June of the prior year to June of the current year. [AMENDMENT FEES NOT PAYABLE AS A.E. ?]

"**Bond Security and Redemption Fund**" shall mean the fund by the name created by Article VII, Section 9 of the Louisiana Constitution of 1974, as amended.

"**Bonds**" shall mean any bonds, including the TIFIA Bonds, notes or any other evidence of indebtedness for borrowings issued by the Commission from time to time pursuant to Section ____ of the Trust Indenture and the terms of an applicable Supplemental Indenture issued or incurred by the Commission pursuant to the Act.

"**Business Day**" shall mean any day that is not a Saturday, Sunday or a day on which offices of the federal government or the State are authorized to be closed or on which commercial banks are authorized or required by regulation or executive order to be closed in New York, New York, Baton Rouge, Louisiana or [TRUSTEE CITY] or a day on which the State or the Trustee is legally authorized to close.

"**Commission**" shall mean the State Bond Commission created by Section 8 of Article VII of the Louisiana Constitution of 1974, as amended, with such members as set forth in Chapter II, Part I, Section 401 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and any successor to the duties or functions of the Commission.

"**Debt Payment Date**" shall mean any date on which the principal, whether at maturity, redemption, acceleration, or otherwise, interest or premium, if any, on the Bonds is due and payable.

"**Debt Service**" shall mean, with respect to Bonds, for any period, as of any date of calculation, an amount equal to the sum of all interest and principal of such Bonds accruing and payable in respect of such period. In determining the principal and interest amounts of Bonds due in such period (unless a subsection below of this definition applies for purposes of determining such amounts), payment shall be assumed to be made in accordance with any debt service schedule established for such Bonds, including any balloon or bullet maturities (which shall be treated as being paid in full on their respective due dates) and take into

account the actual acceleration of any amount thereunder or the actual occurrence of any event requiring a mandatory prepayment thereof.

"Debt Service Requirement" shall mean the amount required to provide for the payment of the Debt Service and Debt Service Reserve Fund Requirement as set forth in the Trust Indenture for such Bonds.

"Debt Service Reserve Fund Requirement" shall mean the amount required to be deposited in the Debt Service Reserve Fund as set forth in Section [] of the Trust Indenture.

"Deepwater Horizon Economic Damages Proceeds" shall mean all amounts paid to the State under the Settlement Agreement for the State's economic damages claims asserted in *State of Louisiana v. BP Exploration & Production, et al.*, MDL 2179 to recover economic damages sustained by the State from the Deepwater Horizon explosion and oil spill that occurred on or about April 20, 2010, at the MC 252 site in the Gulf of Mexico.

"Deepwater Horizon Economic Damages Escrow Fund" shall mean the fund required to be created and established outside the State Treasury but maintained by the Treasurer pursuant to the provisions of the Act.

"Depository Bank" shall mean the bank designated from time to time by the Treasurer to hold all monies being paid to the State, including Deepwater Horizon Economic Damages Proceeds, and the successors and assigns to the duties and functions of such bank.

"DOTD" shall mean the Department of Transportation and Development of the State of Louisiana.

"Fiscal Year" shall mean the fiscal year of the State, which is the twelve (12) month period that ends on June 30 of the specified calendar year and beginning July 1 of the preceding calendar year.

"Loan Agreement" shall mean, collectively, the multiple TIFIA Loan Agreements among the Commission, the DOTD, and the United States Department of Transportation, as the same may be amended and supplemented in accordance with the terms thereof.

"Primary Guaranty" shall mean the Primary Guaranty made as of October 5, 2015 by BP Corporation North America Inc. in favor of the State.

"Secondary Guaranty" shall mean the Secondary Guaranty made as of October 5, 2015 by BP p.l.c. in favor of the State.

"Settlement Agreement" shall mean the Settlement Agreement dated October 5, 2015 between the Gulf States and the BP Entities (as defined therein) with respect to economic and other claims arising from the Deepwater Horizon incident (as defined therein) and the Primary Guaranty and Secondary Guaranty.

"State" shall mean the State of Louisiana.

"TIFIA Bonds" shall mean each series of Bonds delivered by the Commission to the TIFIA Lender and evidencing each loan made under each Loan Agreement.

"TIFIA Lender" shall mean the USDOT.

"Treasurer" shall mean the Treasurer of the State, and any successor to the duties and functions of such officer.

"**Trust Indenture**" shall mean, collectively, the Master Trust Indenture dated as of [_____, 2021], and the First Supplemental Trust Indenture dated as of [_____, 2021], each among the Commission, the DOTD and the Trustee, as the same may be amended and supplemented in accordance with the terms thereof.

"**Trustee**" shall mean [_____], and its successors and assigns hereunder.

"**USDOT**" shall mean the United States Department of Transportation.

ARTICLE II DEEPWATER HORIZON ECONOMIC DAMAGES APPLICATION

SECTION 201. The Treasurer shall deposit or caused to be deposited all Deepwater Horizon Economic Damages Proceeds as paid to the State with the Depository Bank.

SECTION 202. The Treasurer shall invest all Deepwater Horizon Economic Damages Proceeds on deposit with the Depository Bank in such investments as are permitted by State law for the investment of State funds. The income and earnings thereon shall be credited to the State. Immediately upon classification, but not less than one (1) Business Day after such classification, the Treasurer shall deposit all Deepwater Horizon Economic Damages Proceeds into the Deepwater Horizon Economic Damages Escrow Fund.

SECTION 203. From the Deepwater Horizon Economic Damages Escrow Fund, the Commission shall cause the Treasurer to transfer, and the Treasurer shall transfer, within five (5) Business Days of the deposit referred to in Section 202 into said Escrow Fund, the following amounts in the following order:

(a) to the Trustee, an amount necessary to pay the Debt Service Requirement and all Administrative Expenses for the next succeeding Fiscal Year of the State, all as set forth in Schedule A to the Trust Indenture, as said schedule is updated and amended as disbursements are made under the Loan Agreement; and

(b) the balance if any, to the Bond Security and Redemption Fund for ultimate transfer and disposition to the Construction Subfund of the Transportation Trust Fund.

Upon an "event of default" under the Trust Indenture or the Loan Agreement, all monies deposited in the Deepwater Horizon Economic Damages Escrow Fund shall be transferred to the Trustee within one (1) Business Day of the deposit. Thereafter, monies may be released to the Bond Security and Redemption Fund and Construction Subfund only upon delivery to the Commission of a certificate executed by the Trustee and USDOT stating that no event of default exists under the Trust Indenture or the Loan Agreement.

SECTION 204. (a) The Treasurer shall deposit in the Deepwater Horizon Economic Damages Escrow Fund all amounts required to be deposited therein pursuant to law and pursuant to the Trust Indenture and the Loan Agreement and shall apply all such amounts as required by this Agreement or as may otherwise be required by law.

(b) Subject to the application for the purposes and on the terms contained in this Agreement, amounts on deposit with the Depository Bank and classified as Deepwater Horizon Economic Damages Proceeds in the Deepwater Horizon Economic Damages Escrow Fund shall be held in trust by the Treasurer for the benefit of the holders from time to time of the Bonds.

(c) Amounts on deposit in the Deepwater Horizon Economic Damages Escrow Fund shall be invested by the Treasurer as shall be permitted by law for the investment of State moneys and the income and earnings on such amounts shall be credited to the State.

SECTION 205. Event of Default. Failure by the Commission or the Treasurer to perform any obligation under the Collection Agreement, including without limitation, the obligation to make the transfers set forth in Article II hereof shall constitute an Event of Default hereunder. Upon the occurrence of an Event of Default, the Commission, the Trustee and, subject to Sections 7.10 and 7.11 of the Trust Indenture, the Bondholders affected thereby shall have all the rights and remedies as may be allowed by law, including but not limited to, suit at law or in equity to enforce or enjoin the action or inaction of parties under the provisions hereof. Article VII of the Trust Indenture governs the rights of Bondholders as to remedial actions and control of any proceedings. The provisions of Article VIII of the Trust Indenture shall apply to the Trustee hereunder in the performance of its duties hereunder and enforcement of the provisions hereunder and the provisions of said Article VIII of the Trust Indenture are incorporated herein by reference the same as if they were copied herein in full.

MISCELLANEOUS

SECTION 206. The Treasurer and the Commission shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of the Deepwater Horizon Economic Damages Proceeds deposited with the Depository Bank, deposited in the Deepwater Horizon Economic Damages Escrow Fund, and transferred to the Trustee, and the application of all amounts on deposit in the Deepwater Horizon Economic Damages Escrow Fund so as to provide audit compliance with the terms and provisions of this Agreement.

SECTION 207. The parties hereto acknowledge and agree that the Deepwater Horizon Economic Damages Proceeds deposited in the Deepwater Horizon Economic Damages Escrow Fund pursuant to Section 202 of this Agreement, together with the investment income thereon, have been pledged by the Commission to the payment of the Debt Service Requirement and Administrative Expenses pursuant to the Trust Indenture, and the parties hereto agree to take all action necessary to effectuate, preserve and protect such pledge.

SECTION 208. In the event of any failure by any party to this Agreement to perform any of their respective obligations under this Agreement, each party may bring any suit, action, or proceeding in law or in equity, including any special actions or specific performance as may be necessary and appropriate to enforce any covenant, agreement or obligation under this Agreement.

SECTION 209. This Agreement may be amended or supplemented from time to time, provided that no amendment or supplement to this Agreement shall be entered into without the written consent of USDOT as long as any TIFIA Bond remains outstanding unless such amendment or supplement is ministerial in nature and is not adverse to the interests of TIFIA.

SECTION 210. This Agreement shall constitute a third party beneficiary contract between the State, the Commission and the Trustee for the benefit of the owners of all Bonds issued under the Trust Indenture and, in particular, USDOT.

SECTION 211. If any one or more of the covenants or agreements provided in this Agreement to be performed on the part of any party hereto should be deemed contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining agreements and covenants and shall in no way affect the validity of the other provisions of this Agreement.

SECTION 212. This Agreement shall be construed and governed in accordance with the laws of the State.

SECTION 213. Headings preceding the texts of the several Articles hereof are solely for the convenience of reference and shall not constitute a part of this Agreement or affect its meaning, construction or effect.

SECTION 214. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

SECTION 215. This Agreement shall become effective immediately upon execution and delivery by all parties and shall remain in full force and effect until payment or provision for the payment of the Bonds has been made pursuant to the Trust Indenture.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or have done so by their officers thereunto duly authorized as of the date and year first written above.

STATE OF LOUISIANA

By: _____
Lela M. Folse, Director
State Bond Commission

By: _____
John M. Schroder, Sr., Treasurer

[_____] , as Trustee

By: _____
Name: _____
Title: _____

**UNITED STATES
DEPARTMENT OF TRANSPORTATION**

TIFIA LOAN AGREEMENT

For Up to [Maximum Principal Amount of Loan]

With

**STATE BOND COMMISSION,
on behalf of the State of Louisiana,
as Borrower
and**

**LOUISIANA DEPARTMENT OF
TRANSPORTATION AND DEVELOPMENT,
as Sponsor**

For the

**[_____PROJECT]
(TIFIA – ●)¹**

Dated as of [_____] , 2021

¹ This template is designed for use in connection with each of the LaDOTD group of projects comprising the LA 3241: LA 36 to LA 435 (Seg. 2), LA 3241: LA 435 to LA 40/LA 41 (Seg. 3), I-49 South, LA 415, Cameron Ferry Crossing and Statewide Bridge Program projects. We also expect that six separate TIFIA Loan Agreements will be executed in connection with the Statewide Bridge Program, one for each sub package of bridges that will be let at or about the same time.

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EXHIBIT G – TIFIA Debt Service

EXHIBIT H-1 – Opinions Required from Counsel to Borrower and Sponsor

EXHIBIT H-2 – Opinions Required from Bond Counsel

EXHIBIT I – Form of Certificate of Trustee

EXHIBIT J – Form of Borrower’s Officer’s Certificate

EXHIBIT K – Form of Certificate of Substantial Completion

EXHIBIT L – [Intentionally omitted]

EXHIBIT M – TIFIA Loan Reamortization Methodology

EXHIBIT N – Certification Regarding Lobbying

EXHIBIT O – [Intentionally omitted]

EXHIBIT P – Reporting Subawards and Executive Compensation

TIFIA LOAN AGREEMENT

THIS TIFIA LOAN AGREEMENT (this “**Agreement**”), dated as of the Effective Date, is by and between the **STATE BOND COMMISSION**, an entity created under the Louisiana Constitution of 1974, as amended, acting on behalf of the State of Louisiana (the “**State**”) with an address of Louisiana State Capitol Building, 900 North Third Street, Third Floor, Baton Rouge, LA, 70821 (the “**Borrower**”), the **LOUISIANA DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**, a body politic and corporate created under the laws of the State, with an address of 1201 Capitol Access Rd, Suite 302G, Baton Rouge, LA 70804-9245 (the “**Sponsor**”), and the **UNITED STATES DEPARTMENT OF TRANSPORTATION**, an agency of the United States of America, acting by and through the Executive Director of the Build America Bureau (the “**Executive Director**”), with an address of 1200 New Jersey Avenue, S.E., Washington, D.C. 20590 (the “**TIFIA Lender**”).

RECITALS:

WHEREAS, the Congress of the United States of America (the “**Congress**”) has found that a well-developed system of transportation infrastructure is critical to the economic well-being, health and welfare of the people of the United States of America and, in furtherance thereof, has enacted the Transportation Infrastructure Finance and Innovation Act of 1998 (“**TIFIA**”), as codified at 23 U.S.C. §§ 601-609 (as amended from time to time, the “**Act**”); and

WHEREAS, Section 603 of the Act authorizes the TIFIA Lender to enter into agreements with one or more obligors to make secured loans; and

WHEREAS, the Borrower has requested that the TIFIA Lender make the TIFIA Loan (as defined herein) in a principal amount not to exceed \$*[Insert maximum principal amount of TIFIA loan]*² (excluding interest that is capitalized in accordance with the terms hereof) to be used to pay a portion of the Eligible Project Costs (as defined herein) related to the Project (as defined herein) pursuant to the application for TIFIA credit assistance dated [____], 2021 (the “**Application**”); and

WHEREAS, on [____], 2021, the Secretary (as defined herein) approved TIFIA credit assistance for the Project in the form of the TIFIA Loan; and

WHEREAS, the TIFIA Lender is prepared to extend credit upon the terms and conditions hereof; and

WHEREAS, the Borrower agrees to repay any amount due pursuant to this Agreement and the TIFIA Bond (as defined herein) in accordance with the terms and provisions hereof and thereof.

WHEREAS, the TIFIA Lender has entered into this Agreement in reliance upon, among

² **NTD:** This amount to be updated at closing to reflect the actual loan amount as per the final financial model and apportionment.

other things, the existence, validity, effectiveness and enforceability of the BP Settlement Agreement and Authorizing Legislation (as defined herein) in the forms provided by the Borrower to the TIFIA Lender.

NOW, THEREFORE, in consideration of the premises stated above, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending to be legally bound hereby, it is hereby mutually agreed by and between the Borrower and the TIFIA Lender as follows:

Section 1. Definitions. Unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings set forth below in this Section 1 (*Definitions*) or as otherwise defined in this Agreement. Any term used in this Agreement that is defined by reference to any other agreement shall continue to have the meaning specified in such agreement, whether or not such agreement remains in effect.

“Acceptable Credit Rating” means, with respect to any Person, the rating of its unsecured, senior long-term indebtedness (or, if such Person has no such rating, then its issuer rating or corporate credit rating) is no lower than (a) at the time such Person executes, delivers, or issues a guarantee or other similar instrument, ‘A+’, ‘A1’ or the equivalent rating from each Rating Agency that provides a rating on such Person’s unsecured, senior long-term indebtedness or that provides an issuer rating or corporate credit rating for such Person, as applicable; and (b) at any time thereafter, ‘A’, ‘A2’ or the equivalent rating from each Rating Agency that provides a rating on such Person’s unsecured, senior long-term indebtedness or that provides an issuer rating or corporate credit rating for such Person, as applicable.

“Act” has the meaning provided in the recitals hereto.

“Additional Obligations” means, collectively, any and all indebtedness of the Borrower that is (x) permitted to be issued or incurred under Section 16(a) (*Indebtedness*) and the Indenture Documents, (y) issued or incurred after the Effective Date (but excluding Initial Obligations), and (z) secured or supported by, or payable from the Trust Estate or the Pledged Revenues.

“Agreement” has the meaning provided in the preamble hereto.

“Annual Principal Payment Date” means each September 1.

“Anti-Corruption Laws” means all U.S. and other applicable laws, rules and regulations, as amended from time to time, concerning or related to bribery or corruption.

“Anti-Money Laundering Laws” means all U.S. and other applicable laws, rules and regulations, as amended from time to time, concerning or related to anti-money laundering, including but not limited to those contained in the Bank Secrecy Act and the Patriot Act.

“Anticipated TIFIA Loan Disbursement Schedule” means the schedule set forth in **Exhibit B**, reflecting the anticipated disbursement of proceeds of the TIFIA Loan, as such schedule may be amended from time to time pursuant to Section 4(c) (*Disbursement Conditions*).

“Application” has the meaning provided in the recitals hereto.

“Authorized Representative” of any Borrower Related Party, means any Person who shall be designated as such pursuant to Section 25 (*Borrower Related Parties’ Authorized Representative*) by such Borrower Related Party.

“Authorizing Legislation” means Act No. 443 of the 2019 Regular Session of the Legislature of the State of Louisiana.

“Bank Secrecy Act” means the Bank Secrecy Act of 1970 (Titles I and II of Pub. L. No. 91-508, classified at 12 U.S.C. §§ 1829b and 1951-1959 and 31 U.S.C. §§ 312, 5311-5313, and 5316-5322), as amended from time to time, and any successor statute of similar import, and the regulations promulgated thereunder.

“Bankruptcy Related Event” means, with respect to any Person,

(a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of such Person or any of its debts, or of a substantial part of the assets thereof, under any Insolvency Laws, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for such Person or for a substantial part of the assets thereof and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(b) such Person shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official therefor or for a substantial part of the assets thereof, (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, (iii) solely with respect to the Borrower, fail to make two (2) consecutive payments of TIFIA Debt Service in accordance with the provisions of Section 9 (*Payment of Principal and Interest*), (iv) make a general assignment for the benefit of creditors, (v) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, (vi) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any Insolvency Law, (vii) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (vi), inclusive, of this clause (b), or (viii) take any action for the purpose of effecting any of the foregoing;

(c) solely with respect to the Borrower, (i) the Trustee shall commence a process pursuant to which all or a substantial part of the Trust Estate may be sold or otherwise disposed of in a public or private sale or disposition pursuant to a foreclosure of the Liens thereon securing any Obligations, or (ii) the Trustee shall commence a process pursuant to which all or a substantial part of the Trust Estate may be sold or otherwise disposed of pursuant to a sale or disposition of such Trust Estate in lieu of foreclosure; or

(d) solely with respect to the Borrower, the Trustee shall transfer, pursuant to directions issued by the Bondholders, funds on deposit in any of the Project Accounts upon the occurrence and during the continuation of an Event of Default under the Indenture Documents for application

to the prepayment or repayment of any principal amount of any Obligations other than in accordance with the provisions of the Indenture.

“Base Case Financial Model” means a financial model prepared by the Sponsor that includes (a) for each six (6) month period corresponding to a Semi-Annual Interest Payment Period through the Final Maturity Date, a forecast of Pledged Revenues, expenditures, and funding obligations reflected in Section [4.5] of the Indenture, (b) for each six (6) month period corresponding to a Semi-Annual Interest Payment Period through the Final Maturity Date, a forecast of the interest portion of Debt Service on all Obligations, (c) for each twelve (12) month period from (and including) an Annual Principal Payment Date to (but excluding) the immediately succeeding Annual Principal Payment Date, commencing with the twelve (12) month period ending on the date immediately prior to the Debt Service Payment Commencement Date and through the Final Maturity Date, a forecast of the principal portion of Debt Service on all Obligations, and (d) the Project Budget, which model, in each case in clauses (a), (b), (c) and (d) above, shall be based upon assumptions and methodology provided by the Borrower and acceptable to the TIFIA Lender as of the Effective Date, and which model shall be provided to the TIFIA Lender as a fully functional Microsoft Excel-based financial model or such other format reasonably requested by the TIFIA Lender.

“Bond” means any bonds (including the TIFIA Bond) or any other evidences of indebtedness for borrowed money issued by the Borrower from time to time pursuant to Article [III] of the Indenture and the terms of the applicable Supplemental Indenture.

“Bondholder” means, when used with respect to the TIFIA Bond, the TIFIA Lender and, when used with respect to any other Bond, the registered owner of such Bond.

“Borrower” has the meaning provided in the preamble hereto.

“Borrower Fiscal Year” means (a) as of the Effective Date, a fiscal year of the Borrower commencing on July 1 of any calendar year and ending on June 30 of the immediately succeeding calendar year or (b) such other fiscal year as the Borrower may hereafter adopt after giving thirty (30) days’ prior written notice to the TIFIA Lender, as provided in Section 16(d) (*Organizational Documents; Fiscal Year*).

“Borrower Related Party” means, individually or collectively, the Borrower and the Sponsor.

“BP Entities” means BP p.l.c., BPCNA and BPXP.

“BP p.l.c.” means BP p.l.c., a company incorporated in England whose registered office is at 1 St. James’s Square, London, SW1Y 4PD, England.

“BP Primary Guaranty” means the Primary Guaranty, made as of October 5, 2015, by BPCNA, in favor of the State relating to the BP Settlement Agreement.

“BP Secondary Guaranty” means the Secondary Guaranty, made as of October 5, 2015, by BP p.l.c. in favor of the State relating to the BP Settlement Agreement.

“**BP Settlement Agreement**” means the Settlement Agreement, executed in September 2015, and effective as of April 4, 2016, between the Gulf States and the BP Entities with Respect to Economic and Other Claims arising from events, actions, inactions, and/or omissions related to the Deepwater Horizon mobile offshore drilling unit, occurring on or after April 20, 2010.

“**BPCNA**” means BP Corporation North America Inc., a corporation incorporated in the State of Indiana, with its current principal place of business in Houston, Texas.

“**BPXP**” means BP Exploration & Production Inc., a corporation incorporated in the State of Delaware, with its current principal place of business in Houston, Texas.

“**Business Day**” means any day other than a Saturday, a Sunday or a day on which offices of the Federal Government or the State are authorized to be closed or on which commercial banks are authorized or required by law, regulation or executive order to be closed in New York, New York, *Baton Rouge*, Louisiana or [*the city and state in which the Trustee is located*].

“**Calculation Date**” means each March 1 and September 1 occurring after the Effective Date.³

“**Calculation Period**” means a twelve (12) month period ending on a Calculation Date.

“**Capital Expenditures**” means expenditures made or liabilities incurred for the acquisition of any assets, improvements or replacements thereof that have a useful life of more than one (1) year and that are capitalized in accordance with GAAP.

“**Capitalized Interest Period**” means the period from (and including) the Effective Date to (but excluding) the first day of the initial Semi-Annual Interest Payment Period.

“**Collection Agreement**” means that certain Deepwater Horizon Economic Damages Collection Agreement, dated as of [●], 2021, among the State, the Borrower and the Trustee.

“**Congress**” has the meaning provided in the recitals hereto.

“**Construction Period**” means the period from the Effective Date through the Substantial Completion Date.

“**Construction Schedule**” means (a) the initial schedule or schedules on which the construction timetables for the Project are set forth, attached as **Schedule II**, and (b) any updates thereto included in the Financial Plan most recently submitted to the TIFIA Lender pursuant to Section 21(a)(iii)(B) (*Financial Plan*).

“**Construction-Related Contract Party**” means any Person (other than any Borrower Related Party) party to a Construction-Related Contract.

³ NTD: Calculation Dates to be confirmed.

(cont'd)

“Construction-Related Contracts” means [_____].⁴

“Consulting Engineer” means an engineering firm selected by the Sponsor, subject to Section 22(d) .

“Control” means, when used with respect to any particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or partnership or other ownership interests, by contract or otherwise, and the terms “Controlling” and “Controlled by” have meanings correlative to the foregoing.

“CPI” means the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100 (not seasonally adjusted), or its successor, published by the Bureau of Labor Statistics, with, unless otherwise specified herein, January 20[21] as the base period.

“Debt Service” means, with respect to Pari Passu Obligations, for any period, as of any date of calculation, an amount equal to the sum of all interest and principal of such Pari Passu Obligations accruing and payable in respect of such period. In determining the principal and interest amounts of Pari Passu Obligations due in such period, payment shall be assumed to be made in accordance with any debt service schedule established for such Pari Passu Obligations, including any balloon or bullet maturities (which shall be treated as being paid in full on their respective due dates), and take into account the actual acceleration of any amount thereunder or the actual occurrence of any event requiring a mandatory prepayment thereof.

“Debt Service Payment Commencement Date” means [*insert specified date*]⁵.

“Debt Service Payment Fund” means the “Debt Service Payment Fund” established pursuant to the Indenture.

“Debt Service Reserve Fund” means the “Debt Service Reserve Fund” established pursuant to the Indenture.

“Default” means any event or condition that, with the giving of notice, the passage of time, or both, would constitute an Event of Default.

“Default Rate” means an interest rate equal to the sum of (a) the TIFIA Interest Rate plus (b) two percent (2.00%).

⁴ **NTD:** Definition to include a list of specific construction contracts and Construction-Related Contracts that have been executed in connection with the Project or that are planned to be entered into in connection with the Project.

⁵ **NTD:** To be determined based on projected Substantial Completion Date of each project.

(cont'd)

“Development Default” means the Sponsor’s failure to (a) diligently prosecute the work related to the Project or (b) achieve Substantial Completion on or prior to [●]⁶.

“Effective Date” means [DATE OF AGREEMENT], 2021.

“Electronic Signature” means any electronic symbol or process attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign such contract or record pursuant to [the Louisiana Uniform Electronic Transactions Act, *La. Rev Stat. 9:2607 et seq*], as amended from time to time.

“Eligible Project Costs” means amounts in the Project Budget, substantially all of which are paid or incurred by or on behalf of the Sponsor and/or the Borrower in connection with the Project, all of which shall arise from the following:

- (a) development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, permitting, preliminary engineering and design work and other preconstruction activities;
- (b) construction, reconstruction, rehabilitation, replacement and acquisition of real property (including land related to the Project and improvements to land), environmental mitigation, construction contingencies and acquisition of equipment; or
- (c) capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction.

“Environmental Laws” has the meaning provided in Section 13(s) (*Environmental Matters*).

“ERISA” means the Employee Retirement Income Security Act of 1974, Pub. L. 93-406 (29 U.S.C. § 1001 *et seq.*), as amended from time to time, and any successor statute of similar import, and the regulations thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Tax Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Tax Code, is treated as a single employer under Section 414 of the Tax Code.

“Event of Default” has the meaning provided in Section 19(a) (*Events of Default and Remedies*).

“Event of Loss” means any event or series of events that causes any portion of the Project to be damaged, destroyed or rendered unfit for normal use for any reason whatsoever, including through a failure of title, or any loss of such property, or a condemnation.

⁶ **NTD:** To be the date that is two years after the Projected Substantial Completion Date.

“**Executive Director**” has the meaning provided in the preamble hereto.

“**Federal Fiscal Year**” or “**FFY**” means the fiscal year of the Federal Government, which is the twelve (12) month period that ends on September 30 of the specified calendar year and begins on October 1 of the preceding calendar year.

“**Federal Government**” means the Federal Government of the United States of America and its departments and agencies.

“**FHWA**” means the Federal Highway Administration, an agency of the USDOT.

“**FHWA Division Office**” means the Louisiana Division office of the FHWA.

“**Final Maturity Date**” means [●]⁷.

“**Financial Plan**” means (a) the financial plan to be delivered within sixty (60) days after the Effective Date in accordance with Section 21(a) (*Financial Plan*) and (b) any updates thereto required pursuant to Section 21(a) (*Financial Plan*).

“**Financial Statements**” has the meaning provided in Section 13(x) (*Financial Statements*).

“**Fundamental Contracts**” means the BP Settlement Agreement, the BP Primary Guaranty and the BP Secondary Guaranty.

“**GAAP**” means generally accepted accounting principles for state and local governments as prescribed by the Governmental Accounting Standards Board, in effect from time to time in the United States of America.

“**Government Obligations**” means (a) direct obligations of, or obligations on which the timely payment of principal and interest are fully and unconditionally guaranteed by, the Federal Government, (b) bonds, debentures or notes issued by any of the following federal agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks, Export-Import Bank of the United States, Government National Mortgage Association or Federal Land Banks, (c) obligations issued or guaranteed by a Person Controlled or supervised by and acting as an instrumentality of the Federal Government pursuant to authority granted by the Congress, and (d) evidences of ownership of proportionate interests in future interest or principal payments on obligations specified in clauses (a), (b) and (c) of this definition held by a bank or trust company as custodian and which underlying obligations are not available to satisfy any claim of the custodian or any Person claiming through the custodian or to whom the custodian may be obligated, in each case.

⁷ **NTD:** To be determined on a project per project basis, but in any event no later than September 1, 2033.

“Governmental Approvals” means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any Governmental Authority.

“Governmental Authority” means any federal, state, provincial, county, city, town, village, municipal or other government or governmental department, commission, council, court, board, bureau, agency, authority or instrumentality (whether executive, legislative, judicial, administrative or regulatory), of or within the United States of America or its territories or possessions, including the State and its parishes and municipalities, and their respective courts, agencies, instrumentalities and regulatory bodies, or any entity that acts “on behalf of” any of the foregoing, whether as an agency or authority of such body.

“Gulf States” means the States of Alabama, Florida, the State, Mississippi, and Texas together with the Gulf States’ affiliates when used in the plural, and each of them individually and that respective Gulf State’s affiliates when used in the singular. A Gulf State’s affiliates shall include that Gulf State’s branches, agencies, associations, authorities, boards, bureaus, councils, departments, educational institutions or systems, components, public benefits corporations, or other instrumentalities of any kind, administrators, elected or unelected officials, officers or delegates (other than in their individual capacities), assigns, insurers, attorneys, or other agents of any kind; provided however that a Gulf State’s affiliates shall not include counties, parishes, municipalities, or any other local governmental or local political subdivisions authorized by law to perform local governmental functions.

“Indemnitee” has the meaning provided in Section 17 (*Indemnification*).

“Indenture” means that certain Master Trust Indenture, dated as of [_____], 2021 among the Borrower, the Sponsor and the Trustee.

“Indenture Documents” means the Indenture, each Supplemental Indenture, the Collection Agreement, and each other agreement, instrument and document executed and delivered pursuant to or in connection with any of the foregoing.

“Initial Obligations” means the TIFIA Bond [the [●] Series [●] TIFIA Bonds [and the [●] Series [●] Bonds]]⁸ of the Borrower issued or incurred under the Indenture Documents.

“Insolvency Laws” means the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, as from time to time amended and in effect, and any foreign or state bankruptcy, insolvency, receivership, conservatorship or similar law now or hereafter in effect.

“Investment Grade Rating” means a public rating no lower than ‘BBB-’, ‘Baa3’ or the equivalent public rating from a Rating Agency.

“Lien” means any mortgage, pledge (statutory or other), hypothecation, assignment, mandatory deposit arrangement, encumbrance, attachment, lien (statutory or other), charge or

⁸ **NTD:** To be inserted for the second and subsequent TIFIA Loan Agreements to describe previously issued TIFIA Bonds or other Pari Passu Obligations issued in lieu thereof.

other security interest, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including any sale-leaseback arrangement, any conditional sale or other title retention agreement, any financing lease having substantially the same effect as any of the foregoing, and the filing of any financing statement or similar instrument under the UCC or any other applicable law.

“Loan Amortization Schedule” means the Loan Amortization Schedule reflected in the applicable column of **Exhibit G**, as amended from time to time in accordance with Section 7 (*Outstanding TIFIA Loan Balance; Revisions to Exhibit G and Loan Amortization Schedule*).

“Material Adverse Effect” means a material adverse effect on (a) the Project (until the Substantial Completion Date) or the Pledged Revenues, (b) the business, operations, properties, condition (financial or otherwise) or prospects of any Borrower Related Party that adversely affects, or could reasonably be expected to affect, the ability of the Sponsor to construct, operate, maintain or repair the Project in compliance with its obligations hereunder (c) the legality, validity or enforceability of any material provision of any Indenture Document, TIFIA Loan Document or Fundamental Contract, (d) the ability of any Borrower Related Party or BP p.l.c. to enter into, perform or comply with any of its material obligations under any Indenture Document, TIFIA Loan Document, Fundamental Contract to which it is a party, (e) the validity, enforceability or priority of the Liens provided pursuant to the Authorizing Legislation or under the Indenture Documents on the Trust Estate in favor of the Secured Parties or (f) the TIFIA Lender’s rights or remedies available under any TIFIA Loan Document.

“NEPA” means the National Environmental Policy Act of 1969, Pub. L. 91-190 (42 U.S.C. § 4321 *et seq.*), and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time.

“NEPA Determination” means the [Finding of No Significant Impact][Categorical Exclusion][Record of Decision] for the Project issued by [*insert name of appropriate USDOT modal agency field office*] on [____], 20[____] in accordance with NEPA.⁹

“Obligations” means, as of any date, the TIFIA Loan and any issued and outstanding Pari Passu Obligations.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Organizational Documents” means: (a) with respect to any Person that is a Governmental Authority, (i) the constitutional and statutory provisions that are the basis for the existence and authority of such Governmental Authority, including any enabling statutes, ordinances or public charters and any other organic laws establishing such Governmental Authority and (ii) the bylaws, code of regulations, operating procedures or other organizational documents of or adopted by such Governmental Authority by which such Governmental Authority, its powers, operations or procedures or its securities, bonds, notes or other obligations are governed or from which such powers are derived; and (b) with respect to a Person that is not a Governmental

⁹ **NTD:** Applicable action to be completed for each project.

Authority, (i) to the extent such Person is a corporation, the certificate or articles of incorporation and the by-laws of such Person, (ii) to the extent such Person is a limited liability company, the certificate of formation or articles of formation or organization and operating or limited liability company agreement of such Person and (iii) to the extent such Person is a partnership, joint venture, trust or other form of business, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization or formation of such Person.

“Outstanding TIFIA Loan Balance” means the aggregate principal amount drawn by the Borrower and then outstanding (including capitalized interest) with respect to the TIFIA Loan, as determined in accordance with Section 7 (*Outstanding TIFIA Loan Balance; Revisions to Exhibit G and Loan Amortization Schedule*).

“Pari Passu Obligations” means Initial Obligations and Additional Obligations.

“Patriot Act” means the USA PATRIOT Act, also known as the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, as amended from time to time, and any successor statute of similar import, and the regulations promulgated thereunder.

“Payment Date” means any Annual Principal Payment Date or Semi-Annual Interest Payment Date.

“Payment Default” has the meaning provided in Section 19(a)(i) (*Payment Default*).

“Permitted Debt” means:

- (a) the TIFIA Loan;
- (b) the Initial Obligations;
- (c) Additional Obligations, so long as each of the following requirements is satisfied:
 - (i) such Additional Obligations have received an Investment Grade Rating at the time of issuance;
 - (ii) the Borrower’s Authorized Representative shall have certified to the TIFIA Lender that (i) the activity or project to which such Additional Obligations will be applied could not reasonably be expected to result in a Material Adverse Effect, (ii) the aggregate amount of Additional Obligations (including principal, interest, fees and other amounts payable in connection therewith) does not exceed (x) the amount permitted by Act No. 443 for the applicable activity or project, nor (y) the amount that remains payable by BP Entities to the State pursuant to the Fundamental Contracts and that is available to pay such Additional Obligations;

(iii) no Event of Default or “Event of Default” as defined in the Indenture has occurred and is continuing at the time such Additional Obligations are issued or incurred, and

(iv) the Rating Agency that provided the most recent public ratings of the Initial Obligations in accordance with Section 15(j) (Annual Rating) shall have provided a confirmation or affirmation (or equivalent action) that the incurrence of such Additional Obligations shall not result in a downgrade to a rating below the lower of (A) the then-existing credit ratings of the Initial Obligations and (B) the credit ratings of the Initial Obligations with respect to the TIFIA Bond as of the Effective Date or, if applicable, the closing date of any other Initial Obligations (to the extent such Initial Obligations are issued on a day other than the Effective Date); and

(d) Any other indebtedness of the Borrower that is not payable from, secured or supported by or benefit from a Lien on the Trust Estate, Pledged Revenues or any other property that is subject to Liens of or other title in favor of the TIFIA Lender or the Trustee.

“**Permitted Investments**” means:

(a) Government Obligations;

(b) certificates of deposit where the certificates are collaterally secured by securities of the type described in clause (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, but this collateral is not required to the extent the certificates of deposit are insured by the Federal Government;

(c) repurchase agreements with counterparties that have an Acceptable Credit Rating, when collateralized by securities of the type described in clause (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the repurchase agreement so collateralized, including interest;

(d) investment agreements or guaranteed investment contracts rated, or with any financial institution whose unsecured, senior long-term debt obligations are rated, or guaranteed by a financial institution whose unsecured, senior long-term debt obligations are rated in one of the two (2) highest Rating Categories for comparable types of obligations by any Rating Agency; and

(e) money market funds that invest solely in obligations of the United States of America, its agencies and instrumentalities, and having a rating by a Rating Agency equal to the then applicable rating of the United States of America by such Rating Agency.

“**Person**” means and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and any Governmental Authority.

“Pledged Revenue Collection Account” means the “Pledged Revenue Collection Account” established pursuant to Section [●] of the Indenture.

“Pledged Revenues” means all payments made or to be made by any BP Entity to the State pursuant to the Fundamental Contracts, but only upon receipt of the proceeds thereof, and not the right to collect such proceeds.

“Project” means *[insert description of the project]*.

“Project Accounts” has the meaning provided in the Indenture.

“Project Budget” means the budget for the Project in the aggregate amount of \$*[insert Project budget amount]* attached to this Agreement as **Schedule I** showing a summary of Total Project Costs with a breakdown of all Eligible Project Costs and the estimated sources and uses of funds for the Project, as amended from time to time subject to the reporting requirements in Section 22(b) (*Reporting*).

“Project Specific PoDI Stewardship & Oversight Plan” means the project specific PoDI stewardship & oversight plan, dated as of [●], prepared by the FHWA Division Office.

“Projected Substantial Completion Date” means *[insert date]*.

“Rating Agency” means a rating agency registered with the Securities and Exchange Commission as a nationally recognized statistical rating organization (as defined in 15 U.S.C. § 78c(a)(62)).

“Rating Category” means one of the generic rating categories of a Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

“Related Documents” means the Indenture Documents, the TIFIA Loan Documents and the Fundamental Contracts.

“Requisition” has the meaning provided in Section 4(a) (*Disbursement Conditions*).

“Reserve Accounts” has the meaning provided in the Indenture.

“Revised Financial Model” means an updated version of the Base Case Financial Model, in form and substance satisfactory to the TIFIA Lender, taking into account changes in projected revenues, expenditures or other modeling assumptions since the delivery of the Base Case Financial Model (or, as applicable, the most recently submitted Revised Financial Model) and including a change log describing such changes.

“Sanctioned Country” means, at any time, a country or territory which is itself the subject or target of any Sanctions.

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC or the U.S. Department of State, (b) any Person

operating, organized or resident in a Sanctioned Country, or (c) any Person owned or Controlled by any such Person or Persons.

“**Sanctions**” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the Federal Government, including those administered by OFAC or the U.S. Department of State.

“**Secretary**” means the United States Secretary of Transportation.

“**Secured Obligations**” means the obligations of the Borrower under this Agreement, the TIFIA Bond and the other Pari Passu Obligations.

“**Secured Parties**” means the Trustee, the TIFIA Lender and any other Bondholder.

“**Semi-Annual Interest Payment Date**” means each March 1 and September 1.

“**Semi-Annual Interest Payment Period**” means any period of six (6) months from (and including) a Semi-Annual Interest Payment Date to (but excluding) the immediately succeeding Semi-Annual Interest Payment Date, commencing with the six (6) month period ending on the date immediately prior to the Debt Service Payment Commencement Date.

“**Servicer**” means such entity or entities as the TIFIA Lender shall designate from time to time to perform, or assist the TIFIA Lender in performing, certain duties hereunder.

“**State**” has the meaning provided in the preamble hereto.

“**Substantial Completion**” means the opening of the Project to vehicular traffic.

“**Substantial Completion Date**” means the date on which Substantial Completion occurs.

“**Supplemental Indenture**” means each indenture supplementing or modifying the provisions of the Indenture entered into by the Borrower and the Trustee in accordance with Article [IX] of the Indenture.

“**Tax Code**” means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute of similar import, and the regulations promulgated thereunder.

“**TIFIA**” has the meaning provided in the recitals hereto.

“**TIFIA Bond**” means the Bond delivered by the Borrower to the TIFIA Lender in the form of **Exhibit A** and evidencing the TIFIA Loan.

“**TIFIA Debt Service**” means with respect to any Payment Date occurring on or after the Debt Service Payment Commencement Date, the principal portion of the Outstanding TIFIA Loan Balance and any interest payable thereon (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower) at the TIFIA Interest Rate (or, as

applicable, the Default Rate), in each case due and payable on such Payment Date in accordance with the provisions of Section 9(c) (*Payment of TIFIA Debt Service*).

“**TIFIA Interest Rate**” has the meaning provided in Section 6 (*Interest Rate*).

“**TIFIA Lender**” has the meaning provided in the preamble hereto.

“**TIFIA Lender’s Authorized Representative**” means the Executive Director and any other Person who shall be designated as such pursuant to Section 26 (*TIFIA Lender’s Authorized Representative*).

“**TIFIA Loan**” means the secured loan made by the TIFIA Lender to the Borrower on the terms and conditions set forth herein, pursuant to the Act, in a principal amount not to exceed \$[●] (excluding capitalized interest), to be used in respect of Eligible Project Costs paid or incurred by or on behalf of the Sponsor and/or the Borrower.

“**TIFIA Loan Documents**” means this Agreement, the TIFIA Bond, the TIFIA Supplemental Indenture, and the other Indenture Documents.

“**TIFIA Supplemental Indenture**” means that certain [] Supplemental Indenture, dated as of the Effective Date, between the Borrower and the Trustee in connection with the issuance of the TIFIA Bond.

“**Total Project Costs**” means (a) the costs paid or incurred, or to be paid or incurred, by or on behalf of the Sponsor and/or the Borrower in connection with or incidental to the acquisition, design, construction and equipping of the Project, including legal, administrative, engineering, planning, design, insurance, and costs of issuance; (b) amounts, if any, required by the Indenture Documents or the TIFIA Loan Documents to be paid into any fund or account upon the incurrence of the TIFIA Loan; (c) payments when due (whether at the maturity of principal, the due date of interest, or upon optional or mandatory prepayment) during the Construction Period in respect of any indebtedness of the Borrower in connection with the Project (other than the TIFIA Loan); and (d) costs of equipment and supplies and initial working capital and reserves required by the Borrower for the commencement of operation of the Project, including general administrative expenses and overhead of the Borrower.

“**Trust Estate**” has the meaning provided in the Indenture.

“**Trustee**” means []¹⁰.

“**Uncontrollable Force**” means any cause beyond the control of any Borrower Related Party, including: (a) a hurricane, tornado, flood or similar occurrence, landslide, earthquake, fire or other casualty, pandemic, epidemic,¹¹ strike or labor disturbance, freight embargo, act of a public enemy, explosion, war, blockade, terrorist act, insurrection, riot, general arrest or restraint of government and people, civil disturbance or similar occurrence, sabotage, or act of God

¹⁰ **NTD:** Identity of indenture trustee to be confirmed post award of role by Borrower Related Parties.

¹¹ **Note to LaDOTD:** We think ice storms are covered by the broad language in (a) or otherwise as an “act of God”.

(provided that no Borrower Related Party shall be required to settle any strike or labor disturbance in which it may be involved) or (b) the order or judgment of any federal, state or local court, administrative agency or governmental officer or body, if it is not also the result of willful or negligent action or a lack of reasonable diligence of a Borrower Related Party and such Borrower Related Party does not control the administrative agency or governmental officer or body; provided that the diligent contest in good faith of any such order or judgment shall not constitute or be construed as a willful or negligent action or a lack of reasonable diligence of such Borrower Related Party.

“**Uniform Commercial Code**” or “**UCC**” means the Uniform Commercial Code, as in effect from time to time in the State.

“**USDOT**” means the United States Department of Transportation.

Section 2. Interpretation. Unless the context shall otherwise require, the words “hereto,” “herein,” “hereof,” and other words of similar import refer to this Agreement as a whole. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and vice versa. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise require. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” Whenever the Borrower’s or other Person’s knowledge is implicated in this Agreement or the phrase “to the Borrower’s knowledge” or a similar phrase is used in this Agreement, the Borrower’s or such Person’s knowledge or such phrase(s) shall be interpreted to mean to the best of the Borrower’s or such Person’s knowledge after reasonable and diligent inquiry and investigation. Unless the context shall otherwise require, references to any Person shall be deemed to include such Person’s successors and permitted assigns. Unless the context shall otherwise require, references to preambles, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions are to the applicable preambles, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions of this Agreement. The schedules and exhibits to this Agreement, and the appendices and schedules to such exhibits, are hereby incorporated by reference and made an integral part of this Agreement. The headings or titles of this Agreement and its sections, schedules or exhibits, as well as any table of contents, are for convenience of reference only and shall not define or limit its provisions. Unless the context shall otherwise require, all references to any resolution, contract, agreement, lease or other document shall be deemed to include any amendments or supplements to, or modifications or restatements or replacements of, such documents that are approved from time to time in accordance with the terms thereof and hereof. Every request, order, demand, application, appointment, notice, statement, certificate, consent or similar communication or action hereunder by any party shall, unless otherwise specifically provided, be delivered in writing in accordance with Section 36 (*Notices; Payment Instructions*) and signed by a duly authorized representative of such party.

Section 3. TIFIA Loan Amount. The principal amount of the TIFIA Loan shall not exceed \$[*insert maximum principal amount of TIFIA loan*] (excluding capitalized interest). TIFIA Loan proceeds shall be disbursed from time to time in accordance with Section 4 (*Disbursement Conditions*) and Section 12(b) (*Conditions Precedent to All Disbursements*).

Section 4. Disbursement Conditions.

(a) TIFIA Loan proceeds shall be disbursed solely in respect of Eligible Project Costs paid or incurred by or on behalf of the Sponsor and/or the Borrower in connection with the Project. The Borrower Related Parties acknowledge and agree that any costs incurred in connection with the Project prior to receipt of all necessary authorizations from the USDOT in respect of such costs (which may include approvals of prior-incurred costs) are incurred solely at the Borrower Related Parties' risk and expense, will not constitute Eligible Project Costs, and no TIFIA Loan proceeds will be disbursed in respect thereof, unless and until such authorizations have been received. If the Borrower or the Sponsor intends to utilize the TIFIA Loan proceeds to make progress payments for the Project construction work performed under the Construction-Related Contracts, the Sponsor shall demonstrate to the satisfaction of the TIFIA Lender that such progress payments are commensurate with the value of the work that has been completed. Each disbursement of the TIFIA Loan shall be made pursuant to a requisition and certification (a "**Requisition**") in the form set forth in **Appendix One to Exhibit D**, along with all documentation and other information required thereby, submitted by the Borrower to, and approved by, the TIFIA Lender, all in accordance with the procedures of **Exhibit D** and subject to the requirements of this Section 4 (*Disbursement Conditions*) and the conditions set forth in Section 12(b) (*Conditions Precedent to All Disbursements*); provided, however, that no disbursements of TIFIA Loan proceeds shall be made on or after the date that is one (1) year after the Substantial Completion Date.

(b) The Borrower Related Parties shall deliver copies of each Requisition to the TIFIA Lender, the Servicer (if any) and the FHWA Division Office on or before the first (1st) Business Day of each month for which a disbursement is requested. Subject to Section 4(d), if the TIFIA Lender does not expressly deny a Requisition, disbursements of funds shall be made on the fifteenth (15th) day of the month for which a disbursement has been requested, or on the next succeeding Business Day if such fifteenth (15th) day is not a Business Day. Express denial of a Requisition by the TIFIA Lender shall be provided substantially in the form attached as **Appendix Two to Exhibit D** (*Requisition Procedures*). In no event shall disbursements be made more than once each month.

(c) The Borrower may amend the Anticipated TIFIA Loan Disbursement Schedule to delay the projected disbursement date, by submitting a revised version thereof to the TIFIA Lender no later than thirty (30) days prior to the proposed effective date of such amendment, together with a detailed explanation of the reasons for such revisions.

(d) Notwithstanding anything to the contrary set forth in this Agreement (including this Section 4, Section 12 (*Conditions Precedent*) or **Exhibit D** (*Requisition Procedures*)), in no event shall the TIFIA Lender have any obligation to make any disbursement of proceeds of the TIFIA Loan to the Borrower if the TIFIA Lender's ability to make such disbursement is impaired as a result of a partial or total shutdown of the operations of any federal

department or agency (including the USDOT or any of its agencies), or any contractor of any such department or agency, due to a lapse in appropriations by Congress.¹²

Section 5. Term. The term of the TIFIA Loan shall extend from the Effective Date to the Final Maturity Date or to such earlier date as all amounts due or to become due to the TIFIA Lender hereunder have been irrevocably paid in full in cash.

Section 6. Interest Rate. The interest rate with respect to the Outstanding TIFIA Loan Balance (the “**TIFIA Interest Rate**”) shall be [____] percent ([____]%) per annum. Interest will be computed on the Outstanding TIFIA Loan Balance (as well as on any past due interest) from time to time on the basis of a 365-day or 366-day year, as appropriate, for the actual number of days elapsed; provided, however, in the event of a Payment Default, the Borrower shall pay interest on the Outstanding TIFIA Loan Balance and on any interest accrued thereon but unpaid as of the applicable Semi-Annual Interest Payment Date (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower) at the Default Rate from (and including) its due date to (but excluding) the date of actual payment. Upon the occurrence of any other Event of Default, the Borrower shall pay interest on the Outstanding TIFIA Loan Balance and on any interest accrued thereon but unpaid as of the applicable Semi-Annual Interest Payment Date (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower) at the Default Rate from (and including) the date such Event of Default first occurred to (but excluding) the earlier to occur of (a) the date such Event of Default has been waived by the TIFIA Lender and (b) the date the Outstanding TIFIA Loan Balance and any interest accrued thereon (at the Default Rate) but unpaid has been irrevocably paid in full in cash.

Section 7. Outstanding TIFIA Loan Balance; Revisions to Exhibit G and Loan Amortization Schedule.

(a) The Outstanding TIFIA Loan Balance will be (i) increased on each occasion on which the TIFIA Lender disburses loan proceeds hereunder, by the amount of such disbursement of loan proceeds; (ii) increased on each occasion on which interest on the TIFIA Loan is capitalized pursuant to the provisions of Section 9(b) (*Capitalized Interest Period*), by the amount of interest so capitalized; and (iii) decreased upon each payment or prepayment of the Outstanding TIFIA Loan Balance, by the amount of principal so paid. The TIFIA Lender may in its discretion at any time and from time to time, or when so requested by the Borrower, advise the Borrower by written notice of the amount of the Outstanding TIFIA Loan Balance as of the date of such notice, and its determination of such amount in any such notice shall be deemed conclusive absent manifest error.

(b) The TIFIA Lender is hereby authorized to modify the Loan Amortization Schedule included in **Exhibit G** from time to time, in accordance with the principles set forth in Section 10(b) (*General Prepayment Instructions*) and in **Exhibit M**, to reflect (i) any change to the Outstanding TIFIA Loan Balance, (ii) any change to the date and amount of any principal or

¹² **Note to LaDOTD:** Bureau cannot accept an obligation to provide advanced notice of a federal government shutdown. Note that this will likely be public knowledge.

interest due and payable or to become due and payable by the Borrower under this Agreement, and (iii) such other information as the TIFIA Lender may determine is necessary for administering the TIFIA Loan and this Agreement. Any calculations described above shall be rounded up or down to the nearest whole cent. Absent manifest error, the TIFIA Lender's determination of such matters as set forth on **Exhibit G** shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other TIFIA Loan Document. The TIFIA Lender shall provide the Borrower with a copy of **Exhibit G** as revised, but failure to provide or delay in providing the Borrower with such copy shall not affect any of the obligations of the Borrower under this Agreement or the other TIFIA Loan Documents.

Section 8. Security and Priority; Flow of Funds.

(a) As security for the TIFIA Loan, the Borrower shall pledge, assign and grant, or shall cause to be pledged, assigned and granted, to the Trustee for the benefit of the TIFIA Lender, Liens on the Trust Estate in accordance with the provisions of the Indenture Documents. The TIFIA Loan shall be secured by first priority Liens on the Trust Estate.

(b) Except for the Liens granted pursuant to the Indenture Documents, the Trust Estate will be free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto, and all organizational, regulatory or other necessary action on the part of the Borrower with respect to the foregoing has been duly and validly taken. There shall be no indebtedness or other obligations or liabilities of the Borrower that have priority over the TIFIA Loan with respect to the Trust Estate.

(c) The Borrower shall not use Pledged Revenues to make any payments or satisfy any obligations other than in accordance with the provisions of this Section 8 (*Security and Priority; Flow of Funds*) and the Indenture Documents and shall not apply any portion of the Pledged Revenues in contravention of this Agreement or the Indenture Documents.

(d) The Borrower and the Sponsor acknowledge and agree that (i) the Indenture provides that all Pledged Revenues shall, subject to Section [4.5] thereof, be deposited in the Pledged Revenue Collection Account and applied in the order of priority described in Section [4.5] of the Indenture, a copy of which Section [4.5], as of the Effective Date, is attached as **Schedule IV** (all capitalized terms used in **Schedule IV** and not otherwise defined in this Agreement shall have the meanings ascribed in the Indenture) and (ii) the Sponsor has no entitlement to any of the Pledged Revenues prior to the deposit thereof in the Construction Subfund of the State's Transportation Trust Fund.

Section 9. Payment of Principal and Interest.

(a) Payment Dates. The Borrower agrees to pay the principal of and interest on the TIFIA Loan by making payments in accordance with the provisions of this Agreement and the Indenture Documents on each Annual Principal Payment Date and Semi-Annual Interest Payment Date, respectively, beginning on the Debt Service Payment Commencement Date, and on each other date on which payment thereof is required to be made hereunder (including the Final Maturity Date and any date on which payment is due by reason of the acceleration of the maturity

of the TIFIA Loan or otherwise); provided that if any such date is not a Business Day, payment shall be made on the next Business Day following such date. Any payment of the TIFIA Bond shall be treated as a payment of the TIFIA Loan and any prepayment of principal of the TIFIA Loan shall be treated as redemption of the TIFIA Bond.¹³

(b) Capitalized Interest Period. No payment of the principal of or interest on the TIFIA Loan is required to be made during the Capitalized Interest Period. On each March 1 and September 1 occurring during the Capitalized Interest Period (and on the Semi-Annual Interest Payment Date immediately following the end of the Capitalized Interest Period), interest accrued on the TIFIA Loan in the six (6) month period ending immediately prior to such date shall be capitalized and added to the Outstanding TIFIA Loan Balance. Within thirty (30) days after the end of the Capitalized Interest Period, the TIFIA Lender shall give written notice to the Borrower (with copy to the Sponsor) stating the Outstanding TIFIA Loan Balance as of the close of business on the last day of the Capitalized Interest Period, which statement thereof shall be deemed conclusive absent manifest error; provided, however, that no failure to give or delay in giving such notice shall affect any of the obligations of the Borrower hereunder or under any of the other TIFIA Loan Documents.

(c) Payment of TIFIA Debt Service. On each Annual Principal Payment Date and Semi-Annual Interest Payment Date occurring on or after the Debt Service Payment Commencement Date, the Borrower shall, or shall direct the Trustee to, pay TIFIA Debt Service in the amounts set forth in respect of such Annual Principal Payment Date or Semi-Annual Interest Payment Date on **Exhibit G**, as the same may be revised as provided in Section 7 (*Outstanding TIFIA Loan Balance; Revisions to Exhibit G and Loan Amortization Schedule*), which payments shall be made in accordance with Section 9(d) (*Manner of Payment*).

(d) Manner of Payment. Payments under this Agreement and the TIFIA Bond shall be made by wire transfer on or before each Payment Date in immediately available funds in accordance with payment instructions provided by the TIFIA Lender pursuant to Section 36 (*Notices; Payment Instructions*), as modified in writing from time to time by the TIFIA Lender. The Borrower may make any such payment or portion thereof (or direct the Trustee to make such payment) with funds then on deposit in the Debt Service Payment Fund.

(e) Final Maturity Date. Notwithstanding anything herein to the contrary, the Outstanding TIFIA Loan Balance and any accrued interest thereon shall be due and payable in full on the Final Maturity Date (or on any earlier date on which the maturity of the TIFIA Loan shall be accelerated pursuant to the provisions of Section 19 (*Events of Default and Remedies*)).

(f) TIFIA Bond. As evidence of the Borrower's obligation to repay the TIFIA Loan, the Borrower shall issue and deliver to the TIFIA Lender, on or prior to the Effective Date, the TIFIA Bond substantially in the form of **Exhibit A**, having a maximum principal amount

¹³ **Note to LaDOTD:** Interest is calculated through the applicable interest payment date. If interest is paid on the following Business Day (because the interest payment date does not fall on a BD) no additional amount of interest is added.

(excluding capitalized interest) of \$[insert maximum principal amount of TIFIA loan] and bearing interest at the rate set forth in Section 6 (*Interest Rate*).

Section 10. Prepayment.

(a) Mandatory Prepayments. The Borrower shall prepay the TIFIA Loan and the other Pari Passu Obligations, *pro rata* on the basis of the outstanding principal amount thereof, in whole or in part, in inverse order of maturity, without penalty or premium:

(i) no later than on the [seventh (7th)] Business Day after receipt by the State of any payment under the Fundamental Contracts in excess of the amount scheduled to be paid on or prior to the date of such payment pursuant to the Fundamental Contracts (whether such excess amount is paid voluntarily, because of acceleration or otherwise), in an amount equal to such excess amount, subject to *pro rata* prepayment with all other Pari Passu Obligations; and

(ii) upon any prepayment of any Pari Passu Obligations.

The Borrower shall provide written notice to the TIFIA Lender at least two (2) Business Days prior to the date on which it makes any mandatory prepayment; provided that the Borrower's failure to deliver such notice shall not diminish, impair or otherwise affect the Borrower's obligation to make any such mandatory prepayment as and when the circumstances requiring such mandatory prepayment have occurred. Each prepayment pursuant to this Section 10(a) (*Mandatory Prepayments*) shall be effected pursuant to Sections [3.4] of the Indenture and Section [●] of the TIFIA Supplemental Indenture (as applicable) and accompanied by a certificate signed by the Borrower's Authorized Representative identifying the provision of this Agreement pursuant to which such prepayment is being made and containing a calculation in reasonable detail of the amount of such prepayment.

(b) Optional Prepayments. The Borrower may prepay the TIFIA Loan at any time without penalty or premium, in whole or in part, in inverse order of maturity; provided, that each partial prepayment shall be in a minimum principal amount of \$[1,000,000¹⁴].

(c) General Prepayment Terms. Each prepayment of the TIFIA Loan shall be made on such date and in such principal amount as shall be specified by the Borrower in a written notice delivered to the TIFIA Lender, which notice shall also specify the amount of unpaid interest accrued to the date of such prepayment on the amount of principal to be prepaid that the Borrower intends to pay concurrently with such prepayment, if any. In the case of any optional prepayment, such written notice shall be delivered to the TIFIA Lender not less than ten (10) days or more than thirty (30) days prior to the date set for prepayment, unless otherwise agreed by the TIFIA Lender. At any time between delivery of such written notice of optional prepayment and the applicable optional prepayment, the Borrower may, without penalty or premium, rescind its announced optional prepayment by further written notice to the TIFIA Lender. Anything in this Section 10

¹⁴ **NTD:** To be determined based on size of applicable TIFIA Loan.

to the contrary notwithstanding, the failure by the Borrower to make any optional prepayment shall not constitute a breach or default under this Agreement.

(d) General Prepayment Instructions. Upon the TIFIA Lender's receipt of confirmation that payment in full of the entire Outstanding TIFIA Loan Balance and any unpaid interest and fees with respect thereto has occurred as a result of an optional prepayment, the TIFIA Lender shall surrender the TIFIA Bond to the Borrower or its representative at the principal office of the TIFIA Lender or certify to the Borrower that the TIFIA Bond has been destroyed in accordance with the TIFIA Lender's procedures. If the Borrower prepays only part of the unpaid balance of principal of the TIFIA Loan, such partial prepayments of principal shall be applied to reduce future payments due on the TIFIA Loan [in inverse order of maturity]. Following any partial prepayment of the TIFIA Loan, the TIFIA Lender may provide to the Borrower a modified **Exhibit G** in accordance with Section 7 (*Outstanding TIFIA Loan Balance; Revisions to Exhibit G and Loan Amortization Schedule*). Absent manifest error, the TIFIA Lender's determination of such matters as set forth on **Exhibit G** shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other TIFIA Loan Document. Any principal amount of the TIFIA Loan that is subject to a voluntary prepayment notice (as described in Section 10(a) above) but that is not so paid on the applicable prepayment date shall continue to bear interest until payment thereof at the rate provided for in Section 6 (*Interest Rate*).

Section 11. Compliance with Laws. The Borrower and Sponsor shall, and shall require their contractors and subcontractors at all tiers for the Project to, comply in all material respects with all applicable laws, rules, regulations, executive and administrative decrees and orders, and orders and judgments of any court or arbitral panel, including all applicable federal and State laws rules, regulations and executive orders. The list of federal laws attached as **Exhibit E** is illustrative of the type of requirements generally applicable to transportation projects and is not intended to be exhaustive. The FHWA Division Office has oversight responsibility for the Project, including ensuring compliance in all material respects with all applicable provisions of federal law. [The Sponsor acknowledges receipt of the Project Specific PoDI Stewardship & Oversight Plan and agrees to cooperate with the FHWA Division Office in carrying out its activities under such plan.]¹⁵

Section 12. Conditions Precedent.

(a) Conditions Precedent to Effectiveness. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not become effective until each of the following conditions precedent shall have been satisfied or waived in writing by the TIFIA Lender:

(i) The Borrower shall have duly executed and delivered to the TIFIA Lender this Agreement and the TIFIA Bond, each in form and substance satisfactory to the TIFIA Lender.

(ii) The Borrower shall have delivered to the TIFIA Lender certified, complete, and fully executed copies of each Indenture Document, together with any supplements, amendments, waivers or modifications thereto, in each case that has been

¹⁵ **NTD:** Subject to FHWA Division Office review and comment

entered into on or prior to the Effective Date, and each such agreement shall be in full force and effect and in form and substance satisfactory to the TIFIA Lender, and all conditions contained in such documents to the closing of the transactions contemplated thereby shall have been fulfilled or effectively waived (provided that for purposes of this Section 12(a)(ii) (*Conditions Precedent to Effectiveness*), any such waiver shall be subject to the TIFIA Lender's consent in its sole discretion).

(iii) Counsel to the Borrower and the Sponsor shall have rendered to the TIFIA Lender legal opinions satisfactory to the TIFIA Lender in its sole discretion (including those opinions set forth on **Exhibit H-1**) and bond counsel to the Borrower shall have rendered to the TIFIA Lender legal opinions satisfactory to the TIFIA Lender in its sole discretion (including those opinions set forth on **Exhibit H-2**).¹⁶

(iv) Each Borrower Related Party shall have provided a certificate from its Authorized Representative as to the absence of debarment, suspension or voluntary exclusion from participation in Federal Government contracts, procurement and non-procurement matters substantially in the form attached hereto as **Exhibit C** with respect to such Borrower Related Party and its principals (as defined in 2 CFR § 180.995).

(v) The Sponsor shall have provided to the TIFIA Lender satisfactory evidence that the Project has been included in (A) the metropolitan transportation improvement program adopted by the [*insert name of applicable regional planning commission*¹⁷], (B) the State transportation plan, and (C) the State transportation improvement program approved by the USDOT or its designated agency, in each case to the extent required by 23 U.S.C. §§ 134 and 135, and 23 U.S.C. § 602(a)(3), as applicable; and the financial plan for each such program or plan shall reflect the costs of, and the sources of funding for, the Project.

(vi) The Borrower shall have provided evidence to the TIFIA Lender's satisfaction, no more than thirty (30), but no less than fourteen (14), days prior to the Effective Date, of the assignment by at least [two (2)] Rating Agencies of a public rating on the TIFIA Loan not lower than [A-]¹⁸ and no such rating has been reduced, withdrawn or suspended as of the Effective Date.¹⁹

(vii) Each Borrower Related Party shall have delivered to the TIFIA Lender a certificate from its Authorized Representative in the form attached hereto as **Exhibit J** (A) as to the satisfaction of certain conditions precedent set forth in this Section 12(a) (*Conditions Precedent to Effectiveness*) as required by the TIFIA Lender, (B)

¹⁶ **NTD:** LaDOTD to provide draft legal opinions.

¹⁷ **NTD:** Name of applicable Regional Planning Commission for each Project to be inserted.

¹⁸ **NTD:** To be determined in the memo to CCF at the time of credit approval.

¹⁹ **NTD:** Number of ratings required to be determined based on loan amount for each TIFIA Loan Agreement.

designating its Authorized Representative, and (C) confirming such person's position and incumbency.

(viii) The Sponsor shall have demonstrated to the TIFIA Lender's satisfaction that as of the Effective Date the aggregate amount of all committed sources of funds shown in the Base Case Financial Model and in the Project Budget to pay Total Project Costs have been fully and completely committed and allocated to the Sponsor by the providers thereof and that such funds shall be sufficient to pay all Total Project Costs necessary to achieve Substantial Completion.

(ix) The Sponsor shall have provided to the TIFIA Lender certified, complete, and fully executed copies of each Fundamental Contract and each Construction-Related Contract, in form and substance satisfactory to the TIFIA Lender, together with any amendments, waivers or modifications thereto and any related performance security instruments, in each case that has been entered into on or prior to the Effective Date and each such agreement shall be in full force and effect and in form and substance satisfactory to the TIFIA Lender.

(x) The Sponsor shall have demonstrated to the TIFIA Lender's satisfaction that it has obtained all Governmental Approvals necessary to commence construction of the Project and that all such Governmental Approvals are final, non-appellable, and in full force and effect (and are not subject to any notice of violation, breach, or revocation).

(xi) The Sponsor shall have delivered to the TIFIA Lender a certified Base Case Financial Model on or prior to the Effective Date, which Base Case Financial Model shall (A) demonstrate that projected Pledged Revenues are sufficient to meet the Loan Amortization Schedule and Debt Service under all other Pari Passu Obligations projected to be incurred and secured by the Trust Estate, (B) demonstrate that Pledged Revenues in each Calculation Period through the Final Maturity Date are projected to be sufficient to satisfy the Borrower's funding obligations pursuant to clauses [(a)] through [(d)] of Section [4.5] of the Indenture, and (C) otherwise be in form and substance acceptable to the TIFIA Lender.

(xii) The Borrower shall have (A) provided evidence satisfactory to the TIFIA Lender that the Borrower is authorized, pursuant to the Authorizing Legislation, to pledge, assign, and grant the Liens on the Trust Estate purported to be pledged, assigned, and granted pursuant to the Indenture Documents, without the need for notice to any Person, physical delivery, recordation, filing or further act, (B) recorded or filed, or caused to be recorded or filed, for record in such manner and in such places as are required all documents and instruments, and taken or caused to be taken all other actions, as are necessary or desirable to establish and enforce the Trustee's Lien on the Trust Estate (for the benefit of the Secured Parties) to the extent contemplated by the Indenture Documents or the Authorizing Legislation, and (C) paid, or caused to be paid, all taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of any Indenture Documents or any instruments, certificates or financing statements in connection with the foregoing.

(xiii) The Borrower Related Parties shall have paid in full all invoices delivered by the TIFIA Lender (or by advisors to the TIFIA Lender that have direct billing arrangements with the Sponsor) to the Sponsor as of the Effective Date for the reasonable fees and expenses of the TIFIA Lender's counsel and advisors and any auditors or other consultants employed by the TIFIA Lender for the purposes hereof (such reasonableness to be determined in accordance with Part 31 of the Federal Acquisition Regulation).

(xiv) The Sponsor shall have (A) provided evidence satisfactory to the TIFIA Lender of compliance with NEPA, and (B) complied with all applicable requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 *et seq.*) and Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*) and shall have provided evidence satisfactory to the TIFIA Lender of such compliance upon request by the TIFIA Lender.

(xv) The TIFIA Lender shall have delivered its initial TIFIA Lender's Authorized Representative certificate.

(xvi) Each Borrower Related Party shall have (A) obtained a Federal Employer Identification Number, (B) obtained a Data Universal Numbering System or Unique Entity Identifier number, as appropriate, and (C) registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov).

(xvii) The Borrower Related Parties shall have delivered to the TIFIA Lender (A) a certificate, in form and substance satisfactory to the TIFIA Lender, signed by each of the Borrower Related Parties' Authorized Representative, certifying that the insurance required pursuant to Section 15(f) (*Insurance*) is in full force and effect and that such insurance complies with the requirements thereof, (B) certificates of insurance evidencing (1) that the Construction-Related Contract Parties, have in effect as of the Effective Date insurance with respect to the Project and the Borrower Related Parties, as applicable, that meets the requirements of Section 15(f) (*Insurance*) that are allocated to such Construction-Related Parties under the applicable Construction-Related Contracts. and (2) that each liability policy (other than workers' compensation insurance) reflects the TIFIA Lender as an additional insured and (C) at the TIFIA Lender's request, copies of such insurance policies.

(xviii) Each Borrower Related Party shall have provided to the TIFIA Lender evidence that it is duly organized and validly existing under the laws of its jurisdiction of formation, with full power, authority and legal right to own its properties and carry on its business and governmental functions as now conducted, including the following documents, each certified by such Borrower Related Party's Authorized Representative: (A) a copy of its Organizational Documents and the Authorizing Legislation, each as in effect on the Effective Date (and certified by the Secretary of State of the State), which Organizational Documents and Authorizing Legislation shall each be in full force and effect and shall not have been amended since the date of the last amendment thereto shown on the certificate, (B) a copy of all resolutions or other action authorizing each Borrower Related Party to execute and deliver, and to perform its

respective obligations under, the TIFIA Loan Documents to which it is a party, and such resolutions have not been subsequently modified, rescinded or amended, are in full force and effect in the form adopted, and are the only resolutions adopted by the Borrower Related Parties relating to the matters described therein, and (C) a copy of such further instruments and documents as are necessary, appropriate or advisable to effectuate the foregoing resolutions and to consummate and implement the transactions contemplated by such resolutions and the TIFIA Loan Documents.

(xix) The Sponsor shall have provided the TIFIA Lender records of the Eligible Project Costs incurred prior to the Effective Date, in form and substance satisfactory to the TIFIA Lender and in sufficient time prior to the Effective Date to permit the TIFIA Lender and the FHWA Division Office to review such costs.

(xx) The representations and warranties of each of the Borrower Related Parties set forth in this Agreement (including Section 13 (*Representations and Warranties of Borrower*)) and in each other Related Document shall be true and correct, as of the Effective Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

(xxi) The Sponsor shall have provided the TIFIA Lender with evidence satisfactory to the TIFIA Lender that, as of the Effective Date (A) the maximum principal amount of the TIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), together with the amount of any other credit assistance provided under the Act to the Borrower Related Parties in connection with the Project, does not exceed [thirty-three percent (33%)] [forty-nine percent (49%)]²⁰ of reasonably anticipated Eligible Project Costs and (B) as required pursuant to § 603(b)(9) of the Act, the total federal assistance provided to the Project, including the maximum principal amount of the TIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), does not exceed eighty percent (80%) of Eligible Project Costs.

(xxii) [intentionally omitted]

(xxiii) The Borrower or the Sponsor shall have delivered to the TIFIA Lender a duly executed certificate from the Trustee in the form attached hereto as Exhibit I.

(xxiv) Each Borrower Related Party shall have provided a certificate from its Authorized Representative as to the prohibition on the use of appropriated funds for lobbying substantially in the form attached hereto as **Exhibit N** in accordance with 49 CFR §20.100(b).

(xxv) The Borrower Related Parties shall have delivered such other agreements, documents, instruments, opinions and other items required by the TIFIA Lender, all in form and substance satisfactory to the TIFIA Lender, including evidence that

²⁰ **NTD:** 33% to be used for non-rural projects; 49% to be used for rural projects.

all other Project funding requirements have been met (including evidence of other funding sources or funding commitments and evidence of the closing of the Initial Obligations).

(b) Conditions Precedent to All Disbursements. Notwithstanding anything in this Agreement to the contrary, the TIFIA Lender shall have no obligation to make any disbursement of loan proceeds to the Borrower (including the initial disbursement hereunder) until each of the following conditions precedent has been satisfied or waived in writing by the TIFIA Lender:

(i) [intentionally omitted]

(ii) With respect to any disbursement occurring sixty (60) days or more after the Effective Date, the Borrower Related Parties shall have provided the Financial Plan, or the most recent update thereto, in each case in accordance with Section 21(a) (*Financial Plan*).

(iii) To the extent not previously delivered to the TIFIA Lender, the Borrower shall have delivered to the TIFIA Lender certified, complete and fully executed copies of any Indenture Documents entered into after the Effective Date.

(iv) To the extent not previously delivered to the TIFIA Lender, the Borrower Related Parties shall have provided certified copies of all Fundamental Contracts and all Construction-Related Contracts, in form and substance satisfactory to the TIFIA Lender, including, in each case, any amendment, modification or supplement thereto and related performance security instrument, entered into after the Effective Date.

(v) The Borrower Related Parties shall have demonstrated to the TIFIA Lender's satisfaction that all Governmental Approvals necessary as of the time of the applicable disbursement for the development, construction, operation and maintenance of the Project have been issued and are in full force and effect.

(vi) Each of the insurance policies obtained by the Borrower Related Parties or the Construction-Related Contract Parties in satisfaction of the conditions in Section 12(a)(xviii) (*Conditions Precedent to Effectiveness*) is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider.

(vii) At the time of, and immediately after giving effect to, any disbursement of TIFIA Loan proceeds then currently requested, (A) no Default or Event of Default hereunder, and no event of default (howsoever described or designated) under any other Related Document shall have occurred and be continuing, and (B) no event or condition that, with the giving of notice, the passage of time, or both, would constitute an event of default (howsoever described or designated) of the Borrower under any other Related Document, in each case, shall have occurred and be continuing.

(viii) The representations and warranties of each of the Borrower Related Parties set forth in this Agreement (including Section 13 (*Representations and Warranties of Borrower*)) and in each other Related Document shall be true, correct, and complete as of each date on which any disbursement of the TIFIA Loan is made, except to the extent

such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

(ix) No Material Adverse Effect, or any event or condition that could reasonably be expected to result in a Material Adverse Effect, shall have occurred and be continuing since the date the Borrower submitted the Application to the TIFIA Lender.

(x) The Borrower shall have delivered to the TIFIA Lender a Requisition that complies with the provisions of Section 4 (*Disbursement Conditions*), and such Requisition has not been expressly denied by the TIFIA Lender.

(xi) The Borrower shall have paid in full all invoices received from the TIFIA Lender (or by advisors to the TIFIA Lender that have direct billing arrangements with the Borrower) as of the date of disbursement of the TIFIA Loan, for the reasonable fees and expenses of the TIFIA Lender's counsel and advisors and any auditors or other consultants employed by the TIFIA Lender for the purposes hereof (such reasonableness to be determined in accordance with Part 31 of the Federal Acquisition Regulation).

(xii) To the extent there has been any change (increase or decrease) to the Total Project Costs needed to achieve Substantial Completion since the most recent disbursement of the TIFIA Loan, the Sponsor shall have delivered to the TIFIA Lender an updated Project Budget, an updated Financial Plan and Revised Financial Model, in form and substance satisfactory to the TIFIA Lender, showing the committed and available additional sources of funding that the Sponsor will use to pay for such increased Total Project Costs.

(xiii) The Sponsor shall have provided the TIFIA Lender with evidence satisfactory to the TIFIA Lender that, as of the disbursement date, as required pursuant to § 603(b)(9) of the Act, the total federal assistance provided to the Project, including all disbursements of the TIFIA Loan (including the requested disbursement), in the aggregate, does not exceed eighty percent (80%) of Eligible Project Costs.

Section 13. Representations and Warranties of Borrower Related Parties. Each of the Borrower Related Parties hereby represents and warrants that, as of the Effective Date and, as to each of the representations and warranties below other than those contained in Section 13(b) (*Officer's Authorization*) and Section 13(l) (*Credit Ratings*), as of each date on which any disbursement of the TIFIA Loan is requested or made:

(a) Organization; Power and Authority. The Borrower is an entity created under the Louisiana Constitution of 1974, as amended. The Sponsor is a body politic and corporate created under the laws of the State. Each Borrower Related Party has full legal right, power and authority to enter into the Related Documents then in existence to which it is a party and to carry out and consummate all transactions contemplated hereby and thereby and has duly authorized the execution, delivery and performance of the Related Documents. The Borrower has full legal right, power and authority to execute and deliver the TIFIA Bond.

(b) Officers' Authorization. As of the Effective Date, the officers of each Borrower Related Party executing (or that previously executed) the Related Documents, and any

certifications or instruments related thereto, to which such Borrower Related Party is a party are (or were at the time of such execution) duly and properly in office and fully authorized to execute the same.

(c) Due Execution; Enforceability. Each of the Related Documents in effect as of any date on which this representation and warranty is made, and to which the Borrower Related Party is a party, has been duly authorized, executed and delivered by the Borrower Related Parties and constitutes the legal, valid and binding agreement of the Borrower Related Parties enforceable in accordance with its terms, except as such enforceability (i) may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, and (ii) is subject to general principles of equity (regardless of whether enforceability is considered in equity or at law).

(d) Non-Contravention. The execution and delivery of the Related Documents to which any Borrower Related Party is a party, the consummation of the transactions contemplated in the Related Documents and the fulfillment of or compliance with the terms and conditions of the Related Documents will not (i) conflict with such Borrower Related Party's Organizational Documents or the Authorizing Legislation, (ii) conflict in any material respect with, or constitute a violation, breach or default (whether immediately or after notice or the passage of time or both) by the Borrower Related Parties of or under, any applicable law, administrative rule or regulation, any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties or assets are otherwise subject or bound, or (iii) result in the creation or imposition of any Lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower Related Parties other than the Liens granted pursuant to the Indenture Documents.

(e) Consents and Approvals. No consent or approval of any trustee, holder of any indebtedness of the Borrower Related Parties or any other Person, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with (i) the execution and delivery by the Borrower Related Parties of the Related Documents, except as have been obtained or made and as are in full force and effect, or (ii) (A) the consummation of any transaction contemplated by the Related Documents or (B) the fulfillment of or compliance by the Borrower Related Parties with the terms and conditions of the Related Documents, except as have been obtained or made and as are in full force and effect or as are ministerial in nature and can reasonably be expected to be obtained or made in the ordinary course on commercially reasonable terms and conditions when needed.

(f) Litigation. As of the Effective Date, [except as set forth in Schedule 13(f),]²¹ there is no action, suit, proceeding or, to the knowledge of the Borrower Related Parties, any inquiry or investigation, in any case before or by any court or other Governmental Authority pending or, to the knowledge of any Borrower Related Party, threatened against or affecting the Project, the ability of the Borrower Related Parties to execute, deliver and perform its obligations under the Related Documents or the validity and enforceability of any of the Fundamental

²¹ NTD: Disclosure schedules to be confirmed and updated (as necessary) for each Project prior to closing.

Contracts. As of the Effective Date and as of each other date on which the representations and warranties herein are made or confirmed, there is no action, suit, proceeding or, to the knowledge of the Borrower Related Parties, any inquiry or investigation before or by any court or other Governmental Authority pending, or to the knowledge of the Borrower Related Parties, threatened against or affecting the Project, the Borrower Related Parties or the assets, properties or operations of the Borrower Related Parties, that in any case could reasonably be expected to result in a Material Adverse Effect. To the Borrower Related Parties' knowledge, there are no actions of the type described above pending, threatened against, or affecting any of the BP Entities except for matters arising after the Effective Date that could not reasonably be expected to (i) result in a Material Adverse Effect or (ii) adversely affect the Borrower Related Parties' ability to receive Pledged Revenues in amounts sufficient to meet the financial projections contained in the Base Case Financial Model (or any Revised Financial Model, to the extent any Revised Financial Model has been submitted to the TIFIA Lender). The Borrower is not in default (and no event has occurred and is continuing that, with the giving of notice or the passage of time or both, could constitute a default) with respect to any Governmental Approval, which default could reasonably be expected to result in a Material Adverse Effect.

(g) Security Interests. The Indenture Documents and the Authorizing Legislation establish, in favor of the Trustee for the benefit of the TIFIA Lender, the valid and binding Liens on the Trust Estate that they purport to create, irrespective of whether any Person has notice of the pledge and without the need for any physical delivery, recordation, filing, or further act. Such Liens are in full force and effect and are not subordinate or junior to any other Liens in respect of the Trust Estate, and not *pari passu* with any obligations other than the *Pari Passu* Obligations. The Borrower has duly and lawfully taken all actions required under this Agreement, the Indenture Documents, and applicable laws for the pledge of the Trust Estate pursuant to and in accordance with the Indenture Documents. The Borrower is not in breach of any covenants set forth in Section 15(a) (*Securing Liens*) or in the Indenture Documents with respect to the matters described in such section or documents. As of the Effective Date and as of each other date this representation and warranty is made, (i) all documents and instruments have been recorded or filed for record in such manner and in such places as are required and all other action as is necessary or desirable has been taken to establish a legal, valid, binding, and enforceable Lien on the Trust Estate in favor of the Trustee (for the benefit of the Secured Parties) to the extent contemplated by the Indenture Documents, and (ii) all taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of any Indenture Documents or any instruments, certificates or financing statements in connection with the foregoing, have been paid. Neither the attachment, perfection, validity, enforceability or priority of the security interest in the Trust Estate granted pursuant to the Indenture Documents is governed by Article 9 of the UCC.

(h) No Debarment. The Borrower Related Parties have fully complied with their verification obligations under 2 CFR § 180.320 and confirm that, to their knowledge, neither Borrower Related Party nor any of their respective principals (as defined in 2 CFR § 180.995) is debarred, suspended or voluntarily excluded from participation in Federal Government contracts, procurement or non-procurement matters or delinquent on a Federal Government debt as more fully set forth in the certificate delivered pursuant to Section 12(a)(iv) (*Conditions Precedent to Effectiveness*). Further, the Borrower Related Parties have fully complied with 2 CFR Part 180, including Subpart C, in particular §§ 180.300 and 180.330, and with 2 CFR § 1200.332. The

Borrower Related Parties are not aware of any non-compliance by any of their respective contractors or subcontractors with the applicable requirements of 2 CFR Part 180.

(i) Accuracy of Representations and Warranties. The representations, warranties and certifications of the Borrower Related Parties set forth in this Agreement and the other Related Documents are true, correct, and complete, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true, correct, and complete as of such earlier date).

(j) Compliance with Federal Requirements. The Borrower Related Parties have complied, with respect to the Project, with all applicable requirements of NEPA, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 *et seq.*), and Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*).

(k) Transportation Improvement Program. The Project has been included in (i) the metropolitan transportation improvement program adopted by the [*insert name of applicable regional planning commission*]²², (ii) the State transportation plan, and (iii) the State transportation improvement program approved by the USDOT or its designated agency, in each case to the extent required by 23 U.S.C. §§ 134 and 135 and 23 U.S.C. § 602(a)(3), as applicable. The financial plan for each such program or plan reflects the costs of, and the sources of funding for, the Project.

(l) Credit Ratings. The TIFIA Loan has received a public rating from at least [one (1) Rating Agency][two (2) Rating Agencies]²³, written evidence of such rating[s] has been provided to the TIFIA Lender prior to the Effective Date, and [such rating has not been][no such rating has been] reduced, withdrawn or suspended as of the Effective Date.²⁴

(m) No Defaults. No Default or Event of Default, and no default (howsoever described or designated) of any Borrower Related Party under any Related Document has occurred and is continuing.

(n) Governmental Approvals. All Governmental Approvals required as of the Effective Date and any subsequent date on which this representation is made (or deemed made) for the undertaking and completion by the Borrower of the Project, and for the operation and management thereof, have been obtained or effected and are in full force and effect and there is no basis for, nor proceeding that is pending or threatened that could reasonably be expected to result in, the revocation of any such Governmental Approval.

(o) Fundamental Contracts; Construction-Related Contracts. Each Fundamental Contract and Construction-Related Contract in effect as of any date on which this representation and warranty is made is in full force and effect and all conditions precedent to the obligations of the respective parties under each Fundamental Contract and each Construction-

²² **NTD:** Name of applicable Regional Planning Commission for each Project to be inserted.

²³ **NTD:** Use “one (1) Rating Agency” if the TIFIA Loan does not exceed \$75,000,000. Otherwise, use “two (2) Rating Agencies”.

²⁴ **NTD:** Timing for delivery of initial ratings for each series of TIFIA Bond to be confirmed.

Related Contract have been satisfied. The Borrower Related Parties have delivered to the TIFIA Lender a fully executed, complete, and correct copy of each such Fundamental Contract and Construction-Related Contract (including, in each case, all exhibits, schedules, and other attachments) that is in effect, including any amendments or modifications thereto and any related credit support instruments or side letters. No event has occurred that gives any Borrower Related Party or, to the Borrower Related Parties' knowledge, any BP Entities or any Construction-Related Contract Party, the right to terminate such Fundamental Contract or Construction-Related Contract, as applicable. No Borrower Related Party is in breach of, or in default under, any Fundamental Contract or any Construction-Related Contract, and, to the knowledge of the Borrower Related Parties, no BP Entities or Construction-Related Contract Party is in breach of, or in default under, such Fundamental Contract or under any material term of such Construction-Related Contract, as applicable.

(p) Information. The information furnished by the Borrower Related Parties to the TIFIA Lender, when taken as a whole, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein not misleading as of the date made or furnished; provided that no representation or warranty is made with regard to projections or other forward-looking statements provided by or on behalf of the Borrower Related Parties (including the Base Case Financial Model, any Revised Financial Model, and the assumptions therein) except that the assumptions in the Base Case Financial Model and any Revised Financial Model were reasonable in all material respects when made.

(q) OFAC; Anti-Corruption Laws.

(i) None of the Borrower Related Parties, nor, to the knowledge of the Borrower Related Parties, any BP Entity or Construction-Related Contract Party is a Sanctioned Person.

(ii) None of the Borrower Related Parties, nor, to the knowledge of the Borrower Related Parties, any BP Entity or Construction-Related Contract Party is in violation of or, since the date that is five (5) years prior to the Effective Date, has violated: (A) any applicable Anti-Money Laundering Laws; (B) any applicable Sanctions; (C) any applicable Anti-Corruption Laws; or (D) any applicable anti-drug trafficking or anti-terrorism laws, civil or criminal.

(iii) There are no pending or, to the knowledge of the Borrower, threatened claims or investigations by any Governmental Authority against, or any internal investigations conducted by, any Borrower Related Party or any BP Entity or Construction-Related Contract Party, with respect to any possible or alleged violations of any applicable Sanctions, Anti-Money Laundering Laws, Anti-Corruption Laws, or any applicable anti-drug trafficking or anti-terrorism laws.

(iv) No use of proceeds of the TIFIA Loan or other transaction contemplated by this Agreement or any other Related Document will violate any applicable Sanctions, Anti-Money Laundering Laws, or Anti-Corruption Laws, or any applicable anti-drug trafficking or anti-terrorism laws.

(r) Compliance with Law. Each Borrower Related Party is in compliance in all material respects with, and has conducted (or caused to be conducted) its business and government functions and the business and operations of the Project in compliance in all material respects with, all applicable laws (other than Environmental Laws, which are addressed in Section 13(s) (*Environmental Matters*)), including those set forth on **Exhibit E**, to the extent applicable. To the Borrower Related Parties' knowledge, each BP Entity and Construction-Related Contract Party is, and has caused its respective contractors and subcontractors to be, in compliance in all material respects with all applicable laws, including those set forth on **Exhibit E**, to the extent applicable. No notices of violation of any applicable law have been issued, entered or received by (i) any Borrower Related Party or (ii) to the Borrower Related Parties' knowledge, any BP Entity or (solely in respect of the Project) any Construction-Related Contract Party other than, in each case, notices of violations that are immaterial.

(s) Environmental Matters. Each Borrower Related Party and, to the Borrower Related Parties' knowledge, each Construction-Related Contract Party is in compliance with all laws applicable to the Project relating to (i) air emissions, (ii) discharges to surface water or ground water, (iii) noise emissions, (iv) solid or liquid waste disposal, (v) the use, generation, storage, transportation or disposal of toxic or hazardous substances or wastes, (vi) biological resources (such as threatened and endangered species), and (vii) other environmental, health or safety matters, including all laws applicable to the Project referenced in the notice "Federal Environmental Statutes, Regulations, and Executive Orders Applicable to the Development and Review of Transportation Infrastructure Projects," 79 Fed. Reg. 22756 (April 23, 2014) (or any successor Federal Register notice of similar import), which document is available at <http://www.transportation.gov/policy/transportation-policy/environment/laws> ("**Environmental Laws**"). All Governmental Approvals for the Project relating to Environmental Laws have been, or, when required, will be, obtained and are (or, as applicable, will be) in full force and effect. None of the Borrower Related Parties has received any written communication or notice, whether from a Governmental Authority, employee, citizens group, or any other Person, that alleges that such Borrower Related Party is not in full compliance with all Environmental Laws and Governmental Approvals relating thereto in connection with the Project and, to the Borrower's knowledge, there are no circumstances that may prevent or interfere with full compliance in the future by any Borrower Related Party with any such Environmental Law or Governmental Approval. The Borrower has provided to the TIFIA Lender all material assessments, reports, results of investigations or audits, and other material information in the possession of or reasonably available to any Borrower Related Party regarding the Borrower Related Parties' or the Project's compliance with (A) Environmental Laws, and (B) Governmental Approvals relating to Environmental Laws that are required for the Project.

(t) Insurance. The Borrower Related Parties are in compliance with all obligations hereunder and under each Related Document to obtain and maintain insurance coverage and the terms hereof and thereof, as of the date on which this representation and warranty is made. To the extent the Borrower Related Parties self-insure, the Borrower Related Parties' self-insurance program is actuarially sound.

(u) No Indebtedness; Liens. Except for Pari Passu Obligations, no Borrower Related Party has, without the prior written consent of the TIFIA Lender, issued or incurred indebtedness of any kind that is secured (in whole or in part) by the Trust Estate or that is otherwise

payable (in whole or in part) from Pledged Revenues. Except for the Liens granted pursuant to the Indenture Documents, no Borrower Related Party has created, and is not under any obligation to create, and has not entered into any transaction or agreement that would result in the imposition of, any Lien on the Trust Estate.

(v) Intellectual Property. Each Borrower Related Parties owns, or has adequate licenses or other valid rights to use, all patents, trademarks, service marks, trade names, copyrights, franchises, formulas, licenses and other rights with respect thereto and has obtained assignment of all licenses and other rights of whatsoever nature, in each case necessary for the Project and the operation of its business. To the Borrower Related Parties' knowledge, there exists no conflict with the rights or title of any third party with respect to the intellectual property described in the preceding sentence. Excluding the use of commercially available "off-the-shelf" software, to the Borrower Related Parties' knowledge, no product, process, method, substance, part or other material produced or employed or presently contemplated to be produced by or employed by the Project infringes or will infringe any patent, trademark, service mark, trade name, copyright, franchise, formula, license or other intellectual property right of any third party.

(w) Investment Company Act. Neither of the Borrower Related Parties is, and after applying the proceeds of the TIFIA Loan will be, required to register as an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and is not "controlled" by a company required to register as an "investment company" under the Investment Company Act of 1940, as amended.

(x) Financial Statements. Each income statement, balance sheet, and statement of operations and cash flows, if any, (collectively, "**Financial Statements**") delivered to the TIFIA Lender pursuant to Section 21(c) (*Financial Statements*) has been prepared in accordance with GAAP and presents fairly, in all material respects, the financial condition of the Borrower as of the respective dates of the balance sheets included therein and the results of operations of the Borrower for the respective periods covered by the statements of income included therein. Except as reflected in such Financial Statements, there are no liabilities or obligations of the Borrower of any nature whatsoever for the period to which such Financial Statements relate that are required to be disclosed in accordance with GAAP.

(y) Taxes. The Borrower Related Parties are not required to file tax returns with any Governmental Authority.

(z) ERISA. Neither the Borrower nor any ERISA Affiliate maintains or otherwise has any liability in respect of any plan or other arrangement that is subject to ERISA or Section 412 of the Tax Code.

(aa) Sufficient Funds. The aggregate of (i) all funds that are undrawn but fully and completely committed under the Indenture Documents, the Fundamental Contracts, [*insert other funding documents as applicable*], and this Agreement, (ii) all delay payments and insurance proceeds in respect of any casualty loss (other than any proceeds of business interruption insurance, delay-in-start-up insurance and proceeds covering liability of the Borrower Related Parties to third parties) received by the Sponsor or to which the Borrower Related Parties are entitled in accordance with the applicable insurance policies, Fundamental Contracts and

Construction-Related Contracts, and (iii) all funds available under any other unused funding that is committed and available to pay Total Project Costs, will be sufficient to pay all Total Project Costs necessary to achieve Substantial Completion.

(bb) Sovereign Immunity. The Borrower Related Parties can sue and be sued in respect of their contractual obligations, and judgments against the Borrower Related Parties can be legally enforced. The Borrower Related Parties either have no immunity from the jurisdiction of any court of competent jurisdiction or from any legal process therein which could be asserted in any action to enforce (or to collect on) the obligations of the Borrower Related Parties under any of the Related Documents to which it is a party or the transactions contemplated hereby or thereby, including the obligations of the Borrower Related Parties hereunder and thereunder, or, to the extent that any Borrower Related Party has such immunity, such Borrower Related Party, has waived such immunity pursuant to Section 15(r) (*Immunity*).

(cc) Patriot Act. Neither of the Borrower Related Parties is required to establish an anti-money laundering compliance program pursuant to the Patriot Act.

Section 14. Representations and Warranties of TIFIA Lender. The TIFIA Lender represents and warrants that:

(a) Power and Authority. The TIFIA Lender has all requisite power and authority to make the TIFIA Loan and to perform all transactions contemplated by the Related Documents to which it is a party.

(b) Due Execution; Enforceability. The Related Documents to which it is a party have been duly authorized, executed and delivered by the TIFIA Lender, and are legally valid and binding agreements of the TIFIA Lender, enforceable in accordance with their terms.

(c) Officers' Authorization. The officers of the TIFIA Lender executing each of the Related Documents to which the TIFIA Lender is a party are duly and properly in office and fully authorized to execute the same on behalf of the TIFIA Lender.

Section 15. Affirmative Covenants. The Borrower Related Parties covenant and agree as follows until the date the TIFIA Bond and the obligations of the Borrower under this Agreement (other than contingent indemnity obligations) are irrevocably paid in full in cash and the TIFIA Lender no longer has any commitment to make disbursements to the Borrower, unless the TIFIA Lender waives compliance in writing:

(a) Securing Liens. The Borrower shall at any and all times, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable in connection with assuring, conveying, granting, assigning, securing and confirming the Liens in and to the Trust Estate (whether now existing or hereafter arising) granted to the Trustee for the benefit of the TIFIA Lender pursuant to the Indenture Documents, or intended so to be granted pursuant to the Indenture Documents, or which the Borrower may become bound to grant, and the Borrower shall at all times maintain the Trust Estate free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto that has priority over, or equal rank with, the Liens created by the Indenture Documents, other than as permitted by this Agreement,

and all organizational, regulatory or other necessary action on the part of the Borrower to that end shall be duly and validly taken at all times. The Borrower shall at all times, to the extent permitted by law, defend, preserve and protect the Liens on the Trust Estate granted pursuant to the Indenture Documents and all the rights of the Trustee for the benefit of the TIFIA Lender under the Indenture Documents against all claims and demands of all Persons whomsoever, subject to the Liens granted pursuant to the Indenture Documents.

(b) Copies of Documents.

(i) In connection with the incurrence of any Permitted Debt or indebtedness subject to approval by the TIFIA Lender pursuant to Section 16(a) (*Indebtedness*), in each case, other than indebtedness in favor of the TIFIA Lender, the Borrower shall provide to the TIFIA Lender a copy of any draft Indenture Document (or other documentation evidencing or governing such indebtedness), in each case at least twenty (20) days prior to the incurrence of such indebtedness. The Borrower shall provide to the TIFIA Lender a fully executed or final version of each such Indenture Document (or other transaction documentation) within ten (10) days following execution or completion thereof.

(ii) The Borrower shall provide to the TIFIA Lender, promptly after the sending or receipt thereof, copies of (A) final ratings presentations sent to, and any notices, reports or other written materials (other than those that are ministerial in nature) received from, any Rating Agency that has provided, or is being requested to provide, a rating with respect to the Project or any indebtedness of the Borrower that is or will be secured by or paid from the Trust Estate or any portion thereof, including the Pledged Revenues, (B) all notices and other written communications received by the Borrower from the Trustee or any Bondholder, (C) all reports, notices and other written materials required to be sent to the Trustee or any Bondholder under the Indenture Documents, and (D) all notices delivered by or to the Borrower relating to any of the Fundamental Contracts; unless, in each case, the TIFIA Lender notifies the Borrower in writing that any such reports, notices and/or other written materials no longer need to be provided.

(iii) Except as otherwise agreed by the TIFIA Lender in writing, the Borrower will provide to the TIFIA Lender (A) copies of any proposed amendments, modifications, replacements of, or supplements to any Related Document (other than proposed amendments, modifications, replacements or supplements that are ministerial in nature and do not change any substantive provision of such Related Document) at least thirty (30) days prior to the effective date thereof, and (B) complete, correct and fully executed copies of any amendment, modification or supplement to, or replacement of, any Related Document within five (5) Business Days after execution thereof.

(iv) If the Sponsor enters into a Construction-Related Contract after the Effective Date, the Sponsor shall provide to the TIFIA Lender an executed version of such Construction-Related Contract, together with any related performance security instruments, contracts, side letters or other understandings, promptly following the full execution thereof.

(c) Use of Proceeds. The Borrower Related Parties shall use the proceeds of the TIFIA Loan for purposes permitted by applicable law and as otherwise permitted under this Agreement and the other Related Documents.

(d) Prosecution of Work; Verification Requirements.

(i) The Sponsor shall diligently prosecute the work relating to the Project and complete the Project in accordance with the Construction Schedule, and in accordance with the highest standards of the Sponsor's industry.

(ii) The Sponsor shall comply with 2 CFR Part 180, including Subpart C, in particular §§ 180.300 and 180.320, and with 2 CFR § 1200.332.

(e) Maintenance of Property. The Sponsor shall (i) construct, operate, maintain and repair the Project (A) in a reasonable and prudent manner, (B) substantially in accordance with its regulations, standards and guidelines and those of the FHWA, (C) in compliance with all Environmental Laws and (D) in compliance with all other applicable laws in all material respects, and (ii) maintain the Project in good repair, working order and condition and in accordance with the requirements of all applicable laws and each applicable Related Document.

(f) Insurance.

(i) The Sponsor shall at all times maintain with responsible insurers or through a program of self-insurance all such insurance on the Project, in amounts and with coverages, as are customarily maintained in the United States of America by entities similar to the Sponsor with respect to works and properties of like character against accident to, loss of, or damage to such works or properties and as otherwise required by applicable law. During the construction of the Project, the Sponsor shall maintain or cause to be maintained appropriate casualty and liability insurance covering the Sponsor and the Project as is customarily maintained in the United States with respect to works and properties of like character, including a builders all-risk policy and pollution and other environmental liability and remediation related coverage. The Sponsor shall cause each Construction-Related Contract Party to obtain and maintain casualty and liability insurance in accordance with the requirements of the applicable Construction-Related Contract.

(ii) To the extent the Sponsor elects to self-insure, the Sponsor shall have delivered to the TIFIA Lender any letters of self-insurance maintained by the Sponsor and a certificate, executed by the Sponsor's Authorized Representative, certifying that the Sponsor's self-insurance program is actuarially sound.

(iii) The Sponsor shall cause all liability insurance policies that it maintains (and during the construction of the Project, that are maintained by any Construction-Related Contract Party), other than workers' compensation insurance, to reflect the TIFIA Lender as an additional insured to the extent of its insurable interest.

(iv) The Sponsor shall (by self-insuring or maintaining with responsible insurers or by a combination thereof) provide for workers' compensation insurance for

Sponsor's workers and insurance against public liability and property damage to the Project to the extent reasonably necessary to protect the Sponsor and the TIFIA Lender.

(v) The Borrower Related Parties shall deliver to the TIFIA Lender all (A) insurance brokers' letters, and (B) certificates of insurance, in each case promptly after the applicable Borrower Related Party's receipt thereof. Promptly upon request by the TIFIA Lender, the Borrower Related Parties shall deliver to the TIFIA Lender copies of any underlying insurance policies obtained by or on behalf of any Borrower Related Party in respect of the Project. All such policies shall be available at all reasonable times for inspection by the TIFIA Lender, its agents and representatives.

(vi) If an Event of Loss shall occur with respect to the Project or any part thereof, each Borrower Related Party shall (A) diligently pursue all of its rights to compensation against all relevant insurers, reinsurers and Governmental Authorities, as applicable, in respect of such event and (B) pay or apply all loss proceeds stemming from such event to rebuild, repair or replace the Project in accordance with all applicable laws and within a reasonable time period; provided, however, that loss proceeds must in any event be applied in accordance with all applicable federal disposition rules, including those set forth in 2 CFR Part 200.

(g) Notices.

(i) The Borrower Related Parties shall, within five (5) Business Days after any Borrower Related Party learns of the occurrence, give the TIFIA Lender notice of any of the following events or receipt of any of the following notices, as applicable, setting forth details of such event:

(A) Substantial Completion: the occurrence of Substantial Completion, such notice to be provided in the form set forth in **Exhibit K**;

(B) Ratings Changes: any change in the rating assigned to the TIFIA Loan or any Pari Passu Obligations by any Rating Agency that has provided a rating on such indebtedness, the Borrower or the Pledged Revenues;

(C) Defaults; Events of Default: the occurrence of any Default or Event of Default;

(D) Fundamental Contract/Construction-Related Contract Defaults: any default or event of default on the part of the Sponsor, the Borrower or any other party under any Fundamental Contract or any Construction-Related Contract, including (1) any failure by BPXP to make any payment due under the BP Settlement Agreement on or prior to April 1 of the applicable year, and (2) any failure by BPCNA or BP p.l.c. to make any payment when due under the BP Primary Guaranty or the BP Secondary Guaranty, respectively;

(E) Litigation²⁵: (1) the filing of any litigation, suit or action, or the commencement of any proceeding against any Borrower Related Party or, to either Borrower Related Party's knowledge, against any BP Entity, in each case, before any arbitrator, Governmental Authority, alternative dispute resolution body, or other neutral third-party, or the receipt by any Borrower Related Party or to the knowledge of either Borrower Related Party, by any BP Entity, in writing of any threat of litigation, suit, action, or proceeding, or of any written claim against any Borrower Related Party or any BP Entity that, in each case, could reasonably be expected to have a Material Adverse Effect, and any material changes in the status of such litigation, suit, action or claim, and (2) any judgments against the Borrower that are payable from the Trust Estate or any portion thereof, including the Pledged Revenues, and are not otherwise fully covered by insurance (for which the insurer has acknowledged and not disputed coverage), either individually or in the aggregate and (3) any material notices or filings in respect of any action, petition, suit or proceeding [listed in Schedule 13(f)²⁶ or] described in clause (1) above;

(F) Delayed Governmental Approvals: any failure to receive or delay in receiving any Governmental Approval or making any required filing, notice, recordation or other demonstration to or with a Governmental Authority, in each case to the extent such failure or delay will or could reasonably be expected to result in a delay to any major milestone date (including the Projected Substantial Completion Date) set forth in the Construction Schedule, together with a written explanation of the reasons for such failure or delay and the Borrower's plans to remedy or mitigate the effects of such failure or delay;

(G) Environmental Notices: any notice of material violation under any Environmental Law related to the Project or any material changes to the NEPA Determination;

(H) Uncontrollable Force: the occurrence of any Uncontrollable Force that could reasonably be expected to result in a Material Adverse Effect;

(I) Project Changes: any (1) change to the Total Project Costs forecasts in excess of [ten] percent ([10]%) of forecasted Total Project Costs, (2) proposed change to the Projected Substantial Completion Date, together with an explanation of the reasons for such proposed adjustment, and (3) material change to the Construction Schedule;

(J) 2 CFR Notices: (1) that any of the information set forth in the certificate provided pursuant to Section 12(a)(iv) (*Conditions Precedent to Effectiveness*) was incorrect at the time the certificate was delivered or there has

²⁵ **Note to Bureau:** The obligation to provide notice of litigation against BP Entities is qualified by knowledge and the notice is required only if the litigation could reasonably be expected to have a Material Adverse Effect. Therefore, the notice of litigation with respect to BP is already limited to circumstances that affect the credit.

²⁶ **NTD:** To be included if any litigation is carved out from the representation in Section 13(f).

been a change in status of any Borrower Related Party or any of its principals with respect to the criteria set forth in 2 CFR § 180.335; (2) any other notification required pursuant to 2 CFR § 180.350; and (3) any violation of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the TIFIA Loan as described in 2 CFR § 200.113, and each Borrower Related Party shall require their subcontractors to provide it notice of any such violation;

(K) Material Events: the filing of (together with a copy of) any notice to the Municipal Securities Rulemaking Board of any of the events described in clause (b)(5)(i)(C) of Rule 15c2-12 of the U.S. Securities and Exchange Commission (or any similar rule);

(L) Other Adverse Events: the occurrence of any other event or condition, including any notice of breach from a contract counterparty, that could reasonably be expected to result in a Material Adverse Effect;

(N) BP Debt Rating Change: any change in the rating assigned to BP p.l.c.'s unsecured, senior long-term indebtedness rating by any Rating Agency; and

(O) Payments under Fundamental Contracts: receipt by the State of any payment under any Fundamental Contract, including the date and amount thereof and the BP Entity that made such payment.

(ii) The Borrower shall provide the TIFIA Lender with any further information reasonably requested by the TIFIA Lender from time to time concerning the matters described in Section 15(g)(i) (*Notice*).

(h) Remedial Action. Within thirty (30) calendar days after the Borrower learns of the occurrence of an event specified in Section 15(g)(i) (*Notice*) (other than in Section 15(g)(i)(A) (*Substantial Completion*) or Section 15(g)(i)(B) (*Ratings Changes*) (other than in the case of a ratings upgrade)), the Borrower's Authorized Representative shall provide a statement to the TIFIA Lender setting forth the actions the Borrower proposes to take with respect thereto.

(i) Maintain Legal Structure. The Borrower shall maintain its existence as an entity created under the Louisiana Constitution of 1974, as amended. The Sponsor shall maintain its existence as a body politic and corporate under the laws of the State. The Borrower Related Parties shall at all times do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the Governmental Approvals and any other rights, licenses, franchises, and authorizations material to the conduct of its business.

(j) Annual Rating. The Borrower shall, no later than the last Business Day of June of each year during the term of the TIFIA Bond, at no cost to the TIFIA Lender, provide to the TIFIA Lender a public rating on each of the Obligations issued pursuant to the Indenture (including the TIFIA Bond) by a Rating Agency, together with the rating report or letter delivered by such Rating Agency in connection with each such rating, in each case prepared no earlier than June 1 of such year.

(k) Reserve Accounts; Permitted Investments.

(i) The Borrower shall cause (i) the Debt Service Reserve Fund to be funded at such times, in such amounts and under such conditions as are required by the Indenture Documents, and (ii) the Trustee to invest the funds on deposit in the Debt Service Reserve Fund and the other [Project Accounts and Reserve Accounts]²⁷ in Permitted Investments in accordance with the requirements set forth in the Indenture Documents.

(ii) Without limiting the generality of the foregoing, if on the date that is [ten (10)] Business Days prior to the due date of any payment to the State owed pursuant to the BP Settlement Agreement the credit rating assigned by any Rating Agency to BP p.l.c.'s long term unsecured debt (as most recently published by the applicable Rating Agency) is:

(A) below Investment Grade Rating, but above B+ by S&P Global Ratings, B1 by Moody's Investors Services or the equivalent by any other Rating Agency, then upon receipt by the State of any payment under the Fundamental Contracts, the Borrower shall deposit or shall cause to be deposited into the Debt Service Reserve Fund an amount at least equal to 1/5 of the maximum annual Debt Service under all Pari Passu Obligations during their remaining life, assuming full disbursement of the commitments thereof in accordance with the most recently updated anticipated disbursement schedule thereof (including the Anticipated TIFIA Loan Disbursement Schedule), until the earlier of (x) the date on which an amount equal to the maximum Debt Service under all Pari Passu Obligations payable in any period of 12 consecutive months, during their remaining life, assuming full disbursement of the commitments thereof in accordance with the most recently updated anticipated disbursement schedule thereof (including the Anticipated TIFIA Loan Disbursement Schedule), has been deposited in the Debt Service Reserve Fund and (y) the credit rating assigned to BP p.l.c.'s long term unsecured debt has been increased to at least Investment Grade Rating by all Rating Agencies then rating BP p.l.c.'s long term unsecured debt.

(B) at or below B+ by S&P Global Ratings, B1 by Moody's Investor Services or the equivalent rating by any other Rating Agency or below, or such rating is withdrawn, then upon receipt by the State of any payment under the Fundamental Contracts, the Borrower shall deposit or shall cause to be deposited into the Debt Service Reserve Fund an amount equal to all proceeds from such payment in excess of the Debt Service under all Pari Passu Obligations payable during the immediately following twelve (12) months, until the earlier of (x) the date on which an amount equal to the maximum Debt Service under all Pari Passu Obligations payable in any period of 12 consecutive months, during their remaining life, assuming full disbursement of the commitments thereof in accordance with the most recently updated anticipated disbursement schedule thereof (including the Anticipated TIFIA Loan Disbursement Schedule), has been deposited in the Debt

²⁷ **NTD:** To be conformed to defined terms used in the Master Trust Indenture.

Service Reserve Fund and (y) the credit rating assigned to BP p.l.c.'s long term unsecured debt has been increased above B+ by S&P Global Ratings, B1 by Moody's Investor Services or the equivalent rating by any other Rating Agency by all Rating Agencies then rating BP p.l.c.'s long term unsecured debt.

(l) Collection and Availability of Pledged Revenues. The Borrower and the Sponsor shall or shall cause (i) the State to (A) enforce all of its rights and remedies under, in connection with or related to the Fundamental Contracts (including by filing proofs of claim or equivalent or similar actions under the laws of any jurisdiction) and collect when due all amounts payable under the BP Settlement Agreement, the BP Primary Guaranty and the BP Secondary Guaranty in accordance with the terms thereof, (B) notify the BP Entities to deposit all payments due to the State under the Fundamental Contracts directly into the Pledged Revenue Collection Account, (C) deposit into the Bond Security and Redemption Fund on a timely basis from sources other than the Pledged Revenues the full amount required to be deposited therein for such year pursuant to the State's Constitution, (D) after Pledged Revenues have been deposited into the Pledged Revenue Collection Account in accordance with the terms of the Indenture, transfer all excess Pledged Revenues at such time to the Construction Subfund of the State's Transportation Trust Fund and (E) if a Change of Control or an Act of Insolvency (each as defined in the BP Settlement Agreement) has occurred, accelerate the schedule of payment under the Fundamental Contracts in accordance with Section 5.7 of the BP Settlement Agreement, and (ii) the Louisiana Department of the Treasury to deposit, immediately upon receipt and classification of any Pledged Revenues (but in any event within [six (6)] Business Days after receipt thereof), into the Pledged Revenue Collection Account the amounts required to be so deposited pursuant to Section [4.5] of the Indenture and the Authorizing Legislation, before transferring any amount of the Pledged Revenues to the Construction Subfund of the State's Transportation Trust Fund or any other fund or account. The Borrower and the Sponsor shall cause to be maintained, without amendment, the Authorizing Legislation in full force and effect for so long as any obligations remain outstanding under this Agreement. The Borrower and Sponsor shall receive and hold, or cause to be received and held, in trust for (and remit immediately to) the Trustee any Pledged Revenues paid to the Borrower, the Sponsor or any other Person and not directly to the Pledged Revenue Collection Account in contravention of the Indenture or the Authorizing Legislation.

(m) Sufficiency of Funds; Alternative Sources of Financing. If at any time after the Effective Date, the aggregate unused amount of all committed sources of funds that are available to pay Total Project Costs, as identified in the Base Case Financial Model or the Revised Financial Model most recently delivered to the TIFIA Lender, are less than the remaining amount of Total Project Costs necessary to achieve Substantial Completion, the Sponsor shall use other available additional funds of the Sponsor to pay Total Project Costs. To the extent no such additional funds are available, (x) the Borrower Related Parties shall obtain and maintain additional committed financing, subject to compliance with Section 16(a) (including that such financing may not be secured or supported by, or be payable from the Trust Estate or the Pledged Revenues), or (y) the Sponsor shall make a budget request of the State through the Commissioner of Administration of the Division of Administration to include in the Executive Budget a request for the appropriation of sufficient monies, in each case of (x) and (y), in an amount at least equal to the shortfall of committed funds that are available to pay for all remaining Total Project Costs necessary to achieve Substantial Completion, no later than [ninety (90)] days after the Sponsor becomes aware of such shortfall.

(n) Compliance with Law. The Borrower Related Parties shall comply in all material respects with all applicable material federal and State laws, including all items set forth in **Exhibit E**, to the extent applicable.

(o) Material Obligations; Liens. Each Borrower Related Party shall pay its material obligations promptly and in accordance with their terms and pay and discharge promptly all taxes, assessments, and governmental charges or levies imposed upon it or upon the Trust Estate or any portion thereof, including the Pledged Revenues, or such Borrower Related Party's other income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful and material claims for labor, materials and supplies or other claims which, if unpaid, might give rise to a Lien upon such properties or any part thereof or on the Trust Estate or any portion thereof, including the Pledged Revenues; provided, however, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy, claim or Lien so long as the validity or amount thereof shall be contested by the Borrower in good faith by appropriate proceedings and so long as the Borrower shall have set aside adequate reserves with respect thereto in accordance with and to the extent required by GAAP, applied on a consistent basis.

(p) [Intentionally Omitted.]

(q) SAM Registration. Each Borrower Related Party shall (i) maintain its active registration status with the federal System for Award Management (www.SAM.gov) (or any successor system or registry) and (ii) within sixty (60) days prior to each anniversary of the Effective Date, provide to the TIFIA Lender evidence of such active registration status with no active exclusions reflected in such registration, in each case until the Final Maturity Date or to such earlier date as all amounts due or to become due to the TIFIA Lender hereunder have been irrevocably paid in full in cash.

(r) Immunity. Each Borrower Related Party agrees that it will not assert any immunity (and hereby waives any such immunity) it may have as a governmental entity or otherwise from lawsuits, other actions and claims, and any judgments with respect to the enforcement of (or collection on) any of the obligations of the Borrower Related Parties under this Agreement or any other TIFIA Loan Document; *it being understood* that (x) no judgment against any Borrower Related Party shall be eligible, payable or paid except from funds appropriated therefor by the State's legislature and (y) funds have been appropriated pursuant to the Authorizing Legislation for the payment of the Borrower Related Parties' obligations hereunder and the other TIFIA Loan Documents.

(s) Patriot Act. If the anti-money laundering compliance program provisions of the Patriot Act become applicable to the Borrower, then the Borrower will provide written notice to the TIFIA Lender of the same and will promptly establish an anti-money laundering compliance program that complies with all requirements of the Patriot Act.

(t) Cargo Preference Act. Pursuant to 46 CFR Part 381, the Sponsor hereby agrees as follows, and shall insert the following clauses in contracts entered into by the Sponsor pursuant to which equipment, materials or commodities may be transported by ocean vessel in carrying out the Project:

(i) At least fifty percent (50%) of any equipment, materials or commodities procured, contracted for or otherwise obtained with TIFIA Loan proceeds, and which may be transported by ocean vessel, shall be transported on privately owned United States-flag commercial vessels, if available.

(ii) Within twenty (20) days following the date of loading for shipments originating within the United States or within thirty (30) Business Days following the date of loading for shipments originating outside the United States, a legible copy of a rated, 'on-board' commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (i) above shall be furnished to both the TIFIA Lender and to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590.

(u) Lobbying. The Borrower Related Parties shall comply with all applicable certification, declaration and/or disclosure requirements under 49 CFR Part 20.

(v) Reporting Subawards and Executive Compensation. To the extent applicable, the Borrower Related Parties shall comply, and shall require each subrecipient to comply, with the reporting requirements set forth in **Exhibit P** hereto.

Section 16. Negative Covenants. The Borrower Related Parties covenant and agree as follows until the date the TIFIA Bond and the obligations of the Borrower under this Agreement (other than contingent indemnity obligations) are irrevocably paid in full in cash, unless the TIFIA Lender waives compliance in writing:

(a) Indebtedness.

(i) Except for Permitted Debt, the Borrower shall not, without the prior written consent of the TIFIA Lender, issue or incur indebtedness of any kind that is secured (in whole or in part) or supported by or benefit from a Lien on any portion of the Trust Estate or Pledged Revenues or any other property that is subject to a Lien of or other title in favor of the TIFIA Lender or the Trustee, or that is otherwise payable (in whole or in part) from Pledged Revenues; provided that the Borrower shall not incur any indebtedness of any kind secured (in whole or in part) or supported by or benefit from a Lien on any portion of the Trust Estate or Pledged Revenues or any other property that is subject to a Lien of or other title in favor of the TIFIA Lender or the Trustee, or that is otherwise payable (in whole or in part) from Pledged Revenues, including Permitted Debt, without the prior written consent of the TIFIA Lender, following the occurrence, and during the continuation, of an Event of Default.

(ii) In each case at least twenty (20) days prior to the incurrence of Permitted Debt described in clause (c) of the definition thereof, the Borrower shall deliver to the TIFIA Lender (A) a Revised Financial Model that takes into account the proposed indebtedness, which Revised Financial Model shall reflect and be based on the actual amortization schedules for such proposed indebtedness and all Obligations then outstanding in accordance with their respective terms and shall otherwise be in form and substance satisfactory to the TIFIA Lender, and (B) a certificate signed by the Borrower's

Authorized Representative, demonstrating to the TIFIA Lender's satisfaction that such proposed indebtedness is authorized pursuant to this Section 16(a) (*Indebtedness*) and satisfies the applicable requirements under the Indenture.

(b) No Lien Extinguishment; Adverse Amendments. The Borrower Related Parties shall not, and shall not permit any Person to, without the prior written consent of the TIFIA Lender, either (i) extinguish, impair, or transfer the Liens on the Trust Estate granted pursuant to the Indenture, (ii) terminate, assign, amend, modify, replace, or supplement (x) any Fundamental Contract or (y) any other Related Document, in the case of this clause (y), in a manner that could adversely affect the TIFIA Lender (in the TIFIA Lender's determination) in connection with the TIFIA Loan, (iii) waive or permit a waiver of any provision of (x) any Fundamental Contract or (y) any other Related Document, in the case of this clause (y), in a manner that could adversely affect the TIFIA Lender (in the TIFIA Lender's determination) in connection with the TIFIA Loan or (iv) except as required by Section 15(l)(E), accelerate any obligation of the BP Entities under the BP Settlement Agreement or otherwise demand payment of any such obligation prior to the scheduled date therefor.

(c) No Prohibited Liens. Except for the Liens granted pursuant to the Indenture Documents, the Borrower Related Parties shall not create, incur, assume or permit to exist any Lien on the Trust Estate or the Borrower Related Parties' rights therein. The Borrower Related Parties shall not collaterally assign any of their rights under or pursuant to any Fundamental Contract and shall not permit a Lien to encumber the Borrower Related Parties' rights or privileges under any Fundamental Contract, except pursuant to the Indenture Documents in favor of the Trustee on behalf of the Secured Parties.

(d) Organizational Documents; Fiscal Year. The Borrower Related Parties shall not at any time (i) amend or modify its Organizational Documents (other than any amendment or modification that is of a ministerial nature and that is not adverse to the interests of any Secured Party under the Indenture or in the Trust Estate) without the prior written consent of the TIFIA Lender, or (ii) adopt any fiscal year other than the Borrower Fiscal Year, except with thirty (30) days' prior written notice to the TIFIA Lender.

(e) No Payment with Federal Funds. The Borrower shall not pay any portion of TIFIA Debt Service nor any other amount to the TIFIA Lender or to the Federal Government pursuant to the TIFIA Loan Documents with funds received directly or indirectly from the Federal Government; provided, however, that the Borrower may prepay the TIFIA Loan in whole or in part with the proceeds of a validly issued federal credit instrument pursuant to, and in accordance with, Section 10 (*Prepayment*).

(f) Acquisitions; Change in Legal Structure; Sale of Assets; Transactions with Third Parties.

(i) The Borrower Related Parties shall not, and shall not agree to:

(A) acquire by purchase or otherwise the business, property or fixed assets of, or equity interests or other evidence of beneficial ownership interests in, any Person (excluding purchases or other acquisitions of

inventory or materials or spare parts or Capital Expenditures, each in the ordinary course of business) to the extent such acquisition or purchase could reasonably be expected to have a Material Adverse Effect;

(B) reorganize, consolidate with, or merge into another Person unless (A) such merger or consolidation is with or into another entity established and Controlled by the Sponsor, and, in each case, including reorganization, would not reasonably be expected to adversely affect or impair to any extent or in any manner (1) the Trust Estate or any portion thereof, including the Pledged Revenues, or (2) the availability of the Pledged Revenues for the payment and security of the obligations of the Borrower under this Agreement and the other TIFIA Loan Documents; and (B) the applicable Borrower Related Party provides to the TIFIA Lender, no later than sixty (60) days prior to the date of reorganization, consolidation or merger, prior written notice of such reorganization, consolidation or merger and the agreements and documents authorizing the reorganization, consolidation or merger, satisfactory in form and substance to the TIFIA Lender. The documents authorizing any reorganization, consolidation or merger shall contain a provision, satisfactory in form and substance to the TIFIA Lender, that, following such reorganization, consolidation or merger, the successor will assume, by operation of law or otherwise, the due and punctual performance and observance of all of the representations, warranties, covenants, agreements and conditions of this Agreement and the other Related Documents to which the applicable Borrower Related Party is a party. In addition, the applicable Borrower Related Party shall provide all information concerning such reorganization, consolidation or merger as shall have been reasonably requested by the TIFIA Lender; or

(C) otherwise engage in a transaction with any other Person (including any other Governmental Authority of or in the State) to the extent such transaction could reasonably be expected to have a Material Adverse Effect.

(ii) The Sponsor shall not, and shall not agree to, sell, lease, or assign its rights in and to the Project or in and to a material portion of the assets constituting the Project, to the extent such sale, lease or assignment could reasonably be expected to have a Material Adverse Effect;

(g) No Defeasance of TIFIA Bond. The Borrower shall not defease the TIFIA Bond pursuant to the Indenture without the prior written consent of the TIFIA Lender.²⁸

(h) OFAC Compliance.

²⁸ **Note to LaDOTD:** TIFIA's consent to any defeasance of the TIFIA Bond is a standard requirement on TIFIA financings. This covenant does not restrict the Borrower's ability to defease non-TIFIA bonds.

The Borrower Related Parties shall not:

(A) violate (1) any applicable Anti-Money Laundering Laws, (2) any applicable Sanctions, (3) any applicable Anti-Corruption Laws or (4) any applicable anti-drug trafficking or anti-terrorism laws, civil or criminal;

(B) use the proceeds of the TIFIA Loan for purposes other than those permitted by applicable law and as otherwise permitted under this Agreement, the other Related Documents and the Construction-Related Contracts; or

(C) make a payment, directly or indirectly, to any Construction-Related Contract Party that, to the Borrower's knowledge, has violated any of the laws referenced in 0 (*OFAC Compliance*) or that is a Sanctioned Person.

(i) The Borrower Related Parties shall procure that each of its directors, officers, employees, and agents, shall not, directly or indirectly, use the proceeds of the TIFIA Loan or lend to, make any payment to, contribute or otherwise make available any funds to any affiliate, joint venture partner or other Person (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any applicable Anti-Corruption Laws, (B) in any manner that would result in the violation of any applicable Anti-Money Laundering Laws, (C) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (D) in any other manner that would result in the violation of any Sanctions by any Person (including the Executive Director, the TIFIA Lender, a BP Entity or a Construction-Related Contract Party).

(i) Hedging. The Borrower shall not enter into any swap or hedging transaction that is secured or supported by, or payable from the Trust Estate or the Pledged Revenues, including inflation indexed swap transactions, "cap" or "collar" transactions, futures, or any other hedging transaction without the prior written consent of the TIFIA Lender.

Section 17. Indemnification. To the extent permitted by applicable law, the Borrower Related Parties shall indemnify the TIFIA Lender and any official, employee, agent, advisor, or representative of the TIFIA Lender (each such Person being herein referred to as an "**Indemnatee**") against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities, fines, penalties, costs and expenses (including the fees, charges and disbursements of any counsel for any Indemnatee and the costs of environmental remediation), whether known, unknown, contingent or otherwise, incurred by or asserted against any Indemnatee arising out of, in connection with, or as a result of (a) the execution, delivery and performance of this Agreement or any of the other Related Documents, (b) the TIFIA Loan or the use of the proceeds thereof, or (c) the violation of any law, rule, regulation, order, decree, judgment or administrative decision relating to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters; in each case arising out of or in direct relation to the Project; provided that such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities, fines, penalties, costs or related expenses are determined by a court of competent jurisdiction by final and

nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnatee. In case any action or proceeding is brought against an Indemnatee by reason of any claim with respect to which such Indemnatee is entitled to indemnification hereunder, the Borrower Related Parties shall be entitled, at its expense, to participate in the defense thereof; provided that such Indemnatee has the right to retain its own counsel, at the Borrower Related Parties' expense, and such participation by the Borrower Related Parties in the defense thereof shall not release the Borrower Related Parties of any liability that it may have to such Indemnatee. Any Indemnatee against whom any indemnity claim contemplated in this Section 17 (*Indemnification*) is made shall be entitled, after consultation with the Borrower Related Parties and upon consultation with legal counsel wherein such Indemnatee is advised that such indemnity claim is meritorious, to compromise or settle any such indemnity claim. Any such compromise or settlement shall be binding upon the Borrower Related Parties for purposes of this Section 17 (*Indemnification*). Nothing herein shall be construed as a waiver of any legal immunity that may be available to any Indemnatee. To the extent permitted by applicable law, neither the Borrower Related Parties nor the TIFIA Lender shall assert, and each of the Borrower Related Parties and the TIFIA Lender hereby waives, any claim against any Indemnatee or the Borrower Related Parties, respectively, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any of the other Related Documents, the other transactions contemplated hereby and thereby, the TIFIA Loan or the use of the proceeds thereof, provided that nothing in this sentence shall limit the Borrower Related Parties' indemnity obligations to the extent such damages are included in any third party claim in connection with which an Indemnatee is entitled to indemnification hereunder. All amounts due to any Indemnatee under this Section 17 (*Indemnification*) shall be payable promptly upon demand therefor. The obligations of the Borrower Related Parties under this Section 17 (*Indemnification*) shall survive the payment or prepayment in full or transfer of the TIFIA Bond, the enforcement of any provision of this Agreement or the other Related Documents, any amendments, waivers (other than amendments or waivers in writing with respect to this Section 17 (*Indemnification*)) or consents in respect hereof or thereof, any Event of Default, and any workout, restructuring or similar arrangement of the obligations of the Borrower Related Parties hereunder or thereunder.

Section 18. Sale of TIFIA Loan. The TIFIA Lender shall not sell the TIFIA Loan at any time prior to the Substantial Completion Date. At any time after Substantial Completion, the TIFIA Lender may sell the TIFIA Loan to another entity or reoffer the TIFIA Loan into the capital markets only in accordance with the provisions of this Section 18 (*Sale of TIFIA Loan*). Any such sale or reoffering shall be on such terms as the TIFIA Lender shall deem acceptable in its sole discretion. However, in making such sale or reoffering the TIFIA Lender shall not change the terms and conditions of the TIFIA Loan without the prior written consent of the Borrower in accordance with Section 29 (*Amendments and Waivers*). The TIFIA Lender shall provide, at least thirty (30) days prior to any sale or reoffering of the TIFIA Loan, written notice to the Borrower of the TIFIA Lender's intention to consummate such a sale or reoffering; provided, however, that no such notice shall be required during the continuation of any Event of Default. The provision of any notice pursuant to this Section 18 (*Sale of TIFIA Loan*) shall not (x) obligate the TIFIA Lender to sell nor (y) provide the Borrower with any rights or remedies in the event the TIFIA Lender, for any reason, does not sell the TIFIA Loan.

Section 19. Events of Default and Remedies.

(a) An “**Event of Default**” shall exist under this Agreement if any of the following occurs:

(i) Payment Default. The Borrower shall fail to pay any amount of principal of or interest on the TIFIA Loan (including TIFIA Debt Service required to have been paid pursuant to the provisions of Section 9 (*Payment of Principal and Interest*) or Section 10(a) (*Mandatory Prepayments*)) when due and payable (such failure, a “**Payment Default**”).

(ii) Covenant Default. Any Borrower Related Party shall fail to observe or perform any covenant, agreement or obligation of such Borrower Related Party under this Agreement (including any payment of fees or other amounts (other than principal and interest) payable hereunder), the TIFIA Bond or any other TIFIA Loan Document (other than in the case of any Payment Default or any Development Default), and such failure shall not be cured within thirty (30) days after the earlier to occur of (A) receipt by the Borrower Related Party from the TIFIA Lender of written notice thereof, (B) any Borrower Related Party’s knowledge of such failure, or (C) with respect to any non-payment of fees or amounts described above in this clause (ii), the date on which any such fees or amounts became due and payable; provided, however, that if such failure is capable of cure, cannot be cured within such thirty (30) day cure period, but is reasonably susceptible to cure within one hundred eighty (180) days, then such thirty (30) day cure period shall be extended by up to one hundred fifty (150) additional days as shall be necessary to cure such breach, if and so long as (x) within such thirty (30) day cure period the Borrower shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured, and (y) an extension of time to cure could not reasonably be expected to cause a Material Adverse Effect; provided, further, that no extension of the thirty (30) day cure period shall be permitted for any failure to pay any fee or other amount (excluding principal and interest) payable hereunder.

(iii) Development Default. A Development Default shall occur.

(iv) Misrepresentation Default. Any of the representations, warranties or certifications of any Borrower Related Party made in or delivered pursuant to the TIFIA Loan Documents (or in any certificates delivered by any Borrower Related Party in connection with the TIFIA Loan Documents) shall prove to have been false or misleading in any material respect when made or deemed made (or any representation and warranty that is subject to a materiality qualifier shall prove to have been false or misleading in any respect); provided that no Event of Default shall be deemed to have occurred under this Section 19(a)(iv) (*Misrepresentation Default*) if and so long as:

(A) such misrepresentation is not intentional;

(B) such misrepresentation is not a misrepresentation in respect of Section 13(h) (*No Debarment*), Section 13(j) (*Compliance with Federal Requirements*), Section 13(k) (*Transportation Improvement Program*), Section 13(o) (*Fundamental Contracts; Construction-Related Contracts*) (to the

extent related to any Fundamental Contract), Section 13(q) (*OFAC; Anti-Corruption Laws*) or Section 13(cc) (*Patriot Act*);

(C) in the reasonable determination of the TIFIA Lender, a correct, true and accurate representation would not have disclosed any fact or circumstance that has had, or could reasonably be expected to have, a Material Adverse Effect;

(D) in the reasonable determination of the TIFIA Lender, the underlying facts or circumstances giving rise to the misrepresentation are capable of being cured;

(E) the underlying facts or circumstances giving rise to the misrepresentation is cured by the Borrower within thirty (30) days from the date on which any Borrower Related Party first became aware (or reasonably should have become aware) of such misrepresentation; and

(F) the Borrower Related Parties diligently pursue such cure during such thirty (30) day period.

(v) Acceleration of Pari Passu Obligations. Any acceleration of the maturity of any Pari Passu Obligation shall occur or any Pari Passu Obligation shall not be paid in full upon the final maturity thereof.

(vi) Events of Default under Indenture Documents. Any “Event of Default” or default under (and as defined in) any Indenture Document shall occur and shall not have been cured by the Borrower or waived in writing in accordance with the requirements of the applicable Indenture Document within the applicable cure period (if any) provided under such Indenture Document.

(vii) Judgments. One or more judgments (A) for the payment of money that are payable from the Trust Estate or any portion thereof, including the Pledged Revenues, and are not otherwise fully covered by insurance (for which the insurer has acknowledged and not disputed coverage) or (B) that would reasonably be expected to result in a Material Adverse Effect shall, in either case, be entered against any Borrower Related Party, and such judgment or judgments shall not be satisfied, vacated, discharged or stayed or bonded pending appeal within thirty (30) consecutive days from the entry thereof, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower to enforce any such judgment.

(viii) Failure to Maintain Existence. The Borrower shall fail to maintain its existence as an entity created pursuant to the Louisiana Constitution of 1974, as amended, or the Sponsor shall fail to maintain its existence as a body politic and corporate, unless at or prior to the time such Borrower Related Party ceases to exist in such form a successor public agency or governing body has been created by the State pursuant to a valid and unchallenged State law and has succeeded to the assets of such Borrower Related Party and has assumed all of the obligations of such Borrower Related Party under the

TIFIA Loan Documents and the Indenture Documents, including the payment of all Secured Obligations.

(ix) Occurrence of a Bankruptcy Related Event. (A) A Bankruptcy Related Event shall occur with respect to the Borrower or any BP Entity.

(x) Project Abandonment. The Sponsor shall abandon the Project.

(xi) Invalidity of TIFIA Loan Documents. (A) Any TIFIA Loan Document ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable, or any Borrower Related Party contests in any manner the validity or enforceability of any TIFIA Loan Document to which it is a party or denies it has any further liability under any TIFIA Loan Document to which it is a party, or purports to revoke, terminate or rescind any TIFIA Loan Document to which it is a party; or (B) any Indenture Document ceases (other than as expressly permitted thereunder) to be effective to grant a valid and binding security interest on any material portion of the Trust Estate, including the Pledged Revenues, other than as a result of actions or a failure to act by, and within the control of, the Trustee or any Secured Party, and with the priority purported to be created thereby.

(xii) Authorizing Legislation. The Authorizing Legislation shall be repealed or shall be amended or modified in such a manner that could reasonably be expected to result in a Material Adverse Effect.

(xiii) Modification of Fundamental Contracts. The State shall, or shall agree to, amend, replace, terminate, supplement, waive or consent to any departure from, or otherwise modify the terms of, any Fundamental Contract (including the payment schedule under the BP Settlement Agreement) or forbear the exercise of its rights or remedies thereunder or in connection therewith, without the TIFIA Lender's prior written consent.

(b) Upon the occurrence of an Event of Default described in Section 20(a)(iii) (*Development Default*), the TIFIA Lender may (i) suspend the disbursement of TIFIA Loan proceeds hereunder, (ii) terminate all of its obligations hereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan, and (iii) demand that the Borrower Related Parties immediately repay any unexpended TIFIA Loan proceeds previously disbursed, in which event the Borrower Related Parties shall immediately repay any such unexpended TIFIA Loan proceeds to the TIFIA Lender.

(c) Upon the occurrence of any Bankruptcy Related Event with respect to any Borrower Related Party or BP p.l.c., all obligations of the TIFIA Lender hereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan shall automatically terminate, and the Outstanding TIFIA Loan Balance, together with all interest accrued thereon and all fees, costs, expenses, indemnities, and other amounts payable under this Agreement, the TIFIA Bond, or the other TIFIA Loan Documents, shall automatically become immediately due and payable, without presentment, demand, notice, declaration, protest, or other requirements of any kind, all of which are hereby expressly waived.

(d) Upon the occurrence of any other Event of Default, the TIFIA Lender, by written notice to the Borrower, may (i) suspend or terminate all of its obligations hereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan, (ii) demand that the Borrower Related Parties immediately repay any unexpended TIFIA Loan proceeds previously disbursed, and (iii) declare the unpaid principal amount of the TIFIA Bond to be, and the same shall thereupon forthwith become, immediately due and payable, together with the interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under this Agreement, the TIFIA Bond, or the other TIFIA Loan Documents with respect to the TIFIA Loan, all without presentment, demand, notice, protest, or other requirements of any kind, all of which are hereby expressly waived.

(e) Whenever any Event of Default hereunder shall have occurred and be continuing, the TIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid hereunder, under the TIFIA Bond or under the other TIFIA Loan Documents with respect to the TIFIA Loan, and may prosecute any such judgment or final decree against the Borrower and collect in the manner provided by law out of the property of the Borrower the moneys adjudged or decreed to be payable, and the TIFIA Lender shall have all of the rights and remedies of a creditor, including all rights and remedies of a secured creditor under the Uniform Commercial Code, and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts due and unpaid hereunder, under the TIFIA Bond, or under the other TIFIA Loan Documents with respect to the TIFIA Loan, or to enforce performance and observance of any obligation, agreement, or covenant of the Borrower under this Agreement, the TIFIA Bond, or the other TIFIA Loan Documents.

(f) Whenever any Event of Default hereunder shall have occurred and be continuing, the TIFIA Lender may suspend or debar the Borrower from further participation in any Federal Government program administered by the TIFIA Lender and to notify other departments and agencies of such default.

(g) No action taken pursuant to this Section 19 (*Events of Default and Remedies*) shall relieve the Borrower Related Parties from their obligations pursuant to this Agreement, the TIFIA Bond or the other TIFIA Loan Documents, all of which shall survive any such action.

Section 20. Accounting and Audit Procedures; Inspections; Reports and Records.

(a) Accounting and Audit Procedures. The Borrower Related Parties shall establish fiscal controls and accounting procedures sufficient to assure proper accounting for all Project-related transactions (including collection of Pledged Revenues, and TIFIA Loan requisitions received and disbursements made with regard to the Project), so that audits may be performed to ensure compliance with and enforcement of this Agreement. The Borrower Related Parties shall use accounting, audit and fiscal procedures conforming to GAAP, including, with respect to the TIFIA Loan, accounting of principal and interest payments, disbursements, prepayments and calculation of interest and principal amounts outstanding.

(b) Inspections. So long as the TIFIA Loan or any portion thereof shall remain outstanding and until five (5) years after the TIFIA Loan shall have been paid in full, the TIFIA Lender shall have the right, upon reasonable prior notice, to visit and inspect any of the locations or properties of the Borrower Related Parties, to examine their books of account and records, to make copies and extracts therefrom at the Borrower Related Parties' expense, and to discuss the Borrower Related Parties' affairs, finances and accounts with, and to be advised as to the same by, its officers and employees and its independent public accountants (and by this provision the Borrower irrevocably authorizes the Legislative Auditor and, if any, its independent public accountants,²⁹ for the State to discuss with the TIFIA Lender the affairs, finances and accounts of the Borrower Related Parties, whether or not any representative of the applicable Borrower Related Party is present, it being understood that nothing contained in this Section 20(b) is intended to confer any right to exclude any such representative from such discussions), all at such reasonable times and intervals as the TIFIA Lender may desire. The Borrower agrees to pay all out-of-pocket expenses incurred by the TIFIA Lender in connection with the TIFIA Lender's exercise of its rights under this Section 20(b) at any time when an Event of Default shall have occurred and be continuing.

(c) Reports and Records. The Borrower Related Parties shall maintain and retain all files relating to the Project, the Pledged Revenues and the TIFIA Loan until three (3) years after the later of the date on which (i) all rights and duties hereunder and under the TIFIA Bond (including payments) have been fulfilled and any required audits have been performed and (ii) any litigation relating to the Project, the Pledged Revenues, the TIFIA Loan or this Agreement is finally resolved or, if the TIFIA Lender has reasonable cause to extend such date, a date to be mutually agreed upon by the TIFIA Lender and the Borrower. The Borrower Related Parties shall provide to the TIFIA Lender in a timely manner all records and documentation relating to the Project or the Pledged Revenues that the TIFIA Lender may reasonably request from time to time.

(d) Required Audit. The Borrower Related Parties³⁰ shall have a single or program-specific audit conducted in accordance with 2 CFR Part 200 Subpart F and 31 U.S.C. § 7502 in [insert current year] and annually thereafter, except to the extent biennial audits are permitted for the Borrower pursuant to 2 CFR § 200.504 and 31 U.S.C. § 7502(b). Upon reasonable notice, the Borrower Related Parties shall cooperate fully in the conduct of any periodic or compliance audits conducted by the TIFIA Lender, the USDOT, or designees thereof, pursuant to 49 CFR § 80.19, 31 U.S.C. § 7503(b), or 31 U.S.C. § 6503(h) and shall provide full access to any books, documents, papers or other records that are pertinent to the Project or the TIFIA Loan, to the Secretary, or the designee thereof, for any such project or programmatic audit.

Section 21. Financial Plan; Financial Statements.

²⁹ **Note to LaDOTD:** Please advise whether LaDOTD also uses public accountants. If public accountants are used, the Bureau will also need authorization to enter into discussions with them. [**Note to Bureau:** The State's CAFR includes only a report from the Legislative Auditor as "Independent Auditor". We have revised the language to capture potential public accountant firms, but will still request confirmation from LaDOTD.]

³⁰ **Note to LaDOTD:** Both Sponsor and Borrower have to be referenced in this section. Each of the Borrower and Sponsor will have to make a determination as to whether it has to actually comply with the audit requirements "in accordance with" 2 CFR. You may want to consult with your federal compliance expert.

(a) Financial Plan. The Borrower shall provide a Financial Plan to the TIFIA Lender and the FHWA Division Office within sixty (60) days after the Effective Date and annually thereafter until the TIFIA Loan has been repaid in full, in each case not later than ninety (90) days after the beginning of each Borrower Fiscal Year. The Financial Plan submitted within sixty (60) days after the Effective Date should be consistent in all respects with the assumptions and other information contained or reflected in the Base Case Financial Model.

(i) Each Financial Plan shall be prepared in accordance with GAAP and shall meet FHWA's Major Project Financial Plan requirements, as amended from time to time.

(ii) Together with each Financial Plan, the Borrower Related Parties³¹ shall deliver (A) a certificate signed by the Authorized Representatives of the Borrower Related Parties to the effect that the Financial Plan, including the assumptions and supporting documentation, is accurate and reasonable to the best of the Borrower Related Parties' knowledge and belief and (B) an electronic copy of a Revised Financial Model for the period from the Effective Date through the Final Maturity Date, based upon assumptions with respect to the Pledged Revenues, expenses and other financial aspects of the Project and the Trust Estate that shall reflect the prior experience and current status of the Project and the Pledged Revenues, and the expectations of the Borrower with respect to the Project and the Pledged Revenues, as of the most recent practicable date prior to the delivery of such Revised Financial Model, together with a change log describing such changes.

(iii) Each Financial Plan shall:

(A) provide an updated cash flow statement showing, for the Borrower Fiscal Year most recently ended, (1) actual annual cash inflows (Pledged Revenues and other income), (2) actual annual outflows (including all Debt Service, Capital Expenditures, replenishment of reserves, and other uses), and (3) coverages of the payments and deposits required pursuant to clauses [(a)] through [(d)] of Section [4.5] of the Indenture;

(B) provide an updated cash flow statement showing projected annual amounts for each of the items described in clause (A) above, in each case through the Final Maturity Date; and

(C) provide the schedule for payment to the State of the Pledged Revenues; and

(iv) In addition to the above, prior to the Substantial Completion Date, the Financial Plan shall:

³¹ **Note to LaDOTD:** The Bureau appreciates that the Financial Plan and related deliverables will be prepared by the Sponsor, but the requirement in this Section should be a joint obligation of both the Sponsor and the Borrower.

(A) provide the current estimate of Total Project Costs and the remaining cost to complete the Project, identify any significant cost changes since the previous Financial Plan, discuss the reasons for and implications of the cost changes, and include a summary table showing the history of Total Project Costs by major activity or category in comparison to the Base Case Financial Model and the most recent Financial Plan;

(B) provide updates to the Construction Schedule, including major milestones for each phase of the Project (including an updated Projected Substantial Completion Date), and compare current milestone dates with the milestone dates in the Construction Schedule and in the most recent Financial Plan, and discuss the reasons for any changes to the expected completion of these Project milestones;

(C) provide current estimates of sources and uses of funds for the Project, identify any significant funding changes since the preceding Financial Plan, discuss the reasons for and implications of such funding changes, and include a summary table showing the history of Project funding in comparison to the Base Case Financial Model and the preceding Financial Plan;

(D) provide the total value of approved changes in Total Project Costs, and provide a listing of each individual change valued in excess of [ten] percent ([10]%) of total forecasted Total Project Costs reflected in the Project Budget, setting forth the rationale or need for such changes and describing the impact of such changes on the Project; and

(E) contain a written narrative executive summary of the topics described in clauses (A) through (D) above since the Effective Date and since the date of the information included in the most recent Financial Plan, describing in reasonable detail all material matters that may affect the future performance of the Borrower's obligations under this Agreement.

(b) [Intentionally omitted].

(c) Financial Statements. The Borrower Related Parties shall furnish to the TIFIA Lender:

(i) (A) [Intentionally omitted]

(B) as soon as available, but no later than one hundred eighty (180) days after the end of each Borrower Fiscal Year, a copy of the audited income statement and balance sheet of each Borrower Related Party as of the end of such fiscal year and the related audited statements of operations and of cash flow of such Borrower Related Party for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, certified without a "going concern" or like qualification or exception, or qualification as to the scope of the

audit, by an independent public accounting firm selected by such Borrower Related Party and which is reasonably acceptable to the TIFIA Lender.³²

(ii) All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except for changes approved or required by the independent public accountants certifying such statements and disclosed therein).

(iii) Each Borrower Related Party shall furnish to the TIFIA Lender, together with each delivery of annual audited financial statements of such Borrower Related Party pursuant to this Section 21(c), a certificate signed by the chief executive officer or chief financial officer of such Borrower Related Party or any Authorized Representative of such Borrower Related Party, stating whether or not, to such Borrower Related Party's knowledge, during the quarterly or annual period (as the case may be) covered by such financial statements, there occurred any Event of Default or event that, with the giving of notice or the passage of time or both, would become an Event of Default, and, if any such Event of Default or other event shall have occurred during such period, the nature of such Event of Default or other event and the actions that the Borrower has taken or intends to take in respect thereof.

Section 22. Oversight and Monitoring.

(a) Project Development, Design and Construction. [The TIFIA Lender shall have the right in its sole discretion to monitor (or direct its agents to monitor) the development, including environmental compliance, design, right-of-way acquisition, and construction of the Project. The Borrower Related Parties acknowledge that the Project has been selected as a project specific project of division interest. The Sponsor shall cooperate with the FHWA Division Office's oversight of Project development, environmental compliance, design, right-of-way acquisition, and construction monitoring in accordance with the project specific PoDI stewardship & oversight plan for the Project. The Sponsor agrees to cooperate in good faith with the TIFIA Lender and FHWA Division Office in the conduct of such monitoring by promptly providing the TIFIA Lender and FHWA Division Office with such reports, documentation or other information as shall be requested by the TIFIA Lender and FHWA Division Office, or its agents, including any consulting engineer reports, documentation or information]³³.

(b) Quarterly Construction Progress Report. On or before the thirtieth (30th) day following the end of each calendar quarter during the Construction Period, the Sponsor shall deliver to the TIFIA Lender a report (which may consist in whole or in part of reports received by the Sponsor from one or more of its contractors) that:

³² **Note to LaDOTD:** Please advise whether LaDOTD and SBC propose to deliver Louisiana's Comprehensive Annual Financial Reports for the State of Louisiana, or other form of financial statements. The language in this section will be adjusted accordingly.

³³ **NTD:** Subject to FHWA Division Office review.

(i) specifies the amount of Total Project Costs expended since the Effective Date as well as during the preceding calendar quarter and the amount of Total Project Costs estimated to be required to complete the Project;

(ii) provides a revised Project Budget updated through the end of the preceding calendar quarter;

(iii) demonstrates that the Sponsor has sufficient funds (including funds on hand and funds obtainable without undue delay or conditions that cannot reasonably be satisfied by the Sponsor as and when such funds are needed) to complete the Project, taking into account any changes to the amount of Total Project Costs that are reflected in such quarterly construction progress report (or prior quarterly construction progress reports);

(iv) to the extent there has been any change (increase or decrease) to the Total Project Costs needed to achieve Substantial Completion since the most recent quarterly construction progress report, provides a narrative description of such changes (specifying the amounts of such changes) and, in the case of any increase to the Total Project Costs, a narrative description of (A) which line items of the Project Budget have been affected by such cost increases (and the extent of any overruns with respect to such line items), (B) any material change orders granted or pending under the Construction-Related Contracts with respect to such cost increases, and (C) how the Sponsor will pay for such increased Total Project Costs;

(v) provides (A) an assessment of the overall construction progress of the Project since the date of the last report and since the Effective Date, together with an assessment of how such progress compares to the Construction Schedule; and (B) to the extent there have been any events or occurrences (e.g., delayed equipment deliveries, permit delays, material change orders, etc.), that have had, or are anticipated to have, an adverse impact on the Construction Schedule and the meeting of critical dates thereunder, a detailed narrative description of steps being taken (or proposed to be taken) to address such adverse impacts on the Construction Schedule;

(vi) specifies the most recent projections for the Substantial Completion Date as compared to the Projected Substantial Completion Date specified in the Financial Plan most recently submitted to the TIFIA Lender; and

(vii) provides a discussion or analysis of such other matters related to the Project as the TIFIA Lender may reasonably request.

(c) Requested Information. Each Borrower Related Party shall, at any time while the TIFIA Loan remains outstanding, promptly deliver to the TIFIA Lender such additional information regarding the business, financial, legal or organizational affairs of such Borrower Related Party or regarding the Project or the Pledged Revenues as the TIFIA Lender may from time to time reasonably request, including copies of agreements, documentation and other information related thereto requested by the TIFIA Lender. The Borrower Related Parties shall

respond, and use commercially reasonable efforts to cause the Construction-Related Contract Parties to respond, to the TIFIA Lender's inquiries regarding the construction of the Project. The TIFIA Lender has the right, in its sole discretion, to retain a financial oversight advisor, under a contract with the TIFIA Lender and at the Borrower's cost (as provided in Section 28 (*Fees and Expenses*)), to carry out the provisions of this Section 22(c).

(d) Consulting Engineer.

(i) If requested in writing by the TIFIA Lender (in circumstances where the Sponsor has not already designated a Consulting Engineer), the Sponsor shall hire and retain a Consulting Engineer for so long as required by the TIFIA Lender.

(ii) Any Consulting Engineer retained by the Sponsor shall advise the TIFIA Lender (with a duty of care to the TIFIA Lender) with regard to all technical matters related to the performance by the Borrower Related Parties of their obligations under this Agreement and the Related Documents.

(iii) The Sponsor may designate or replace the Consulting Engineer; provided, that the TIFIA Lender shall have the right to object to any such Consulting Engineer (and the Borrower shall not retain any proposed Consulting Engineer if the TIFIA Lender has objected in writing to such proposed Consulting Engineer). The Sponsor shall provide the TIFIA Lender with thirty (30) Business Days' advance written notice of any proposed initial or replacement Consulting Engineer, together with supporting information concerning the qualifications of the proposed Consulting Engineer. The Sponsor may designate the proposed Consulting Engineer unless the TIFIA Lender objects in writing within fifteen (15) Business Days following receipt of the Borrower's notice above. Any such objection by the TIFIA Lender shall include a reasonable description of its reasons for objecting to the proposed Consulting Engineer. The Borrower shall pay for all services performed by the Consulting Engineer.

Section 23. No Personal Recourse. No official, employee or agent of the TIFIA Lender or the Borrower or any Person executing this Agreement or any of the other TIFIA Loan Documents shall be personally liable on this Agreement or such other TIFIA Loan Documents by reason of the issuance, delivery or execution hereof or thereof.

Section 24. No Third Party Rights. The parties hereby agree that this Agreement creates no third party rights against the Borrower Related Parties, the Federal Government, or the TIFIA Lender, solely by virtue of the TIFIA Loan, and, to the extent permitted by applicable law, the Borrower Related Parties agree to indemnify and hold the TIFIA Lender, the Servicer (if any), the Executive Director, and the Federal Government harmless, to the extent permitted by law and in accordance with Section 17 (*Indemnification*), from any lawsuit or claim arising in law or equity solely by reason of the TIFIA Loan, and that no third party creditor or creditors of the Borrower shall have any right against the TIFIA Lender with respect to the TIFIA Loan made pursuant to this Agreement.

Section 25. Borrower Related Parties' Authorized Representatives. Each Borrower Related Party shall at all times have appointed an Authorized Representative by designating such

Person or Persons from time to time to act on such Borrower Related Party's behalf pursuant to a written certificate furnished to the TIFIA Lender and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by such Borrower Related Party.

Section 26. TIFIA Lender's Authorized Representative.

(a) The TIFIA Lender shall at all times have appointed the TIFIA Lender's Authorized Representative by designating such Person or Persons from time to time to act on the TIFIA Lender's behalf pursuant to a written certificate furnished to the Borrower Related Parties and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the TIFIA Lender.

(b) Pursuant to the delegation of authority, dated July 20, 2016, from the Secretary to the Under Secretary of Transportation for Policy, the further delegation of authority, dated July 20, 2016, from the Under Secretary of Transportation for Policy to the Executive Director of the Build America Bureau, and the further delegation of authority, dated August 31, 2016, by the Executive Director of the Build America Bureau to the Director of the Credit Office of the Build America Bureau (the "Delegation"), the Director of the Credit Office of the Build America Bureau has been delegated the authority to enter into contracts and sign all contractual and funding documents (with the exception of the term sheets and credit agreements) necessary to implement the Act, including entering into technical amendments to, and restatements of, term sheets and credit agreements that do not materially impair the credit quality of the revenues pledged to repay the TIFIA Lender. Pursuant to the Delegation, the Director of the Credit Office of the Build America Bureau may act and serve as the TIFIA Lender's Authorized Representative under this Agreement, in addition to the Executive Director of the Build America Bureau for the purposes set forth herein.

Section 27. Servicer. The TIFIA Lender may from time to time designate another entity or entities to perform, or assist the TIFIA Lender in performing, the duties of the Servicer or specified duties of the TIFIA Lender under this Agreement and the TIFIA Bond. The TIFIA Lender shall give the Borrower Related Parties written notice of the appointment of any successor or additional Servicer and shall enumerate the duties or any change in duties to be performed by any Servicer. Any references in this Agreement to the TIFIA Lender shall be deemed to be a reference to the Servicer with respect to any duties which the TIFIA Lender shall have delegated to such Servicer. The TIFIA Lender may at any time assume the duties of any Servicer under this Agreement and the TIFIA Bond. The Borrower shall cooperate and respond to any reasonable request of the Servicer for information, documentation or other items reasonably necessary for the performance by the Servicer of its duties hereunder.

Section 28. Fees and Expenses.

(a) Commencing in Federal Fiscal Year [2021] and continuing thereafter each year throughout the term of this Agreement, the Borrower shall pay to the TIFIA Lender a loan servicing fee on or before the fifteenth (15th) of November. The TIFIA Lender shall establish the amount of this annual fee, and the TIFIA Lender or the Servicer, if any, shall notify the Borrower of the amount, at least thirty (30) days before payment is due.

(b) In establishing the amount of the fee, the TIFIA Lender will adjust the previous year's base amount in proportion to the percentage change in CPI. For the FFY [] calculation, the TIFIA Lender will use the FFY [] base amount of \$[13,873.84³⁴], which applies to other TIFIA borrowers, as the previous year's base amount. The TIFIA Lender will calculate the percentage change in the CPI, before seasonal adjustment, from August of the previous year to August of the current year and will then adjust the previous year's base amount in proportion to the CPI percentage change. To calculate the amount of the fee, the TIFIA Lender shall round the current year's base amount using increments of \$500. Results with the ending integers between 250-499 or between 750-999 shall be rounded upward, and results with the ending integers between 001-249 or between 501-749 shall be rounded downward. The CPI adjustments in the following years shall begin with the base amount, not the rounded fee.

(c) The Borrower Related Parties agree, whether or not the transactions hereby contemplated shall be consummated, to reimburse the TIFIA Lender, or with respect to clause (iii) below, to cause the TIFIA Lender to be reimbursed from the Trust Estate, on demand from time to time, within thirty (30) days after receipt of any invoice from the TIFIA Lender, for any and all fees, costs, charges, and expenses incurred by it (including the reasonable fees, costs, and expenses of its legal counsel, financial advisors, auditors, and any technical or other consultants and advisors, such reasonableness determined in accordance with Part 31 of the Federal Acquisition Regulation) in connection with the negotiation, preparation, execution, delivery, administration, and performance of this Agreement and the other TIFIA Loan Documents and the transactions hereby and thereby contemplated, including reasonable attorneys', and engineers' fees and professional costs, including all such fees, costs, and expenses incurred as a result of or in connection with:

(i) the enforcement of or attempt to enforce any provision of this Agreement or any of the other TIFIA Loan Documents;

(ii) any amendment, modification, or requested amendment or modification of, waiver, consent, or requested waiver or consent under or with respect to, or the protection or preservation of any right or claim under or with respect to, this Agreement, any other Related Document, or the Trust Estate, or advice in connection with the administration, preservation in full force and effect, and enforcement of this Agreement or any other Related Document or the rights of the TIFIA Lender thereunder;

(iii) any ongoing oversight and monitoring of the TIFIA Loan, the Borrower or the Project by the TIFIA Lender as provided for herein; and

(iv) any work-out, restructuring, or similar arrangement of the obligations of the Borrower under this Agreement or the other TIFIA Loan Documents, including during the pendency of one or more Events of Default.

The obligations of the Borrower Related Parties under this Section 28 (*Fees and Expenses*) shall survive the payment or prepayment in full or transfer of the TIFIA Bond, the enforcement of any

³⁴ **NTD:** Assumes closing before October 2021. Amount for loans closed in October 2021 and later will need to be updated.

provision of this Agreement or the other TIFIA Loan Documents, any such amendments, waivers or consents, any Event of Default, and any such workout, restructuring, or similar arrangement.

Section 29. Amendments and Waivers. No amendment, modification, termination, or waiver of any provision of this Agreement shall in any event be effective without the written consent of each of the parties hereto.

Section 30. Governing Law. This Agreement shall be governed by the federal laws of the United States of America if and to the extent such federal laws are applicable and the internal laws of the State, if and to the extent such federal laws are not applicable.

Section 31. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal, or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 32. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns and shall inure to the benefit of the parties hereto and their permitted successors and assigns. Neither the Borrower's rights or obligations hereunder nor any interest therein may be assigned, delegated, or transferred by the Borrower without the prior written consent of the TIFIA Lender.

Section 33. Remedies Not Exclusive. No remedy conferred herein or reserved to the TIFIA Lender 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 hereunder or now or hereafter existing at law or in equity or by statute.

Section 34. Delay or Omission Not Waiver. No delay or omission of the TIFIA Lender to exercise any right or remedy provided hereunder upon a default of the Borrower Related Parties (except a delay or omission pursuant to a written waiver) shall impair any such right or remedy or constitute a waiver of any such default or acquiescence therein. Every right and remedy given by this Agreement or by law to the TIFIA Lender may be exercised from time to time, and as often as may be deemed expedient by the TIFIA Lender.

Section 35. Counterparts; Electronic Signatures. This Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Electronic delivery of an executed counterpart of a signature page of this Agreement or of any document or instrument delivered in connection herewith in accordance with Section 36 (*Notices; Payment Instructions*) shall be effective as delivery of an original executed counterpart of this Agreement or such other document or instrument, as applicable. Each party acknowledges and agrees that it may execute this Agreement, and any amendment, modification, or waiver hereto, using Electronic Signatures. Such Electronic Signatures are intended to authenticate this writing and to have the same force and effect as handwritten signatures.

Section 36. Notices; Payment Instructions. Notices hereunder shall be (a) in writing, (b) effective as provided below and (c) given by (i) nationally recognized courier service, (ii) hand delivery, or (iii) email, in each case to:

If to TIFIA Lender:

Build America Bureau
United States Department of
Transportation
Room W12-464
1200 New Jersey Avenue, SE
Washington, D.C. 20590
Attention: Director, Office of Credit
Programs
Email: BureauOversight@dot.gov

with copies to:

[FHWA Division Office]
[Address]
Attention:

If to Borrower:

State Bond Commission
Louisiana State Capitol Building
900 North Third Street
Baton Rouge, LA
Attention: Lela Folse
Email: Lfolse@la.gov

If to Sponsor:

Louisiana Department of
Transportation and Development
1201 Capitol Access Rd, Suite 302G
Baton Rouge, LA 70804-9245
Attention: Barry Keeling
Email: barry.keeling@la.gov

Unless otherwise instructed by the TIFIA Lender's Authorized Representative, all notices to the TIFIA Lender should be made by email to the email address noted above for the TIFIA Lender. Notices required to be provided herein shall be provided to such different addresses or to such further parties as may be designated from time to time by a Borrower Related Party's Authorized Representative, with respect to notices to the Borrower, or by the TIFIA Lender's Authorized Representative, with respect to notices to the TIFIA Lender or the Servicer. The Borrower shall make any payments hereunder or under the TIFIA Bond in accordance with Section 9(d) (*Manner of Payment*) and the payment instructions hereafter provided by the TIFIA Lender's Authorized Representative, as modified from time to time by the TIFIA Lender. Each such notice, request or communication shall be effective (x) if delivered by hand or by nationally recognized courier service, when delivered at the address specified in this Section 36 (*Notices; Payment Instructions*)

(or in accordance with the latest unrevoked written direction from the receiving party) and (y) if given by email, when such email is delivered to the address specified in this Section 36 (*Notices; Payment Instructions*) (or in accordance with the latest unrevoked written direction from the receiving party); provided that notices received on a day that is not a Business Day or after 5:00 p.m. Eastern Time on a Business Day will be deemed to be effective on the next Business Day.

Section 37. Effectiveness. This Agreement shall be effective on the Effective Date.

Section 38. Termination. This Agreement shall terminate upon the irrevocable and indefeasible payment in full in cash by the Borrower of the Outstanding TIFIA Loan Balance, together with all accrued interest and fees with respect thereto; provided, however, that the indemnification requirements of Section 17 (*Indemnification*), the reporting and record keeping requirements of Section 20(b) (*Inspections*) and Section 20(c) (*Reports and Records*), and the payment requirements of Section 28 (*Fees and Expenses*) shall survive the termination of this Agreement as provided in such sections.

Section 39. Integration. This Agreement constitutes the entire contract between the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**STATE BOND COMMISSION, on behalf
of the State of Louisiana, as Borrower**

By: _____
Name: _____
Title: _____

**LOUISIANA DEPARTMENT OF
TRANSPORTATION AND
DEVELOPMENT, as Sponsor**

By: _____
Name: _____
Title: _____

**UNITED STATES DEPARTMENT OF
TRANSPORTATION, acting by and
through the Executive Director of the Build
America Bureau**

By: _____
Name: _____
Title: _____

SCHEDULE I

PROJECT BUDGET

[To be provided by Sponsor or Borrower]

SCHEDULE II

CONSTRUCTION SCHEDULE

[To be provided by Sponsor or Borrower]

SCHEDULE III

[Intentionally Omitted]

SCHEDULE IV
SECTION [4.5] OF THE INDENTURE

SCHEDULE 13(f)
LITIGATION

EXHIBIT A

FORM OF TIFIA BOND³⁵

[BORROWER NAME]

[] PROJECT

(TIFIA Project Number)
TIFIA BOND

**Maximum Principal Amount: \$ [Maximum Amount of TIFIA Loan]
(excluding capitalized interest)**

Effective Date: _____ **Due:** _____

The LOUISIANA STATE BOND COMMISSION, an entity created under the Louisiana Constitution of 1974, as amended, on behalf of the State of Louisiana (the “**Borrower**”), for value received, hereby promises to pay to the order of the **UNITED STATES DEPARTMENT OF TRANSPORTATION**, acting by and through the Executive Director of the Build America Bureau, or its assigns (the “**TIFIA Lender**”), the lesser of (x) the Maximum Principal Amount set forth above and (y) the aggregate unpaid principal amount of all disbursements (the “**Disbursements**”) made by the TIFIA Lender (such lesser amount, together with any interest that is capitalized and added to principal in accordance with the provisions of the TIFIA Loan Agreement (as defined below), being hereinafter referred to as the “**Outstanding Principal Sum**”), together with accrued and unpaid interest (including, if applicable, interest at the Default Rate, as defined in the TIFIA Loan Agreement) on the Outstanding Principal Sum and all fees, costs and other amounts payable in connection therewith, all as more fully described in the TIFIA Loan Agreement. The principal hereof shall be payable in the manner and at the place provided in the TIFIA Loan Agreement in accordance with **Exhibit G** to the TIFIA Loan Agreement, as revised from time to time in accordance with the TIFIA Loan Agreement, until paid in full. The TIFIA Lender is hereby authorized to modify the Loan Amortization Schedule included in **Exhibit G** to the TIFIA Loan Agreement from time to time in accordance with the terms of the TIFIA Loan Agreement to reflect the amount of each disbursement made thereunder and the date and amount of principal or interest paid by the Borrower thereunder. Absent manifest error, the TIFIA Lender’s determination of such matters as set forth on **Exhibit G** to the TIFIA Loan Agreement shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower’s obligations hereunder or under any other TIFIA Loan Document.

Payments hereon are to be made in accordance with Section 9(d) (*Manner of Payment*) and Section 36 (*Notices; Payment Instructions*) of the TIFIA Loan Agreement as the same become due. Principal of and interest on this TIFIA Bond shall be paid in funds available on or before the due date and in any lawful coin or currency of the United States of America that at the date of

³⁵ **NTD:** LaDOTD to provide changes to satisfy Louisiana applicable law and terms of the Master Trust Indenture.

payment is legal tender for the payment of public and private debts. If an amendment to the Final Maturity Date is approved by the TIFIA Lender pursuant to the TIFIA Loan Agreement, the due date of this TIFIA Bond shall be deemed to be amended to change the due date to such revised Final Maturity Date without any further action required on the part of the Borrower or the TIFIA Lender and such amendment shall in no way amend, modify or affect the other provisions of this TIFIA Bond without the prior written agreement of the TIFIA Lender.

This TIFIA Bond has been executed under and pursuant to that certain TIFIA Loan Agreement, dated as of the Effective Date, between the TIFIA Lender and the Borrower (the “**TIFIA Loan Agreement**”) and is issued to evidence the obligation of the Borrower under the TIFIA Loan Agreement to repay the loan made by the TIFIA Lender and any other payments of any kind required to be paid by the Borrower under the TIFIA Loan Agreement or the other TIFIA Loan Documents referred to therein. Reference is made to the TIFIA Loan Agreement for all details relating to the Borrower’s obligations hereunder. All capitalized terms used in this TIFIA Bond and not defined herein shall have the meanings set forth in the TIFIA Loan Agreement. This TIFIA Bond shall be subject to mandatory prepayment in accordance with the TIFIA Loan Agreement.

This TIFIA Bond may be prepaid at the option of the Borrower in whole or in part (and, if in part, the principal installments and amounts thereof to be prepaid are to be determined in accordance with the TIFIA Loan Agreement; provided, however, such prepayments shall be in principal amounts of at least \$1,000,000), at any time or from time to time, without penalty or premium, by paying to the TIFIA Lender all or part of the principal amount of the TIFIA Bond in accordance with the TIFIA Loan Agreement.

Payment of the obligations of the Borrower under this TIFIA Bond is secured pursuant to the Indenture referred to in the TIFIA Loan Agreement.

Any delay on the part of the TIFIA Lender in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent default.

All acts, conditions and things required by the Constitution and laws of the State to happen, exist, and be performed precedent to and in the issuance of this TIFIA Bond have happened, exist and have been performed as so required. This TIFIA Bond is issued with the intent that the federal laws of the United States of America shall govern its construction to the extent such federal laws are applicable and the internal laws of the State shall govern its construction to the extent such federal laws are not applicable.

IN WITNESS WHEREOF, the STATE BOND COMMISSION, on behalf of the State of Louisiana, has caused this TIFIA Bond to be executed in its name and its seal to be affixed hereto and attested by its duly authorized officer, all as of the Effective Date set forth above.

STATE BOND COMMISSION, on behalf of
the State of Louisiana

(SEAL)

By _____

Name: _____

Title: _____

ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION

This TIFIA Bond is the TIFIA Bond described in the within-mentioned Indenture.

[NAME OF TRUSTEE]

By: _____
(Authorized Signer)

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the Undersigned hereby unconditionally sells, assigns
and transfers unto

(Please Insert Social Security or other identifying number of Assignee(s)):

the within note and all rights thereunder.

Dated: _____

NOTICE: The signature to this assignment
must correspond with the name as it appears
upon the face of the within note in every
particular, without alteration or enlargement or
any change whatever.

EXHIBIT B
ANTICIPATED TIFIA LOAN DISBURSEMENT SCHEDULE

<u>Borrower Fiscal Year</u>	<u>Amount</u>
-----------------------------	---------------

\$

EXHIBIT C**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
AND OTHER RESPONSIBILITY MATTERS—
PRIMARY COVERED TRANSACTIONS**

The undersigned, on behalf of the [STATE BOND COMMISSION, on behalf of the State of Louisiana, (the “**Borrower**”)] [LOUISIANA DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT (the “**Sponsor**”)], hereby certifies that the [STATE BOND COMMISSION] [LOUISIANA DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT] has fully complied with its verification obligations under 2 CFR § 180.320 and hereby further confirms in accordance with 2 CFR § 180.335, that, to its knowledge, the Borrower and its principals (as defined in 2 CFR § 180.995):

(a) Are not presently excluded (as defined in 2 CFR § 180.940) or disqualified (as defined in 2 CFR § 180.935);

(b) Have not within a three (3) year period preceding the Effective Date been convicted of any of the offenses listed in 2 CFR § 180.800(a) or had a civil judgment rendered against them for one of those offenses within that time period;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses listed in 2 CFR § 180.800(a); and

(d) Have not within a three (3) year period preceding the Effective Date had one or more public transactions (federal, state or local) terminated for cause or default.

(e) Capitalized terms used in the certificate and not defined shall have the respective meanings ascribed to such terms in that certain TIFIA Loan Agreement, dated as of [Date], 2021, among the TIFIA Lender, [State Bond Commission, on behalf of the State of Louisiana] [Louisiana Department of Transportation and Development] and the [Borrower/Sponsor], as the same may be amended from time to time.

Dated: _____

[BORROWER][SPONSOR]³⁶

By: _____

Name:

Title:

³⁶ **Note to form:** To be executed by Borrower’s or Sponsor’s Authorized Representative.

EXHIBIT D

REQUISITION PROCEDURES

This **Exhibit D** sets out the procedures which the Borrower agrees to follow in submitting Requisitions for the disbursement of TIFIA Loan proceeds in respect of the Eligible Project Costs incurred in connection with the Project. Section 1 sets out the manner in which Requisitions are to be submitted and reviewed. Sections 2 through Section 4 set out the circumstances in which the TIFIA Lender may reject or correct Requisitions submitted by the Borrower or withhold a disbursement. The Borrower expressly agrees to the terms hereof, and further agrees that (i) the rights of the TIFIA Lender contained herein are in addition to (and not in lieu of) any other rights or remedies available to the TIFIA Lender under the TIFIA Loan Agreement, and (ii) nothing contained herein shall be construed to limit the rights of the TIFIA Lender to take actions including administrative enforcement action and actions for breach of contract against the Borrower if it fails to carry out its obligations under the TIFIA Loan Agreement during the term thereof.

Section 1. General Requirements. All requests by the Borrower Related Parties for the disbursement of TIFIA Loan proceeds shall be made by electronic mail or overnight delivery service by submission to the TIFIA Lender, in accordance with Section 36 (*Notices; Payment Instructions*) of the TIFIA Loan Agreement, of a Requisition, in form and substance satisfactory to the TIFIA Lender and completed and executed by the Borrower's Authorized Representative. The form of Requisition is attached as Appendix One to this **Exhibit D**. Supporting documentation should be submitted with the Requisition.

All disbursement requests must be received by the TIFIA Lender at or before 5:00 P.M. (EST) on the first (1st) Business Day of a calendar month in order to obtain disbursement by the fifteenth (15th) day of such calendar month or, if such day is not a Business Day, the next succeeding Business Day.

Section 2. Rejection. A Requisition may be rejected in whole or in part by the TIFIA Lender if it is:

- (a) submitted without signature;
- (b) submitted under signature of a Person other than a Borrower's Authorized Representative;
- (c) submitted after prior disbursement of all proceeds of the TIFIA Loan; or
- (d) submitted without adequate documentation of Eligible Project Costs incurred or paid. Such documentation shall include invoices for costs incurred or paid. If a Consulting Engineer is retained as of such date by the Borrower, pursuant to Section 22(d) or otherwise, such documentation shall include the most recent certificate of or report prepared by the Consulting Engineer relating to the construction of the Project (to the extent not previously delivered to the TIFIA Lender).

The TIFIA Lender shall promptly send to the Borrower, in accordance with Section 36 (*Notices; Payment Instructions*) of the TIFIA Loan Agreement, a notice of any Requisition so

rejected, and the reasons therefor, substantially in the form attached hereto as **Appendix Two** to this **Exhibit D**. Any Requisition rejected for the reasons specified in (a), (b) or (d) above must be resubmitted in proper form in order to be considered for approval. If a Requisition exceeds the balance of the TIFIA Loan proceeds remaining to be disbursed, the request will be treated as if submitted in the amount of the balance so remaining, and the TIFIA Lender will so notify the Borrower.

Section 3. Correction. A Requisition containing an apparent mathematical error will be corrected by the TIFIA Lender, after telephonic or email notification to the Borrower, and will thereafter be treated as if submitted in the corrected amount.

Section 4. Withholding. The TIFIA Lender shall be entitled to withhold approval (in whole or in part) of any pending or subsequent requests for the disbursement of TIFIA Loan proceeds if:

(a) an Event of Default or event that, with the giving of notice or the passage of time or both, would constitute an Event of Default under the TIFIA Loan Agreement shall have occurred and be continuing; or

(b) the Borrower or the Sponsor:

(i) knowingly takes any action, or omits to take any action, amounting to fraud or violation of any applicable federal or local criminal law, in connection with the transactions contemplated hereby; or

(ii) fails to construct the Project in a manner consistent with the Governmental Approvals with respect to the Project, or in accordance with the highest standards of the Sponsor's industry and the requirements set forth in the TIFIA Loan Agreement, where such failure prevents or materially impairs the Project from fulfilling its intended purpose, or prevents or materially impairs the ability of the TIFIA Lender to monitor compliance by the Borrower with applicable federal or local law pertaining to the Project or with the terms and conditions of the TIFIA Loan Agreement; or

(iii) fails to observe or comply with any applicable federal or local law, or any term or condition of the TIFIA Loan Agreement; or

(iv) fails to satisfy any condition set forth in Section 4 (*Disbursement Conditions*) or Section 12(b) (*Conditions Precedent to All Disbursements*) of the TIFIA Loan Agreement; or

(v) fails to deliver documentation satisfactory to the TIFIA Lender evidencing Eligible Project Costs claimed for disbursement at the times and in the manner specified by the TIFIA Loan Agreement; provided, that in such case the TIFIA Lender may, in its sole discretion, partially approve a disbursement request in respect of any amounts for which adequate documentation evidencing Eligible Project Costs has been provided and may, in its sole discretion, disburse in respect of such properly documented amounts.

Section 5. Government Shutdown. Notwithstanding anything to the contrary set forth in this **Exhibit D**, the TIFIA Lender (a) shall be entitled to withhold approval of any pending or subsequent requests for the disbursement of TIFIA Loan proceeds and (b) shall have no obligation to make any disbursement of proceeds of the TIFIA Loan to the Borrower or Sponsor (even if such disbursement has been approved by the TIFIA Lender), in each case if the TIFIA Lender's ability to make the relevant disbursement is impaired as a result of a partial or total shutdown of the operations of any federal department or agency (including the USDOT or any of its agencies), or any contractor of any such department or agency, due to a lapse in appropriations by Congress.

APPENDIX ONE TO EXHIBIT D

FORM OF REQUISITION

Build America Bureau

United States Department of Transportation
c/o Director, Office of Credit Programs

Room W12-464
1200 New Jersey Avenue, SE,
Washington, D.C. 20590

[Federal Highway Administration
[State] Division Office
[Address]
Attention: Division Administrator]

[Loan Servicer]
[Address]
[Attention]

Re: [] PROJECT (TIFIA # [])

Ladies and Gentlemen:

Pursuant to Section 4 (*Disbursement Conditions*) of the TIFIA Loan Agreement, dated as of [Date], 2021 (the “**TIFIA Loan Agreement**”), by and among the STATE BOND COMMISSION, on behalf of the State of Louisiana, (the “**Borrower**”), the LOUISIANA DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT and the UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Executive Director of the Build America Bureau (the “**TIFIA Lender**”), we hereby request disbursement in the amount of \$[] in respect of Eligible Project Costs paid or incurred by or on behalf of the Sponsor and/or the Borrower. Capitalized terms used but not defined herein have the meaning set forth in the TIFIA Loan Agreement. In connection with this Requisition the undersigned do hereby represent and certify the following:

1. This Requisition is Requisition number [].
2. The requested date of disbursement is [], 20[] (the “**Disbursement Date**”), which is the first Business Day following [] 15, 20[].
3. The amounts previously disbursed under the TIFIA Loan Agreement equal, in the aggregate, \$[].
4. The amounts hereby requisitioned have been paid or incurred by or on behalf of the Sponsor and/or the Borrower for Eligible Project Costs and have not been paid for or reimbursed by any previous disbursement from TIFIA Loan proceeds.

5. The amount of this Requisition, together with all prior Requisitions, does not exceed the amount of the TIFIA Loan.
6. All documentation evidencing the Eligible Project Costs to be reimbursed by the above-requested disbursement has been delivered by the Borrower or the Sponsor at the times and in the manner specified by the TIFIA Loan Agreement.
7. The Sponsor has all Governmental Approvals necessary as of the Effective Date and as of the Disbursement Date (immediately after giving effect to the above-requested disbursement of TIFIA Loan proceeds), for the development, construction, operation and maintenance of the Project and each such Governmental Approval is in full force and effect (and is not subject to any notice of violation, breach or revocation).
8. Each of the insurance policies obtained by the Sponsor in satisfaction of the condition in Section 12(a)(xviii) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider.
9. The Project has been, and is being, constructed in a manner consistent with all plans, specifications, engineering reports and facilities plans previously submitted to the TIFIA Lender and the FHWA Division Office and in accordance with the highest standards of the Borrower's industry.
10. The representations and warranties of the Borrower and the Sponsor set forth in the TIFIA Loan Agreement and in each other Related Document are true and correct as of the date hereof and as of the Disbursement Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).
11. As of the date hereof and on the Disbursement Date (immediately after giving effect to the above-requested disbursement of TIFIA Loan proceeds), (i) no Event of Default or event of default under any other Related Document and (ii) no event that, with the giving of notice or the passage of time or both, would constitute an Event of Default or event of default under any Related Document, in each case, has occurred and is continuing.
12. No Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred since [_____, 20__] and is continuing.³⁷
13. [A copy of the most recent certificate or report of the Consulting Engineer delivered pursuant to Section [_____] of the Indenture has been delivered to each of the above named addressees.]³⁸

³⁷ **NTD:** Insert the date on which the Sponsor submitted the Application to the TIFIA Lender.

³⁸ **Note to form:** Include when applicable.

14. A copy of the quarterly construction progress report pursuant to Section 22(b) (*Quarterly Construction Progress Report*) of the TIFIA Loan Agreement for the quarter that ended most recently prior to the date of the applicable Requisition has been delivered to each of the above named addresses.
15. The Sponsor has provided the TIFIA Lender with evidence satisfactory to the TIFIA Lender that, as of the Disbursement Date, as required pursuant to § 603(b)(9) of the Act, the total federal assistance provided to the Project, including all disbursements of the TIFIA Loan (including the requested disbursement), in the aggregate, does not exceed eighty percent (80%) of Eligible Project Costs.
16. The undersigned acknowledges that if the Borrower makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government in connection with the Project, the Federal Government reserves the right to impose on the Borrower the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5323(l)(1), to the extent the Federal Government deems appropriate.
17. A copy of this Requisition has been delivered to each of the above named addressees.
18. Each of the undersigned is duly authorized to execute and deliver this Requisition on behalf of the Borrower or the Sponsor, respectively.

[Add wire instructions for Trustee.]

Date: _____

STATE BOND COMMISSION, on behalf of
the State of Louisiana³⁹

By: _____

Name:

Title:

Date: _____

LOUISIANA DEPARTMENT OF
TRANSPORTATION AND
DEVELOPMENT⁴⁰

By: _____

Name:

Title:

³⁹ **Note to form:** To be executed by the Borrower's Authorized Representative.

⁴⁰ **Note to form:** To be executed by the Sponsor's Authorized Representative.

APPENDIX TWO TO EXHIBIT D

DISAPPROVAL OF THE TIFIA LENDER (To be delivered to the Borrower)

Requisition Number [●] is [approved in part in the amount of \$[●]] [not approved]⁴¹ by the TIFIA Lender (as defined herein) pursuant to Section 4 (*Disbursement Conditions*) of the TIFIA Loan Agreement, dated as of [____], 2021, by and among the State Bond Commission, on behalf of the State of Louisiana, (the “**Borrower**”), the Louisiana Department of Transportation and Development (the “**Sponsor**”) and the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the “**TIFIA Lender**”).

Any determination, action or failure to act by the TIFIA Lender with respect to the Requisition set forth above, including any withholding of a disbursement, shall be at the TIFIA Lender’s sole discretion, and in no event shall the TIFIA Lender be responsible for or liable to the Borrower or the Sponsor for any and/or all consequence(s) which are the result thereof.

**UNITED STATES DEPARTMENT OF
TRANSPORTATION**, acting by and
through the Executive Director of the Build
America Bureau

By: _____
TIFIA Lender’s Authorized Representative
Name:
Title:
Dated:

⁴¹ Attached hereto as Exhibit A are reasons for any partial or full denial of approval.

EXHIBIT A TO APPENDIX TWO TO EXHIBIT D

[Insert reasons for any partial or full denial of approval.]

EXHIBIT E

COMPLIANCE WITH LAWS

The Borrower and the Sponsor shall, and shall require their respective contractors and subcontractors at all tiers for the Project to, comply in all material respects with any and all applicable federal and state laws. The following list of federal laws is illustrative of the type of requirements generally applicable to transportation projects. It is not intended to be exhaustive.

- (i) The Americans With Disabilities Act of 1990 and implementing regulations (42 U.S.C. § 12101 *et seq.*; 28 CFR Part 35; 29 CFR Part 1630);
- (ii) Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000d *et seq.*), and USDOT implementing regulations (49 CFR Part 21);
- (iii) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. § 4601 *et seq.*), with the understanding that the requirements of said Act are not applicable with respect to utility relocations except with respect to acquisitions by the Borrower of easements or other real property rights for the relocated facilities;
- (iv) Equal employment opportunity requirements under Executive Order 11246 dated September 24, 1965 (30 FR 12319), any Executive Order amending such order, and implementing regulations (29 CFR §§ 1625-27, 1630; 28 CFR Part 35; 41 CFR Part 60; and 49 CFR Part 27);
- (v) Restrictions governing the use of federal appropriated funds for lobbying (31 U.S.C. § 1352; 49 CFR Part 20);
- (vi) The Clean Air Act, as amended (42 U.S.C. § 7401 *et seq.*);
- (vii) The National Environmental Policy Act of 1969 (42 U.S.C. § 4321 *et seq.*), including the environmental mitigation requirements and commitments made by the Borrower that result in FHWA's approval of the NEPA Determination;
- (viii) The Federal Water Pollution Control Act, as amended (33 U.S.C. § 1251 *et seq.*);
- (ix) The Endangered Species Act, 16 U.S.C. § 1531, *et seq.*;
- (x) 23 U.S.C. § 138 and 49 U.S.C. § 303, as applicable;
- (xi) The health and safety requirements set forth in 40 U.S.C. §§ 3701-3702 and implementing regulations (29 CFR Part 1926 and 23 CFR § 635.108, as applicable);
- (xii) The prevailing wage requirements set forth in 40 U.S.C. § 3141 *et seq.*, and implementing regulations (29 CFR Part 5), and, as applicable, 23 U.S.C. § 113 and implementing regulations (23 CFR §§ 635.117(f) and 635.118), and FHWA Form 1273 §§ IV and V for those contracts that involve construction of highway improvements;
- (xiii) The Buy America requirements set forth in 23 U.S.C. § 313 and implementing regulations (23 CFR § 635.410);
- (xiv) The requirements of 23 U.S.C. § 101 *et seq.* and 23 CFR;
- (xv) The Cargo Preference Act of 1954, as amended (46 U.S.C. § 55305), and implementing regulations (46 CFR Part 381);

(xvi) The applicable requirements of 49 CFR Part 26 relating to the Disadvantaged Business Enterprise program; and

(xvii) The requirements of Section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115–232) and implementing regulations (2 CFR § 200.216).

EXHIBIT F

[Intentionally Omitted]

EXHIBIT G
TIFIA DEBT SERVICE

EXHIBIT H-1**OPINIONS REQUIRED OF COUNSEL TO BORROWER AND SPONSOR**

An opinion of the counsel of the Borrower Related Parties, dated as of the Effective Date, to the effect that: (a) the Borrower and each other Borrower Related Party is duly formed, validly existing, and in good standing under the laws of the jurisdiction of its organization; (b) the Borrower and each other Borrower Related Party has all requisite power and authority to conduct its business and to execute and deliver, and to perform its obligations under the Related Documents to which it is a party; (c) the execution and delivery by the Borrower and each other Borrower Related Party of, and the performance of its respective obligations under, the Related Documents to which it is a party, have been duly authorized by all necessary organizational or regulatory action; (d) the Borrower and each other Borrower Related Party has duly executed and delivered each Related Document to which it is a party and each such Related Document constitutes the legal, valid and binding obligation of such party; enforceable against such party in accordance with their respective terms; (e) no authorization, consent, or other approval of, or registration, declaration or other filing with any governmental authority of the United States of America or of the State is required on the part of the Borrower or any other Borrower Related Party for the execution and delivery by such party of, and the performance of such party under, any Related Document to which it is a party other than authorizations, consents, approvals, registrations, declarations and filings that have already been timely obtained or made by the Borrower and each applicable Borrower Related Party; (f) the execution and delivery by the Borrower and each other Borrower Related Party of, and compliance with the provisions of, the Related Documents to which it is a party in each case do not (i) violate the Organizational Documents of the Borrower or of any other Borrower Related Party, (ii) violate the law of the United States of America or of the State or (iii) conflict with or constitute a breach of or default under any material agreement or other instrument known to such counsel to which the Borrower or any other Borrower Related Party is a party, or to the best of such counsel's knowledge, after reasonable review, any court order, consent decree, statute, rule, regulation or any other law to which the Borrower or any other Borrower Related Party is subject; (g) none of the Borrower or any Borrower Related Party is an investment company required to register under the Investment Company Act of 1940, as amended; (h) to our knowledge after due inquiry, there are no actions, suits, proceedings or investigations against the Borrower or any other Borrower Related Party by or before any court, arbitrator or any other Governmental Authority in connection with the Related Documents or the Project that are pending, and (i) the Sponsor has validly waived all governmental immunity in any breach of contract action under the TIFIA Loan Agreement.⁴²

⁴² **NTD:** Other opinions to be added as appropriate for the specific project or transaction.

EXHIBIT H-2**OPINIONS REQUIRED FROM BOND COUNSEL**

An opinion of bond counsel, dated as of the Effective Date, to the effect that: (a) each of the TIFIA Bond, the Indenture, and the TIFIA Supplemental Indenture has been duly authorized, executed, and delivered by the Borrower in accordance with the Organizational Documents of the Borrower and in compliance with all applicable laws; (b) each of the TIFIA Bond, the Indenture, and the TIFIA Supplemental Indenture is in full force and effect and constitutes the legal, valid, and binding obligation of the Borrower, enforceable in accordance with its respective terms and conditions; (c) the TIFIA Bond is secured by the Trust Estate and is a Bond entitled to the benefits of a Bond under the Indenture, enforceable under the laws of the State without any further action by the Borrower or any other Person; (d) the Indenture creates the valid and binding assignment and pledge of the Trust Estate to secure the payment of the principal of, interest on, and other amounts payable in respect of, the TIFIA Bond, irrespective of whether any party has notice of the pledge and without the need for any physical delivery, recordation, filing or further act; (e) all actions by the Borrower that are required for the use of Pledged Revenues as required under the Indenture and under the TIFIA Loan Agreement have been duly and lawfully made; (f) the Borrower has complied with the requirements of State law to lawfully pledge the Trust Estate and use the Pledged Revenues as required by the terms of the Indenture and the TIFIA Loan Agreement; and (g) the Borrower has validly waived all governmental immunity in any breach of contract action under the TIFIA Loan Agreement or the TIFIA Bond or by the Trustee under the Indenture Documents.

EXHIBIT I
FORM OF CERTIFICATE OF TRUSTEE
STATE BOND COMMISSION

TIFIA Bond,
[] Project
(TIFIA Project Number)

The undersigned, [] (the “Trustee”), by its duly appointed, qualified and acting [], certifies with respect to the above referenced bond (the “TIFIA Bond”) dated as of [], 20[], as follows (capitalized terms used in this Certificate which are not otherwise defined shall have the meanings given to such terms in the Indenture (as defined below)):

1. That the Trustee is a [national association] duly organized and validly existing under the laws of the United States of America and is duly licensed and in good standing under the laws of [].
2. All approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the performance by the Trustee of its duties and obligations under the documents pertaining to the issuance of the TIFIA Bond have been obtained and are in full force and effect.
3. That the documents pertaining to the issuance of the TIFIA Bond to which the Trustee is a party were executed and the TIFIA Bond was authenticated on behalf of the Trustee by one or more of the persons whose names and offices appear on Annex One attached hereto and made part hereof, that each person was at the time of the execution of such documents and the authentication of the TIFIA Bond and now is duly appointed, qualified and acting incumbent of his or her respective office, that each such person was authorized to execute such documents and to authenticate the TIFIA Bond, and that the signature appearing after the name of each such person is a true and correct specimen of that person’s genuine signature.
4. That the undersigned is authorized to act as Trustee and accept the trusts conveyed to it under the Indenture (“**Trusts**”), has accepted the Trusts so conveyed and in so accepting the Trusts and so acting is in violation of no provision of its articles of association or bylaws, any law, regulation or court or administrative order or any agreement or other instrument to which it is a party or by which it may be bound.
5. That attached to this Certificate as Annex Two is a full, true and correct copy of excerpts from resolutions of the board of directors of the Trustee and other applicable documents that evidence the Trustee’s trust powers and the authority of the officers referred to above to act on behalf of the Trustee; and that these excerpts and other applicable documents were in effect on the date or dates such officers acted and remain in full force and effect today, and such excerpts and documents have not been amended since the date of the last amendment thereto shown on any such copy, as applicable.

6. That receipt is acknowledged of all instruments, certifications and other documents or confirmations required to be received by the Trustee pursuant to Section [3.12] of that certain Master Trust Indenture (the “**Indenture**”), dated as of [____], 20[____], among the State Bond Commission, on behalf of the State of Louisiana (the “**Borrower**”), the Louisiana Department of Transportation and Development and the Trustee.
7. That receipt is also acknowledged of that certain TIFIA Loan Agreement, dated as of [____], 20[____] (the “**TIFIA Loan Agreement**”), between the Borrower, the Louisiana Department of Transportation and Development and the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau.
8. That the Trustee also accepts its appointment and agrees to perform the duties and responsibilities of Trustee [and of Bond Registrar and Paying Agent] for and in respect of the TIFIA Bond as set forth in the Indenture and the TIFIA Loan Agreement, including from time to time redeeming all or a portion of the TIFIA Bond as provided in Section [3.4] of the Indenture. In accepting such duties and responsibilities, the Trustee shall be entitled to all of the privileges, immunities, rights and protections set forth in [Article VIII] of the Indenture.
9. That all funds and accounts for the payment of the TIFIA Bond pursuant to the Indenture (including, but not limited to, the Debt Service Payment Fund) have been established as provided in the Indenture.

[SIGNATURE PAGE FOLLOWS]

Dated: [____], 20[__]

[TRUSTEE]

By: _____

Its:

ANNEX ONE TO EXHIBIT I
OFFICERS OF TRUSTEE

ANNEX TWO TO EXHIBIT I
RESOLUTIONS OF BOARD OF DIRECTORS OF TRUSTEE

EXHIBIT J

FORM OF BORROWER'S OFFICER'S CERTIFICATE

Reference is made to that certain TIFIA Loan Agreement, dated as of [____], 20[____] (the “**TIFIA Loan Agreement**”), by and among the State Bond Commission, on behalf of the State of Louisiana, (the “**Borrower**”), the Louisiana Department of Transportation and Development (the “**Sponsor**”) and the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the “**TIFIA Lender**”). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the TIFIA Loan Agreement.

The undersigned, [____], as Borrower's Authorized Representative, and [____], as Sponsor's Authorized Representative, do hereby certify on behalf of the Borrower and Sponsor, respectively, and not in their personal capacity, as of the date hereof:

- (a) pursuant to Section 12(a)(ii) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, attached hereto as Exhibit A are complete and fully executed copies of each Indenture Document[, together with any amendments, waivers or modifications thereto, in each case that has been entered into on or prior to the Effective Date,] and each such agreement is in full force and effect, and all conditions contained in such documents to the closing of the transactions contemplated thereby have been fulfilled or effectively waived by the TIFIA Lender in its sole discretion;
- (b) pursuant to Section 12(a)(vii) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, attached hereto as Exhibit B is an incumbency certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the Borrower to execute the Related Documents to which the Borrower is or will be a party, and who have been appointed a Borrower's Authorized Representative in accordance with Section 25 (*Borrower's Authorized Representative*) of the TIFIA Loan Agreement;
- (c) pursuant to Section 12(a)(ix) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, attached hereto as Exhibit D are true, correct and complete copies of each Fundamental Contract and each Construction-Related Contract that has been executed on or prior to the Effective Date (as listed below), and each such Fundamental Contract and Construction-Related Contract is in full force and effect and has not been amended, amended and restated, modified or supplemented except as listed below and attached hereto as part of Exhibit D:
 - 1. [Fundamental Contracts]; and
 - 2. [Construction-Related Contract]
- (d) the Borrower has obtained all Governmental Approvals necessary to commence construction of the Project and each such Governmental Approval is final and non-appealable and in full force and effect (and is not subject to any notice of violation, breach or revocation);

- (e) pursuant to Section 12(a)(xi) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, attached hereto as Exhibit E is the Base Case Financial Model, which Base Case Financial Model (i) demonstrates that projected Pledged Revenues are sufficient to (A) together with other funding sources, pay Total Project Costs, and (B) meet the Loan Amortization Schedule and debt service under all other Pari Passu Obligations projected to be incurred and secured by the Trust Estate, and (C) demonstrates that Pledged Revenues in each Calculation Period through the Final Maturity Date are projected to be sufficient to satisfy the Borrower's funding obligations pursuant to clauses [(a)] through [(d)] of Section [4.5] of the Indenture;
- (f) pursuant to Section 12(a)(xiv) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, the Borrower hereby certifies that it has (i) complied with all applicable requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 *et seq.*) and Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*) and, if previously requested request by the TIFIA Lender, has provided sufficient evidence of such compliance and (ii) complied with the requirements of 2 CFR Part 180, including Subpart C, in particular §§ 180.300 and 180.330, and with 2 CFR § 1200.332 and, if previously requested request by the TIFIA Lender, has provided sufficient evidence of such compliance;
- (g) pursuant to Section 12(a)(xiv) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, attached hereto as Exhibit F is a true, correct and complete copy of the final NEPA Determination, which document has not been revoked or amended on or prior to the date hereof;
- (h) pursuant to Section 12(a)(xvi) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, (i) the Sponsor's and the Borrower's Federal Employer Identification Numbers are [] and [], respectively, and attached hereto as Exhibit G-1 is evidence thereof, (ii) the Sponsor's and the Borrower's Data Universal Numbering System or Unique Entity Identifier numbers are [] and [], respectively, and (iii) the Sponsor and the Borrower have registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov), and attached hereto as Exhibit G-2 is evidence of each of (ii) and (iii);
- (i) pursuant to Section 12(a)(xvii) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, attached hereto (i) as Exhibit H-1, is a certificate, in form and substance satisfactory to the TIFIA Lender, signed by each of the Borrower Related Parties' Authorized Representative, satisfying the requirements of Section 12(a)(xviii)(A) of the TIFIA Loan Agreement and (ii) as Exhibit H-2, are true, correct and complete copies of certificates of insurance that demonstrate satisfaction of the insurance requirements of Section 12(a)(xviii)(B) of the TIFIA Loan Agreement;
- (j) pursuant to Section 12(a)(xviii) (*Conditions Precedent to Effectiveness*) of the TIFIA Loan Agreement, attached hereto as (i) Exhibit I-1 is a copy of each Borrower Related Party's Organizational Documents and the Authorizing Legislation, each as in effect on the Effective Date (and certified by the Secretary of State of the State, to the extent applicable), which Organizational Documents and Authorizing Legislation are each in full force and

effect and have not been amended since the date of the last amendment thereto attached hereto, (ii) Exhibit I-2 is a copy of all resolutions authorizing each Borrower Related Party to execute and deliver, and to perform its respective obligations under, the TIFIA Loan Documents to which it is a party, and such resolutions have not been subsequently modified, rescinded or amended, are in full force and effect in the form adopted, and are the only resolutions adopted by the Borrower Related Parties relating to the matters described therein, and (iii) as Exhibit I-3 is a copy of such further instruments and documents as are necessary, appropriate or advisable to effectuate the foregoing resolutions and to consummate and implement the transactions contemplated by such resolutions and the TIFIA Loan Documents;

- (k) the representations and warranties of the Borrower Related Parties set forth in the TIFIA Loan Agreement and in each other Related Document to which any Borrower Related Party is a party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date;
- (l) (i) the maximum principal amount of the TIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), together with the amount of any other credit assistance provided under the Act to the Borrower Related Parties in connection with the Project, does not exceed [thirty-three percent (33%)] [forty-nine percent (49%)] of reasonably anticipated Eligible Project Costs and (ii) as required pursuant to § 603(b)(9) of the Act, the total federal assistance provided to the Project, including the maximum principal amount of the TIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), does not exceed eighty percent (80%) of Eligible Project Costs; and
- (m) [*other attachments and provisions, as may apply to the specific TIFIA Loan Agreement*].

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first mentioned above.

STATE BOND COMMISSION, on behalf of
the State of Louisiana⁴³

By: _____

Name:

Title: Authorized Person

LOUISIANA DEPARTMENT OF
TRANSPORTATION AND
DEVELOPMENT⁴⁴

By: _____

Name:

Title: Authorized Person

⁴³ **Note to form:** To be executed by the Borrower's Authorized Representative.

⁴⁴ **Note to form:** To be executed by the Sponsor's Authorized Representative.

EXHIBIT B TO EXHIBIT J
INCUMBENCY CERTIFICATE

The undersigned certifies that he/she is the [Secretary] of [____], a [____], (the “[**Borrower/Sponsor**]”), and as such he/she is authorized to execute this certificate and further certifies that the following persons have been elected or appointed, are qualified, and are now acting as officers or authorized persons of the [Borrower/Sponsor] in the capacity or capacities indicated below, and that the signatures set forth opposite their respective names are their true and genuine signatures. He/She further certifies that any of the officers listed below is authorized to sign agreements and give written instructions with regard to any matters pertaining to the [TIFIA Loan Documents] and/or the [Indenture Documents] as the [Borrower’s/Sponsor’s] Authorized Representative (each as defined in that certain TIFIA Loan Agreement, dated as of the date hereof, among the [Borrower/Sponsor], the Louisiana [State Bond Commission/Department of Transportation and Development] and the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau):

<u>Name</u>	<u>Title</u>	<u>Signature</u>
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this _____ day of [____], 20[____].

[_____]

By: _____
 Name: _____
 Title: _____

EXHIBIT K

FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION

[Letterhead of Borrower]

[Date]

Build America Bureau

United States Department of Transportation

Room W12-464
1200 New Jersey Avenue, SE
Washington, D.C. 20590
Attention: Director, Office of Credit Programs

Project: *[Project Name]* *[TIFIA Project Reference Number]*

Dear Director:

This Notice is provided pursuant to Section 15(g)(i)(A) (*Substantial Completion*) of that certain TIFIA Loan Agreement (the “**TIFIA Loan Agreement**”), dated as of *[Date]*, by and among the State Bond Commission, on behalf of the State of Louisiana, the Louisiana Department of Transportation and Development (the “**Sponsor**”) and the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the “**TIFIA Lender**”).

Unless otherwise defined herein, all capitalized terms in this Notice have the meanings assigned to those terms in the TIFIA Loan Agreement.

I, the undersigned, in my capacity as the Sponsor’s Authorized Representative and not in my individual capacity, do hereby certify to the TIFIA Lender that:

- (a) on *[insert date Substantial Completion requirements were satisfied]*, the Project satisfied each of the requirements for Substantial Completion set forth in the *[Insert reference to the applicable Construction-Related Contract]*;
- (b) Substantial Completion has been declared under each of the above-referenced agreements and copies of the notices of Substantial Completion under such agreements are attached to this certification; and

- (c) Substantial Completion, as defined in the TIFIA Loan Agreement, has been achieved.

[Sponsor's Authorized Representative]

Name:

Title:

EXHIBIT L

[Intentionally Omitted]

EXHIBIT M

TIFIA LOAN REAMORTIZATION METHODOLOGY

[To be used if TIFIA Debt Service is not in the form of level payments on all Semi-Annual Interest Payment Dates]

Annual Payment Date	Principal Amount % (maximum 2 decimal places)

EXHIBIT N
CERTIFICATION REGARDING THE PROHIBITION ON THE USE OF
APPROPRIATED FUNDS FOR LOBBYING

Reference is made to that certain TIFIA Loan Agreement (the “**TIFIA Loan Agreement**”), dated as of [Date], by and among the State Bond Commission, on behalf of the State of Louisiana, (the “**Borrower**”), the Louisiana Department of Transportation and Development (the “**Sponsor**”) and the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the “**TIFIA Lender**”). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the TIFIA Loan Agreement. The undersigned, on behalf of the Borrower and the Sponsor, respectively, hereby certify, to the best of their knowledge and belief, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Sponsor or the Borrower, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the making of the TIFIA Loan.

(b) If any funds other than proceeds of the TIFIA Loan have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the TIFIA Loan, the Sponsor and the Borrower shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

(c) Each of the Sponsor and the Borrower shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when the TIFIA Lender entered into the TIFIA Loan Agreement. Submission of this certification is a prerequisite to the effectiveness of the TIFIA Loan Agreement imposed by Section 1352 of title 31, United States Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Dated: _____

STATE BOND COMMISSION, on behalf of
the State of Louisiana⁴⁵

By: _____
Name:
Title: Authorized Person

⁴⁵ **Note to form:** To be executed by the Borrower’s Authorized Representative.

LOUISIANA DEPARTMENT OF
TRANSPORTATION AND
DEVELOPMENT⁴⁶

By: _____

Name:

Title: Authorized Person

⁴⁶ **Note to form:** To be executed by the Sponsor's Authorized Representative.

EXHIBIT O

[INTENTIONALLY OMITTED]

EXHIBIT P

2 CFR Part 170

I. REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION

a. Reporting of first-tier subawards.

1. *Applicability.* Unless you are exempt as provided in paragraph (d) below, you must report each action that equals or exceeds \$30,000 in Federal funds for a subaward to a non-Federal entity or Federal agency (see definitions in paragraph (e) below).

2. Where and when to report.

i. The non-Federal entity or Federal agency must report each obligating action described in paragraph (a)(1) above to <http://www.fsrs.gov>.

ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

3. *What to report.* You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

b. Reporting total compensation of recipient executives for non-Federal entities.

1. *Applicability and what to report.* You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if—

i. The total Federal funding authorized to date under this TIFIA Loan equals or exceeds \$30,000 as defined in 2 CFR § 170.320;

ii. In the preceding fiscal year, you received—

(A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards), and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards); and,

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. *Where and when to report.* You must report executive total compensation described in paragraph (b)(1) above:

i. As part of your registration profile at <https://www.sam.gov>.

ii. By the end of the month following the month of the Effective Date, and annually thereafter.

c. Reporting of Total Compensation of Subrecipient Executives.

1. *Applicability and what to report.* Unless you are exempt as provided in paragraph (d) below, for each first-tier non-Federal entity subrecipient under this TIFIA Loan, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if—

i. In the subrecipient's preceding fiscal year, the subrecipient received—

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards) and,

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. *Where and when to report.* You must report subrecipient executive total compensation described in paragraph (c)(1) above:

i. To the recipient.

ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (*i.e.*, between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

d. *Exemptions.* If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

1. Subawards, and

2. The total compensation of the five most highly compensated executives of any subrecipient.

e. *Definitions.* For purposes of this **Exhibit P**:

1. *Federal Agency* means a Federal agency as defined at 5 U.S.C. § 551(1) and further clarified by 5 U.S.C. § 552(f).

2. *Non-Federal entity* means all of the following, as defined in 2 CFR Part 25:

i. A Governmental organization, which is a State, local government, or Indian tribe;

ii. A foreign public entity;

iii. A domestic or foreign nonprofit organization; and,

iv. A domestic or foreign for-profit organization

3. *Executive* means officers, managing partners, or any other employees in management positions.

4. *Subaward*:

i. This term means a legal instrument to provide support for the performance of any portion of the Project and that you as the Borrower award to an eligible subrecipient.

ii. The term does not include your procurement of property and services needed to carry out the Project (for further explanation, see 2 CFR § 200.331).

iii. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

5. *Subrecipient* means a non-Federal entity or Federal agency that:

i. Receives a subaward from you (the recipient) under this TIFIA Loan; and

ii. Is accountable to you for the use of the Federal funds provided by the subaward.

6. *Total compensation* means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR § 229.402(c)(2)).

DRAFT: 07/08/2021
F&J: MLH/TMS

MASTER TRUST INDENTURE

AMONG

**STATE BOND COMMISSION,
ON BEHALF OF THE STATE OF LOUISIANA**

**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
OF THE STATE OF LOUISIANA**

AND

**[_____] ,
AS TRUSTEE**

DATED AS OF [_____] , 2021]

**STATE OF LOUISIANA
DEEPWATER HORIZON ECONOMIC DAMAGES REVENUE BONDS**

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* * * * *

EXHIBIT A – Form of Bonds

SCHEDULE A – Debt Service Schedule

MASTER TRUST INDENTURE

This **MASTER TRUST INDENTURE**, dated as of [_____, 2021] (together with any amendments hereto, the "Indenture"), is among the State Bond Commission (the "Commission") on behalf of the State of Louisiana (the "State"), the Department of Transportation and Development of the State (the "DOTD") and [_____, [City], [State], as trustee (the "Trustee").

WITNESSETH:

WHEREAS, terms used and not defined in this Preamble shall have the meaning assigned in Section 1.1 of this Indenture; and

WHEREAS, pursuant to and in accordance with La. R.S. 39:91 (the "Act") and other constitutional and statutory authority, and in particular La. R.S. 39:91(C), the Commission is authorized to issue revenue bonds for the purpose of funding the projects listed in La. R.S. 39:91(B)(5) and may pledge the economic proceeds received by the State from the Deepwater Horizon Oil Spill Litigation (as defined herein), as more fully described in the Act; and

WHEREAS, pursuant to the Transportation Infrastructure Finance and Innovation Act ("TIFIA"), the United States Department of Transportation (the "USDOT") is proposing to loan to the Commission an amount equal to the bonds issued hereunder and the Commission is also authorized to issue revenue bonds hereunder to other entities under the conditions provided herein (collectively, the "Bonds"); and

WHEREAS, the Commission is entering into this Indenture for the purpose of authorizing the Bonds and securing the payment thereof; and

WHEREAS, the Commission has adopted resolutions authorizing the sale and the issuance of the Bonds, the execution and delivery of instruments pertaining to the issuance thereof and other actions to be taken by the Commission, in connection with the authorization, issuance, sale and delivery of the Bonds and the application of the proceeds thereof; and

WHEREAS, the fully registered Bonds and the certificate of authentication by the Trustee to be endorsed thereon with respect to the Bonds are to be in substantially the form attached as **Exhibit A** hereto with all necessary and appropriate variations, omissions and insertions as permitted or required under this Indenture; and

WHEREAS, all acts, conditions and things required by the laws of the State and the rules and regulations of the Commission to happen, exist and be performed precedent to and in the execution and delivery of this Indenture have happened, exist and have been performed as so required in order to make this Indenture a valid and binding agreement in accordance with its terms; and

WHEREAS, each of the parties hereto represents that it is fully authorized to enter into and perform and fulfill the obligations imposed upon it under this Indenture and the parties are now prepared to execute and deliver this Indenture; and

WHEREAS, the parties hereto recognize that, as provided in the Act, this Indenture shall not in any way obligate the State or any political subdivision thereof, including, without limitation, the Commission or the DOTD, to raise any money by taxation or use other public moneys for any purpose in relation to the payment of the Bonds except from the Trust Estate (as described herein), and that neither the Commission nor the DOTD shall pay or promise to pay any debt or meet any financial obligation to any person at any time in relation to the Bonds except from the Trust Estate; and

WHEREAS, all acts, conditions and things required by the Constitution of the State and laws of the State and by the rules and regulations of the Commission to happen, exist and be performed precedent to and in the execution and delivery of this Indenture have happened, do exist and have been performed as so required, in order to make this Indenture a valid and binding trust indenture for the security of the Bonds in accordance with its terms; and

WHEREAS, the Trustee has accepted the trusts created by this Indenture and in evidence thereof has joined in the execution thereof;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Commission, the DOTD, and the Trustee hereby covenant and agree as follows:

ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 1.1. Definitions. In addition to words and terms elsewhere defined in this Indenture, the following words and terms as used in this Indenture shall have the following meanings, unless some other meaning is plainly intended:

"**Act**" means Section 91 of Title 39 of the Louisiana Revised Statutes of 1950, as amended from time to time.

"**Additional Bonds**" means Bonds issued under the provisions of Section 3.13 of this Indenture.

"**Administrative Expense Fund**" means the fund of that name created under this Indenture.

"**Administrative Expenses**" means the necessary, reasonable and direct out-of-pocket expenses incurred by the Commission and the DOTD in connection with the performance and enforcement of the Loan Agreement and this Indenture, all fees, costs, expenses and other amounts (other than principal of and interest and premium on the Bonds) payable by the Commission or the DOTD pursuant to the Loan Agreement and expenses required to be paid under Section 28 of the Loan Agreement, the compensation of the Trustee under this Indenture (including, but not limited to any annual administrative fee charged by the Trustee), and the necessary, reasonable and direct out-of-pocket expenses incurred by the Trustee in the performance of its duties under this Indenture, rating agency fees, servicing fees and all other necessary, reasonable and direct out-of-pocket expenses related to the Bonds which are payable under the Loan Agreement and this Indenture, [AMOUNT, CAP, BUDGET – TO BE DISCUSSED] but in no event will the foregoing fees and expenses exceed [\$_____] in the aggregate for the Commission Fiscal Year ending [June 30, 2022], plus an increase therein for each Commission Fiscal Year in an amount calculated in accordance with the percentage change in the [CPI] (in a manner consistent with the manner set out in Section 28(b) of the Loan Agreement for the adjustment of the loan servicing fee referred to in that section), from June of the prior year to June of the current year. [AMENDMENT FEES NOT PAYABLE AS A.E. ?]

"**Authorized Commission Officer**" means the Treasurer of the State, the First Assistant Treasurer of the State, the Director-Secretary of the Commission or any other person or persons designated by the Commission by resolution to act on behalf of the Commission hereunder.

"**Authorized Trustee Representative**" means such person as may be designated by written certificate furnished to the Commission, as a person authorized to sign for the Trustee and act on behalf of the Trustee. Such certificate will contain the specimen signature of such person, will be signed on behalf of the Trustee by any officer of the Trustee and may designate an alternate or alternates.

"Authorized Denomination" means, for TIFIA Bonds, the amount specified in a Supplemental Indenture and, for other Bonds, \$5,000 and any integral multiple thereof or such other amount specified in a Supplemental Indenture.

"Bond" or **"Bonds"** means, collectively, all of the Bonds issued under this Indenture and as authorized under each Supplemental Indenture, including the Initial Bonds and any Additional Bonds and Refunding Bonds.

"Bond Fund" means the fund of that name created with the Trustee under this Indenture.

"Bond Register" means, when used with respect to the Bonds, the registration books maintained by the Trustee pursuant to Section 3.8 of this Indenture.

"Bondholder" or **"owner"** or **"Owner"**, or any similar term, when used with reference to a Bond or Bonds, means the registered owner of any outstanding Bond or Bonds.

"BP Entities" means BP p.l.c., BPCNA and BPXP.

"BP p.l.c." means BP p.l.c., a company incorporated in England whose registered office is at 1 St. James's Square, London, SW1Y 4PD, England.

"BPCNA" means BP Corporation North America Inc., a corporation incorporated in the State of Indiana, with its current principal place of business in Houston, Texas.

"BPXP" means BP Exploration & Production Inc., a corporation incorporated in the State of Delaware, with its current principal place of business in Houston, Texas.

"Business Day" means any day that is not a Saturday, Sunday or a day on which offices of the federal government or the State are authorized to be closed or on which commercial banks are authorized or required by regulation or executive order to be closed in New York, New York, Baton Rouge, Louisiana or [TRUSTEE CITY] or a day on which the State or the Trustee is legally authorized to close.

"Closing Date" means the date on which a Series of Bonds are delivered and payment therefor is received by the Commission.

"Collection Agreement" means the Deepwater Horizon Economic Damages Collection Agreement, dated as of [_____, 2021], among the State, acting through the Treasurer, the Commission and the Trustee, as the same may be amended and supplemented in accordance with the terms thereof.

"Commission" means the State Bond Commission created by Section 8 of Article VII of the Louisiana Constitution of 1974, as amended, with such members as set forth in Chapter II, Part I, Section 401 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and any successor to the duties or functions of the Commission.

["Costs of Issuance Fund" means the fund so designated which is established pursuant to this Indenture.]

"Debt Service" means, with respect to Bonds, for any period, as of any date of calculation, an amount equal to the sum of all interest and principal of such Bonds accruing and payable in respect of such period. In determining the principal and interest amounts of Bonds due in such period (unless a subsection below of this definition applies for purposes of determining such amounts), payment shall be assumed to

be made in accordance with any debt service schedule established for such Bonds, including any balloon or bullet maturities (which shall be treated as being paid in full on their respective due dates).

"Debt Service Payment Fund" means the fund of that name created by Section 4.1 of this Indenture.

"Debt Service Reserve Fund" means the fund of that name created by Section 4.1 of this Indenture.

"Debt Service Reserve Fund Requirement" means [_____].

"Deepwater Horizon Economic Damages Escrow Fund" means the fund required to be created and established outside the State Treasury but maintained by the Treasurer pursuant to the provisions of the Act.

"Defeasance Obligations" means (a) Cash, (b) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series--"SLGs"); (c) Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities; (d) Resolution Funding Corp. (REFCORP) (only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable); (e) Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition; (f) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S. (i) U.S. Export-Import Bank (Eximbank) Direct obligations or fully guaranteed certificates of beneficial ownership; (ii) Farmers Home Administration (FmHA) Certificates of beneficial ownership; (iii) Federal Financing Bank; (iv) General Services Administration Participation certificates; (v) U.S. Maritime Administration Guaranteed Title XI financing; (vi) U.S. Department of Housing and Urban Development (HUD) Project Notes, Local Authority Bonds, New Communities Debentures - U.S. government guaranteed debentures, U.S. Public Housing Notes and Bonds-U.S. government guaranteed public housing notes and bonds.

"DOTD" means the Department of Transportation and Development of the State of Louisiana.

"First Supplemental Indenture" means the First Supplemental Master Trust Indenture dated as of [_____, 20__], between the Commission, the DOTD and the Trustee, which sets forth the details of the Initial Bonds.

"Fiscal Year" means the fiscal year of the State, which is the twelve (12) month period that ends on June 30 of the specified calendar year and beginning July 1 of the preceding calendar year.

"Fund" or **"Account"** means any fund or account established in accordance with the terms of this Indenture or a Supplemental Indenture.

"Government" means the federal government of the United States of America and its departments and agencies.

"Indenture" means this Master Trust Indenture dated as of [_____, 2021] among the Commission, the DOTD and the Trustee, as it may be amended or supplemented from time to time by supplemental indentures in accordance with the provisions hereof.

"Initial Bonds" means the first Series of Bonds issued under this Indenture and described in the First Supplemental Indenture.

"Insolvency Laws" means the United States Bankruptcy Code, 11 U.S.C. § 101 et seq., as from time to time amended and in effect, and any foreign or state bankruptcy, insolvency, receivership, conservatorship or similar law now or hereafter in effect.

"Interest Account" means the Interest Account within the Debt Service Payment Fund created pursuant to Article IV of this Indenture.

"Interest Payment Date" or "interest payment date", when used with respect to the Bonds, means each March 1 and September 1.

"Loan Agreement" means, collectively, the multiple Loan Agreements among the Commission, the DOTD and USDOT, as the same may be amended or supplemented from time to time in accordance with its terms entered into in connection with each loan and the related Series of Bonds.

"Maximum Annual Debt Service" means the greatest of the amounts required to be paid or set aside during the current or any single future State Fiscal Year, commencing after the date of such calculation, for payment of debt service on all Outstanding Bonds.

"Outstanding" or "outstanding", when used with reference to Bonds, means all Bonds which have been authenticated and issued under this Indenture except:

- (i) Bonds cancelled by the Trustee pursuant to this Indenture;
- (ii) Bonds for the payment of which moneys or Defeasance Obligations shall be held in trust for their payment by the Trustee as provided in the defeasance provisions of this Indenture;
- (iii) Bonds deemed to have been paid in accordance with Article XII hereof;
- (iv) Bonds in exchange for which other Bonds shall have been authenticated and delivered by the Trustee as provided in this Indenture; and
- (v) For all purposes regarding consents and approvals or directions of Bondholders under this Indenture, Bonds held by or for the Commission, the DOTD, the State or any person controlling, controlled by or under common control with either of them.

"Permitted Investment" means any investment that, at the time it is acquired by the Commission or the Trustee, is permitted under (i) La. R.S. 49:327 and (ii) the Loan Agreement. Below is the current list of permitted investments under La. R.S. 49:327:

(a) Direct United States Treasury obligations, the principal and interest of which are guaranteed by the government of the United States.

(b) (i) Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America, which obligations include but are not limited to:

- (a) U.S. Export-Import Bank.
- (b) Farmers Home Administration.
- (c) Federal Financing Bank
- (d) Federal Housing Administration Debentures.
- (e) General Services Administration.
- (f) Government National Mortgage Association-guaranteed mortgage-backed bonds and guaranteed pass-through obligations.

- (g) U.S. Maritime Administration-guaranteed Title XI financing.
- (h) U.S. Department of Housing and Urban Development.

(ii) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by U.S. government instrumentalities, which are federally sponsored, and such obligations include but are not limited to:

- (a) Federal Home Loan Bank System
- (b) Federal Home Loan Mortgage Corporation.
- (c) Federal National Mortgage Association.
- (d) Student Loan Marketing Association.
- (e) Resolution Funding Corporation.

(iii) Notwithstanding the foregoing list of investments, in no instance shall a political subdivision invest in obligations described in items (i) and (ii) of this Subparagraph which are collateralized mortgage obligations that have been stripped into interest only or principal only obligations, inverse floaters, or structured notes. For the purposes of this Item "structured notes" shall mean securities of U. S. Government agencies, instrumentalities, or government-sponsored enterprises which have been restructured, modified, and/or reissued by private entities.

(c) money market funds that invest solely in obligations of the United States of America, its agencies, instrumentalities and having a rating equal to the then applicable rating of the United States of America by such Rating Agency.

"Person" means any individual, firm, partnership, association, corporation or governmental agency.

"Pledged Revenue Fund" means the fund of that name created by Section 4.1 of this Indenture.

"Pledged Revenues" means all amounts paid to the State under the Settlement Agreement for the State's economic damages claims asserted in *State of Louisiana v. BP Exploration & Production, et al.*, MDL 2179 to recover economic damages sustained by the State from the Deepwater Horizon explosion and oil spill that occurred on or about April 20, 2010, at the MC 252 site in the Gulf of Mexico.

"Public Bonds" means any Bond issued to a Person other than the TIFIA Lender.

"Primary Guaranty" means the Primary Guaranty dated October 5, 2015 by BPCNA in favor of the State.

"Principal Account" means the Principal Account within the Debt Service Payment Fund created pursuant to Article IV of this Indenture.

"Project" means the project described in each Supplemental Indenture.

"Project Fund" means the fund of that name created with the Trustee under this Indenture.

"Record Date," when used with respect to the Public Bonds, means the February 15 or August 15 next preceding an Interest Payment Date, as the case may be, or, if such day shall not be a Business Day, the next preceding Business Day.

"Rating Agency" means a rating agency registered with the Securities and Exchange Commission as a nationally recognized statistical rating organization (as defined in 15 U.S.C. § 78c(a)(62)).

"Refunding Bonds" means bonds issued by the Commission in accordance Section 3.13 hereof.

"Secondary Guaranty" means the Secondary Guaranty dated October 5, 2015 by BP p.l.c. in favor of the State.

"Series" means and refers to all of the Bonds designated as such in a Supplemental Indenture, regardless of variations in class, dated date, maturity, interest rate or other provisions, and any Bond thereafter delivered in lieu of or substitution for any of such Bonds pursuant to this Indenture and a Supplemental Indenture.

"Series of Bonds," or words similar import, means the Series of Bonds issued pursuant to a particular Supplemental Indenture.

"Series Resolution" means a resolution of the Commission authorizing the issuance of a Series of Bonds in accordance with the terms and provisions hereof, adopted by the Commission in accordance with Section 3.2.

"Settlement Agreement" means the Settlement Agreement dated October 5, 2015 between the Gulf States and the BP Entities with respect to economic and other claims arising from the Deepwater Horizon incident (as defined therein) and the Primary Guaranty and Secondary Guaranty.

"State" means the State of Louisiana.

"Supplemental Indenture" means any indenture supplementing or amending this Indenture that is entered into pursuant to Article IX hereof.

"TIFIA Bonds" means any Bond issued to the TIFIA Lender.

"TIFIA Lender" means the USDOT.

"Treasurer" means the Treasurer of the State, and any successor to the duties and functions of such officer.

"Trust Estate" shall have the meaning defined in Section 2.1 hereof.

"Trustee" means [_____], [City, State], in its capacity as trustee under this Indenture, and any successor administrative agent or trustee acting hereunder and appointed pursuant to the terms hereof.

"USDOT" means the United States Department of Transportation.

SECTION 1.2. Rules of Construction. (a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) Unless the context shall otherwise indicate, the word "person" shall include the plural as well as the singular number, and "person" shall mean any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

(c) Provisions calling for the redemption of Bonds or the calling of Bonds for redemption do not mean or include the payment of Bonds at their stated maturity or maturities.

(d) All references in this Indenture to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Indenture. The words "herein", "hereof", "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(e) References to payments of principal include any premium payable on the same date.

ARTICLE II GRANTING CLAUSES

SECTION 2.1. Granting Clauses. In consideration of the acceptance by the Trustee of the trusts and duties set forth in this Indenture on behalf of the owners of all Bonds issued and secured hereunder; of the purchase and acceptance of the Bonds issued and secured by this Indenture by the owners thereof; of the payment of the purchase price of the Bonds to the Trustee for application as provided hereinafter; and in order to secure the payment of any and all Bonds at any time outstanding hereunder, according to the tenor and effect thereof and the interest thereon, the payment of all costs, fees and charges specified herein and all amounts owed to the USDOT under the Loan Agreement, and the payment of all other sums if any, from time to time due to the owners of all Bonds secured hereunder and the USDOT under the Loan Agreement and to the Trustee or its successors and assigns, or to others, according to the intent and meaning of all such Bonds and this Indenture, up to a maximum amount of \$1,000,000,000, and for the purpose of securing the performance and observance by the Commission and the DOTD of all the covenants and conditions herein contained, the Commission and the DOTD do hereby ASSIGN AND PLEDGE TO AND IN FAVOR OF the Trustee, and its successor or successors in trust, for the benefit of the owners of all Bonds secured hereunder, without recourse, representation or warranty, its interest in the following described properties, rights, interests and benefits which are collectively called the "Trust Estate":

(a) All moneys, securities or investments held in or entitled to be held by the Trustee under this Indenture, including all Funds and Accounts created in this Indenture and all interest, profits and proceeds thereof.

(b) All of the Commission's and the DOTD's right, title and interest in, to and under the Collection Agreement, including all payments due to the Trustee under the Collection Agreement and all moneys held in the Deepwater Horizon Economic Damages Escrow Fund.

(c) All of the Commission's and the DOTD's right, title and interest in and to the Pledged Revenues, as described herein.

(d) Any and all property, rights and interests of every kind or description which from time to time hereafter may be sold, transferred, conveyed, assigned, pledged, mortgaged or delivered to the Trustee or the Commission and the DOTD as additional security hereunder.

(e) All proceeds of the above and any proceeds thereof.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successor or successors and assigns forever; in trust, nevertheless subject to the terms and conditions and trusts herein set forth, for the equal benefit, security and protection of all and singular the present and future owners of all of the Bonds issued under and secured by this Indenture and all Supplemental Indentures, without preference, priority or distinction as to lien or otherwise, except as may otherwise be provided herein, of any one Bond over any other Bond or of principal over interest or interest over principal, all as herein provided, and for the uses and purposes, and upon the terms, agreements and conditions set forth herein.

The Trust Estate assigned hereunder is also assigned and pledged to secure the payment of any and all sums which the Trustee may expend or become obligated to expend (including but not limited to court costs and attorneys' fees) to preserve and protect any of the Trust Estate or to cure any default of the Commission or the Treasurer under the Collection Agreement or arising out of any such default or incident of delay in payment of sums and the performance of obligations thereunder, or in pursuing or exercising any right, rights, remedy or remedies consequent upon the default of the Commission thereunder.

PROVIDED, HOWEVER, that if the Commission, its successors or assigns, shall well and truly pay, or cause to be paid, or provide for the payment pursuant to the provisions of this Indenture, the principal of the Bonds and the interest due or to become due thereon, at the times and in the manner set forth in the Bonds and this Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and agreements as provided in and pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such performance and payments this Indenture and the rights created hereby shall cease, terminate and be void as provided in Article XII hereof; otherwise this Indenture shall be and remain in full force and effect.

The Commission hereby covenants and agrees with, and does hereby covenant unto the Trustee, that it has good right and lawful authority to transfer and assign the Trust Estate to the extent and in the manner herein provided; that the Commission and the DOTD will not create any lien or encumbrance to exist upon the Trust Estate, or any part thereof, superior to the security or lien to accrue or be created under this Indenture; or do or voluntarily consent to any act or thing whereby the security hereof may be diminished or impaired.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of said Trust Estate hereby conveyed, transferred, assigned, confirmed, pledged and encumbered is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Commission and the DOTD have agreed and covenanted, and do hereby agree and covenant with the Trustee and with the respective owners, from time to time, of the Bonds, or any part thereof as follows:

ARTICLE III AUTHORIZATION; TERMS AND CONDITIONS OF BONDS

SECTION 3.1. Bonds Issuable Under this Article Only. No Bonds may be issued under the provisions of this Indenture except in accordance with the provisions of this Article and Article V.

SECTION 3.2. Authorization of Bonds in Series. There shall be issued under and secured by this Indenture multiple Series of revenue bonds of the Commission designated "State of Louisiana Deepwater Horizon Economic Damages Revenue Bonds" for the purpose of funding the Project described in each Supplemental Indenture and paying costs of issuance of the Bonds. The aggregate principal amount of Bonds that may be issued hereunder is limited to \$300,000,000. A separate Series designation, subseries or other identifying designation may be assigned to specific Bonds or specific groups of Bonds to facilitate identification of the Bonds.

From time to time when authorized by this Indenture and subject to the terms, limitations and conditions established in this Indenture, the Commission may authorize the issuance of a Series of Bonds upon adoption of a Series Resolution and execution of a Supplemental Indenture, and the Bonds of any such Series may be issued and delivered upon compliance with the provisions of Article III and Article IX

hereof. Bonds of any Series may be authorized to be issued in the form provided by the Supplemental Indenture.

Each Supplemental Indenture shall specify and determine:

- (a) The authorized principal amount of that Series of Bonds and the amount of each maturity of such Bonds;
- (b) The purpose for which that Series of Bonds is being issued, which shall be to provide funds for the purposes authorized by the Act and this Indenture or Supplemental Indenture including one or more of the following:
 - (1) for deposit in the account of the Bond Fund established for such Series for purposes for which the Bond Fund may be utilized, all as provided in Section 4.2; and
 - (2) [for deposit in the Cost of Issuance Fund;]
- (c) The title and designation of, the manner of numbering and lettering, the class and the denomination or denominations of the Bonds of that Series;
- (d) The date or dates of maturity and the amounts thereof, and the dated date of that Series;
- (e) The interest rate or rates or the manner of determining such rate or rates of the Bonds of that Series and the Interest Payment Dates of those Bonds; [VERSUS SAME DATES]
- (f) The redemption price or redemption prices and the redemption date or redemption dates and other terms (if any) of redemption of any of the Bonds of such Series;
- (g) The manner in which Bonds of such Series are to be sold and provisions for the sale thereof; and
- (h) Any other provisions deemed advisable by the Commission, not in conflict with or in substitution for the provisions of this Indenture or any existing Supplemental Indenture.

The Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000, or any integral multiple thereof, and shall be numbered from R-1 upwards. The Bonds shall be dated each Closing Date, shall mature (subject to prior redemption as hereinafter set forth and in the Supplemental Indenture) not later than [_____, 2032] and in the principal amounts and shall bear interest (calculated on the basis of a 365-day or 366-day year, as appropriate) from the date thereof, payable semiannually on each Interest Payment Date of each year commencing on the date set forth in the Supplemental Indenture, and at the interest rate specified in the Supplemental Indenture, and are payable at the place and in the manner as set forth in the applicable Supplemental Indenture.

The Debt Service schedules for the Bonds shall be subject to revision as provided in the Loan Agreement. The Commission and/or the DOTD shall furnish any revised Debt Service schedules for the Bonds to the Trustee as promptly as possible.

The principal of the Bonds shall be payable to the registered owners thereof upon surrender of the Bonds at the principal corporate trust office of the Trustee. The interest on the Bonds, when due and payable, shall be paid by check or draft mailed by the Trustee on such due date to each person in whose name a Bond is registered, at the address(es) as they appear on the Bond Register maintained by the Trustee at the close of business on the applicable Record Date irrespective of any transfer or exchange of the Bonds subsequent to such Record Date and prior to such interest payment date, unless the Commission shall

default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable on a payment date established by the Trustee to the persons in whose names the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of the Bonds not less than 15 days preceding such special record date. Payment as aforesaid shall be made in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts.

Notwithstanding the foregoing, any Bonds registered in the name of the TIFIA Lender shall be payable at the place and in the manner as set forth in the Loan Agreement.

SECTION 3.3. Form of Bonds. The Bonds issued under this Indenture shall be substantially in the form set forth in Exhibit A attached hereto and made a part hereof with such appropriate variations, additions, omissions and insertions as are permitted or required by this Indenture. All Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Bonds may be listed or any usage or requirement of law with respect thereto.

SECTION 3.4. Redemption of Bonds. The Bonds are subject to optional and mandatory redemption at the option of the Commission at the direction of the State at any time, in whole or in part as set forth in Section 10 of the Loan Agreement.

The following provisions are applicable to the Public Bonds only, as the provisions of the Loan Agreement regarding prepayment are applicable to Bonds held by the TIFIA Lender.

The portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof. If a portion of any Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof. For purposes of this Section, each \$5,000 portion of principal shall be counted as one Bond.

At least 10 days before the redemption date of any Bonds, the Trustee shall cause a notice of any such redemption, signed by the Authorized Trustee Representative, to be mailed, postage prepaid, to all Bondholders of record owning Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds then outstanding shall be called for redemption, the numbers of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond will be issued. Notice of redemption does not have to be given to TIFIA and the Bonds shall be subject to such redemption without notice as provided in the Loan Agreement.

In the case of an optional redemption, the notice may state (i) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date, or (ii) that the Commission retains the right to rescind such notice at any time prior to the scheduled redemption date if the Commission delivers a certificate of an Authorized Commission Officer to the Trustee instructing the Trustee to rescind the redemption notice (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described below.

Any Conditional Redemption may be rescinded in whole or in part at any time prior to the redemption date if the Commission delivers a certificate of an Authorized Commission Officer to the Trustee instructing the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected Bondowners. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, in the case of a Conditional Redemption, the failure of the Commission to make funds available in part or in whole on or before the redemption date shall not constitute an Event of Default.

On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided and money for payment of the redemption price being held in the Debt Service Payment Fund in trust for the owners of the Bonds or portions thereof to be redeemed, the Bonds or portions of Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds or portions of Bonds shall cease to be entitled to any benefit or security under this Indenture, and the owners of such Bonds or portions of Bonds shall not have rights in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the next paragraph, to receive Bonds for any unredeemed portions of Bonds.

In case part, but not all, of an outstanding Bond shall be selected for redemption, the registered owner thereof or his legal representative shall present and surrender such Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the Trustee shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a new Bond.

Bonds and portions of Bonds which have been duly called for redemption under the provisions of this Article, or with respect to which irrevocable instructions to call for redemption have been given to the Trustee in form satisfactory to it, and for the payment of the redemption price for which moneys, or Defeasance Obligations, shall be held by the Trustee in a segregated account in trust for the owners of the Bonds or portions thereof to be redeemed, shall not thereafter be deemed to be outstanding under the provisions of this Indenture and shall cease to be entitled to any security or benefit under this Indenture other than the right to receive payment from such moneys.

SECTION 3.5. Execution. The Bonds shall be executed on behalf of the Commission with the manual or facsimile signature of the Chairman of the Commission and attested by the manual or facsimile signature of the Director-Secretary of the Commission, and shall have impressed or imprinted thereon the official seal of the State or a facsimile thereof. The Bonds, together with interest thereon, shall be limited obligations of the Commission and shall be secured by and payable solely out of the Trust Estate. The Commission shall not be obligated to pay the principal of the Bonds or the interest or premium, if any, thereon or other costs incident thereto except from payments made pursuant to the Trust Estate. **THE BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE COMMISSION. PAYMENTS BY THE COMMISSION ARE LIMITED TO THE TRUST ESTATE.** In case any officer of the Commission whose signature or whose facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery.

SECTION 3.6. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until a certificate of authentication substantially in the form set forth in **Exhibit A** attached hereto and made a part hereof shall have been duly executed by the Authorized Trustee Representative, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed

by it if signed by the Authorized Trustee Representative, but it shall not be necessary that the same representative sign the certificate of authentication on all of the Bonds issued hereunder.

SECTION 3.7. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any outstanding Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Commission may execute and, upon its request, the Trustee may authenticate a new Bond of the same principal amount and of like tenor and Series as the mutilated, lost or stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Commission and the Trustee evidence of such loss, theft or destruction in form satisfactory to the Commission and the Trustee, together with an indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a substitute Bond the Commission may authorize the payment of the same. The Commission and the Trustee may charge the owner of such Bond with their reasonable fees and expenses in this connection. Any Bond issued under the provisions of this Section 3.7 in lieu of any Bond alleged to be destroyed, lost or stolen shall constitute an original additional contractual obligation on the part of the Commission, whether or not the Bond so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture together with all other Bonds in substitution for which such Bonds were issued.

SECTION 3.8. Registration of Bonds. The Trustee shall be the bond registrar for the Bonds. So long as any of the Bonds shall remain outstanding, there shall be maintained and kept for the Commission, at the principal corporate trust office of the Trustee, the Bond Register for the registration and transfer of the Bonds and, upon presentation thereof for such purpose at said office, the Trustee shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bond.

Each Bond shall be transferable only upon the Bond Register at the principal corporate trust office of the Trustee at the written request of the registered owner thereof or his legal representative duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his legal representative duly authorized in writing. Upon the transfer of any such Bond, the Trustee shall issue in the name of the transferee, in Authorized Denominations, one or more Bonds of the same aggregate principal amount as the surrendered Bonds.

SECTION 3.9. Persons Treated as Owners. The Commission and the Trustee may, for the purpose of receiving payment of, or on account of, the principal of and interest on any Bond and for all other purposes, deem and treat the person in whose name such Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether or not such Bond is overdue, and neither the Commission nor the Trustee shall be affected by any notice to the contrary.

Payment made to the person deemed to be the owner of any Bond for the purpose of such payment in accordance with the provisions of this Section 3.9 shall be valid and effectual, to the extent of the sum or sums so paid, to satisfy and discharge the liability upon such Bond in respect of which such payment was made.

SECTION 3.10. Exchange and Transfer of Bonds. As long as any of the Bonds remain outstanding, there shall be permitted the exchange of Bonds at the principal corporate trust office of the Trustee. Any Bond or Bonds upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in denominations of \$5,000 or any integral multiple thereof.

For every such exchange or transfer of Bonds, the Commission or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

The Trustee shall not be required to register the transfer or exchange of (a) any Bonds during the 15 day period next preceding the selection of Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Bonds selected for redemption, or (b) any Bonds selected, called or being called for redemption in whole or in part, except in the case of any Bond to be redeemed in part, the portion thereof not so to be redeemed.

SECTION 3.11. Cancellation and Destruction of Surrendered Bonds. Upon the surrender to the Trustee of any temporary or mutilated Bonds, or Bonds transferred or exchanged for other Bonds, or Bonds paid at maturity by the Commission, the same shall forthwith be cancelled and destroyed by the Trustee, and the Trustee, upon the request of the Commission, shall deliver its certificate of such destruction to the Commission.

SECTION 3.12. Delivery of the Bonds. On the date directed by the Commission, the Commission shall execute and deliver to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to the purchasers thereof as shall be directed by the Commission as hereinafter in this Section provided.

Prior to or simultaneously with the delivery by the Trustee of the Bonds there shall be filed with the Trustee:

(a) A copy, duly certified by the Director-Secretary of the Commission, of the resolution or resolutions adopted by the Commission authorizing the execution and delivery of this Indenture, the First Supplemental Indenture, the Collection Agreement and all other instruments contemplated thereby and the authorization, issuance, sale and delivery of the Bonds;

(b) An executed copy of the Loan Agreement and all documents required thereunder;

(c) Original executed counterparts of this Indenture, the First Supplemental Indenture and the Collection Agreement (including any amendments thereto);

(d) Signed copies of all opinions of counsel required in connection with the issuance of the Bonds and the transactions contemplated thereby;

(e) A request and authorization to the Trustee on behalf of the Commission and signed by the Chairman of the Commission to authenticate and deliver the Bonds to the purchasers thereof. Such request and authorization shall specify the amounts to be retained in the Costs of Issuance Fund;

(f) Bond Counsel has delivered a written opinion to the effect (which may be subject to customary assumptions and limitations) that (i) the Bonds to be issued have been duly authorized, executed and delivered by the Commission and are valid and binding limited obligations of the Commission, payable from the Trust Estate; and (ii) this Indenture creates a valid pledge of and lien on the Trust Estate, subject to the terms hereof;

(g) The Authorized Commission Officer has certified to the TIFIA Lender that the aggregate amount of the Bonds (including Debt Service and Administrative Expenses) does not exceed the lowest of (i) the Amount of the settlement payment for that Fiscal Year, minus the amount projected to be used to make payments other than Debt Service and Administrative Expenses, (ii) the amounts projected to be

payable under the Settlement Agreement, minus the amount of project costs projected to be paid with the proceeds of the Settlement Agreement, and (iii) the amount permitted by the Act and the Loan Agreement;

(h) Evidence shall be filed with the USDOT and the Trustee that the conditions precedent to the issuance of the Bonds have been satisfied; and

(i) The Authorized Commission Officer shall deliver to the Treasurer and the TIFIA Lender a comprehensive replacement **Schedule A** showing all existing and new Debt Service and Administrative Expenses on all Bonds in the form attached as **Schedule A** hereto and such schedule shall be deemed to be incorporated into the Collection Agreement as if it were set forth therein, it being understood that all revisions to such schedule shall be as permitted in the Loan Agreement.

SECTION 3.13. Additional Requirements for Additional Bonds and Refunding Bonds.

(a) The Commission shall limit scheduled Debt Service and other Administrative Expenses on or relating to the Bonds (including any Additional Bonds or Refunding Bonds to be issued) during each of the State Fiscal Years to the amount specified in the Act and the Loan Agreement.

(b) The Commission reserves the right to issue Refunding Bonds which may be on a parity as to security with the Bonds in order to refund any Bonds then Outstanding under this Indenture, so long as the Maximum Annual Debt Service is not increased as a result of issuing such Refunding Bonds and the provisions of the Act as described above in Section 3.12(g) are complied with.

No Additional Bonds on a parity as to security with the Bonds for such specific purposes hereinbefore provided may be issued unless at such time the Commission is and has been in continuous compliance with all of the provisions with reference to the payment of the principal and interest with respect to the Bonds and there is no Event of Default existing hereunder on the date of issuance. If any Additional Bonds for such purposes are issued on a parity as to security with the Bonds, this Indenture shall be amended by the execution of a Supplemental Indenture to provide for payments sufficient to pay the principal and interest with respect to all Bonds Outstanding under the Indenture.

No other Additional Bonds may be issued at any time secured by the Pledged Revenues; provided that the Additional Bonds, the issuance of which is herein conditioned and restricted, shall be understood to mean Bonds payable from the Pledged Revenues on a basis of parity and equality with Outstanding Bonds.

No Refunding Bonds on a parity as to security with the Bonds may be issued unless at such time the Commission is and has been in continuous compliance with all of the provisions with reference to the payment of the principal and interest with respect to the Bonds and there is no Event of Default existing hereunder on the date of issuance and no default exists under the Collection Agreement.

SECTION 3.14. Limited Obligation Bonds. Notwithstanding any other provisions contained in this Indenture, the Bonds, together with interest thereon, shall be limited obligations of the Commission payable solely from the Trust Estate, and said Trust Estate is hereby pledged for the equal and ratable payment of the Bonds and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in this Indenture.

ARTICLE IV
FUNDS AND ACCOUNTS; FLOW OF FUNDS; INVESTMENTS; DEPOSITS; ARBITRAGE

SECTION 4.1. Creation and Use of Funds and Accounts. Upon delivery of and payment for the Bonds, the following special trust Funds and Accounts shall be established and maintained with the Trustee so long as any Bonds issued under this Indenture are outstanding to be used for the following purposes:

- (a) Bond Fund;
- (b) Project Fund;
- (c) Debt Service Payment Fund;
- (d) Principal Account in the Debt Service Payment Fund, with separate Accounts for each Series of Bonds;
- (e) Interest Account in the Debt Service Payment Fund, with separate Accounts for each Series of Bonds;
- (f) Debt Service Reserve Fund, with separate Accounts for each Series of Bonds;
- (g) Costs of Issuance Fund, with separate Accounts for each Series of Bonds;
- (h) Administrative Expense Fund, with separate Accounts for each Series of Bonds; and
- (i) Pledged Revenue Fund.

SECTION 4.2. Bond Fund. The Bond Fund shall be maintained with the Trustee and used to receive the proceeds of each Series of the Bonds, and the Trustee shall identify each such separate account by inserting in the designation therefore the year, letter or other designation of the Bonds of that Series.

SECTION 4.3. Project Fund. [Payment of the costs of the Project shall be made from the Project Fund. All payments from the Project Fund shall be subject to the provisions and restrictions set forth in this Article, and the Authority covenants that it will not cause or permit to be paid from the Project Fund any sums except in accordance with such provisions and restrictions.

Moneys in the Project Fund shall be used to pay the costs of the Project described in Exhibit A to the Agreement; provided, however, that in the event that there remain funds in the Project Fund upon the completion of the Project to be funded therefrom, the University may request the Trustee to apply such surplus to pay the cost of other capital improvements of the University upon submission of a requisition as provided in Section 4.08 hereof, which shall be accompanied by an opinion of Bond Counsel to the effect that such application will not impair the exclusion from gross income of the interest on the Bonds for federal income tax purposes; and provided further that if an Event of Default under the Agreement or Indenture has occurred and is continuing, the Trustee shall transfer moneys in the Project Fund to the Debt Service Fund for the purpose of paying the principal of, premium, if any, and interest on the Bonds.]

SECTION 4.4. Debt Service Payment Fund. There shall be established an Interest Account and a Principal Account for each Series of Bonds, and the Trustee shall identify each such separate account by inserting in the designation therefore the year, letter or other designation of the Bonds of that Series. The Debt Service Payment Fund and its corresponding Accounts shall be maintained with the Trustee and used for the following purposes for each Series of Bonds:

(a) The Interest Account shall be used to receive the portions of the Pledged Revenues applicable to interest on the Bonds; and to pay the interest on the Bonds as it becomes due and payable; and

(b) The Principal Account shall be used to receive the portion of the Pledged Revenues applicable to the principal requirements of the Bonds; to pay the principal of the Bonds as it becomes due and payable whether at maturity or upon scheduled sinking fund redemption; and, if funds are available for such purpose and at the written direction of the Commission, to effect the redemption of the Bonds prior to their maturity in accordance with the redemption provisions thereof or the purchase of Bonds prior to their maturity in the open market at a price not in excess of the principal amount thereof plus accrued interest.

SECTION 4.5. Debt Service Reserve Fund. (a) There shall be established an Account in the Debt Service Reserve Fund for the benefit and security of each Series of Bonds as provided in the Supplemental Indenture, and the Trustee shall identify each such separate account by inserting in the designation therefore the year, letter or other designation of the Bonds of that Series.

(b) There shall be deposited in the corresponding Account of the Debt Service Reserve Fund, Pledged Revenues received by the Trustee in the amounts required in the definition thereof and Section 4.6 hereof for payment under the Collection Agreement when funds are available.

The Trustee agrees that if there is a transfer from the Debt Service Reserve Fund to the Debt Service Payment Fund as a result of an insufficiency in the Debt Service Payment Fund, the Trustee shall promptly make a demand on the Commission for payment of any insufficiency in the Debt Service Reserve Fund.

(c) If on any interest or principal due date for the Bonds, payment for such interest or principal in full has not been made or provided for the Trustee shall forthwith withdraw from the Debt Service Reserve Fund an amount which, together with amounts on deposit in the Debt Service Payment Fund or with the appropriate Trustee available for such payment, shall be sufficient to make such payment in full, and such amount so withdrawn shall be transferred to the appropriate Trustee for application to such payment.

(d) Whenever the amount in any account in the Debt Service Reserve Fund, together with the pro-rata amount in the Debt Service Payment Fund allocable to the Bonds in the Debt Service Payment Fund, is sufficient to pay in full all Outstanding Bonds of such Series secured thereby in accordance with their terms (including principal or applicable sinking fund redemption price and interest thereon), the funds on deposit in such account in the Debt Service Reserve Fund shall be transferred to the Debt Service Payment Fund and shall be available to pay in full such Series of Outstanding Bonds. Prior to said transfer, all investments held in such account shall be liquidated to the extent necessary in order to provide for the timely payment of principal and interest (or redemption price) on the Bonds.

(e) Whenever the moneys on deposit in any account in the Debt Service Reserve Fund shall exceed the Debt Service Reserve Fund Requirement related thereto, such excess shall be transferred to the Debt Service Payment Fund.

(f) The Trustee may release monies in any account in the Debt Service Reserve Fund upon receipt of a Certificate of an Authorized Commission Officer certifying that the conditions for the release of the monies therein as set forth in the Loan Agreement have been satisfied.

SECTION 4.6. Flow of Funds. The Commission agrees to transfer or cause the Treasurer to transfer to the Trustee the Pledged Revenues and pay the amounts required to pay Debt Service, Administrative Expenses, Debt Service Reserve Fund deposits and other amounts payable from such Pledge

Revenues as provided herein and in the applicable Supplemental Indenture and the Collection Agreement. The Commission agrees to cooperate with the Trustee and/or the Bondholders in their enforcement of the Collection Agreement and provided the Trustee shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Commission in connection therewith as such costs and expenses accrue, including all Administrative Expenses, and the Trustee agrees to cause the Pledged Revenues with respect to the Bonds to be applied in the amounts, time and manner as hereinafter provided.

There shall be established the Pledged Revenue Fund to be held by the Trustee. The Trustee shall, upon receipt, deposit all Pledged Revenues into the Pledged Revenue Fund; and subject to Article VII hereof, the Trustee shall apply the Pledged Revenues as follows and transfer the following amounts in the following order:

(a) To the applicable Interest Account of the Debt Service Payment Fund, on the Business Day before each Interest Payment Date for the Bonds, the interest due and payable on each Series Bonds on said Interest Payment Date;

(b) To the applicable Principal Account of the Debt Service Payment Fund, on the Business Day before the principal payment date, an amount equal to the principal amount of each Series of Bonds maturing on [] of each year through the maturity thereof;

(c) To the applicable Account of the Debt Service Reserve Fund, an amount necessary to replenish each Account of the Debt Service Reserve Fund and to fund the Debt Service Reserve Fund including an amount to fund the Debt Service Reserve Fund Requirement; and

(d) To the applicable Account of the Administrative Expense Fund, an amount necessary to pay the Administrative Expenses [VERSUS STANDARD AMOUNT].

The required payments for (a) and (b) above shall be reduced by any surplus amount contained in or investment income received in or transferred to the applicable Interest and/or Principal Accounts.

SECTION 4.7. Investments. Moneys contained in the Funds and Accounts held by the Trustee shall be continuously invested and reinvested by the Trustee at the written direction of the Authorized Commission Officer, that shall mature (or be readily convertible to cash) not later than the respective dates when the moneys in said Funds and Accounts shall be required for the purposes intended, and:

(a) No such investment shall be required to be made unless the cash at the time available therefor is at least equal to \$1,000.

(b) Any income derived from and any profit or loss on any such investment of moneys on deposit in any such fund or account shall be credited or debited, as the case may be, to the respective fund or account in which earned.

(c) In no event shall Permitted Investments mature or be subject to redemption at the option of the holder thereof without premium later than the Business Day prior to the immediately following Interest Payment Date or principal payment date.

(d) The Trustee shall be authorized, to the extent necessary to enable the Trustee to discharge or perform its obligations hereunder, at any one time or from time to time to sell at market price all or any part of the investments whenever it may, for any reasons or purpose whatsoever, deem any such sale to be desirable.

(e) The Trustee shall confirm the ratings for each investment for or in connection with which the definition of Permitted Investment requires a particular rating, once every six months at the time of the valuation set forth in Section 4.8. In the event that the Trustee learns pursuant to such inquiry that any ratings have been downgraded, it shall promptly notify an Authorized Commission Officer and, if so directed in writing by an Authorized Commission Officer, shall sell such investment.

An Authorized Commission Officer may at any time give to the Trustee written directions respecting the investment of the moneys contained in the Funds and Accounts established hereunder and the Trustee shall then invest the same as directed. The Trustee may conclusively rely upon such investment instructions as to the suitability and legality of such investments. The Commission shall not be liable to any Person for any loss suffered as a result of or in connection with any investment of funds under this Indenture. The Trustee shall in no event have any liability for any loss resulting from the investment of moneys in accordance with the directions of the Authorized Commission Officer. The Trustee shall furnish the Commission annually with a written copy, or upon request, with a written copy, on at least a monthly basis, of the types, amounts, yield and maturities of all such investments. [The Trustee shall have no responsibility to determine whether any investment directed or approved by an Authorized Commission Officer is a Permitted Investment – DISCUSS]. The Trustee shall not be obligated to provide brokerage confirmations so long as the Trustee provides periodic statements that include investment activity to the Commission; provided that such statement is not required if (i) the Trustee is willing to provide broker confirmations or (ii) the investments permitted in the transaction are limited solely to investments for which brokerage confirmations are never issued or issued only at closing.

SECTION 4.8. Valuation. For the purpose of determining the amount on deposit in any fund or account, Permitted Investments shall be valued (a) at the lesser of cost or market value, exclusive of accrued interest, if such Permitted Investments mature within six months from the date of valuation thereof, and (b) if such Permitted Investments mature more than six months after the date of valuation thereof, at the price at which such Permitted Investments are redeemable by the holder at his option if so redeemable, or, if not so redeemable, at the market value of such obligations, exclusive of accrued interest.

The Trustee shall, by ten Business Days following each June 30 and December 31, value the Permitted Investments in the Funds and Accounts established under this Indenture as of such June 30 or December 31, and shall provide a report of such valuation to the Commission within ten Business Days of such valuation. In addition, the Permitted Investments shall be valued by the Trustee at any time requested by an Authorized Commission Officer on reasonable notice to the Trustee (which period of notice may be waived or reduced by the Trustee).

SECTION 4.9. Depository of Moneys and Security for Deposits. Whenever moneys are invested in accounts or certificates of the Trustee required to be collateralized pursuant to the definition of Permitted Investments, the Trustee shall furnish to the Commission upon request, an officer's certificate setting forth the fact that all such accounts are secured in accordance with laws governing security for funds of corporate and personal trust accounts.

SECTION 4.10. Administrative Expense Fund. There shall be established an account in the Administrative Expense Fund for each Series of Bonds as provided in each Supplemental Indenture, and the Trustee shall identify each such separate account by inserting in the designation therefore the year, letter or other designation of the Bonds of that Series. The Administrative Expense Fund shall be maintained with the Trustee and shall be used for the sole purpose of paying Administrative Expenses. [The Commission shall furnish a calculation of Administrative Expenses to the Trustee and the TIFIA Lender in writing on an annual basis no later than July 1st of each year.] The Administrative Expenses applicable to each Series of Bonds shall be paid directly by the Trustee to the payee, including TIFIA, the Trustee and

the other parties entitled thereto, upon submission of an invoice approved by the Authorized Commission Officer in writing to the Trustee. Moneys in the Administrative Expense Fund shall only be invested in investments meeting the definition of clause (c) in the definition of "Permitted Investments," and such funds shall allow for immediate withdrawal upon not less than one Business Day's notice.

ARTICLE V REPRESENTATIONS OF THE COMMISSION AND THE DOTD

SECTION 5.1. Further Assurance. At any and all times the Commission shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, assets and revenues herein pledged and assigned, or intended so to be, or which the Commission may hereafter become bound to pledge or assign.

SECTION 5.2. Powers as to Bonds and Pledge. The Commission has the power and is authorized to issue the Bonds and execute and deliver this Indenture and each Supplemental Indenture and pledge the Trust Estate pledged by this Indenture and each Supplemental Indenture in the manner and to the extent provided in this Indenture. The Trust Estate so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by this Indenture and each Supplemental Indenture, and all official action on the part of the Commission to that end has been or will be duly and validly taken. The Bonds and the provisions of this Indenture and each Supplemental Indenture are and will be the valid and legally enforceable obligations of the Commission in accordance with their terms and the terms of this Indenture and each Supplemental Indenture. The Commission shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the incomes, revenues and assets pledged under this Indenture and each Supplemental Indenture and all the rights of the Owners under this Indenture and each Supplemental Indenture against all claims and demands therefore of all persons whomsoever.

SECTION 5.3. Covenant to Enforce Collection Agreement. The Commission covenants that so long as any of the Bonds are Outstanding and unpaid as to either principal or interest or any obligation of the Commission remains unpaid, it will continuously enforce the Collection Agreement to the maximum extent permitted by law, and will not consent to any modification of the Collection Agreement which would in any particular way impair the security created for the Owners of the Bonds.

SECTION 5.4. Covenants with Respect to Settlement Agreement.

(a) The Commission will not consent and will not cause the Attorney General and the Governor to consent to any modification of the schedule of payments to the State set as forth in the Settlement Agreement unless the Commission obtains the consent of the Owners of all Bonds Outstanding.

(b) Whenever necessary to ensure timely receipt of the Pledged Revenues, the Commission shall, and shall request that the appropriate State officials, including the Governor and the Attorney General, pursue all appropriate rights and remedies of the State under the Settlement Agreement, the Primary Guaranty, the Secondary Guaranty, and any alternative form of financial assurance delivered pursuant to Section 5.6 of the Settlement Agreement.

Whenever the consent of the State is required under the Settlement Agreement, the Primary Guaranty or the Secondary Guaranty, or otherwise requested by a party thereto, to approve any action of any party or a modification of any right of the State under the Settlement Agreement, the Primary Guaranty or the Secondary Guaranty, the Commission, on behalf of the State, will withhold its consent unless the

Commission obtains the written consent of 100% in principal amount of the Owners of any Bonds outstanding at such time. Notwithstanding the foregoing, the Commission on behalf of the State will not consent to (i) any assignment of the Primary Guaranty or the Secondary Guaranty or the release of BPCNA or BP p.l.c., respectively, from their obligations thereunder pursuant to Section 5.5 of the Settlement Agreement or (ii) the modification and/or replacement of the Primary Guaranty or Secondary Guaranty with any alternative form of financial assurance pursuant to Section 5.6 of the Settlement Agreement, unless, in any such case, the Commission first obtains the written consent of 100% in principal amount of the Owners of any Bonds outstanding at such time.

Upon the occurrence of a "Change in Control" or an "Act of Insolvency", each as defined in the Settlement Agreement, the Commission shall request the appropriate State officials, including the Governor and Attorney General to elect to and shall accelerate the schedule of payments to the State under the Settlement Agreement.

SECTION 5.5. Representations, Covenants and Warranties of the DOTD. The DOTD represents, covenants and warrants that:

- (a) The DOTD will take all action provided in Section 12 of the Loan Agreement; and
- (b) The payment of Pledged Revenues to the Trustee for the payment of the Bonds is unconditional and the DOTD is not entitled to offset any such payment as a result of the failure to perform by any contractor of any of its obligations relating to the Projects or for any other reason.
- (c) No state agency or department of the State is entitled to receive federal transportation funds, other than the DOTD.
- (d) The DOTD shall at all times comply with the Act and the provisions of Title 23, the regulations promulgated thereunder, all other federal laws and regulations, the State Constitution and all other State laws relating to the Bonds, the Projects, the Loan Agreement and the subject matter of the Indenture and each Supplemental Indenture.
- (e) The DOTD hereby agrees to plan, construct, reconstruct, maintain, improve, operate, extend, install and develop the Project, and the DOTD shall specifically enter into contracts with such professionals, including counsel, civil engineers and traffic and revenue projection consultants, on such terms and conditions as the DOTD shall determine in order for the Project to be completed in accordance with the Loan Agreement. The DOTD shall monitor compliance with time schedules for design and construction of the Project in accordance with the application submitted to the USDOT. The DOTD will construct or cause to be constructed the Project in accordance with the TIFIA application, the Loan Agreement and all applicable federal and state law.
- (f) During construction and thereafter, the DOTD agrees to furnish to the Commission, the Trustee and the USDOT the reports required by Section 23 of the Loan Agreement.
- (g) The DOTD further acknowledges that under the Indenture, the Supplemental Indenture and the Loan Agreement, the Commission has certain obligations, and the DOTD agrees that it will do all things necessary to enable the Commission to meet its obligations thereunder.
- (h) The payment of any amounts by the DOTD under this Indenture is contingent upon the appropriation of funds to fulfill the requirements of the contract by the Louisiana Legislature. The Secretary of DOTD agrees to make an annual budget request of the State through the Commissioner of Administration of the Division of Administration to annually include in the Executive Budget a request for the appropriation of sufficient funds to permit DOTD to fulfill its obligations hereunder and under the Loan Agreement.

(i) The DOTD further agrees to take all action necessary to enable the Commission to comply with all obligations, covenants and responsibilities set forth in any documents authorizing the Bonds, including the Indenture and the Loan Agreement; subject to the provisions of Article II hereof and provided that nothing contained herein shall be construed as making DOTD responsible for the payment of the Bonds in any manner.

ARTICLE VI [COSTS OF ISSUANCE – TBD]

SECTION 6.1. [Payment of Costs of Issuance.] [The Trustee shall establish and create a separate account of the Cost of Issuance Fund for each Series of Bonds and shall identify each such separate account by inserting in the designation therefore the year, letter or other designation of the Bonds of that Series. There shall be paid into the Costs of Issuance Fund the amounts required to be so paid pursuant to this Indenture and the First Supplemental Indenture, and any Supplemental Indenture and such amounts shall be applied to the payment of legal, administrative, financing and incidental expenses of the Commission and the DOTD relating to the Bonds. Payments from the Costs of Issuance Fund pursuant to this paragraph shall be made by the Trustee in accordance with a certificate or certificates signed by an Authorized Commission Officer stating the names of the payees, the purpose of each payment in terms sufficient for identification and the respective amounts of each payment. The Trustee shall make payments from the Costs of Issuance Fund upon receipt of statements from the parties listed in such certificate of the Commission, to the extent such statements are within the maximum amounts set forth in said certificate. Any funds remaining in the Costs of Issuance Fund after all costs of issuance listed in said certificate have been paid or on the date which is six months from the date of issuance of the related Series of Bonds, whichever occurs first, shall be transferred to the Interest Account in the Debt Service Payment Fund.]

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES

SECTION 7.1. No Extension of Time for Payment of Principal or Interest. The Trustee shall not be authorized to extend the time for any payment of principal or interest without the prior written consent of or authorization by the owner of the Bonds so affected.

SECTION 7.2. Events of Default. Each of the following events is hereby declared an "Event of Default":

(a) The payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable;

(b) The payment of the principal of or premium, if any, on any of the Bonds shall not be made when the same shall become due and payable, whether at maturity or by proceedings for mandatory redemption or prepayments provided in Section 10 of the Loan Agreement, or otherwise;

(c) Default by the Commission or Treasurer in the due and punctual performance of any obligations under the Collection Agreement;

(d) Default by the Commission or the DOTD in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture on the part of the Commission to be performed, if such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been

given to the Commission and the DOTD by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the USDOT or the owners of not less than 25% in principal amount of the Bonds then outstanding. Such default shall not become an Event of Default if said default be of the nature that (i) it cannot be corrected within the 30 day period after receipt of notice, but the Commission or the DOTD promptly shall institute and diligently pursue corrective action until such default is cured, or (ii) the Trustee shall be directed by the owners of a majority of the aggregate outstanding principal amount of the Bonds, that such default is not curable but such default does not affect the validity or enforceability of the Bonds, this Indenture or the Collection Agreement, an event of nonperformance shall not have occurred under the Collection Agreement, and such default does not impair the security or the obligations provided for or under the Bonds, this Indenture or the Collection Agreement;

(e) An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Commission or the DOTD or any of its debts, or of a substantial part of the assets thereof, under any Insolvency Laws, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Commission or the DOTD or for a substantial part of the assets thereof and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered.

(f) The Commission or the DOTD shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official therefor or for a substantial part of the assets thereof, (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, (iii) solely with respect to the Commission, fail to make two (2) consecutive payments of Debt Service in accordance with the provisions of Section 9 of the Loan Agreement, (iv) make a general assignment for the benefit of creditors, (v) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, (vi) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any Insolvency Law, (vii) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (vi), inclusive, of this clause (b), or (viii) take any action for the purpose of effecting any of the foregoing.

(g) An "Event of Default" shall occur under the Loan Agreement.

The word "default" as used herein means failure of performance when due, exclusive of any period of grace, if any, allowed to correct any such failure.

SECTION 7.3. Remedies. Upon the occurrence of an Event of Default, the Commission, the Trustee and, subject to Sections 7.10 and 7.11 hereof, the Bondholders affected thereby shall have all the rights and remedies as may be allowed by law, this Indenture or pursuant to the provisions of the Collection Agreement by virtue of their assignment hereunder, including but not limited to, suit at law or in equity to enforce or enjoin the action or inaction of parties under the provisions of this Indenture or the Collection Agreement. In no event shall there be an acceleration of the maturity of the Bonds if an Event of Default occurs hereunder.

SECTION 7.4. Insufficiency in Debt Service Payment Fund and Debt Service Reserve Fund; Application of Moneys. Anything in this Indenture to the contrary notwithstanding, if at any time the moneys in the Debt Service Payment Fund and Debt Service Reserve Fund shall not be sufficient to pay

the interest on or the principal of the Bonds as the same shall become due and payable by their terms, such moneys, together with any other moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied first, to the payment of fees and expenses of the Trustee and then as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

First, to the payment to the persons entitled thereto of all installments of interest then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay any particular installment, then to the payment thereof, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; then

Second, to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture) in the order of their due dates, with interest on the principal amount of such Bonds due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds and their interest thereon, then to the payment thereof ratably, according to the amount of the interest due on such date, and next to the payment of the principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and then

Third, to the payment of the interest on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of this Indenture.

(b) If the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference; and

(c) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled, then, subject to the provisions of subsection (b) above, in the event that the principal of all the Bonds shall later become or be declared due and payable, then all such moneys shall be applied in accordance with the provisions of subsection (a) above.

Whenever money is to be applied by the Trustee pursuant to the provisions of this Section, such money shall be applied by the Trustee at such times and from time to time as the Trustee in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for application in the future; the deposit of such money or otherwise setting aside such money in trust for the proper purpose shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Commission, to any Bondholder or to any other person for any delay in applying any such money, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to

be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to the owner of any Bond until such Bond shall be surrendered to the Trustee for appropriate endorsement or for cancellation if fully paid.

SECTION 7.5. Discontinuance of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case the Commission, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

SECTION 7.6. Appointment of Receiver. Upon the occurrence of an Event of Default, and upon filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee, and the Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or keeper of the Trust Estate pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 7.7. Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity on or after the date of adoption of this Indenture.

SECTION 7.8. Remedies Vested in Trustee. All rights of action under this Indenture, the Collection Agreement or under any of the Bonds may be enforced by the Trustee without possession of the Bonds and without their production in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee may be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds.

SECTION 7.9. Bondholders Control Proceedings. If an Event of Default shall have occurred and be continuing, subject to the provisions of Section 7.11 hereof, the USDOT or, if the USDOT fails to take action within 30 days of notice of said Event of Default being given by the Trustee, the owners of at least 50% of the aggregate outstanding principal amount of Bonds then outstanding shall have the right, provided such owners have provided the Trustee with such indemnity as is satisfactory to the Trustee, at any time by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of this Indenture, provided the direction is in accordance with law and the provisions of this Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of Bondholders not joining in such direction, and provided further, that nothing in this Section shall impair the right of the Trustee in its discretion to take any other action under this Indenture which it may deem proper and which is not inconsistent with the direction by Bondholders; and provided further if the Trustee shall receive conflicting or inconsistent directions from two or more groups of Bondholders, the Trustee shall follow the directions of the group of Bondholders representing the largest percentage of outstanding Bonds (determined based on the principal amount thereof), except that in all of such cases the Trustee shall follow the direction of the USDOT.

SECTION 7.10. Individual Bondholder Action Restricted. (a) No owner of any Bond shall have any right to institute any suit, action or proceeding for the enforcement of this Indenture or for the execution of any trust hereunder or for any remedy under this Indenture unless:

- (i) An Event of Default has occurred (other than under subsections (a) or (b) of Section 7.2) as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing; and

(ii) The USDOT or, if the USDOT fails to take action within 30 days of notice of said Event of Default being given by the Trustee, the owners of at least 50% of the aggregate outstanding principal amount of Bonds outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in this Indenture or to institute an action, suit or proceeding in its own name; and these Owners of the Bonds shall have offered the Trustee such indemnity as may be satisfactory to the Trustee, and the Trustee shall have failed or refused to exercise the powers granted in this Indenture or to institute an action, suit or proceeding in its own name for a period of 60 days after receipt of the request and offer of indemnity.

(b) No one or more Owners of Bonds shall have any right in any manner whatsoever to disturb or prejudice the security of this Indenture or to enforce any right hereunder except in the manner herein provided and then only for the equal benefit of the Owners of all outstanding Bonds.

SECTION 7.11. Waiver and Non-Waiver of Event of Default. (a) No delay or omission of the Trustee or of any owner of Bonds to exercise any right or power accruing upon any Event of Default shall impair the right or power or shall be construed to be a waiver of an Event of Default or an acquiescence therein. Every power and remedy given by this Article to the Trustee and to the Owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient;

(b) The Trustee may waive any Event of Default which in its opinion or in the opinion of its counsel shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Indenture or before the completion of the enforcement of any other remedy under this Indenture;

(c) Notwithstanding anything contained in this Indenture to the contrary, the Trustee, upon written request of the owners of at least a majority of the aggregate principal amount of the Bonds then outstanding, shall waive any Event of Default and its consequences; provided, however, that a default in the payment of the principal of and interest on any Bond, when due and payable or upon call for redemption, may not be waived after the date the same becomes due and payable without the written consent of the owners of all the Bonds at the time outstanding, and provided that only the owner of the Bonds shall have the right to waive any Event of Default with respect to the Bonds; and

(d) In case of a waiver by the Trustee of any Event of Default, the Commission, the Trustee and the Bondholders shall be restored to their former positions and rights under this Indenture but no waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with this Section.

SECTION 7.12. Notice of Defaults. (a) Immediately in the case of an Event of Default described in Sections 7.2(a) and 7.2(b) hereof and within 30 days in the case of all other Events of Default, after the receipt of notice of an Event of Default or the occurrence of an Event of Default of which the Trustee is deemed to have notice, the Trustee shall (unless the Event of Default has already been cured) give written notice of the Event of Default to the Owners of all Bonds then outstanding in the manner provided in Section 12.8 of this Indenture.

(b) The Trustee shall immediately notify, in writing, the Commission and the DOTD of any Event of Default of which the Trustee has actual notice.

ARTICLE VIII CONCERNING THE TRUSTEE

SECTION 8.1. Acceptance of Trusts. The Trustee hereby represents and warrants to the Commission (for the benefit of the State and the Bondholders as well as the Commission) that it is a banking association or corporation having trust powers duly organized and existing under the laws of the State or of the United States of America and that it is duly authorized under such laws to accept and execute trusts of the character herein set out. The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Indenture including the following express terms and conditions, to all of which the parties hereto and the respective owners of the Bonds agree:

(a) Except during the continuance of an Event of Default within the purview of Section 7.2,

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, as the case may be, the Trustee shall be under a duty to examine the same to determine whether or not they conform to requirements of this Indenture.

(b) In case an Event of Default within the purview of Section 7.2 has occurred and is continuing, then the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as the Trustee deems prudent under the circumstances.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own bad faith, except that

(i) this subsection shall not be construed to limit the effect of subsection (a) of this Section 8.1;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the owners of a majority in aggregate principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee, including without limitation Section 8.3 and 8.4 hereof, shall be subject to the provisions of this Section 8.1.

The Trustee also accepts, and agrees to do and perform, the duties and obligations imposed upon it by and under the Collection Agreement, but only upon the terms and conditions set forth in the Collection Agreement and this Indenture. The rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(e) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except (i) failure by the Commission to cause to be made any payment of principal of, premium, if any, or interest on the Bonds when due and (ii) any default of which the Trustee has actual knowledge, unless the Trustee shall be specifically notified in writing of such default by the Commission or by the Owners of at least 25% in aggregate principal amount of Bonds then outstanding.

SECTION 8.2. Trustee Entitled to Indemnity. The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Indenture or under the Collection Agreement, or to enter any appearance in or in any way defend against any suit, in which it may be made a defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder or under the Collection Agreement, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the Commission shall reimburse the Trustee solely from funds available therefor under the Collection Agreement for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Commission shall fail to make reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference over any of the Bonds.

SECTION 8.3. Trustee Not Responsible for Execution of Indenture, Acts of the Commission or Application of Moneys Applied in Accordance with this Indenture. The Trustee shall have no responsibility in respect of the validity, sufficiency, due execution or acknowledgment of this Indenture (except with respect to itself) or the validity or sufficiency of the security provided hereunder or in respect of the validity of the Bonds or the due execution or issuance thereof, except as to the authentication thereof.

The Trustee shall not be under any obligation to see that any duties herein imposed upon any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed.

The Trustee shall not be liable or responsible because of the failure of the Commission or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Commission or because of the loss of any moneys arising through the insolvency or the act or default or omission of any other depository in which such moneys shall have been deposited under the provisions of this Indenture. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Indenture.

The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

SECTION 8.4. Compensation to Trustee. The Trustee shall be entitled to compensation in accordance with its agreement with the Commission and DOTD, which, notwithstanding any other provision hereof, may be amended at any time by agreement of the Commission, DOTD and the Trustee

without the consent of or notice to the Owners. In no event shall the Trustee be obligated to advance its own funds in order to take any action hereunder.

SECTION 8.5. Trustee to Preserve Records. All records and files pertaining to the Project in the custody of the Trustee shall be open at all reasonable times to the inspection of the Commission, the owners of 10% of the aggregate principal amount of the Bonds then outstanding, and their agents and representatives.

SECTION 8.6. Trustee May be Bondholder. The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds issued under and secured by this Indenture, and may join in the capacity of a Bondholder in any action which any Bondholder may be entitled to take with like effect as if such institution were not the Trustee under this Indenture.

SECTION 8.7. Trustee Not Responsible. (a) The recitals, statements and representations contained herein and in the Bonds shall be taken and construed as made by and on the part of the Commission and not by the Trustee, and the Trustee shall not be under any responsibility for the correctness of the same.

(b) The Trustee shall have no responsibility with respect to any information or recital in any official statement, offering memorandum, or other disclosure material prepared or distributed with respect to the Bonds.

(c) Except as otherwise expressly provided by the provisions of this Indenture, the Trustee shall not be obligated and may not be requested to give or furnish any notice, demand, report, request, reply, statement, advice or opinion to any holder of any Bond, the Commission, or any other person, and the Trustee shall not incur any liability for failure or refusal to give or furnish the same unless obligated or required to do so by express provisions hereof.

SECTION 8.8. Trustee May Rely on Certificates. Subject to the provisions of Section 8.1(a)(ii) hereof, the Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of the Collection Agreement or this Indenture, or upon the written opinion of any attorney, engineer, accountant or other expert believed by it to be qualified in relation to the subject matter, and the Trustee shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

SECTION 8.9. Qualification of the Trustee. There shall at all times be a Trustee hereunder. Any successor Trustee hereunder shall be a trust company or commercial bank (having trust powers) organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having unimpaired capital and surplus of at least \$50,000,000, and subject to supervision or examination by Federal or state authority. If such trust company or bank publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 8.9, the unimpaired capital and surplus of such association or corporation shall be deemed to be its unimpaired capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 8.9, it shall resign immediately in the manner and with the effect specified in Section 8.10 hereof.

SECTION 8.10. Resignation and Removal of Trustee. (a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 8.11 hereof.

(b) The Trustee may resign at any time by giving written notice thereof to the Commission, the DOTD and the Bondholders. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the retiring Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed for cause at any time by an instrument or instruments in writing to the Trustee, if no Event of Default shall have occurred and be continuing, by an instrument in writing signed by an Authorized Commission Officer or by the owners of 25% in aggregate principal amount of the Bonds then outstanding or by their attorneys, legal representatives or agents and delivered to the Trustee, the Commission and the DOTD (such instruments to be effective only when received by the Trustee).

(d) If at any time:

(i) the Trustee shall cease to be eligible under Section 8.9 hereof and shall fail to resign after written request therefor by the DOTD or by any Bondholder, or

(ii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Commission, in its discretion and without obligation, may, or the DOTD may, remove the Trustee, or (ii) any Bondholder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor.

(e) If the Trustee shall be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause other than resignation (it being understood that no vacancy may occur as a result of resignation since the Trustee may not resign unless a successor has been appointed) or if the Trustee tenders its resignation, the Commission with the approval of the DOTD (so long as the DOTD is not in default hereunder) shall promptly appoint a successor provided the Commission shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Commission in connection therewith as such costs and expenses accrue. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by an instrument or concurrent instruments in writing executed by the owners of 25% in aggregate principal amount of the Bonds then outstanding and delivered to the DOTD and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Commission. If no successor Trustee shall have been so appointed by the Commission or the Bondholders and accepted appointment in the manner hereinafter provided, any Bondholder who has been a bona fide owner of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee. Notwithstanding any other provision of this Indenture, no removal, resignation or termination of the Trustee shall take effect until a successor Trustee shall be appointed.

(f) Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Indenture and otherwise qualified to act

as Trustee hereunder into which or with which the bank or trust company acting as Trustee may be merged or consolidated, or to which the assets and business of such bank or trust company may be sold, shall be deemed the successor of the Trustee, provided that if the Trustee is not the surviving entity of such merger or consolidation, the Trustee shall give notice to the Commission and the DOTD of such event and take such action as may be required to effect a transfer of the Trust Estate to such successor; provided, however, that notwithstanding the foregoing, in the event of any such merger or consolidation or in the event of the merger or consolidation, sale of substantially all of the assets of, or acquisition of control of any bank holding company that owns or controls the Trustee, the Commission may, by written notice to the Trustee, appoint a successor Trustee meeting the requirements of Section 8.9 hereof, and upon the filing of a written acceptance of the appointment by such successor Trustee with the Commission, the DOTD and its predecessor, such successor Trustee shall become fully vested with all rights, immunities of powers and trusts of the predecessor Trustee.

(g) The Commission shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to all Owners of the Bonds (for whom the Commission has been provided accurate addresses) upon the written request of the Trustee and provided the Commission shall be furnished with sufficient funds to pay all costs and expenses (including attorney's fees) reasonably incurred by the Commission in connection therewith as such costs and expenses accrue. Each notice shall include the name and address of the principal corporate trust office of the successor Trustee.

SECTION 8.11. Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Commission and the DOTD, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessors; but such predecessor shall, nevertheless, on the written request of its successor or of the Commission and upon payment of the expenses, charges and other disbursements of such predecessor which are payable pursuant to the provisions of Section 8.4 hereof, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all property and moneys held by it hereunder to its successor, subject, nevertheless, to its preference, if any, provided for in Sections 8.2 and 8.4 hereof. Should any instrument in writing from the Commission be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee any such instrument in writing shall and will be executed, acknowledged and delivered by the Commission upon the written request of the Trustee and provided the Commission shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Commission in connection therewith as such costs and expenses accrue.

SECTION 8.12. Co-Trustee. It is the purpose hereof that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banks or trust companies to transact business as trustee in such jurisdiction. It is recognized that in case of litigation hereunder and in particular in case of the enforcement of this Indenture upon the occurrence of an Event of Default, it may be necessary that the Trustee appoint an additional individual or institution as a separate Trustee or Co-Trustee. The following provisions of this Section are adapted to these ends.

Upon the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers and trusts herein granted to the Trustee or to hold title to the trust estate or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended to be exercised by or vested in or conveyed to the Trustee with respect thereto

shall be exercisable by and vest in a separate Trustee or Co-Trustee appointed by the Trustee but only to the extent necessary to enable the separate Trustee or Co-Trustee to exercise such rights, powers and trusts, and every agreement and obligation necessary to the exercise thereof by such separate Trustee or Co-Trustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the Commission be required by the separate Trustee or Co-Trustee so appointed by the Trustee in order to more fully and certainly vest in and confirm to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments shall, on request, be executed, acknowledged and delivered by the Commission upon the written request of the Trustee and provided the Commission shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Commission in connection therewith as such costs and expenses accrue. In case any separate Trustee or Co-Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate Trustee or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate Trustee or Co-Trustee.

ARTICLE IX SUPPLEMENTAL INDENTURES

SECTION 9.1. Supplemental Indentures Not Requiring Consent of Bondholders. The Commission and the Trustee may, without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Bondholders or the Trustee or either of them;
- (c) To subject to the lien and pledge of this Indenture additional revenues, properties or collateral not otherwise encumbered hereunder;
- (d) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof or thereof under any Federal statute hereafter in effect or under any state Blue Sky Law, and, in connection therewith, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted or required by any said Federal statute or Blue Sky Law; provided, that any such indenture supplemental hereto referred to in this subsection (e) shall not, in the judgment of the Trustee, which may rely on an opinion of counsel, be to the prejudice of the owners of the Bonds;
- (e) to provide for an uncertificated system of registering the Bonds or to provide for changes to or from the Book-Entry System;
- (f) To provide any other modifications which, in the sole judgment of the Trustee, are not prejudicial to the interests of the Bondholders; or
- (g) To authorize the issuance and delivery of a Series of Bonds, Additional Bonds, or Refunding Bonds, in accordance with this Indenture.

SECTION 9.2. Supplemental Indentures Requiring Consent of Bondholders. Except for indentures supplemental hereto authorized by Section 9.1 of this Indenture and subject to the terms and provisions contained in this Section 9.2, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Commission and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Commission for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any indenture supplemental hereto; provided, however, that nothing contained in this Section 9.2 shall permit, or be construed as permitting, without the consent of the owners of all the Bonds then outstanding (a) an extension of the stated maturity or scheduled sinking fund redemption or reduction in the principal amount of, or reduction in the rate or extension of the time of payment of interest on, any Bonds, or (b) the creation of any lien on the Trust Estate or any part thereof pledged under this Indenture prior to or on a parity with the lien of this Indenture, or (c) a reduction in the aforesaid aggregate outstanding principal amount of Bonds the owners of which are required to consent to any such indenture supplemental hereto. No such amendment shall modify the rights, duties or immunities of the Trustee without the written consent of the Trustee.

Additionally, the Commission shall comply with the provisions of Section 16(b) of the Loan Agreement in connection with any amendment or supplement hereto.

If at any time the Commission shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section 9.2, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given to the Bondholders in the manner provided in Section 12.8 of this Indenture. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within 90 days or such longer period as shall be prescribed by the Commission following the giving of such notice, the owners of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Commission from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section 9.2 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

So long as no event of non-performance under the Collection Agreement has occurred and is continuing, no such supplement shall become effective unless the Treasurer shall have given his or her prior written approval.

SECTION 9.3. Reliance on Counsel. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel, who may be counsel for the Commission or the DOTD or the Company, as conclusive evidence that any such proposed supplemental indenture complies with the provisions of this Article prior to joining in the execution of such supplemental indenture.

SECTION 9.4. Supplement Binding. Upon the execution of any supplemental indenture pursuant to the provisions of this Article, this Indenture shall be deemed to be supplemented, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Trustee, the Commission, the DOTD and the owners of Bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modification and amendment.

SECTION 9.5. Supplements or Amendments to Collection Agreement. The Commission and the DOTD, with the approval of the Trustee and the USDOT, may consent to a supplement or amendment to the Collection Agreement for the purposes and in the manner provided in the Collection Agreement and the Trustee agrees that it shall take the actions required of it as provided thereunder in connection with any such supplement or amendment, and the Commission further agrees to comply in all respects with the provisions of Section 16(b) of the Loan Agreement in connection with such supplement or amendment.

SECTION 9.6. USDOT Consent. Notwithstanding anything to the contrary herein, the written consent of the USDOT shall be required for any Supplemental Indenture except any Supplemental Indenture entered into in connection with any Public Bonds, provided the issuance of such Public Bonds is in compliance with this Indenture and does not modify the terms of this Indenture.

ARTICLE X COVENANTS OF THE COMMISSION

SECTION 10.1. Payment of Principal, Premium and Interest. The Commission covenants that it will promptly pay, or cause to be paid, the principal of, premium, if any, and the interest on every Bond at the places, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof but solely from the revenues of the Trust Estate as more fully described in the provisions of Article II hereof, and not from any other fund or source. The Commission further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Indenture, the Collection Agreement or in any Bond executed, authenticated and delivered hereunder or in any proceedings of the Commission pertaining thereto. The Commission shall not be under any obligation to see that any duties herein imposed upon any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and the Commission shall be under no obligation for failure to see that any such duties or covenants are done or performed. The Commission shall not be liable or responsible because of the failure of the Trustee or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Trustee or because of the loss of any moneys arising through the insolvency or the act or default or omission of any other depository in which such moneys shall have been deposited under the provisions of this Indenture. The immunities and exemptions from liability of the Commission hereunder shall extend to its commissioners, members, officers, employees and agents. Any obligation of the Commission created by or arising out of this Indenture, including the Bonds, shall not impose a debt, general obligation or pecuniary liability upon the Commission or constitute a charge upon the general credit of the Commission, but instead any such obligation shall be a limited obligation of the Commission and shall be payable solely from the revenues of the Trust Estate and not from any other fund or source. The Bonds are not secured and have no lien on revenue paid under clauses (d) and (e) of the Trust Estate.

SECTION 10.2. Additional Security. The Commission covenants, whenever and so often as reasonably required to do so by the Trustee, promptly to execute and deliver or cause to be delivered all such other and further instruments, documents or assurances, and to promptly do or cause to be done all such other further things, as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the owners of the Bonds all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Indenture; provided that, the Commission shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Commission in connection therewith as such costs and expenses accrue.

SECTION 10.3. Defend Against Actions. The Commission covenants to cooperate with the Trustee and/or the Bondholders in their defense of every suit, action or proceeding at any time brought against the Trustee (except for actions against the Trustee arising from the negligence or willful misconduct of the Trustee) or any owner of Bonds (provided the Commission shall be furnished with sufficient funds

to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Commission in connection therewith as such costs and expenses accrue) upon any claim arising out of the receipt, application or disbursement of any of the revenues of the Trust Estate or involving the Commission's, the Trustee's or such Owner's rights under this Indenture or the Collection Agreement and to indemnify and save harmless, solely from the Trust Estate, the Trustee and Owners of the Bonds against any and all liability claimed or asserted by any person whomsoever, arising out of such receipt, application or disbursement of any such revenues; provided, however, that the Trustee or any Owner of Bonds at its or his election may appear in and defend against any such suit, action or proceeding; and notwithstanding any contrary provision hereof, this covenant shall continue and remain in full force and effect until all indebtedness, liabilities, obligations and other sums secured hereby have been fully paid and satisfied, and this Indenture has been released of record and the lien hereof discharged.

SECTION 10.4. Non-Impairment of Security. The Commission covenants that so long as any of the Bonds issued pursuant to this Indenture are outstanding and unpaid, the Commission will not voluntarily consent to any amendment to the Collection Agreement or otherwise take any action which will reduce the amount of moneys made available thereunder to the Trustee, or which will in any manner impair or adversely affect the rights of the Commission or the Trustee or the security provided by this Indenture to the owners from time to time of the Bonds.

SECTION 10.5. Commission's Obligation Limited. Nothing in the Collection Agreement or this Indenture is intended to require or obligate nor shall anything therein be interpreted to require or obligate the Commission for any purpose or at any time whatsoever, to provide, apply or expend any funds coming into the hands of the Commission other than from the Trust Estate.

SECTION 10.6. No Superior or Parity Liens on Trust Estate. The Commission covenants that it has full right, title and interest in the Trust Estate which has been pledged hereunder. The Commission and the DOTD will not, except as specifically permitted with respect to Bonds pursuant to this Indenture, pledge, grant or create in any manner any lien or encumbrance on, or rights with respect to, the Trust Estate.

SECTION 10.7. Accounts and Reports. (a) The Commission shall keep proper books of records and accounts in which complete and correct entries shall be made of its transactions in accordance with generally accepted accounting principles then in effect for governmental entities similar to the Commission. The Funds and Accounts, such books, and all other records and papers relating to the Project, shall, to the extent permitted by law, at all times be subject to the inspection of the Trustee. The Commission will permit the Trustee, at all reasonable times, to take copies and extracts from such books, records and papers, and will from time to time furnish, or cause to be furnished, to the Trustee such information and statements as the Trustee may reasonably request, all as may be reasonably necessary for the purpose of determining performance or observance by the Commission of its obligations under the Indenture.

(b) The Trustee shall advise the Commission within 15 days after the end of each month of its transactions during such month relating to the Funds and Accounts.

ARTICLE XI DEFEASANCE

SECTION 11.1. Payment. When all of the Bonds shall have been paid and discharged, and there shall have been paid all fees and charges of the Trustee and the Commission due or to become due through the date on which the last of the Bonds is retired, then this Indenture shall cease, terminate and become null and void, and thereupon the Trustee shall release this Indenture including the cancellation and discharge of the lien hereof, and execute and deliver to the Commission such instruments in writing as shall

be requisite to satisfy the lien hereof and to enter on the records such satisfaction and discharge and to re-convey to the Commission any property or interest therein or other rights hereby conveyed and such other instruments to evidence such release and discharge as may be reasonably required by the Commission, and the Trustee shall assign and deliver to the Commission any property at the time subject to the lien of this Indenture which may then be in its possession, except amounts in any Fund created hereunder otherwise required to be paid by this Indenture and except such cash and investments as are held by the Trustee for the payment of interest and premium, if any, on and retirement of the Bonds.

Notwithstanding the foregoing, the obligation of the Commission to pay the Administrative Expenses of the Trustee in accordance with the terms of this Indenture shall survive the defeasance of the Bonds, the discharge of this Indenture and the termination of the Collection Agreement.

SECTION 11.2. Provision for Payment of Bonds. Any Bonds shall be deemed to have been paid and discharged within the meaning of Section 11.1, only if the Trustee shall hold, in trust for and irrevocably committed thereto, Defeasance Obligations of such maturities and interest payment dates and bearing such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (likewise to be held in trust and committed, except as hereinafter provided), be sufficient for the payment of such Bonds, at their maturity or redemption date, of the principal thereof, together with the redemption premium, if any, and interest accrued to the date of maturity or redemption, as the case may be, or if default in such payment shall have occurred on such date then to the date of the tender of such payment; provided, that if any Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or provisions satisfactory to the Trustee shall have been duly made for the giving of such notice. Any moneys held in accordance with the provisions of this Section shall be invested only in Defeasance Obligations the maturities or redemption dates and interest payment dates of which, at the option of the owner, shall coincide as nearly as practicable with, but not later than, the time or times at which said moneys will be required for the aforesaid purposes. Any income or interest earned by the Defeasance Obligations held under this Section shall, as determined by the Trustee, to the extent not required for the purposes of this Section, be paid to the Commission.

SECTION 11.3. Certifications. Prior to defeasance of the Bonds and discharge of this Indenture as provided in this Article XII, there shall be delivered to the Trustee and the Commission:

- (a) Certificate of the Commission stating that provisions of this Article relating to the satisfaction and discharge of this Indenture have been fulfilled;
- (b) An opinion of counsel acceptable to the Trustee and the Commission (who may be counsel for the Commission) stating that in his opinion that the provisions of this Article relating to the satisfaction and discharge of this Indenture have been fulfilled and the escrow agreement establishing the defeasance of the Bonds operates to legally defease such Bonds within the meaning of this Article XII;
- (c) A verification report of an independent nationally recognized certified public account expressly stating that the amounts deposited in escrow to defease the Bonds are sufficient for such purpose;
- (d) A certificate of the TIFIA Lender that all fees and expenses have been paid to the TIFIA Lender and other than the obligations under the escrow agreement, no other amounts are due to the TIFIA Lender; and
- (e) The written consent of the USDOT to said defeasance.

ARTICLE XII MISCELLANEOUS

SECTION 12.1. Covenants of Commission Binds its Successors. In the event of the dissolution of the Commission, all of the covenants, stipulations, obligations and agreements contained in this Indenture by or on behalf of or for the benefit of the Commission shall bind or inure to the benefit of the successor or successors of the Commission from time to time and any officer, board, commission, port, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the word "Commission" as used in this Indenture shall include such successor or successors.

SECTION 12.2. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Commission, the DOTD and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

SECTION 12.3. Parties Interested Herein. With the exception of rights herein expressly conferred on the Commission and the DOTD, nothing in this Indenture expressed or implied, is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Commission, the Trustee, the DOTD and the Bondholders, any right, remedy or claim or by reason of this Indenture or any covenant, agreement, condition or stipulation therein or to authorize anyone to maintain a suit for personal injuries or property damage.

SECTION 12.4. No Recourse on the Bonds. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds or for the enforcement of any obligation, promise or agreement of the Commission contained herein or in the Bonds or for any claim based thereunder or under this Indenture against any trustee, member, director, officer, employee or agent of the Commission or the Trustee or any Trustee of the Commission.

SECTION 12.5. Severability. If any one or more of the covenants or agreements provided in this Indenture on the part of the Commission or the Trustee to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture.

SECTION 12.6. Consents and Approvals. Whenever the written consent or approval of the Commission, the Trustee or the DOTD shall be required under the provisions of this Indenture, such consent or approval shall not be unreasonably withheld or delayed.

SECTION 12.7. Notices to Parties. Any notice required or permitted to be given hereunder 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 set forth below, or as to each party at such other address or numbers as shall be designated by such party in written notice to the other parties.

Commission: State Bond Commission
900 North Third Street
P. O. Box 44154
Baton Rouge, Louisiana 70804
Attn: Director-Secretary

DOTD: Louisiana Department of Transportation and Development
1201 Capitol Access Road
Baton Rouge, LA 70802
Attn: Secretary

Trustee: []
[]
[]
Attn: []

Notice hereunder shall be deemed effective on the date of its receipt by the addressee. The above addresses may be changed at any time upon written notice of such change sent by United States mail, postage prepaid, to the other parties by the party effecting the change.

SECTION 12.8. Notices to Bondholders. Except as otherwise provided herein, any notices or other communications required or permitted to be given to the Bondholders pursuant to this Indenture shall be mailed by first class mail in a sealed envelope, postage prepaid, addressed to each such Bondholder as his address last appears on the Bond Register. In case, by reason of the suspension of or irregularities in regular mail service, it shall be impractical to mail notice to the Bondholders of any event when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be sufficient giving of such notice. Any notice herein required may be omitted if the owners of all the Bonds entitled to such notice give to the Trustee a written waiver of such notice.

SECTION 12.9. Amounts Remaining in Funds; Releases. It is agreed by the parties hereto that any amounts remaining in the Funds and Accounts existing pursuant to this Indenture upon the expiration or sooner cancellation or termination of the Collection Agreement, as provided therein, after payment in full of all Bonds then outstanding under this Indenture (or provisions for payment thereof having been made in accordance with Article XII of this Indenture), and the fees, charges and expenses of the Commission and the Trustee and all other amounts required to be paid under the Collection Agreement and under this Indenture, shall belong to and be paid to the State.

SECTION 12.10. Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State, without giving effect to its conflict of laws provisions.

SECTION 12.11. Table of Contents and Section Headings Not Controlling. The Table of Contents and headings of the several Articles and Sections of this Indenture have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provisions of this Indenture.

SECTION 12.12. Indenture to Constitute a Contract. This Indenture, upon execution by the Commission, the DOTD and the Trustee shall constitute a third party beneficiary contract between the Commission and the Trustee for the benefit of the owners of all Bonds issued hereunder.

SECTION 12.13. Payments Due on Legal Holidays. For Public Bonds, in any case where the date of maturity of interest on or principal of the Public Bonds or the date fixed for redemption or purchase

of any Public Bonds or the date fixed for the giving of notice or the taking of any action under this Indenture shall not be a Business Day, then payment of such interest, principal, purchase price and redemption premium, if any, the giving of such notice or the taking of such action need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or purchase, and no interest on such payment shall accrue for the period after such date.

SECTION 12.14. Exercise of Police Powers. Neither the terms of this Indenture nor the other instruments contemplated hereby shall constitute a waiver by the Commission of the valid exercise of its police powers.

SECTION 12.15. Effective Date of Indenture. The provisions of the Indenture are effective as of [_____, 2021].

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Commission has caused this Indenture to be executed by its Chairman and has caused the seal of the State to be affixed hereto and attested by its Director-Secretary, the DOTD has caused this Indenture to be executed by its Secretary, and the Trustee has caused this Indenture to be executed in its behalf by the Authorized Trustee Representative, all as of the day and year above written.

STATE BOND COMMISSION

By: _____
Chairman

ATTEST:

(SEAL)

By: _____
Director-Secretary

**DEPARTMENT OF TRANSPORTATION AND
DEVELOPMENT OF THE STATE OF LOUISIANA**

By: _____
Secretary

[_____] , as Trustee

By: _____
Authorized Officer

DRAFT: 05/28/2021
F&J: MLH/TMS

FIRST SUPPLEMENTAL TRUST INDENTURE

AMONG

**STATE BOND COMMISSION,
ON BEHALF OF THE STATE OF LOUISIANA**

AND

**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
OF THE STATE OF LOUISIANA**

AND

**[_____] ,
AS TRUSTEE**

DATED AS OF [_____] , 2021]

RELATING TO:

**[\$_____]
STATE OF LOUISIANA
DEEPWATER HORIZON ECONOMIC DAMAGES REVENUE BONDS
_____ PROJECT (TIFIA – 2021)**

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FIRST SUPPLEMENTAL TRUST INDENTURE

This **FIRST SUPPLEMENTAL TRUST INDENTURE** dated as of [] 1, 2021 (together with any supplements and amendments hereto made in accordance herewith, the "First Supplemental Indenture"), is among the State Bond Commission (the "Commission" or the "Issuer"), created by Article VI, Section 8 of the Louisiana Constitution, acting on behalf of the State of Louisiana (the "State"), the Department of Transportation and Development of the State (the "DOTD"), an agency of the State, and [], a [] banking association duly organized and validly existing under the laws of the United States of America, which is authorized under such laws to exercise corporate trust powers (said [] banking association, and any bank or trust company becoming successor Trustee under this First Supplemental Indenture, the "Trustee").

WITNESSETH:

WHEREAS, the Issuer and the DOTD have entered into a Master Trust Indenture dated as of [] 1, 2021 (the "Master Indenture"), with the Trustee for the purposes set forth herein; and

WHEREAS, the Master Indenture authorizes the Issuer to issue Bonds pursuant to the Master Indenture and one or more Supplemental Indentures and pursuant to a Series Resolution adopted on [], 2021] by the Issuer, the Commission authorized the issuance of the Series 2021A Bonds (as herein defined); and

WHEREAS, in order to accomplish the purposes set forth in the Master Indenture, the Issuer has determined it appropriate and necessary to issue an initial Series of Bonds under this First Supplemental Indenture; and

WHEREAS, the Issuer proposes to issue the Series 2021A Bonds (herein defined) hereunder and under the Master Indenture and to apply the proceeds of such Series 2021A Bonds for the purpose of financing all or a portion of the costs of the Project described herein and paying costs of issuance of the Series 2021A Bonds;

WHEREAS, the execution and delivery of this First Supplemental Indenture has been in all respects duly and validly authorized by a resolution duly adopted by the Issuer; and

WHEREAS, all things necessary to make the Series 2021A Bonds, when executed by the Issuer and authenticated by the Registrar, valid and binding legal obligations of the Issuer and to make this First Supplemental Indenture a valid and binding agreement have been done.

NOW THEREFORE, THIS SERIES INDENTURE WITNESSETH:

It is declared that all Series 2021A Bonds issued hereunder are to be issued, authenticated and delivered, and that all the trust estate assigned hereby and by the Master Indenture are to be dealt with and disposed of under, upon and subject to, the terms, conditions, stipulations, covenants, agreements, obligations, trusts, uses and purposes provided in the Master Indenture and in this First Supplemental Indenture. The Issuer has agreed and covenanted, and agrees and covenants with the Trustee and with each and all Holders, as follows:

ARTICLE I AUTHORITY AND DEFINITIONS

SECTION 1.01. Title. This First Supplemental Trust Indenture may hereafter be cited by the Issuer and is hereinafter sometimes referred to as the "First Supplemental Indenture."

SECTION 1.02. Defined Terms.

(a) All terms which are defined in the Master Indenture are incorporated by reference into this First Supplemental Indenture and shall have the same meanings respectively in this First Supplemental Indenture as such terms are given in Article I of or elsewhere in the Master Indenture, unless the context hereof indicates otherwise.

(b) ["Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated as of [] 1, 2021, between the Issuer and the DOTD.]

(c) "Interest Payment Date" shall mean each March 1 and September 1, commencing [] 1, 2021.

(d) "Record Date" means the February 15 or August 15 next preceding an Interest Payment Date, as the case may be, or, if such day shall not be a Business Day, the next preceding Business Day.

(e) "Series 2021A Bonds" shall mean the [\$] State of Louisiana Deepwater Horizon Economic Damages Revenue Bonds [] Project (TIFIA – 2021), which are authorized by this First Supplemental Indenture.

SECTION 1.03. Authority. This First Supplemental Indenture is entered into pursuant to the authority of the Master Indenture and pursuant to the authority contained in the Act, as amended.

SECTION 1.04. Determination by Issuer to Issue Series 2021A Bonds. It is hereby determined by the Issuer that it is necessary and desirable that the Issuer issue its Series 2021A Bonds in the principal amount hereinafter set forth for the purpose of financing the [] (the "Project"), and paying costs of issuance of the Series 2021A Bonds.

ARTICLE II TERMS AND ISSUANCE OF SERIES 2021A BONDS

SECTION 2.01. Authorization and Designation of Series 2021A Bonds. Pursuant to the Series Resolution, the Master Indenture and the authority contained in the Act, there are hereby authorized to be issued [\$] principal amount of Bonds of the Issuer to the designated "State of Louisiana Deepwater Horizon Economic Damages Revenue Bonds [] Project (TIFIA – 2021) (the "Series 2021A Bonds"). The Series 2021A Bonds shall be issued pursuant to the terms of the Master Indenture and this First Supplemental Indenture. The execution of this First Supplemental Indenture by the Treasurer and Director of the Issuer and by the Secretary of the DOTD has been heretofore authorized.

SECTION 2.02. Issue Date. The Series 2021A Bonds shall be dated [], 2021].

SECTION 2.03. Maturities and Rates; Redemption. The Series 2021A Bonds shall be issued as Bonds maturing on September 1 of the years, and in the principal amounts, and bearing interest from the date thereof, payable on each Interest Payment Date, as follows:

[AMORTIZATION TO BE ADDED]

Interest on the Bonds will be calculated on the basis of a 365-day year or 366-day year, as appropriate.

The Series 2021A Bonds are subject to redemption prior to their stated maturity dates at the election of the Commission, in whole or in part, at any time, on and after [____], 20[___], in such order of maturity determined by the Commission, at the redemption price of 100% of the principal amount of the Series 2021A Bonds to be redeemed, plus accrued interest to the date fixed for redemption; provided such redemption shall be in a principal amount not less than \$1,000,000.

The Series 2021A Bonds are subject to mandatory redemption and prepayment as provided in Section 10 of the Loan Agreement.

SECTION 2.04. Denominations, Numbers and Letters. The Series 2021A Bonds shall be issued in the denomination of \$5,000, or any integral multiple thereof. The Series 2021A Bonds shall be lettered and numbered separately consecutively from R-1 upwards.

SECTION 2.05. Place of Payment and Designation of Paying Agent and Registrar. The principal and interest on the Series 2021A Bonds shall be payable as provided in the Loan Agreement.

SECTION 2.06. Form of Bonds. The Series 2021A Bonds shall be substantially in the form set forth in **Exhibit A** hereto.

SECTION 2.07. Additional Bonds. The Issuer reserves the right to issue Additional Bonds if it has received a certificate of an Authorized Representative of the DOTD stating that the requirements of Section 2.06 of the Master Indenture are satisfied.

SECTION 2.08. Schedule of Debt Service and Administrative Expenses. Attached hereto as **Schedule A** is the schedule showing the expected sources of funds for the payment of Debt Service and the estimated Administrative Expenses to be paid in connection with the issuance of the Series 2021A Bonds, as such **Schedule A** may be revised as provided in the Loan Agreement.

ARTICLE III DISPOSITION OF PROCEEDS OF SERIES 2021A BONDS

SECTION 3.01. Bond Fund. There is hereby created an Account in the Bond Fund to be known as the "Series 2021A Account of the Bond Fund.". There shall be deposited in the Series 2021A Account of the Bond Fund from net proceeds received from the TIFIA Lender of the Series 2021A Bonds, the amount of \$[_____].

SECTION 3.02. Debt Service Payment Fund. The following Accounts are hereby created in the Debt Service Payment Fund: (i) the "Series 2021A Interest Account of the Debt Service Payment Fund" and (ii) the "Series 2021A Principal Account of the Debt Service Payment Fund."

SECTION 3.03. Debt Service Reserve Fund. There is hereby created an Account in the Debt Service Reserve Fund to be known as the "Series 2021A Account of the Debt Service Reserve Fund."

SECTION 3.04. Costs of Issuance Fund. There is hereby created an Account in the Costs of Issuance Fund to be known as the "Series 2021A Account of the Costs of Issuance Fund." [There shall be deposited in the Series 2021A Account of the Costs of Issuance Fund from net proceeds received from the TIFIA Lender of the Series 2021A Bonds, the amount of \$[_____].

SECTION 3.05. Administrative Expense Fund. There is hereby created an Account in the Administrative Expense Fund to be known as the "Series 2021A Account of the Administrative Expense Fund." [There shall be deposited in the Series 2021A Account of the Administrative Expense Fund from net proceeds received from the TIFIA Lender of the Series 2021A Bonds, the amount of \$[_____].

SECTION 3.06. Funds and Accounts. All of the above Fund and Accounts are created solely for the purpose of paying applicable amounts due and owing on the Series 2021A Bonds subject to the provisions of Article VII of the Master Indenture.

ARTICLE IV MISCELLANEOUS

SECTION 4.01. Parties Interested Herein. Nothing in this First Supplemental Indenture expressed or implied is intended or will be construed to confer upon, or to give to any person other than the Issuer, the DOTD, the Trustee and the Owners, any right, remedy or claim under or by reason of this First Supplemental Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this First Supplemental Indenture contained by and on behalf of the Issuer or the Trustee will be for the sole and exclusive benefit of the Issuer, the DOTD, the Trustee, the Paying Agent and the Owners.

SECTION 4.02. [Continuing Disclosure. The Issuer and the DOTD hereby covenant and agree that they will comply with and carry out all of the provision of the Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the Issuer or the DOTD to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default under the Indenture; however, the Trustee may (and, at the written request of any participating underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Series 2021A Bonds and upon being indemnified as provided in the Master Indenture, shall) or any holder or Beneficial Owner of a Series 2021A Bond may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer and Department to comply with its obligations under this Section 4.02. For purposes of this Section 4.02, Beneficial Owner shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2021A Bonds (including persons holding Series 2021A Bonds through nominees, depositories or other intermediaries).]

SECTION 4.03. Titles, Headings, Captions, Etc. The titles, captions and headings of the articles, Sections and subdivisions of this First Supplemental Indenture have been inserted for convenience of reference only and will in no way modify or restrict any of the terms or provisions hereof.

SECTION 4.04. Severability. In the event any provision of this Supplemental Indenture is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

SECTION 4.05. Governing Law. This First Supplemental Indenture will be governed and construed in accordance with the laws of the State without regard to conflict of law principles.

SECTION 4.06. Execution in Counterparts. This First Supplemental Indenture may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

SECTION 4.07. Notices. All notices, certificates or other communications will be sufficiently given and will be deemed given when delivered or mailed by First-class mail, postage prepaid, as follows:

Commission: State Bond Commission
900 North Third Street
P. O. Box 44154
Baton Rouge, Louisiana 70804
Attn: Director-Secretary

DOTD: Louisiana Department of Transportation and Development
1201 Capitol Access Road
Baton Rouge, LA 70802
Attn: Secretary

Trustee: [_____
[_____
[_____
Attn: [_____]

The Issuer, the DOTD and the Trustee may, by written notices, designate any further or different addresses to which subsequent notices, certificates or other communications will be sent.

SECTION 4.08. Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this First Supplemental Indenture is not a Business Day, such payment may be made or act performed or right exercised on the next Business Day not a legal holiday or a day on which such banking institutions are not authorized by law to remain closed with the same force and effect as if done on the nominal date provided in this First Supplemental Indenture.

SECTION 4.09. Effective Date of Indenture. This First Supplemental Indenture shall become effective upon the date of its execution and delivery by the Chairman and Director of the Issuer, by the Secretary of the DOTD, and by the duly authorized officer of the Trustee.

SECTION 4.10. Conflicts Repealed. All provisions of the various resolutions passed and adopted by the Issuer, to the extent they conflict with the provisions of this First Supplemental Indenture and the Master Indenture are superseded by the provisions of the First Supplemental Indenture and Master Indenture and the provisions of this First Supplemental Indenture and the Master Indenture shall govern all matters relating to the Series 2021A Bonds.

IN WITNESS WHEREOF, the Commission has caused this First Supplemental Indenture to be executed by its Chairman and has caused the seal of the State to be affixed hereto and attested by its Director-Secretary, the DOTD has caused this First Supplemental Indenture to be executed by its Secretary, and the Trustee has caused this First Supplemental Indenture to be executed in its behalf by its authorized officer, all as of the day and year above written.

STATE BOND COMMISSION

By: _____
Chairman

ATTEST:

(SEAL)

By: _____
Director-Secretary

**DEPARTMENT OF TRANSPORTATION AND
DEVELOPMENT OF THE STATE OF LOUISIANA**

By: _____
Secretary

[_____] , as Trustee

By: _____
Authorized Officer

EXHIBIT A
FORM OF SERIES 2021A BOND

EXHIBIT B
DESCRIPTION OF PROJECTS
[AND INITIAL ALLOCATION OF COSTS]

SCHEDULE A
DEBT SERVICE SCHEDULE AND
ADMINISTRATIVE EXPENSES

[Please see the following page for Schedule A, the rest of this page is intentionally left blank]

**07-15-2021 STATE BOND COMMISSION MEETING
APPLICATIONS SUBMITTED BUT NOT HEARD**

Agenda Item # 30

Type	App #	Entity	Attorney / Official	Reason
Amendment	L18-396A	Red River, Town of Coushatta	Alan Offner Foley & Judell, LLP	Upon review, it was determined SBC approval is not necessary.
Bond	S21-030	LCDA (St. Bernard Parish GOMESA Project)	C. Grant Schlueter Foley & Judell, LLP	Bond Counsel requested on 07-07-21 the application was Withdrawn from consideration.

**STATE BOND COMMISSION
RECAP OF VOLUME CAP ALLOCATIONS
As of July 14, 2021**

Agenda Item # 30

Ceiling		\$510,984,980
Allocations Before Carry Forward		
Governor Allocations	\$ 4,228,011	
Allocations Returned	<u> </u>	<u>\$ 4,228,011</u>
Ceiling Available		\$506,756,969
Applications Approved - Pending Allocation		
Amount Available After Pending Allocations		\$506,756,969
2018-2020 Available Volume Cap Carryforward		\$ 1,232,624,965

**Outstanding Receivables Due for Past Elections
As of July 2021**

Due To	Entity	Election Date	Amount	Notes
<u>Secretary of State</u>				
<u>Attorney General *</u>				
	Grant Parish Economic Development District	11/16/13	\$ 13,115.34	
	Natchitoches Parish, Village of Natchez	03/27/10	\$ 8,364.52	
		05/11/10		
		04/05/14		
		05/03/14		

* The Amount is the outstanding balance that includes the cost to hold the election (machine setup, registrar, precinct rentals, ballot, Clerk, Commissioner/custodian, etc.), interest and collection costs. Entites are contacted on a regular basis by the Attorney General's office; however, because they are public entities, the Attorney General is limited in it's legal ability to collect amounts owed.