



JOINT LEGISLATIVE COMMITTEE ON THE BUDGET
STATE CAPITOL
P.O. BOX 44294, CAPITOL STATION
BATON ROUGE, LOUISIANA 70804
(225) 342-1964

REPRESENTATIVE JEROME ZERINGUE
CHAIRMAN

SENATOR BODI WHITE
VICE-CHAIRMAN

REVISED AGENDA

Friday, October 21, 2022

Upon Adjournment of the Joint Meeting of the House Committee on
Appropriations and Senate Committee on Finance

Senate Chamber (ROOM CHANGE)

I. CALL TO ORDER

II. ROLL CALL

III. BUSINESS

1. Fiscal Status Statement and Five-Year Base-Line Budget
2. BA-7 Agenda
3. Facility Planning and Control Agenda
4. Interpretation of legislative intent for an appropriation contained in Act 170 of the 2022 Regular Session of the Legislature in accordance with the provisions of R.S. 24:653(E)
5. Review and approval of contract amendments between the Louisiana Board of Regents/LOFSA and ThoughtSpan Technology, LLC, for software license and support services, in accordance with R.S. 39:1615(J)
6. Review and approval of a contract between the office of group benefits and Caremark PCS Health, LLC, in accordance with R.S. 42:802(D)(1)
7. Review and approval of the Fiscal Year 2022-2023 operating budget for the Greater New Orleans Expressway Commission, in accordance with Section 2(C) of Act 875 of 1988
8. Review and approval of amendments to the Calendar Year 2022 operating budget and the Calendar Year 2023 operating budget for the Louisiana Public Facilities Authority, in accordance with R.S. 9:2346
9. Review of a one-year extension on the contract for Medicaid fiscal intermediary services between the Louisiana Department of Health and Gainwell Technologies, LLC, in accordance with R.S. 39:198
10. Review of an agreement between the state of Louisiana, the Board of Supervisors for the University of Louisiana System on behalf of the University of New Orleans, LA Energy Partners, LLC, and Orleans Sustainable Energy Partners, LLC, in accordance with R.S. 39:366.11
11. Discussion of the hotel/motel tax collections in Orleans and Jefferson Parishes
12. Review and approval of the Fiscal Year 2022-2023 operating budget for the Tobacco Settlement Financing Corporation, in accordance with R.S. 39:99.6

IV. CONSIDERATION OF ANY OTHER BUSINESS THAT MAY COME BEFORE THE COMMITTEE

V. ADJOURNMENT

Persons who do not feel comfortable giving testimony in person at this time may submit a prepared statement in lieu of appearing before the committee:

A. Any interested person or any committee member may file with the committee a prepared statement concerning a specific instrument or matter under consideration by the committee or concerning any matter within the committee's scope of authority, and the committee records shall reflect receipt of such statement and the date and time thereof.

B. Any person who files a prepared statement which contains data or statistical information shall include in such prepared statement sufficient information to identify the source of the data or statistical information. For the purposes of this Paragraph, the term "source" shall mean a publication, website, person, or other source from which the data or statistical information contained in the prepared statement was obtained by the person or persons who prepared the statement.

NOTE: Statements emailed to metoyers@legis.la.gov and received prior to noon on Thursday, October 20, 2022, will be distributed to the committee members prior to the meeting.

All persons desiring to participate in the meeting shall utilize appropriate protective health measures and observe the recommended and appropriate social distancing.

JEROME "ZEE" ZERINGUE, CHAIRMAN

PLEASE SUBMIT A WITNESS CARD TO THE COMMITTEE ADMINISTRATIVE ASSISTANT BEFORE THE MEETING BEGINS IF YOU WANT TO TESTIFY BEFORE THE COMMITTEE.

Agenda Item #1

Fiscal Status Statement and Five -Year Baseline Budget

JOINT LEGISLATIVE COMMITTEE ON THE BUDGET
GENERAL FUND FISCAL STATUS STATEMENT
FISCAL YEAR 2022-2023
(\$ in millions)

October 21, 2022

	<u>SEPTEMBER 2022</u>	<u>OCTOBER 2022</u>	<u>OCTOBER 2022 Over/(Under) SEPTEMBER 2022</u>
<u>GENERAL FUND REVENUE</u>			
Revenue Estimating Conference, May 9, 2022	\$11,039.800	\$11,039.800	\$0.000
FY 21-22 Revenue Carried Forward into FY 22-23	\$404.896	\$404.875	(\$0.021)
Total Available General Fund Revenue	\$11,444.696	\$11,444.675	(\$0.021)
<u>APPROPRIATIONS AND REQUIREMENTS</u>			
Non-Appropriated Constitutional Requirements			
Debt Service	\$435.582	\$435.582	\$0.000
Interim Emergency Board	\$1.323	\$1.323	\$0.000
Revenue Sharing	\$90.000	\$90.000	\$0.000
Total Non-Appropriated Constitutional Requirements	\$526.905	\$526.905	\$0.000
Appropriations			
General (Act 199 of 2022 RS)	\$10,433.292	\$10,433.271	(\$0.021)
Ancillary (Act 169 of 2022 RS)	\$0.000	\$0.000	\$0.000
Judicial (Act 168 of 2022 RS)	\$174.578	\$174.578	\$0.000
Legislative (Act 198 of 2022 RS)	\$85.778	\$85.778	\$0.000
Capital Outlay (Act 117 of 2022 RS)	\$50.000	\$50.000	\$0.000
Total Appropriations	\$10,743.647	\$10,743.626	(\$0.021)
Other Requirements			
Funds Bill (Act 167 of 2022 RS)	\$170.500	\$170.500	\$0.000
Total Other Requirements	\$170.500	\$170.500	\$0.000
Total Appropriations and Requirements	\$11,441.052	\$11,441.031	(\$0.021)
General Fund Revenue Less Appropriations and Requirements	\$3.644	\$3.644	\$0.000

II. FY 2021-2022 Fiscal Status Summary:

In accordance with Act 1092 of the 2001 Regular Session and Act 107 of the 2002 First Extraordinary Session (R.S. 39:75), the first budget status report presented after October 15th shall reflect the fund balance for the previous fiscal year. "At the first meeting of the Joint Legislative Committee on the Budget after publication of the Comprehensive Annual Financial Report for the state of Louisiana, the commissioner of administration shall certify to the committee the actual expenditures paid by warrant or transfer and the actual monies received and any monies or balances carried forward for any fund at the close of the previous fiscal year which shall be reflected in the budget status report."

FY22 GENERAL FUND DIRECT SURPLUS/(DEFICIT) - ESTIMATED (millions)

FY21 Surplus/(Deficit) 699.220

FY22 General Fund - Direct Revenues:

Actual General Fund Revenues	12,898.930
General Fund - Direct Carryforwards to FY22	183.621
Other Transfers	30.316

Total FY22 General Fund - Direct Revenues 13,112.867

FY22 General Fund - Direct Appropriations & Requirements:

Draws of General Fund - Direct Appropriations	(9,032.262)
General Obligation Debt Service	(432.530)
Transfers to Revenue Sharing Fund (Z06) - Constitution 7:26	(90.000)
Transfers Out to Various Funds for 20-XXX	(75.998)
Transfers to Coastal Protection and Restoration Fund (Z12) - R.S. 49:214.5.4	(12.000)
Transfers per Legislative Acts - Act 448 of 21RS - Hurricane and Storm Risk Reduction System Repayment Fund	(400.000)
Transfers per Legislative Acts - Act 505 of 22RS - Megaprojects Leverage Fund & Construction Subfund of the TTF	(600.000)
Transfers per Legislative Acts - Act 114 of 22RS - Funds Bill - Various Funds	(602.350)
Use of FY21 Surplus	(696.411)
Transfer to Revenue Stabilization Fund (Z25)	(788.478)

Total FY22 General Fund - Direct Appropriations & Requirements (12,730.029)

General Fund Direct Cash Balance 1,082.058

Obligations Against the General Fund Direct Cash Balance:

General Fund - Direct Carryforwards to FY23	(404.875)
Unappropriated Use of FY21 Surplus	(2.809)
FY 22 adjustment completed in FY 23 - Remote Sellers - June 2022 taxes collected in July and distributed to LDR in August	17.628
FY22 adjustments completed in FY 23 - transfer to the Coastal Protection and Restoration Fund (Z12)	(0.725)
FY22 adjustments completed in FY 23 - corrections to various fund reversion amounts	10.074
FY22 LDR audit adjustments completed in FY 23 - sales tax and individual income tax revenues	25.827
FY22 LDR audit adjustments completed in FY 23 - corporate income tax and corporate franchise tax revenues	13.674
FY22 additional transfer to the Revenue Stabilization Fund (Z25) due to audit adjustment to corporate taxes	(13.674)

Total Adjustments (354.879)

Net General Fund Direct Surplus/(Deficit) 727.180

Notes:

Due to the FY 22 adjustments made in FY23, the revised amount to be transferred to the Revenue Stabilization Fund (Z25) is \$802.2m.
Due to the FY 22 adjustments made in FY23, the revised amount to be transferred to the Coastal Protection and Restoration Fund (Z12) is \$12.7m.

III. Current Year Items Requiring Action

IV. Horizon Issues Not Contained in 5-Year Plan

FIVE YEAR BASE LINE PROJECTION STATE GENERAL FUND SUMMARY APPROPRIATED

	Prior Fiscal Year 2021-2022	Official Current Fiscal Year 2022-2023	Projected Fiscal Year 2023-2024	Projected Fiscal Year 2024-2025	Projected Fiscal Year 2025-2026
REVENUES:					
Taxes, Licenses & Fees	\$14,407,000,000	\$13,837,200,000	\$13,673,300,000	\$14,003,100,000	\$13,804,000,000
Less Dedications	(\$3,322,300,000)	(\$2,797,400,000)	(\$2,839,200,000)	(\$3,133,300,000)	(\$3,141,700,000)
TOTAL REC REVENUES	\$11,084,700,000	\$11,039,800,000	\$10,834,100,000	\$10,869,800,000	\$10,662,200,000
ANNUAL REC GROWTH RATE		-0.41%	-1.86%	0.33%	-1.91%
Other Revenues:					
Carry Forward Balances	\$183,620,801	\$404,874,737	\$0	\$0	\$0
<i>Total Other Revenue</i>	<i>\$183,620,801</i>	<i>\$404,874,737</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
TOTAL REVENUES	\$11,268,320,801	\$11,444,674,737	\$10,834,100,000	\$10,869,800,000	\$10,662,200,000
EXPENDITURES:					
General Appropriation Bill (Act 199 of 2022 RS)	\$9,077,018,132	\$10,028,395,894	\$10,806,272,172	\$10,383,279,555	\$10,599,785,445
Ancillary Appropriation Bill (Act 169 of 2022 RS)	\$0	\$0	\$13,122,900	\$18,717,090	\$24,507,077
Non-Appropriated Requirements	\$524,029,823	\$526,904,967	\$548,692,770	\$566,878,209	\$569,116,589
Judicial Appropriation Bill (Act 168 of 2022 RS)	\$164,008,439	\$174,577,666	\$176,567,801	\$176,567,801	\$176,567,801
Legislative Appropriation Bill (Act 198 of 2022 RS)	\$73,610,173	\$85,777,844	\$85,777,844	\$85,777,844	\$85,777,844
Special Acts	\$0	\$0	\$11,853,171	\$11,853,171	\$11,853,171
Capital Outlay Bill (Act 117 of 2022 RS)	\$43,331,996	\$50,000,000	\$0	\$0	\$0
TOTAL ADJUSTED EXPENDITURES (less carryforwards)	\$9,881,998,563	\$10,865,656,371	\$11,642,286,658	\$11,243,073,670	\$11,467,607,927
ANNUAL ADJUSTED GROWTH RATE		9.95%	7.15%	-3.43%	2.00%
Other Expenditures:					
Carryforward BA-7s Expenditures	\$183,620,801	\$404,874,737	\$0	\$0	\$0
Supplemental Bill (Act 170 of 2022 RS)	\$189,766,876	\$0	\$0	\$0	\$0
Funds Bills (Act 167 of 2022 RS)	\$1,011,867,514	\$170,500,000	\$0	\$0	\$0
Total Other Expenditures	\$1,385,255,191	\$575,374,737	\$0	\$0	\$0
TOTAL EXPENDITURES	\$11,267,253,754	\$11,441,031,108	\$11,642,286,658	\$11,243,073,670	\$11,467,607,927
PROJECTED BALANCE	\$1,067,047	\$3,643,629	(\$808,186,658)	(\$373,273,670)	(\$805,407,927)
Oil Prices included in the REC forecast.	\$86.53	\$87.06	\$69.77	\$66.28	\$65.62

Agenda Item #2

BA-7 Agenda

JOINT LEGISLATIVE COMMITTEE ON THE BUDGET
BA-7 AGENDA
October 2022

A. Fiscal Status Statement

B. 5-Year Base Line Projection

- | | | |
|---|------|--|
| 1 | EXEC | Executive Department
(01-111) Governor's Office of Homeland Security & Emergency Preparedness |
| 2 | ELOF | Department of Insurance
(04-165) Commissioner of Insurance |



STATE OF LOUISIANA

Legislative Fiscal Office
BATON ROUGE

Post Office Box 44097
Capitol Station
Baton Rouge, Louisiana 70804
Phone: 225.342.7233
Fax: 225.342.7243

To: The Honorable Jerome "Zee" Zeringue
Joint Legislative Committee on the Budget
The Honorable Members of the Joint Legislative Committee on the Budget

From: Alan Boxberger, Interim Legislative Fiscal Officer *AMB*

Date: October 14, 2022

Subject: Joint Legislative Committee on the Budget
Meeting October 21, 2022

Attached are the Legislative Fiscal Office BA-7 (Budget Adjustment) write-ups for the October 21st meeting of the Joint Legislative Committee on the Budget.

The LFO recommends approval of all BA-7's.

Also attached is the Greater New Orleans Expressway Commission (GNOEC) budget analysis for FY 23.

Please contact me if you have questions or need additional information.

LEGISLATIVE FISCAL OFFICE ANALYSIS OF BA-7 REQUEST

DEPARTMENT: Executive

AGENDA NO.: 1

AGENCY: Homeland Security & Emergency Prep

ANALYST: Monique Appeaning

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T.O.</u>
State General Fund:	\$0	Administrative	\$1,713,301,579	0
Interagency Transfers:	\$0			
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$0			
Federal Funds:	\$1,713,301,579			
Total	<u>\$1,713,301,579</u>	Total	<u>\$1,713,301,579</u>	0

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase federal budget authority by \$1.7 B within the Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP) for expenditures associated with various disasters, such as Hurricanes Barry, Delta, Gustav, Harvey, Ida, Ike, Isaac, Katrina, Laura, Rita, Sally, and Zeta. Also, this request is for expenditures associated with administering federal grants such as the Emergency Rental Assistance Program Grant (ERAPG), direct housing grant, and disaster case management grant. The increase in federal budget authority would allow GOHSEP to continue to pay invoices to its vendors and process reimbursement requests from local, state, and nonprofit agencies for disasters and non-disaster grants.

To date in FY 23, GOHSEP experienced an average monthly burn rate of \$277.93 M (July 2022 – September 2022), which indicates the agency may need up to an additional \$2.16 B in federal authority. The agency has projected its needs at an additional \$1.7 B for anticipated grant related expenditure.

<u>Monthly Expenditures</u>	<u>Federal Budget Authority</u>
July 2022 \$197,949,765	Existing Federal Budget Authority = \$1,250,006,315
August 2022 \$258,177,158	Total Expenditure (as of October 7th) = (\$ <u>910,617,097</u>)
September 2022 <u>\$377,684,990</u>	Remaining Federal Budget Authority = \$ 339,389,218
Total \$833,808,912	*Encumbrances = (\$ <u>262,461,189</u>)
	Unrestricted Federal Budget Authority = \$ 76,928,029

3-month Average \$277,936,304

October 2022 \$76,808,185
(Expenditures from October 1-7, 2022)

* NOTE: GOHSEP has reported \$262.5 M in encumbrances that impact its available budget and is projected for expenditures in the current fiscal year.

Based on information provided by GOHSEP, the \$262.5 M reserved for various agreements is anticipated to be utilized in FY 23, which will leave \$76.9 M in federal budget authority for the remainder of the fiscal year. The table below reflects the major program areas by federal authority, expenditures, allocation of BA-7 request, and the new budget that includes the \$1.7B.

LEGISLATIVE FISCAL OFFICE ANALYSIS OF BA-7 REQUEST

The information below represents the current federal budget authority and expenditures and the allocation of the \$1.7 B.

FY 23 Federal Budget and Expenditure Information

	FY 23 Federal Authority	FY 23 Expenditure as of 10/7/22	Allocation of BA-7 Request	New Budget includes BA-7 Request of \$1.7B
-ARP Coronavirus State & Local Fiscal Recovery Fund for Non-entitlement Units of Local Government	\$157,746,659	\$154,575,222	\$0	\$157,746,659
-Direct Housing Grant	\$1,463,662	\$3,486,840	\$11,431,456	\$12,895,119
-Disaster Case Management Grant	\$2,576,671	\$6,138,328	\$20,124,246	\$22,700,917
-Emergency Management Performance Grants	\$552,896	\$1,317,149	\$4,318,217	\$4,871,113
-Emergency Rental Assistance Program	\$50,000,000	\$17,460,810	\$14,574,002	\$64,574,002
-Flood Mitigation Assistance	\$3,863,892	\$9,204,837	\$30,177,666	\$34,041,558
-Hazard Mitigation Grant Program	\$167,061,160	\$8,452,949	\$0	\$167,061,160
-Homeland Security Grant Program	\$498,605	\$1,187,812	\$3,894,189	\$4,392,794
-Homeowner Assistance Program	\$9,634,141	\$22,951,132	\$75,244,305	\$84,878,446
-Non-Profit Security Program	\$40,845	\$97,303	\$319,003	\$359,848
-Pre-Disaster Mitigation	\$960	\$2,286	\$7,495	\$8,454
-Public Assistance Program	\$856,553,238	\$685,710,065	\$1,543,556,509	\$2,400,109,747
-Waste Isolation Pilot Plant Grant	\$13,586	\$32,365	\$106,108	\$119,694
Total	\$1,250,006,315	\$910,617,097	\$1,703,753,197	\$2,953,759,512

II. IMPACT ON FUTURE FISCAL YEARS

Approval of this BA-7 request will have no impact on future fiscal years.

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request.

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST**

DEPARTMENT: Insurance

AGENDA NO.: 2

AGENCY: Commissioner of Insurance

ANALYST: Patrice Thomas

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T.O.</u>
State General Fund:	\$0	Administrative & Fiscal	\$165,000	0
Interagency Transfers:	\$0	Market Compliance	\$0	0
Self-Generated Revenue:	\$165,000			
Statutory Dedications:	\$0			
Federal Funds:	\$0			
Total	\$165,000	Total	\$165,000	0

I. SUMMARY/COMMENTS

The purpose of this BA-7 request is to increase SGR budget authority by \$165,000 in the Administration and Fiscal Program within the LA Department of Insurance (LDI). The source of SGR is a 2-year grant of \$250,000 from the Robert Wood Johnson Foundation (RWJF), which is a non-profit organization that is the largest philanthropy dedicated to improving health and healthcare. The grant period is 9/15/2022 through 9/14/2024. This grant requires no state match.

LDI will use the grant award to support outreach and educational efforts of the LA Fortify Homes grant program, created by Act 554 of 2022. The goal is to increase the number of "Fortified Roof" designations from the Insurance Institute for Business & Home Safety (IBHS) throughout the state. **The LA Fortify Homes grant program did not receive funding in Act 199 of 2022, the FY 23 general appropriation bill. This BA-7 does not provide funding for the LA Fortify Homes grant program, but does provide funding for outreach, education, and marketing of the program.**

This BA-7 request is to appropriate \$165,000 of the \$250,000. The remaining grant funds will be appropriated in FY 24.

Year One	FY 23	\$165,000
Year Two	FY 24	<u>\$ 85,000</u>
		Total - \$250,000

Expenditures for this BA-7 request are as follows:

Professional Services - \$165,000

\$59,270 - Contract with Smart Home America (SHA), which is a non-profit organization based in Mobile, Alabama that educates, collaborates, advises, and promotes resilient construction methods to make homes, businesses, and multifamily dwellings more durable to mitigate property damage from natural disasters. SHA will create an outreach program and identify underserved communities throughout the state at a high risk of tornadoes or tropical storms. Also, SHA will build a network to educate local government entities, media, and partner organizations about available mitigation opportunities and their benefits. Finally, SHA will identify and support non-governmental organizations (NGOs) retrofitting homes to the FORTIFIED Roof™ standard.

\$75,000 - Contract for IT to develop backend software and a portal for the LA Fortify Homes grant program. The portal will be used to track applications for the program as well as grant disbursements made under the program.

\$30,730 - Contracts for a multimedia campaign that includes traditional and digital campaigns, such as display ads, social media, and billboards to advertise the LA Fortify Homes grant program.

II. IMPACT ON FUTURE FISCAL YEARS

The grant is a 2-year grant of \$250,000. The grant is anticipated to be expended as follows: FY 23 - \$165,000 and FY 24 - \$85,000. The Legislative Fiscal Office anticipates the Governor's FY 24 Executive Budget will incorporate the annualization of the grant award. LDI may carry forward any unused grant funds into future fiscal years until the grant period expires on 9/14/2024.

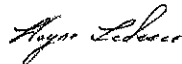
October 21, 2022

**LEGISLATIVE FISCAL OFFICE
ANALYSIS OF BA-7 REQUEST**

III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION

The Legislative Fiscal Office recommends approval of this BA-7 request to fund the outreach, education, and marketing of the LA Fortify Homes grant program as contemplated in Act 554 of 2022. However, the JLCB should note that the LA Fortify Homes grant program is not funded at the current time and the marketing efforts presuppose or imply that appropriations to support the program will be forthcoming, presumably in the near future.

STATE OF LOUISIANA
DIVISION OF ADMINISTRATION, OFFICE OF PLANNING AND BUDGET
REQUEST FOR MID-YEAR BUDGET ADJUSTMENT

DEPARTMENT: Executive Department		FOR OPB USE ONLY				
AGENCY: GOHSEP		OPB LOG NUMBER		AGENDA NUMBER		
SCHEDULE NUMBER: 01-111				1		
SUBMISSION DATE: September 26, 2022		Approval and Authority:				
AGENCY BA-7 NUMBER: 12-111-03						
HEAD OF BUDGET UNIT: Casey Tingle						
TITLE: Director						
SIGNATURE (Certifies that the information provided is correct and true to the best of your knowledge): <div style="text-align: center; margin-top: 10px;">  </div>						
MEANS OF FINANCING	CURRENT FY 2022-2023	ADJUSTMENT (+) or (-)	REVISED FY 2022-2023			
GENERAL FUND BY:						
DIRECT	\$155,398,101		\$155,398,101			
INTERAGENCY TRANSFERS	\$801,087		\$801,087			
FEES & SELF-GENERATED	\$1,265,396		\$1,265,396			
Regular Fees & Self-generated	\$1,265,396		\$1,265,396			
Subtotal of Fund Accounts from Page 2						
STATUTORY DEDICATIONS	\$969,927,686		\$969,927,686			
Louisiana Rescue Plan Fund (V43)	\$501,500,000		\$501,500,000			
State Emergency Response Fund (V29)	\$11,560,172		\$11,560,172			
Subtotal of Dedications from Page 2	\$456,867,514		\$456,867,514			
FEDERAL	\$1,250,006,315	\$1,713,301,579	\$2,963,307,894			
TOTAL	\$2,377,398,585	\$1,713,301,579	\$4,090,700,164			
AUTHORIZED POSITIONS	64		64			
AUTHORIZED OTHER CHARGES	227		227			
NON-TO FTE POSITIONS						
TOTAL POSITIONS	291		291			
PROGRAM EXPENDITURES	DOLLARS	POS	DOLLARS	POS	DOLLARS	POS
PROGRAM NAME:						
100 - Administrative	\$2,377,398,585	291	\$1,713,301,579		\$4,090,700,164	291
Subtotal of programs from Page 2:						
TOTAL	\$2,377,398,585	291	\$1,713,301,579		\$4,090,700,164	291

STATE OF LOUISIANA
DIVISION OF ADMINISTRATION, OFFICE OF PLANNING AND BUDGET
REQUEST FOR MID-YEAR BUDGET ADJUSTMENT

DEPARTMENT: Executive Department	FOR OPB USE ONLY	
AGENCY: GOHSEP	OPB LOG NUMBER	AGENDA NUMBER
SCHEDULE NUMBER: 01-111		
SUBMISSION DATE: September 26, 2022	ADDENDUM TO PAGE 1	
AGENCY BA-7 NUMBER: 12-111-03		

Use this section for additional Dedicated Fund Accounts or Statutory Dedications, if needed.
The subtotal will automatically be transferred to Page 1.

MEANS OF FINANCING	CURRENT FY 2022-2023	ADJUSTMENT (+) or (-)	REVISED FY 2022-2023
GENERAL FUND BY:			
FEES & SELF-GENERATED			
[Select Fund Account]			
[Select Fund Account]			
SUBTOTAL (to Page 1)			
STATUTORY DEDICATIONS			
Louisiana Water Sector Fund (V44)	\$450,000,000		\$450,000,000
Emergency Communications Interoperability Fund (V59)	\$6,867,514		\$6,867,514
[Select Statutory Dedication]			
[Select Statutory Dedication]			
[Select Statutory Dedication]			
[Select Statutory Dedication]			
SUBTOTAL (to Page 1)	\$456,867,514		\$456,867,514

Use this section for additional Program Names, if needed.
The subtotal will automatically be transferred to Page 1.

PROGRAM EXPENDITURES	DOLLARS	POS	DOLLARS	POS	DOLLARS	POS
PROGRAM NAME:						
SUBTOTAL (to Page 1)						

STATE OF LOUISIANA
DIVISION OF ADMINISTRATION, OFFICE OF PLANNING AND BUDGET
REQUEST FOR MID-YEAR BUDGET ADJUSTMENT

Policy and Procedure Memorandum No. 52, Revised, requires that all Requests for Changes in Appropriation be fully documented. At a minimum, the following questions and statements must be answered. Use Continuation Sheets as needed. **FAILURE TO ANSWER ALL QUESTIONS COMPLETELY WILL BE CAUSE TO RETURN THIS DOCUMENT WITHOUT ACTION.**

1. What is the source of funding (if other than General Fund (Direct))? Specifically identify any grant or public law and the purposes of the funds, if applicable. A copy of any grant application and the notice of approved grant or appropriation must accompany the BA-7. What are the expenditure restrictions of the funds?

The source of funding for this request is Federal Funds. For additional information on the multiple types of Federal Funds in this request and the projects with which they are associated, see Attachments A and B.

2. Enter the financial impact of the requested adjustment for the next four fiscal years.

MEANS OF FINANCING OR EXPENDITURE	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026	FY 2026-2027
GENERAL FUND BY:					
DIRECT					
INTERAGENCY TRANSFERS					
FEES & SELF-GENERATED					
STATUTORY DEDICATIONS					
FEDERAL	\$1,713,301,579	(\$1,713,301,579)			
TOTAL	\$1,713,301,579	(\$1,713,301,579)			

3. If this action requires additional personnel, provide a detailed explanation below:

This action will not require additional personnel.

4. Explain why this request can't be postponed for consideration in the agency's budget request for next fiscal year.

This request is necessary for the agency to have sufficient budget authority to complete the fiscal year. GOHSEP currently has obligations for the programs/projects listed in Attachments A & B in FY 23. Postponement of this request will cause the non-payment of these obligations in the current fiscal year.

5. Is this an after the fact BA-7, e.g., have expenditures been made toward the program this BA-7 is for? If yes, explain per PPM No.52.

This BA-7 is not after the fact.

STATE OF LOUISIANA
DIVISION OF ADMINISTRATION, OFFICE OF PLANNING AND BUDGET
REQUEST FOR MID-YEAR BUDGET ADJUSTMENT

PERFORMANCE IMPACT OF MID-YEAR BUDGET ADJUSTMENT

1. Identify and explain the programmatic impacts (positive or negative) that will result from the approval of this BA-7.

GOHSEP requires additional Federal budget authority to fulfill FY 2022-2023 obligations. GOHSEP has already expended over \$561M in Federal authority. GOHSEP currently has obligations for the programs/projects listed in Attachments A & B in FY 23. Postponement of this request will cause the non-payment of these obligations in the current fiscal year. GOHSEP processes reimbursement requests as a pass through agency to applicants/subgrantees for all disasters and federal grant programs.

2. Complete the following information for each objective and related performance indicators that will be affected by this request. (Note: Requested adjustments may involve revisions to existing objectives and performance indicators or creation of new objectives and performance indicators. Repeat this portion of the request form as often as necessary.)

OBJECTIVE:

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE STANDARD		
		CURRENT FY 2022-2023	ADJUSTMENT (+) OR (-)	REVISED FY 2022-2023

JUSTIFICATION FOR ADJUSTMENT(S): Explain the necessity of the adjustment(s).

3. Briefly explain any performance impacts other than or in addition to effects on objectives and performance indicators. (For example: Are there any anticipated direct or indirect effects on program management or service recipients? Will this BA-7 have a positive or negative impact on some other program or agency?)

The mission of GOHSEP is to lead and support Louisiana and its citizens to prevent, prepare for, respond to, recover from and mitigate against man-made or natural disasters that threaten our State. These funds are directly related to GOHSEP's success in completing its mission.

4. If there are no performance impacts associated with this BA-7 request, then fully explain this lack of performance impact.

Not applicable.

5. Describe the performance impacts of failure to approve this BA-7. (Be specific. Relate performance impacts to objectives and performance indicators.)

Failure to approve this BA-7 will hamper GOHSEP's ability to prevent and protect against hazards or threats, prepare the state to respond to and recover from emergencies and disasters, lead/coordinate Louisiana's response to all hazard events, and lead the delivery of the Hazard Mitigation Assistance Programs for the State.

STATE OF LOUISIANA
DIVISION OF ADMINISTRATION, OFFICE OF PLANNING AND BUDGET
REQUEST FOR MID-YEAR BUDGET ADJUSTMENT

PROGRAM LEVEL REQUEST FOR MID-YEAR BUDGET ADJUSTMENT

PROGRAM 1 NAME: Administrative

MEANS OF FINANCING:	CURRENT FY 2022-2023	REQUESTED ADJUSTMENT	REVISED FY 2022-2023	ADJUSTMENT OUTYEAR PROJECTIONS			
				FY 2023-2024	FY 2024-2025	FY 2025-2026	FY 2026-2027
GENERAL FUND BY:							
Direct	\$155,398,101		\$155,398,101				
Interagency Transfers	\$801,087		\$801,087				
Fees & Self-Generated *	\$1,265,396		\$1,265,396				
Statutory Dedications **	\$969,927,686		\$969,927,686				
FEDERAL FUNDS	\$1,250,006,315	\$1,713,301,579	\$2,963,307,894	(\$1,713,301,579)			
TOTAL MOF	\$2,377,398,585	\$1,713,301,579	\$4,090,700,164	(\$1,713,301,579)			
EXPENDITURES:							
Salaries	\$5,381,347		\$5,381,347				
Other Compensation							
Related Benefits	\$2,467,440		\$2,467,440				
Travel	\$5,417		\$5,417				
Operating Services	\$1,380		\$1,380				
Supplies	\$202,255		\$202,255				
Professional Services	\$6,867,514		\$6,867,514				
Other Charges	\$2,332,977,977	\$1,713,301,579	\$4,046,279,556	(\$1,713,301,579)			
Debt Services							
Interagency Transfers	\$29,417,709		\$29,417,709				
Acquisitions	\$77,546		\$77,546				
Major Repairs							
UNALLOTTED							
TOTAL EXPENDITURES	\$2,377,398,585	\$1,713,301,579	\$4,090,700,164	(\$1,713,301,579)			
POSITIONS							
Classified							
Unclassified	64		64				
TOTAL T.O. POSITIONS	64		64				
Other Charges Positions	227		227				
Non-TO FTE Positions							
TOTAL POSITIONS	291		291				
*Dedicated Fund Accounts:							
Reg. Fees & Self-generated	\$1,265,396		\$1,265,396				
[Select Fund Account]							
[Select Fund Account]							
**Statutory Dedications:							
State Emergency Response Fund (SER)	\$11,560,172		\$11,560,172				
Louisiana Rescue Plan Fund (V43)	\$501,500,000		\$501,500,000				
Louisiana Water Sector Fund (V44)	\$450,000,000		\$450,000,000				
Emergency Communications Interoperability Fund (V59)	\$6,867,514		\$6,867,514				
[Select Statutory Dedication]							
[Select Statutory Dedication]							
[Select Statutory Dedication]							
[Select Statutory Dedication]							

STATE OF LOUISIANA
DIVISION OF ADMINISTRATION, OFFICE OF PLANNING AND BUDGET
REQUEST FOR MID-YEAR BUDGET ADJUSTMENT

PROGRAM LEVEL REQUEST FOR MID-YEAR BUDGET ADJUSTMENT

PROGRAM 1 NAME: Administrative

MEANS OF FINANCING:	State General Fund	Interagency Transfers	Fees & Self-Generated Revenues	Statutory Dedications	Federal Funds	TOTAL
AMOUNT					\$1,713,301,579	\$1,713,301,579
EXPENDITURES:						
Salaries						
Other Compensation						
Related Benefits						
Travel						
Operating Services						
Supplies						
Professional Services						
Other Charges					\$1,713,301,579	\$1,713,301,579
Debt Services						
Interagency Transfers						
Acquisitions						
Major Repairs						
UNALLOTTED						
TOTAL EXPENDITURES					\$1,713,301,579	\$1,713,301,579
OVER / (UNDER)						
POSITIONS						
Classified						
Unclassified						
TOTAL T.O. POSITIONS						
Other Charges Positions						
Non-TO FTE Positions						
TOTAL POSITIONS						

STATE OF LOUISIANA
DIVISION OF ADMINISTRATION, OFFICE OF PLANNING AND BUDGET
REQUEST FOR MID-YEAR BUDGET ADJUSTMENT

BA-7 QUESTIONNAIRE

GENERAL PURPOSE

1. The general purpose of BA-7 #12-111-03 is to increase Federal budget authority for GOHSEP.

REVENUES

REVENUE SOURCE	BEGINNING BUDGET	ADJUSTMENT AMOUNT	REVISED BUDGET	BRIEF DESCRIPTION
Beginning Federal				
	\$1,250,006,315	\$1,713,301,579	\$2,963,307,894	See attached justification
TOTAL SG	\$1,250,006,315	\$1,713,301,579	\$2,963,307,894	

EXPENDITURES

9. The Other Charges expenditure category will be adjusted as a result of this BA-7.

	OBJECT CODE	AMOUNT	MOF
100 - Administrative			
	5610003 - Other Charges - Other Public Assistance & Grants	\$1,713,301,579	Federal
	TOTAL	\$1,713,301,579	

OTHER

12. Wayne Tedesco
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Attachment A

FY23 LaGov General Ledger (July, August, 1/2 September 2022 Actuals)_Remaining FY23 Federal Projection

Assumptions:

Actual Expenditures: July, August, 1/2 September 2022 (Appx 11 weeks)

Projection: 1/2 September 2022 - June 2023 (Appx 41 weeks)

Current FY23 Budget Authority	1,250,006,315.00	
Expenditures (As of FM2 - 08/31/2022)	561,580,496.06	
Commitments (As of 09/15/2022)	276,361,213.10	
Amount of Federal Budget Authority Remaining	412,064,605.84	As of 09/15/2022
Average Expenditures per Month	224,632,198.42	This is an average <u>monthly</u> expenditure amount based on July, August, 1/2 September 2022 actuals.
Average Expenditures per Week	51,838,199.64	This is an average <u>weekly</u> expenditure amount based on July, August, 1/2 September 2022 actuals.
# of remaining weeks: (41 weeks)	2,125,366,185.09	Based on July, August, 1/2 September 2022 actual expenditures incurred being appx 11 weeks
Projection Amount of Federal Budget Authority Needed Total	1,713,301,579.25	FEDERAL AUTHORITY INCREASE NEEDED
New FY23 Budget Authority	2,963,307,894.25	

Attachment B

Row Labels	Sum of Amount
111000060E	561,580,496.06
001/2023	197,946,764.50
002/2023	258,177,158.33
003/2023	105,456,573.23
Grand Total	561,580,496.06
Average per Month	224,632,198.42
Average per Week	51,838,199.64

Row Labels	Sum of Amount	Average per Month	Average per Week
Emergency Management Performance Grants	962,778.64	385,111.46	88,871.87
Flood Mitigation Assistance	5,872,272.40	2,348,908.96	542,055.91
Homeland Security Grant Program	623,022.28	249,208.91	57,509.75
Non-Profit Security Program	95,295.00	38,118.00	8,796.46
Waste Isolation Pilot Plant Grant	24,855.50	9,942.20	2,294.35
Public Assistance Program	512,363,859.09	204,945,543.64	47,295,125.45
Hazard Mitigation Grant Program	6,173,671.64	2,469,468.66	569,877.38
Disaster Case Management Grant	4,691,010.56	1,876,404.22	433,016.36
Direct Housing Grant	2,586,080.38	1,034,432.15	238,715.11
Emergency Rental Assistance Program	11,714,494.66	4,685,797.86	1,081,337.97
Homeowner Assistance Program	16,473,155.91	6,589,262.36	1,520,599.01
Grand Total	561,580,496.06	224,632,198.42	51,838,199.64
Average per Month	224,632,198.42	224,632,198.42	
Average per Week	51,838,199.64		51,838,199.64

At the current Federal expenditure burn rate, it is projected that GOHSEP would have an estimated shortfall in Federal budget authority of **\$1,713,301,579.25** to fulfill its obligations in the current fiscal year. The estimated burn rate in Federal expenditures averages **\$51,838,199.64** weekly and/or **\$224,632,198.42** monthly. The estimated Federal obligation amount for the remaining current fiscal year is **\$2,125,366,185.09**. Available Federal budget authority is **\$412,064,605.84**. The shortfall in Federal budget authority of **\$1,713,301,579.25** is needed and is being requested.

This request is necessary for the agency to have sufficient budget authority to complete the fiscal year. GOHSEP currently has obligations for the programs/projects listed in Attachments A & B in FY23. Postponement of this request will cause the non-payment of these obligations in the current fiscal year.

STATE OF LOUISIANA
DIVISION OF ADMINISTRATION, OFFICE OF PLANNING AND BUDGET
REQUEST FOR MID-YEAR BUDGET ADJUSTMENT

DEPARTMENT: Department of Insurance		FOR OPB USE ONLY					
AGENCY: Commissioner of Insurance		OPB LOG NUMBER		AGENDA NUMBER			
SCHEDULE NUMBER: 04-165		117		2			
SUBMISSION DATE: September 29, 2022		Approval and Authority:					
AGENCY BA-7 NUMBER: #1							
HEAD OF BUDGET UNIT: S. Denise Gardner							
TITLE: Appointing Authority/Chief of Staff							
SIGNATURE: <i>S. Denise Gardner</i> <small>(certifies that the information provided is correct and true to the best of your knowledge)</small>							
MEANS OF FINANCING		CURRENT FY 2022-2023		ADJUSTMENT (+) or (-)		REVISED FY 2022-2023	
GENERAL FUND BY:							
DIRECT	\$0	\$0		\$0		\$0	
INTERAGENCY TRANSFERS	\$0	\$0		\$0		\$0	
FEES & SELF-GENERATED	\$35,608,966	\$165,000		\$35,773,966			
Regular Fees & Self-generated	\$33,438,842	\$165,000		\$33,603,842			
Subtotal of Fund Accounts from Page 2	\$2,170,124	\$0		\$2,170,124			
STATUTORY DEDICATIONS	\$0	\$0		\$0			
(Select Statutory Dedication)	\$0	\$0		\$0			
(Select Statutory Dedication)	\$0	\$0		\$0			
Subtotal of Dedications from Page 2	\$0	\$0		\$0			
FEDERAL	\$1,195,671	\$0		\$1,195,671			
TOTAL	\$36,804,637	\$165,000		\$36,969,637			
AUTHORIZED POSITIONS	222	0		222			
AUTHORIZED OTHER CHARGES	0	0		0			
NON-TO FTE POSITIONS	3	0		3			
TOTAL POSITIONS	225	0		225			
PROGRAM EXPENDITURES	DOLLARS	POS	DOLLARS	POS	DOLLARS	POS	
PROGRAM NAME:							
Administration/Fiscal	\$15,308,348	70	\$165,000	0	\$15,473,348	70	
Market Compliance	\$21,496,289	152	\$0	0	\$21,496,289	152	
	\$0	0	\$0	0	\$0	0	
	\$0	0	\$0	0	\$0	0	
	\$0	0	\$0	0	\$0	0	
	\$0	0	\$0	0	\$0	0	
	\$0	0	\$0	0	\$0	0	
	\$0	0	\$0	0	\$0	0	
	\$0	0	\$0	0	\$0	0	
	\$0	0	\$0	0	\$0	0	
Subtotal of programs from Page 2:	\$0	0	\$0	0	\$0	0	
TOTAL	\$36,804,637	222	\$165,000	0	\$36,969,637	222	

STATE OF LOUISIANA
DIVISION OF ADMINISTRATION, OFFICE OF PLANNING AND BUDGET
REQUEST FOR MID-YEAR BUDGET ADJUSTMENT

DEPARTMENT: Department of Insurance	FOR OPB USE ONLY	
AGENCY: Commissioner of Insurance	OPB LOG NUMBER	AGENDA NUMBER
SCHEDULE NUMBER: 04-165		
SUBMISSION DATE: September 29, 2022	ADDENDUM TO PAGE 1	
AGENCY BA-7 NUMBER: #1		

Use this section for additional Dedicated Fund Accounts or Statutory Dedications, if needed.
The subtotal will automatically be transferred to Page 1.

MEANS OF FINANCING	CURRENT FY 2022-2023	ADJUSTMENT (+) or (-)	REVISED FY 2022-2023
GENERAL FUND BY:			
FEES & SELF-GENERATED			
Administrative Fund Account of the Department of Insurance (I08A)	\$1,221,419	\$0	\$1,221,419
Insurance Fraud Investigation Dedicated Fund Account (I09A)	\$721,705	\$0	\$721,705
Automobile Theft and Insurance Fraud Prevention Authority Dedicated Fund Account (I12A)	\$227,000	\$0	\$227,000
SUBTOTAL (to Page 1)	\$2,170,124	\$0	\$2,170,124
STATUTORY DEDICATIONS			
[Select Statutory Dedication]	\$0	\$0	\$0
[Select Statutory Dedication]	\$0	\$0	\$0
[Select Statutory Dedication]	\$0	\$0	\$0
[Select Statutory Dedication]	\$0	\$0	\$0
[Select Statutory Dedication]	\$0	\$0	\$0
[Select Statutory Dedication]	\$0	\$0	\$0
SUBTOTAL (to Page 1)	\$0	\$0	\$0

Use this section for additional Program Names, if needed.
The subtotal will automatically be transferred to Page 1.

PROGRAM EXPENDITURES	DOLLARS	POS	DOLLARS	POS	DOLLARS	POS
PROGRAM NAME:						
	\$0	0	\$0	0	\$0	0
	\$0	0	\$0	0	\$0	0
	\$0	0	\$0	0	\$0	0
	\$0	0	\$0	0	\$0	0
	\$0	0	\$0	0	\$0	0
	\$0	0	\$0	0	\$0	0
	\$0	0	\$0	0	\$0	0
	\$0	0	\$0	0	\$0	0
	\$0	0	\$0	0	\$0	0
	\$0	0	\$0	0	\$0	0
	\$0	0	\$0	0	\$0	0
	\$0	0	\$0	0	\$0	0
SUBTOTAL (to Page 1)	\$0	0	\$0	0	\$0	0

**STATE OF LOUISIANA
DIVISION OF ADMINISTRATION, OFFICE OF PLANNING AND BUDGET
REQUEST FOR MID-YEAR BUDGET ADJUSTMENT**

Policy and Procedure Memorandum No. 52, Revised, requires that all Requests for Changes in Appropriation be fully documented. At a minimum, the following questions and statements must be answered. Use Continuation Sheets as needed. **FAILURE TO ANSWER ALL QUESTIONS COMPLETELY WILL BE CAUSE TO RETURN THIS DOCUMENT WITHOUT ACTION.**

1. What is the source of funding (if other than General Fund (Direct))? Specifically identify any grant or public law and the purposes of the funds, if applicable. A copy of any grant application and the notice of approved grant or appropriation must accompany the BA-7. What are the expenditure restrictions of the funds?

The source of funding is Fees & Self-generated through a private grant received from the Robert Wood Johnson Foundation in the amount of \$250,000 that will be used to support outreach and education efforts of a Louisiana wind-mitigation program to advance its public health and injury-prevention initiative to support the Louisiana Fortify Homes grant program created through Act 554 of the 2022 Regular Legislative Session. The grant funds will be disbursed in two parts with \$165,000 being disbursed in Fiscal Year 2022-2023 and \$85,000 in Fiscal Year 2023-2024.

2. Enter the financial impact of the requested adjustment for the next four fiscal years.

MEANS OF FINANCING OR EXPENDITURE	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026	FY 2026-2027
GENERAL FUND BY:					
DIRECT	\$0	\$0	\$0	\$0	\$0
INTERAGENCY TRANSFERS	\$0	\$0	\$0	\$0	\$0
FEES & SELF-GENERATED	\$165,000	\$85,000	\$0	\$0	\$0
STATUTORY DEDICATIONS	\$0	\$0	\$0	\$0	\$0
FEDERAL	\$0	\$0	\$0	\$0	\$0
TOTAL	\$165,000	\$85,000	\$0	\$0	\$0

3. If this action requires additional personnel, provide a detailed explanation below:

Not applicable. This outreach and education initiative will be carried out through various professional services contracts.

4. Explain why this request can't be postponed for consideration in the agency's budget request for next fiscal year.

This request cannot be postponed for consideration in the agency's budget request for next fiscal year because the grant period runs 9/15/2022 through 9/14/2024. Additionally, the Foundation has already disbursed the initial payment of \$165,000 to the LDI. The remaining \$85,000 to be disbursed in Fiscal Year 2023-2024 will be included in the agency's budget request for next fiscal year.

5. Is this an after the fact BA-7, e.g.; have expenditures been made toward the program this BA-7 is for? If yes, explain per PPM No.52.

No, there have not been any expenditures made toward this program.

STATE OF LOUISIANA
DIVISION OF ADMINISTRATION, OFFICE OF PLANNING AND BUDGET
REQUEST FOR MID-YEAR BUDGET ADJUSTMENT

PERFORMANCE IMPACT OF MID-YEAR BUDGET ADJUSTMENT

1. Identify and explain the programmatic impacts (positive or negative) that will result from the approval of this BA-7.

Approval of this BA-7 will allow the LDI to educate the public on storm mitigation opportunities as well as build a network to educate local government entities, media, and partner organizations about available mitigation opportunities and their benefits to reduce health concerns from storm related damages to homes.

2. Complete the following information for each objective and related performance indicators that will be affected by this request. (Note: Requested adjustments may involve revisions to existing objectives and performance indicators or creation of new objectives and performance indicators. Repeat this portion of the request form as often as necessary.)

OBJECTIVE:

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE STANDARD		
		CURRENT FY 2022-2023	ADJUSTMENT (+) OR (-)	REVISED FY 2022-2023

JUSTIFICATION FOR ADJUSTMENT(S): Explain the necessity of the adjustment(s).

3. Briefly explain any performance impacts other than or in addition to effects on objectives and performance indicators. (For example: Are there any anticipated direct or indirect effects on program management or service recipients? Will this BA-7 have a positive or negative impact on some other program or agency?)

Through the outreach initiatives, the LDI intends to reduce health concerns brought on by storm-related damage such as mold or other issues related to water intrusion, heat-related illnesses, and physical and psychological stress from displacement and financial strain by incentivizing and educating the public about re-roofing their homes to the IBHS FORTIFIED Roof standard to address persistent water intrusion and decreasing ownership costs for homeowners.

4. If there are no performance impacts associated with this BA-7 request, then fully explain this lack of performance impact.

Not applicable.

5. Describe the performance impacts of failure to approve this BA-7. (Be specific. Relate performance impacts to objectives and performance indicators.)

Failure to approve this BA-7 will result in the LDI not having sufficient budget authority to access the grant funds awarded to the agency to implement the education and outreach initiatives of the Louisiana wind-mitigation program.

STATE OF LOUISIANA
DIVISION OF ADMINISTRATION, OFFICE OF PLANNING AND BUDGET
REQUEST FOR MID-YEAR BUDGET ADJUSTMENT

PROGRAM LEVEL REQUEST FOR MID-YEAR BUDGET ADJUSTMENT

PROGRAM 1 NAME: Administration/Fiscal Program

MEANS OF FINANCING:	CURRENT FY 2022-2023	REQUESTED ADJUSTMENT	REVISED FY 2022-2023	ADJUSTMENT OUT-YEAR PROJECTIONS			
				FY 2023-2024	FY 2024-2025	FY 2025-2026	FY 2026-2027
GENERAL FUND BY:							
Direct	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interagency Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fees & Self-Generated *	\$14,112,677	\$165,000	\$14,277,677	\$85,000	\$0	\$0	\$0
Statutory Dedications **	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FEDERAL FUNDS	\$1,195,671	\$0	\$1,195,671	\$0	\$0	\$0	\$0
TOTAL MOF	\$15,308,348	\$165,000	\$15,473,348	\$85,000	\$0	\$0	\$0
EXPENDITURES:							
Salaries	\$5,448,726	\$0	\$5,448,726	\$0	\$0	\$0	\$0
Other Compensation	\$312,130	\$0	\$312,130	\$0	\$0	\$0	\$0
Related Benefits	\$3,080,676	\$0	\$3,080,676	\$0	\$0	\$0	\$0
Travel	\$116,520	\$0	\$116,520	\$0	\$0	\$0	\$0
Operating Services	\$2,372,470	\$0	\$2,372,470	\$0	\$0	\$0	\$0
Supplies	\$113,737	\$0	\$113,737	\$0	\$0	\$0	\$0
Professional Services	\$1,366,497	\$165,000	\$1,531,497	\$85,000	\$0	\$0	\$0
Other Charges	\$227,000	\$0	\$227,000	\$0	\$0	\$0	\$0
Debt Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interagency Transfers	\$1,622,900	\$0	\$1,622,900	\$0	\$0	\$0	\$0
Acquisitions	\$647,692	\$0	\$647,692	\$0	\$0	\$0	\$0
Major Repairs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UNALLOTTED	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$15,308,348	\$165,000	\$15,473,348	\$85,000	\$0	\$0	\$0
POSITIONS							
Classified	56	0	56	0	0	0	0
Unclassified	14	0	14	0	0	0	0
TOTAL T.O. POSITIONS	70	0	70	0	0	0	0
Other Charges Positions	0	0	0	0	0	0	0
Non-TO FTE Positions	0	0	0	0	0	0	0
TOTAL POSITIONS	70	0	70	0	0	0	0
*Dedicated Fund Accounts:							
Reg. Fees & Self-generated	\$13,855,677	\$165,000	\$14,020,677	\$85,000	\$0	\$0	\$0
Insurance Fraud Investigation Dedicated Fund Account (109A)	\$30,000	\$0	\$30,000	\$0	\$0	\$0	\$0
Automobile Theft and Insurance Fraud Prevention Authority Dedicated Fund Account (112A)	\$227,000	\$0	\$227,000	\$0	\$0	\$0	\$0
**Statutory Dedications:							
[Select Statutory Dedication]	\$0	\$0	\$0	\$0	\$0	\$0	\$0
[Select Statutory Dedication]	\$0	\$0	\$0	\$0	\$0	\$0	\$0
[Select Statutory Dedication]	\$0	\$0	\$0	\$0	\$0	\$0	\$0
[Select Statutory Dedication]	\$0	\$0	\$0	\$0	\$0	\$0	\$0
[Select Statutory Dedication]	\$0	\$0	\$0	\$0	\$0	\$0	\$0
[Select Statutory Dedication]	\$0	\$0	\$0	\$0	\$0	\$0	\$0
[Select Statutory Dedication]	\$0	\$0	\$0	\$0	\$0	\$0	\$0
[Select Statutory Dedication]	\$0	\$0	\$0	\$0	\$0	\$0	\$0

STATE OF LOUISIANA
DIVISION OF ADMINISTRATION, OFFICE OF PLANNING AND BUDGET
REQUEST FOR MID-YEAR BUDGET ADJUSTMENT

PROGRAM LEVEL REQUEST FOR MID-YEAR BUDGET ADJUSTMENT

PROGRAM 1 NAME: Administration/Fiscal Program

MEANS OF FINANCING:	State General Fund	Interagency Transfers	Fees & Self-Generated Revenues	Statutory Dedications	Federal Funds	TOTAL
AMOUNT	\$0	\$0	\$165,000	\$0	\$0	\$165,000
EXPENDITURES:						
Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Other Compensation	\$0	\$0	\$0	\$0	\$0	\$0
Related Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0	\$0	\$0
Operating Services	\$0	\$0	\$0	\$0	\$0	\$0
Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$0	\$165,000	\$0	\$0	\$165,000
Other Charges	\$0	\$0	\$0	\$0	\$0	\$0
Debt Services	\$0	\$0	\$0	\$0	\$0	\$0
Interagency Transfers	\$0	\$0	\$0	\$0	\$0	\$0
Acquisitions	\$0	\$0	\$0	\$0	\$0	\$0
Major Repairs	\$0	\$0	\$0	\$0	\$0	\$0
UNALLOTTED	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$0	\$0	\$165,000	\$0	\$0	\$165,000
OVER / (UNDER)	\$0	\$0	\$0	\$0	\$0	\$0
POSITIONS						
Classified	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0
TOTAL T.O. POSITIONS	0	0	0	0	0	0
Other Charges Positions	0	0	0	0	0	0
Non-TO FTE Positions	0	0	0	0	0	0
TOTAL POSITIONS	0	0	0	0	0	0

BA-7 QUESTIONNAIRE

(Provide answers on the Questionnaire Analysis Form; answer all questions applicable to the requested budget adjustment.)

GENERAL PURPOSE

1. I.E.-This BA-7 is to avoid deficit expenditures in the Administration Program. This BA-7 is to budget a Supplemental Appropriation. This BA-7 is to budget receipt of a federal grant. This BA-7 budgets funding approved at March I.E.B. meeting.

REVENUES

(Explain the Means of Financing. Provide details including Source, authority to spend, etc.)

2. If STATE GENERAL FUND

- Provide details

3. If IAT

- List sending agency
- Attach signed IAT agreement or signed letter that sending agency concurs with the need for this BA-7
- Provide original Source of Funding (Where did the sending agency get the funds?)

4. If Self-Generated Revenues

- Explain how funds are generated
- Provide original fund balance and revised fund balance
- Provide amount of original fund balance that was originally budgeted
- Provide amount of revised fund balance that will be budgeted if this BA-7 is approved

5. If Statutory Dedications

- Provide creating authority (Louisiana Revised Statutes and/or Administrative Code citations)
- Current fund balance
- Current year anticipated revenue

6. If Interim Emergency Board Appropriations

- Attach I.E.B. notification approval (will serve as BA-7 justification)

7. If Federal Funds

- Provide a copy of the grant award from the Federal Agency
- Explain matching requirements associated with the proposed source of funding (be specific)

8. All Grants:

- Explain the purpose of the grant
- Provide a copy of the grant application and notification of grant award
- Provide spending plan for each year of multi-year grants

EXPENDITURES

9. Provide detailed expenditure information including how the amount requested was calculated
10. If funds are being transferred, please explain how excess funds became available.
11. Provide object details as part of explanation.

OTHER

12. Provide names, phone numbers and e-mail addresses of agency contacts that can provide further information on this item and will attend JLCB to testify.

QUESTIONNAIRE ANALYSIS

(Please reference question numbers, provide detailed information and use continuation sheets as needed.)

GENERAL PURPOSE

1. This BA-7 is a request to increase Fees & Self-generated budget authority for a private grant received from the Robert Wood Johnson Foundation that will be used to support outreach and education efforts of a Louisiana wind-mitigation program as it relates to Act 554 of the 2022 Regular Legislative Session. The grant funds will be disbursed in two parts with \$165,000 being disbursed in FY 2022-2023 and the remaining \$85,000 in FY 2023-2024.

REVENUES

4. If Self-Generated Revenues

• Funding is provided through a private grant awarded to the LDI by the Robert Wood Johnson Foundation.	
• <u>Original Fund Balance:</u>	
FY 2022-2023 Self-Gen Revenues-Regular (Based on FY 2022-2023 Budget Request)	\$45,907,629
Self-Generated Means of Financing-Regular	\$33,438,842
Fund Balance	\$12,468,787
 <u>Revised Fund Balance:</u>	
FY 2022-2023 Self-Generated Revenues-Revised	\$46,072,629
Self-Generated Revenues-Regular (Revised Due to BA-7)	\$33,603,842
Fund Balance	\$12,468,787

Note: There is no change in the fund balance because the source of funding is a private grant. Both OPB and Treasury have instructed LDI to request the increase in the Fees & Self-Generated Means of Financing.

EXPENDITURES

9. • The Professional Services expenditure category will be adjusted as a result of this BA-7.

11. Object Details

Fund	Cost Ctr	G/L Acct	Description	Amount
1650000200	1651011080	5510400	Professional Services-Other	\$165,000

OTHER

12. The following individuals may be contacted for further information:

S. Denise Gardner
Chief of Staff/Deputy Commissioner
Office of Management & Finance
dgardner@ldi.la.gov
342-7276

Lance Herrin
Assistant Commissioner
Office of Management & Finance
lance.herrin@ldi.la.gov
342-3981

Stephanie Kendrick
Budget Administrator
Office of Management & Finance
stephanie.kendrick@ldi.la.gov
342-3918

Tom Travis
Deputy Commissioner
Office of Policy, Innovation & Research
thomas.travis@ldi.la.gov
342-2136

Stephanie Kendrick

From: Tracy Garcia
Sent: Tuesday, September 13, 2022 4:22 PM
To: Lance Herrin; Stephanie Kendrick
Subject: Fwd: I.D. 80079 - Award Approved
Attachments: GFRF_80079.xls

Follow Up Flag: Follow up
Flag Status: Flagged

FYI...

~Tracy

Begin forwarded message:

From: Grants Management <awards@rwjf.org>
Date: September 13, 2022 at 3:33:43 PM CDT
To: Commissioner <commissioner@ldi.la.gov>
Cc: Thomas Travis <Thomas.Travis@ldi.la.gov>, "Ron C. Henderson" <Ron.Henderson@ldi.la.gov>, Tracy Garcia <Tracy.Garcia@ldi.la.gov>, Denise Gardner <dgardner@ldi.la.gov>
Subject: I.D. 80079 - Award Approved

I am pleased to confirm that we received your signed Grant Agreement (as defined below) and that the award described below is now active:

Grantee:	Louisiana Department of Insurance
I.D.:	80079
Amount:	\$250,000
Project Title:	Supporting outreach and education efforts of a Louisiana wind-mitigation program to advance its public health and injury-prevention benefits
Grant Period:	September 15, 2022 through September 14, 2024
Project Director:	Thomas Travis, BSFS, JD, LLM, MBA, 225-342-2136 (Thomas.Travis@ldi.la.gov) Ron Henderson, BS, JD, 225-342-2136 (Ron.Henderson@ldi.la.gov)
RWJF Contact:	Senior Director, Impact Investments: Kimberlee Cornett (kcornett@rwjf.org) Program Financial Analyst: Stephanie Santiago, 609-627-5774 (ssantiago@rwjf.org)

The terms and conditions governing your award are set forth in the Grant Agreement signed by your authorized official and dated September 13, 2022 (the "Grant Agreement"). This email summarizes certain provisions of the Grant Agreement and contains additional information pertaining to your grant. In the event of a conflict between the terms of this email and the terms of your Grant Agreement, the terms of the Grant Agreement control.

- **Payment of Award**

Payment in the amount of \$165,000, which represents the initial payment of your award,

will be processed and you can expect receipt within two weeks. Attached is your Financial Report form listing your financial reporting period(s). Unless the terms of the Grant Agreement specify a different payment schedule, we expect to distribute additional payments upon receipt and review of your Financial Reports. We reserve the right to withhold a portion of the grant funds pending receipt of the final reports and deliverables required under the Grant Agreement.

- **Contracts**

Unless previously approved during budget negotiations, you must obtain our advance consent to use a contractor in connection with the project funded by this award. The terms and conditions of any contracts so approved must be consistent with the terms and conditions of the Grant Agreement, including, but not limited to, the start date and end date of the grant (unless you use other funds for any contractual costs that begin earlier than the start date of the grant or that end later than the end date of the grant). We recommend you consider including right to audit provisions and record retention expectations when negotiating any such contracts.

We will not be a party to your contracts. You retain full responsibility for your contracts, which includes overseeing the work and deliverables. You are also responsible for reporting the expenses associated with the contract to us.

- **Reporting**

In the near future you will be invited to RWJF's [Grantee Hub](#), our self-service Web site where you may submit your reports and products. Instructions will be included with your invitation.

Please remember to submit your products as soon as you complete them; do not wait until the end of the reporting period.

- **Financial Correspondence**

When submitting correspondence about your grant, please refer to the above-captioned I.D. number. Correspondence (including any changes to the financial officer) and questions regarding financial matters or items in this letter should be addressed to the program financial analyst listed above.

- **Communications**

We would like to know about any communications plans you have for this grant. Please consult with the following RWJF program officer, Kimberlee Cornett (kcornett@rwjf.org) and communications officer, Elias Enenbach (eenenbach@rwjf.org) regarding any public announcement about your project, proposed communications activities, and all materials you plan to produce and disseminate that may include our name, logo, or an acknowledgement of our support. Further, as set forth in the Grant Agreement, do not issue any public communications concerning this grant through print, broadcast, digital media, social platforms, or other means without first obtaining approval from the program officer and communications officer. Go to [RWJF logo usage](#) to read our guidelines for communicating about your grant and/or using the RWJF name and logo. In addition to working with your program and communications officers, you have access to our online platform-the [Communications Toolbox](#)-that includes Communications resources and best practices.

We are thankful to have you in our family of grantees. We are enthusiastic about your project and wish you success as we embark together on this important endeavor to build a national Culture of Health that

will enable all to live longer, healthier lives now and for generations to come.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard E. Besser MD". The signature is fluid and cursive, with the letters "MD" written separately at the end.

Richard E. Besser, MD
President and CEO
Robert Wood Johnson Foundation
50 College Road East
Princeton, NJ 08540-6614
Tel. 877 843 RWJF (7953)
www.rwjf.org

FINANCIAL REPORT

(As of 09/13/2022)

Robert Wood Johnson Foundation

80079 Supporting outreach and education efforts of a Louisiana wind-mitigation program to advance its public health and injury-prevention benefits

Louisiana Department of Insurance

Project Director: Thomas Travis, Ron Henderson

Financial Officer: Tracy Garcia

Program Officer: Kimberlee Cornett

Program Financial Analyst: Stephanie Santiago

Budget Period: 09/15/2022 to 09/14/2024

Project Period: 09/15/2022 to 09/14/2024

Budget for Period: 1

Revised: 09/13/2022 System Generated

Item	Approved Budget Amount	Period 1 09/15/22- 09/14/23	Period 2 09/15/23- 09/14/24
Consultants/Contractors	250,000		
Consultants/Contractors	250,000		
TOTAL			
Grand Total	250,000		

Louisiana Grant Proposal for Improving Health Outcomes

I Applicant

Louisiana Department of Insurance (LDI)

II Health Impact Expected

Several health problems are associated with storm-related damage: mold or other issues related to water intrusion, heat-related illnesses, and physical and psychological stress from displacement and financial strain. The Louisiana Department of Insurance intends to reduce health concerns from storm-related damage by incentivizing and educating about re-roofing to the IBHS FORTIFIED Roof standard to address persistent water intrusion. FORTIFIED reduces water intrusion by 95% and decreases ownership costs for homeowners.

III Work Plan

The Louisiana Department of Insurance has initiated robust mitigation incentives over the past two years. These initiatives include a grant program and enhanced insurance policy credits for meeting the FORTIFIED standard.

This proposal focuses on education and outreach and will allow us to assist more families and increase the number of FORTIFIED designations in high-hazard, at-risk communities across the state.

Our proposal aims to:

- Create an outreach program supporting the Louisiana Fortify Homes grant program, Act 554.
- Identify underserved communities throughout the state at a high risk of tornadoes or tropical storms.
- Build a network to educate local government entities, media, and partner organizations about available mitigation opportunities and their benefits.
- Identify and provide support to NGOs retrofitting homes with a FORTIFIED Roof™.

IV Commissioner Participation/Support

Commissioner Donelon will participate in public events and media campaigns. He will personally engage with state and local leaders and NGOs.

V Funding Match

There is no specific funding match. However, the LDI's Consumer Advocacy and Diversity staff and other LDI staff will participate in outreach activities. The LDI will apply a portion of the budgets of those offices to this effort.

Louisiana Department of Insurance - Budget Justification
Robert Wood Johnson

Budget is created for a 24 month project period.			Notes
A. SALARIES AND WAGES: (include individual names and position)	Person months	\$0.00	The Department will absorb staffing costs.
B. FRINGE BENEFITS		\$0.00	
(Includes: Health Insurance, Life Insurance, Retirement, Unemployment and Workers Compensation)	%		
C. EXPENDABLE SUPPLIES & EQUIPMENT (itemized)	amount	\$0.00	
D. TRAVEL (itemize)	amount	\$0.00	The Department will absorb travel costs.
Lodging	0	\$0.00	\$185 a night
Meals	0	\$0.00	\$79 dollars a day
Transportation (Air)	0	\$0.00	Airfare at \$550 per trip
Transportation (Ground w/ Airfare)	0	\$0.00	Mileage at IRS rate, or rental car and fuel.
Transportation (Ground Only)	0	\$0.00	Mileage at IRS rate, or rental car and fuel.
E. PROGRAM COSTS	amount	\$250,000.00	
Contractual - Education and Outreach		\$120,000.00	Hire contractor/ vendor to develop and facilitate an education and outreach program.
Contractual - Louisiana Fortify Homes Program Grant IT		\$75,000.00	Hire contractor/ vendor to develop the backend software and portal for the grant program.
Media Package - Consumer Outreach and Awareness Campaign		\$55,000.00	Create and implement a traditional and digital media awareness campaign.
TOTAL DIRECT COSTS		\$250,000.00	
F. FACILITIES & ADMINISTRATIVE COSTS		\$0.00	
INDIRECT COSTS		\$0.00	
TOTAL PROJECT COST		\$250,000.00	
G. MATCH	amount	\$125,000.00	
Staff, Travel, and Administrative Costs		\$125,000.00	

Agenda Item #3

Facility Planning and Control Agenda

DIVISION OF ADMINISTRATION
Facility Planning & Control

JOINT LEGISLATIVE COMMITTEE
ON THE
BUDGET

Briefing Book

FOR

October 2022

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Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

September 28, 2022

The Honorable Jerome Zeringue, Chairman
Joint Legislative Committee on the Budget
P.O. Box 44294 Capitol Station
Baton Rouge, Louisiana 70804

RE: Request for an Act 959 Project
Outdoor Classroom/Amphitheatre
Southern University
Baton Rouge, Louisiana
Project No. 01-107-06-17; WBS F.01004390

Dear Chairman Zeringue:

Pursuant to R.S. 39:128 B. (4) Southern University has requested approval to undertake the planning, design, and construction of a new outdoor classroom/amphitheater for 1,500 students. The total project cost is \$2,000,000 and will be funded with U. S. Federal Government Higher Education Emergency Relief Funds. There will be no debt for this project. This request has been approved by The Board of Regents for Higher Education and the Board of Supervisors of the Southern University System.

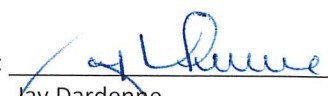
Facility Planning and Control approves this request and recommends it to the Joint Legislative Committee on the Budget.

Please place this item on the agenda for the next meeting of the Committee.

Sincerely,


Jason D. Sooter
Director

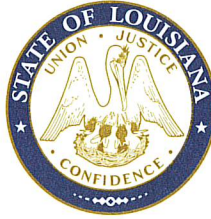
Recommended for Approval: 
Mark A. Moses
Assistant Commissioner

Approved: 
Jay Dardenne
Commissioner of Administration

CC: Ms. Lisa Smeltzer, FPC
Ms. Sue Gerald, FPC
Mr. Bobby Boudreaux, FPC
Ms. Ternisa Hutchinson, OPB
Mr. Samuel Roubique, OPB
Mr. Paul Fernandez, OPB
Ms. Linda Hopkins, House Fiscal Division
Mr. Mark Mahaffey, House Fiscal Division
Mr. Daniel Waguespack, House Fiscal Division
Ms. Summer Metoyer, House Fiscal Division
Ms. Martha Hess, Senate Counsel
Ms. Bobbie Hunter, Senate Fiscal Division
Ms. Debra Vivien, Senate Fiscal Division
Ms. Raynel Gascon, Senate Fiscal Division
Mr. Kenneth Dawson, Southern University
Mr. James Pugh, FPC

Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

September 28, 2022

The Honorable Jerome Zeringue, Chairman
Joint Legislative Committee on the Budget
P.O. Box 44294 Capitol Station
Baton Rouge, Louisiana 70804

RE: Request for an Act 959 Project
Public Safety Building
Southern University
Baton Rouge, Louisiana
Project No. 01-107-06-17; WBS F.01004391


Dear Chairman Zeringue:

Pursuant to R.S. 39:128 B. (4) Southern University has requested approval to undertake the planning, design, and construction of a new building to house the Public Safety Unit. The new building will include administration offices, meeting rooms, and a police station. The total project cost is \$1,500,000 and will be funded with U. S. Federal Government Higher Education Emergency Relief Funds. There will be no debt for this project. This request has been approved by the Board of Regents for Higher Education and the Board of Supervisors of the Southern University System.

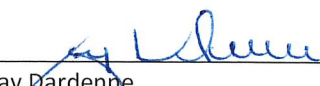
Facility Planning and Control approves this request and recommends it to the Joint Legislative Committee on the Budget.

Please place this item on the agenda for the next meeting of the Committee.

Sincerely,


Jason D. Sooter
Director

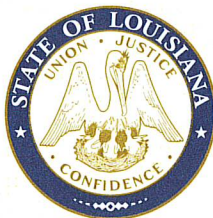
Recommended for Approval: 
Mark A. Moses
Assistant Commissioner

Approved: 
Jay Dardenne
Commissioner of Administration

CC: Ms. Lisa Smeltzer, FPC
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Mr. James Pugh, FPC

Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

September 28, 2022

The Honorable Jerome Zeringue, Chairman
Joint Legislative Committee on the Budget
P.O. Box 44294 Capitol Station
Baton Rouge, Louisiana 70804

RE: Request for an Act 959 Project
T.H. Harris Learning Lobby
Southern University
Baton Rouge, Louisiana
Project No.: 01-107-06-17; WBSF.01004392

Dear Chairman Zeringue:

Pursuant to R.S. 39:128 B. (4) Southern University has requested approval to undertake the planning, design, and construction of a project to enclose walkways and a portion of courtyard adjacent to T.H. Harris Hall and conditioning this enclosed space. The new learning lobby will provide an area for individual and collaborative student activities. The total project cost is \$1,500,000 and will be funded with U. S. Federal Government Higher Education Emergency Relief Funds. There will be no debt for this project. This request has been approved by The Board of Regents for Higher Education and the Board of Supervisors of the Southern University System.

Facility Planning and Control approves this request and recommends it to the Joint Legislative Committee on the Budget.

Please place this item on the agenda for the next meeting of the Committee.

Sincerely,

Jason D. Sooter
Director

Recommended for Approval: _____

Mark A. Moses
Assistant Commissioner

Approved: _____

Jay Dardenne
Commissioner of Administration

CC: Ms. Lisa Smeltzer, FPC
Ms. Sue Gerald, FPC
Mr. Bobby Boudreaux, FPC
Ms. Ternisa Hutchinson, OPB
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Ms. Raynel Gascon, Senate Fiscal Division
Mr. Kenneth Dawson, Southern University
Mr. James Pugh, FPC

Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

October 4, 2022

The Honorable Jerome Zeringue, Chairman
Joint Legislative Committee on the Budget
P.O. Box 44294 Capitol Station
Baton Rouge, Louisiana 70804

RE: Request for an Act 959 Project
Global Innovation and Welcome Center
Southern University
Baton Rouge, Louisiana
Project No.: 01-107-06-17; WBS F.01004393

Dear Chairman Zeringue:

Pursuant to R.S. 39:128 B. (4) Southern University has requested approval to undertake the planning, design, and construction of a new building to house both the Welcome Center and the Traffic and Parking operations. This building will also provide offices for International Affairs and the Office of Research and Strategic Initiatives. The project will consist of a large auditorium that can also be used as a social distancing compliant classroom as well as meeting/lecture rooms and conference rooms. The total project cost is \$3,200,000 and will be funded with U.S. Federal Government Higher Education Emergency Relief Funds. There will be no debt for this project. This request has been approved by the Board of Regents for Higher Education and the Board of Supervisors of the Southern University System.

Facility Planning and Control approves this request and recommends it to the Joint Legislative Committee on the Budget.

Please place this item on the agenda for the next meeting of the Committee.

Sincerely,

Jason D. Sooter
Director

Recommended for Approval: _____

Mark A. Moses
Assistant Commissioner

Approved: _____

Jay Dardenne
Commissioner of Administration

CC: Ms. Lisa Smeltzer, FPC
Ms. Sue Gerald, FPC
Mr. Bobby Boudreaux, FPC
Ms. Ternisa Hutchinson, OPB
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Ms. Debra Vivien, Senate Fiscal Division
Ms. Raynel Gascon, Senate Fiscal Division
Mr. Kenneth Dawson, Southern University
Mr. James Pugh, FPC

Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

September 28, 2022

The Honorable Jerome Zeringue, Chairman
Joint Legislative Committee on the Budget
P.O. Box 44294 Capitol Station
Baton Rouge, Louisiana 70804

**RE: Request for an Act 959 Project
Replacement of HVAC Units and Associated Mechanical Work
Charleston Building - SOWELA
Lake Charles, Louisiana**


Dear Chairman Zeringue:

Pursuant to R.S. 39:128 B. (4) SOWELA Community College in Lake Charles has requested approval to undertake the planning, design and the renovations to the Charleston building for HVAC upgrades. The renovations will include but not be limited to the replacement of existing Fan Coil Units and blowers as well as drain pumps, drain lines and controllers. The total project cost is estimated to be \$2,000,000 and will be funded by US Federal Government Higher Education Emergency Relief Funds and Coronavirus (COVID-19) Emergency Grants for Postsecondary Education. This request has been approved by The Board of Regents for Higher Education and the University Of Louisiana System Board Of Supervisors.


Facility Planning and Control approves this request and recommends it to the Joint Legislative Committee on the Budget.

Please place this item on the agenda for the next meeting of the Committee.

Sincerely,


Jason D. Sooter
Director

Recommended for Approval: 
Mark A. Moses
Assistant Commissioner

Approved: 
Jay Dardenne
Commissioner of Administration

CC: Ms. Lisa Smeltzer, FPC
Ms. Sue Gerald, FPC
Mr. Bobby Boudreaux, FPC
Ms. Ternisa Hutchinson, OPB
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Ms. Martha Hess, Senate Counsel
Ms. Bobbie Hunter, Senate Fiscal Division
Ms. Debra Vivien, Senate Fiscal Division
Ms. Raynel Gascon, Senate Fiscal Division
Mr. Neil Aspinwall, SOWELA

Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

September 28, 2022

The Honorable Jerome Zeringue, Chairman
Joint Legislative Committee on the Budget
P.O. Box 44294 Capitol Station
Baton Rouge, Louisiana 70804

**RE: Request to Supplement Act 959 Project for a Major Repairs Project
Replace Uninterrupted Power Supply System
Frey Building
Louisiana State University
Baton Rouge, Louisiana
Project No. 01-107-06-17; WBS F.01004189**

Dear Chairman Zeringue:

Pursuant to R.S. 39:128 B. (4), LSU had previously requested approval to undertake the planning, design and replacement of the Uninterrupted Power Supply System at the Frey Building, the primary computing facility for LSU. The process was approved by the Joint Legislative Committee on the Budget at the April 21, 2021 meeting. The approval by JLCB contemplated that the project would be fully funded using LSU's auxiliary revenues in the amount of \$2,250,000 (JLCB approval letter attached).

The project is now fully designed and ready to publicly advertise for bid. LSU has expressed a desire to utilize state capital outlay funds rather than its auxiliary revenues. Therefore, LSU has requested that we allocate \$2,100,000 from the Capital Outlay appropriation for Major Repairs to fund this project which would negate the previously approved action by JLCB. The cost of design in the amount of \$160,802.76 has been paid from LSU's self-generated funds.


Facility Planning and Control, on behalf of LSU, is requesting the rescission of the previously approved project utilizing self-generated funds that will be replaced with funding from the capital outlay major repairs appropriation.

Please place this item on the agenda for the next meeting of the committee.

Sincerely,


Jason D. Sooter
Director

Recommended for Approval: 
Mark A. Moses
Assistant Commissioner

Approved: 
Jay Dardenne
Commissioner of Administration

CC: Ms. Lisa Smeltzer, FPC
Ms. Sue Gerald, FPC
Mr. Bobby Boudreaux, FPC
Ms. Ternisa Hutchinson, OPB
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Mr. Mark Mahaffey, House Fiscal Division
Mr. Daniel Waguespack, House Fiscal Division
Ms. Summer Metoyer, House Fiscal Division
Ms. Martha Hess, Senate Counsel
Ms. Bobbie Hunter, Senate Fiscal Division
Ms. Debra Vivien, Senate Fiscal Division
Ms. Raynel Gascon, Senate Fiscal Division
Mr. Roger Husser, LSU
Mr. Paul Favoloro, LSU
Mr. Danny Mahaffey, LSU

Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

March 23, 2021

The Honorable Bodi White, Chairman
Joint Legislative Committee on the Budget
P. O. Box 44294 Capitol Station
Baton Rouge, Louisiana 70804

Approved by the Joint Legislative
Committee on the Budget

DATE: 4-21-21

Re: Request for an Act 959 Project
Replace Uninterrupted Power Supply System
Frey Building
Louisiana State University
Baton Rouge, Louisiana
Project No.: 01-107-06-17; WBS F.01004189

Dear Chairman White:

Pursuant to R.S. 39:128 B. (4) LSU has requested approval to undertake the planning, design and replacement of the Uninterrupted Power Supply System at the Frey Building, the primary computing facility for LSU. The original system was installed over 24 years ago and can no longer be sustained under a maintenance contract. This critical system protects a large portion of the Data Center equipment from power loss. The total project cost is \$2,250,000 and will be funded using LSU's auxiliary revenues. This request has been approved by the LSU Board of Supervisors, the Board of Regents for Higher Education, the Division of Administration and Facility Planning and Control (FP&C). With approval by JLCB, FP&C will administer the project.

Please place this item on the agenda for the next meeting of the Committee.

Sincerely,

Handwritten signature of Mark A. Moses.

Mark A. Moses
Director

Handwritten signature of Jay Dardenne.

Jay Dardenne
Commissioner of Administration

Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

September 28, 2022

The Honorable Jerome Zeringue, Chairman
Joint Legislative Committee on the Budget
P.O. Box 44294 Capitol Station
Baton Rouge, Louisiana 70804

RE: Supplemental Funds Request
New Standby Generator
West End Dormitory
Rockefeller Wildlife Refuge
Department of Wildlife and Fisheries
Grand Chenier, Louisiana
Project No. 16-513-20-01; WBS F.16000159

Dear Chairman Zeringue:

Act 2 of 2020 appropriated \$250,000 in funding for a New Standby Generator West End Dorm for Rockefeller Wildlife Refuge in Grand Chenier, Louisiana. The project was suspended at Program Completion due to the insufficient funds and the uncertainty of the Covid 19 outbreak.

It is anticipated that additional funds will be required to cover the increase in construction costs associated with inflation and labor & material shortages. The Department of Wildlife and Fisheries wishes to supplement the project with additional funds.

Facility Planning & Control is requesting approval to accept additional funding in the amount of \$300,000 from the Rockefeller Refuge and Game Preserve Fund, RK-1.

Sincerely,

Jason D. Sooter
Director

Recommended for Approval: _____

Mark A. Moses
Assistant Commissioner

Approved: _____

Jay Dardenne
Commissioner of Administration

CC: Ms. Lisa Smeltzer, FPC
Ms. Sue Gerald, FPC
Mr. Bobby Boudreaux, FPC
Ms. Ternisa Hutchinson, OPB
Mr. Samuel Roubique, OPB
Mr. Paul Fernandez, OPB
Ms. Linda Hopkins, House Fiscal Division
Mr. Mark Mahaffey, House Fiscal Division
Mr. Daniel Waguespack, House Fiscal Division
Ms. Dazia Briscoe, House Fiscal Division
Ms. Martha Hess, Senate Counsel
Ms. Bobbie Hunter, Senate Fiscal Division
Ms. Debra Vivien, Senate Fiscal Division
Ms. Raynel Gascon, Senate Fiscal Division
Mr. Robert Arnold, DWLF
Mr. Bryan McClinton, DWLF
Mr. Larry Reynolds, DWLF

Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

September 28, 2022

The Honorable Jerome Zeringue, Chairman
Joint Legislative Committee on the Budget
P.O. Box 44294 Capitol Station
Baton Rouge, Louisiana 70804

**RE: Supplemental Funds Request
Cafeteria and In-Service Training Academy & Emergency Facility Complex
Waddill Wildlife Management Area
Department of Wildlife and Fisheries
Baton Rouge, Louisiana
Project No. 16-512-12-01, Part 3; WBS F.16000144**

Dear Chairman Zeringue:

Act 117 of 2022 allocated \$2,250,000 of Priority 1 funding Payable from General Obligation Bonds to the Office of the Secretary, Department of Wildlife and Fisheries Enforcement Training Academy and Emergency Facility Complex. The Department of Wildlife and Fisheries will supplement the funding necessary to have this project advertise for bids using their Conservation Fund W-01.

Therefore, Facility Planning and Control is requesting authorization to accept \$2,250,000 for the Cafeteria and In-Service Training Academy & Emergency Facility Complex project referenced above from the Department of Wildlife and Fisheries Conservation Fund, W-01.

Please place this item on the agenda of the next meeting of the Committee.

Sincerely,

Jason D. Sooter
Director

Recommended for Approval: _____

Mark A. Moses
Assistant Commissioner

Approved: _____

Jay Dardenne
Commissioner of Administration

CC: Ms. Lisa Smeltzer, FPC
Ms. Sue Gerald, FPC
Mr. Bobby Boudreaux, FPC
Ms. Ternisa Hutchinson, OPB
Mr. Samuel Roubique, OPB
Mr. Paul Fernandez, OPB
Ms. Linda Hopkins, House Fiscal Division
Mr. Mark Mahaffey, House Fiscal Division
Mr. Daniel Waguespack, House Fiscal Division
Ms. Summer Metoyer, House Fiscal Division
Ms. Martha Hess, Senate Counsel
Ms. Bobbie Hunter, Senate Fiscal Division
Ms. Debra Vivien, Senate Fiscal Division
Ms. Raynel Gascon, Senate Fiscal Division
Mr. Jack Montoucet, DWLF
Mr. Bryan McClinton, DWLF
Mr. Robert Arnold, DWLF
Col. Chad Hebert, DWLF

Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

September 28, 2022

The Honorable Jerome Zeringue, Chairman
Joint Legislative Committee on the Budget
P.O. Box 44294 Capitol Station
Baton Rouge, Louisiana 70804

RE: **Supplemental Funds Request**
Athletic Academic Training and Ancillary Athletic Facility
Southeastern Louisiana University
Hammond, Louisiana
Project No. 19-634-21-01; WBS F.19002386

Dear Chairman Zeringue:

The Dugas Center, which currently houses the Southeastern Louisiana University Athletic Academic Training program, was built in 1972 and is inadequate for the current needs of the program. A new facility is in the early phases of design with a construction budget of \$10,550,000. The designer has advised that, in order to provide necessary space and amenities for the proposed facility, additional funding will be required. Southeastern Louisiana University is requesting permission to supplement the project with Fees and Self-Generated Revenues in the amount of \$2,000,000.

Facility Planning and Control is requesting authorization to receive the Fees and Self-Generated Revenues in the amount of \$2,000,000 from Southeastern Louisiana University to supplement the existing appropriated funds for this facility.

Please place this item on the agenda for the next meeting of the Committee.

Sincerely,

Jason D. Sooter
Director

Recommended for Approval:

Mark A. Moses
Assistant Commissioner

Approved:

Jay Dardenne
Commissioner of Administration

CC: Ms. Lisa Smeltzer, FPC
Ms. Sue Gerald, FPC
Mr. Bobby Boudreaux, FPC
Ms. Ternisa Hutchinson, OPB
Mr. Samuel Roubique, OPB
Mr. Paul Fernandez, OPB
Ms. Linda Hopkins, House Fiscal Division
Mr. Mark Mahaffey, House Fiscal Division
Mr. Daniel Waguespack, House Fiscal Division
Ms. Dazia Briscoe, House Fiscal Division
Ms. Martha Hess, Senate Counsel
Ms. Bobbie Hunter, Senate Fiscal Division
Ms. Debra Vivien, Senate Fiscal Division
Ms. Raynel Gascon, Senate Fiscal Division
Mr. Bruce Janet, University of Louisiana System
Mr. Ken Howe, Southeastern Louisiana University

Agenda Item #4

Legislative Intent

§653. Duties and functions

A. The committee shall make such study and examination of the matters pertaining to the budgeting and fiscal affairs of the state and its political subdivisions, their funds, revenues, expenditures, and any other financial affairs of the state and of its political subdivisions as may be deemed desirable by the committee or the legislature. The committee may also study and examine all requests for professional, personal, social service, and consulting service contracts to determine the impact of privatizing state government programs, functions, or activities. The committee shall make such reports of its findings and recommendations with regard to such matters to the legislature upon its request or as is deemed advisable by the committee.

B. Prior to and during each regular session of the legislature, the joint committee may make such studies and hold such hearings with respect to budget requests or statements and with respect to the executive budget as it shall deem appropriate and are necessary to carry out its duties and functions.

C. Following the review, analysis, and study of the proposed executive budget, the committee shall submit its findings and recommendations thereon to the members of the legislature not later than two weeks prior to each regular session of the legislature.

D. The committee shall make such continuing study and examination of matters pertaining to the budgeting of the state revenues and their expenditures, and the fiscal affairs of the state and its agencies, and shall make quarterly reports and recommendations to the legislature and such other reports as the committee or the legislature deems advisable.

E. The committee shall interpret the legislative intent respecting all fiscal and budgetary matters of the state and conduct general oversight and review of the budget execution processes of the various budget units and other agencies of the state when necessary.

F. The committee shall study, review, and approve or disapprove all transfers of funds from one program specified in the allotments established in each agency's budget to another program. Except as provided in R.S. 39:73 and 87.4, no transfer of funds from one program specified in the allotments in an agency's budget to another shall be made without prior approval of the committee.

G. The committee shall have the full power and authority to adopt rules and regulations prescribing and governing its procedures, policies, meetings, and any and all other activities relating to its functions and duties, including the power and authority to issue binding directives to agencies concerning the proper and efficient execution of their respective budgets as same were approved by the legislature.

H.(1) The committee shall have a litigation subcommittee which shall monitor and study the amounts of state funds required to pay judgments and compromises arising out of lawsuits against the state, its departments, and, with respect to payment of state funds as insurance premiums, the insurers thereof. The committee, by its own rules, motions, or resolutions, shall provide for the size, membership, appointment, all administrative matters, and the delegated powers and duties of the litigation subcommittee.

(2) No attorney representing the state or any of its departments or agencies or any of its employees entitled to indemnification under R.S. 13:5108.1 shall sign any compromise or settlement which obligates the state to pay more than one million dollars without prior consultation with the attorney general and the members of the litigation subcommittee of the Joint Legislative Committee on the Budget.

I. The committee shall have the authority to nullify a penalty applied by the office of risk management relative to a state agency which has failed to receive certification after undergoing a loss prevention audit, as provided in R.S. 39:1536(B).

J. The committee may establish a subcommittee to execute its duties relative to oversight of performance-based budgeting under the Louisiana Government Performance and Accountability Act, as provided in Subpart D of Part II of Chapter 1 of Subtitle I of Title 39 of the Louisiana Revised Statutes of 1950. When the subcommittee acts on behalf of the committee, the chairman of the subcommittee shall provide to each member of the committee a summary report of the subcommittee's action.

K.(1) In the conduct of its responsibility to discharge the constitutional fiscal and budgetary responsibilities of the Louisiana Legislature, the committee shall consider the operating budgets of public entities and salaries of particular public officials which by law require the approval of the committee in accordance with the following:

(a) The committee shall consider operating budgets in advance of the beginning of a subject entity's fiscal year. If the committee finds that the entity has failed to receive the required approval, either by failure to appear or by committee disapproval of its budget, the committee may adopt a resolution to direct the commissioner of administration and the state treasurer to deny any warrant or payment of money from the state treasury for any amount contained within that budget. The committee may also adopt a resolution to direct the commissioner of administration and state treasurer to recommence the acceptance of warrants. If the committee determines that an entity whose operating funds are administered outside of the state treasury has failed to receive the required approval of its budget, either by failure to appear or by committee disapproval of its budget, the committee may adopt a resolution to that effect, and any expenditure of public monies by such entity shall constitute a violation of the provisions of Article VII, Section 14 of the Constitution of Louisiana.

(b) The consideration of salaries of public officials that by law require the approval of the committee shall occur prior to the execution of any employment contract for that official. The state shall not be liable for any payment of such salary if the salary has not been approved by the Joint Legislative Committee on the Budget. The committee shall have the authority to adopt a resolution to direct the commissioner of administration and the state treasurer to deny any warrant or payment of money from the state treasury for any monies related to the payment of the salary at issue. The committee is also authorized to adopt a resolution to direct the commissioner of administration and state treasurer to recommence the acceptance of warrants.

(2) The provisions of this Section shall have no effect on the provisions of any contract which is in effect prior to July 1, 2008.

(3) Notwithstanding any contrary provision of law, the chairman of the Joint Legislative Committee on the Budget may grant an entity, for good cause shown, an extension of time, not to exceed thirty days, to comply with the provisions of this Subsection, and the Joint Legislative Committee on the Budget may grant an additional extension of time.

L.(1)(a) Upon receipt of the reports from the various departments within the executive branch of state government as provided by R.S. 36:8(A)(6) and the public postsecondary education management boards as provided by R.S. 17:3130(C) and 3351(F), the Joint Legislative Committee on the Budget shall transmit the reports to the legislative fiscal office for review and analysis and may conduct hearings to review the reports.

(b) The legislative fiscal office shall review the reports and perform any additional analysis of the reports that is necessary to provide an accurate actual estimate as compared to the fiscal note as the bill was enacted.

(2) The reports required to be submitted under this Section shall be in a manner as prescribed by the chairman of the Joint Legislative Committee on the Budget and shall be accompanied by such other information as the chairman may require. At a minimum, the report shall present the differences between the original estimate as the bill was enacted and the actual current revenues or expenditures. Depending upon the scope of the original legislation, the comparisons between the fiscal note as the bill was enacted and the actual amounts shall include but not be limited to tax increases, decreases, fee increases and repeals, tax exemptions, suspensions, credits, rebates, exclusions, and deductions, among others.

(3) No later than February first of each year, the committee shall report its findings in a public meeting relative to any legislation that has been enacted that affects state revenues, public postsecondary education management boards and the related institutions or the various departments and the related entities and that legislation has a fiscal impact which has increased by the amount of one million dollars or more over the amount of the fiscal note as the bill was enacted. The review and analysis shall also examine the receipt, expenditure, allocation, dedication, or means of financing to determine specifically how the increases impact state revenue, the departments, agencies, boards, commissions, and like entities within the executive branch of state government, as well as among the public postsecondary education institutions of the state. The Joint Legislative Committee on the Budget shall transmit copies of the final report to the governor, the president of the Senate, and the speaker of the House of Representatives, and distribute a copy to each member of the legislature.

M.(1) All economic and financial reports for projects submitted in conjunction with the request for approval of the Joint Legislative Committee on the Budget in excess of a total state commitment of ten million dollars for the term of the project shall provide the following information:

(a) Inclusion of all input information, data, and assumptions, including but not limited to data sources, economic growth assumptions, and an assessment/basis of the reasonableness of each.

(b) A description of the analytical model employed for the report and how each input was utilized with that model.

(c) Results in terms of value-added, household earnings, and employment, and a description of each concept.

(d) Results by industry sector, with an assessment of possible adverse effects on sectors that compete with the subsidized company for in-state customers.

(e) Explicit identification of the project's effect on direct expenditure requirements in the state budget or any reduction in taxes or state revenues, including but not limited to tax exemptions, exclusions, deductions, reductions, repeals, rebates, incentives, abatements, or credits.

(f) An additional assessment by the secretary of the Department of Economic Development regarding the extent to which the project would not have occurred but for the proposed state financial support. The secretary's assessment shall reference other business factors which contributed to the project activity occurring and factors which will be required for ongoing sustainability including but not limited to labor, transportation, energy, among others.

(g) Cost/benefit comparisons of the incentives in the package compared to the costs in the package shall be for the same period of time or the same term, both for the direct benefits to the state as well as the indirect benefits to the state.

(2)(a) The department shall submit the request for Joint Legislative Committee on the Budget approval of the project with the analysis to the committee for its review at least seventeen business days, or as permitted by the chairman, prior to the meeting for which the department is seeking the committee's approval. In the event that the chairman specifies a request submission period that is less than seventeen business days, the chairman shall notify all members of the committee of the revised submission time period. Presentation of the information required shall be in a format developed by the department in consultation with the Legislative Fiscal Office and the Joint Legislative Committee on the Budget.

(b) Upon receipt of the request, the Joint Legislative Committee on the Budget shall transmit the report to the legislative fiscal office for evaluation of the department's assessment and the legislative fiscal office shall make such information available to the committee during its review.

(3) For the purposes of this Section and notwithstanding any other provision of law to the contrary, "project" shall mean any public-private partnership, agreement with a nonpublic party, lease, cooperative endeavor agreement, memorandum of understanding, or other contractual agreement which would result in or is expected to result in the obligation of state resources or the expenditure of revenues from the operation, management, or control of a state resource for the purposes of engendering economic growth or development in the state through the utilization of certain incentives, including but not limited to tax exemptions, exclusions, deductions, reductions, repeals, rebates, incentives, abatements, or credits.

N.(1) The committee shall have a dedicated fund review subcommittee which shall review and make recommendations on special funds in the state treasury that dedicate state revenue.

(2) The committee, by its own rules, motions, or resolutions, shall provide for the size, membership, appointment, all administrative matters, and the delegated powers and duties of the dedicated fund review subcommittee. The committee shall provide that the membership of the subcommittee is bipartisan and diverse.

(3) No later than September 1, 2017, and every two years thereafter, the committee shall provide for the dedicated fund review subcommittee.

(4) The dedicated fund review subcommittee shall conduct the review of special funds and submit recommendations to the committee as required in R.S. 49:308.5.

Added by Acts 1976, No. 538, §3, eff. March 10, 1980. Acts 1984, No. 694, §1; Acts 1997, No. 738, §1; Acts 1997, No. 1465, §1, eff. July 15, 1997; Acts 1998, 1st Ex. Sess., No. 11, §1; Acts 2001, No. 894, §1, eff. June 26, 2001; Acts 2008, No. 842, §1, eff. July 8, 2008; Acts 2010, No. 861, §10; Acts 2013, No. 96, §2, eff. July 1, 2013; Acts 2014, No. 704, §1, eff. July 1, 2014; Acts 2017, No. 355, §1, eff. June 22, 2017; Acts 2018, No. 612, §8, eff. July 1, 2020; Acts 2019, No. 404, §16.

NOTE: See Acts 2019, No. 404, §§16 and 20 regarding the repeal of certain changes made to R.S. 24:653(N)(3) in Acts 2018, No. 612.

NOTE: See Acts 2018, No. 612 and Acts 2019, No. 404 providing for the effects of the conversion of certain dedicated funds to special statutorily dedicated fund accounts.

Agenda Item #5

Board of Regents and
ThoughtSpan Technology,
LLC

Collis B. Temple, III
Chair

Gary N. Solomon, Jr.
Vice Chair

Sonia A. Pérez
Secretary

Kim Hunter Reed, Ph.D.
Commissioner of
Higher Education



BOARD OF REGENTS

P. O. Box 3677

Baton Rouge, LA 70821-3677

Phone (225) 342-4253, FAX (225) 342-9318

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T. Jay Seale, III
Terrie P. Sterling
Felix R. Weill
Judy A. Williams-Brown
Catarena M. Lobre, Student

August 26, 2022

Representative Jerome “Zee” Zeringue
Chair
Joint Legislative Committee on the Budget

RE: Contract between Louisiana Tuition Trust Authority and ThoughtSpan Technology LLC

Dear Representative Zeringue:

The Louisiana Office of Student Financial Assistance (LOSFA), a Program of the Board of Regents, requests to extend its contract with ThoughtSpan Technology, LLC (hereinafter “Contractor”), entered into on February 4, 2019, for a period of 12 months. Section 2.1 of the contract requires approval of the Joint Legislative Committee on the Budget to extend this agreement. The contract extension adds \$67,531 for licensing fees and \$100,000 for support services, bringing the total contract amount to \$818,549.

The Contractor provides proprietary software and support services to modify the software to reflect updates to Federal and state law governing the Student Tuition and Revenue Trust (START) Saving Program, the START K12 Program, and the Louisiana Achieving a Better Life Experience (LA ABLE) Program. The Contractor supports the websites that allow individuals to open accounts in each of these programs and to make deposits, request disbursements, change investment options, and close accounts. In addition, the software supports the back-end processes that allow for the efficient administration of the programs by LOSFA staff, including interfacing with The Vanguard Group and the State Treasurer.

START Saving and START K12 are administered in accordance with Section 529 of the Internal Revenue Code (IRC 529). The START Saving Program provides a mechanism to allow families to begin saving early to cover the higher education expenses of the beneficiaries of the accounts. Louisiana’s program offers two advantages to investing that are not provided in IRC 529. The first is the state match, called earnings enhancements, which is anywhere from two to fourteen percent, depending upon the income of the account owner; the second is a state tax credit of \$1,200 per year per account (\$2,400 for married account owners filing jointly). The software provided by the Contractor has been modified to account for these differences between Louisiana’s IRC Section 529 plan and plans provided by other states/entities.

LA ABLE is administered in accordance with Section 529a of the Internal Revenue Code, and allows disabled individuals to save up to \$100,000 without affecting eligibility for Federal disability benefits, such as SSI and SSDI.

All three programs have essentially the same parameters for saving and allow for investment in stocks/bonds. Program investments are selected by the State Treasurer, and all investments are currently managed by The Vanguard Group.

As of July 31, 2022, the software supported a total investment by account owners of \$1,323,052,134.00 across all three programs. Investments in the START Saving Program comprise the vast majority of this total, with \$1,303,495,678.00 invested in 74,745 accounts. Maintaining consistency and efficiency in investments is essential to ensuring that funds are available as needed for the education and disability expenses of the beneficiaries of these accounts. Based on this need, we request that a 12-month extension of LOSFA’s contract with ThoughtSpan Technology, LLC be approved.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kim Hunter Reed". The signature is fluid and cursive, with the first name "Kim" being the most prominent.

Kim Hunter Reed, Ph.D.
Commissioner of Higher Education

AMENDMENT NUMBER 2

To

Software License Contract between ThoughtSpan Technology, LLC and the Louisiana Board of Regents/Louisiana Office of Student Financial Assistance

PST Log# 19 04 009

Be it known that on the date of approval shown below the Louisiana Board of Regents/Louisiana Office of Student Financial Assistance (“LOSFA”)(“State”) and ThoughtSpan Technology, LLC with offices at 14045 Ballantyne Corporate Place, Suite 550, Charlotte, North Carolina 28277 (“Contractor”), do hereby enter into this Amendment Number 2 to the Software License Contract dated February 5, 2019, under the following terms and conditions through the undersigned and duly authorized representatives of each respective party.

Change 2.1 TERM OF CONTRACT to read:

This Contract shall begin on February 5, 2019 and shall end on February 4, 2024, unless otherwise terminated in accordance with the Termination provision(s) of this Contract. At the option of the State of Louisiana and acceptance of the Contractor, this Contract may be extended for one (1) additional twelve (12) month period at the same terms and conditions.

Prior to the extension of the Contract beyond a thirty-six (36) month term, prior approval by the Joint Legislative Committee on the Budget (“JLCB”) or other approval authorized by law shall be obtained. Such written evidence of JLCB approval shall be submitted, along with the Contract amendment to the Office of State Procurement (“OSP”) to extend the Contract terms beyond the thirty-six (36) month term. Total Contract time may not exceed sixty (60) months.

Change 5.0 COMPENSATION AND MAXIMUM AMOUNT OF CONTRACT to read:

A. LOSFA agrees to pay to Contractor an annual license fee of \$67,531 for the use of the 529 Saving Plan Administrative System, 529a Saving Plan Administrative System, and the Web Enabling Interface Module. The annual license fee as set forth above may be increased by no more than three percent (3%) annually. The amount paid under this Contract for license fees shall not exceed \$318,549 for a five (5) year period.

B. In consideration of other services required by this Contract, LOSFA hereby agrees to pay to ThoughtSpan a maximum amount of \$500,000.00 for the costs of enhancements/modifications, to be billed at the rate of \$150 per hour actually worked. Payment will be made only on approval of LOSFA's Project Director and upon approval of the Office of State Purchasing.

C. The maximum amount of this Contract (\$818,549) may not be increased as provided in Section 2.2 Contract Modifications of this contract.

D. ThoughtSpan shall submit monthly invoices during each month that it performs billable work under this Contract. With each invoice, ThoughtSpan shall submit time sheets to LOSFA's Project Director indicating effort expended and work performed by each member of its staff participating

in this Contract. Time sheets shall, at a minimum, identify the name of the individual performing the work, the number of hours worked during the period by task, and provide a brief description of the tasks performed.

E. Each invoice must be approved by LOSFA's Project Director. LOSFA shall make payment to ThoughtSpan for each approved invoice within thirty (30) days of receipt.

F. ThoughtSpan shall be responsible for all of its out-of-pocket expenses, including, but not limited to, airfare, lodging, meals, car rentals and parking and taxi expenses.

G. In the event this Contract is terminated in accordance with the Termination of this Contract for Convenience Section or Fiscal Funding Section of this Contract, LATTA shall be obligated to pay for work actually performed by ThoughtSpan through the last day before the day of termination.

H. Late payments - Interest due by the State Agency for late payments shall be in accordance with La. R.S. 39:1695 at the rates established in La. 13:4202.

All other terms and conditions of the Contract remain the same. The original Contract and all amendments constitute the entire Contract between the State and the Contractor. Any other oral or written communications between the parties before or after its execution shall not alter its effects, unless the change or modification is in writing and signed by authorized representatives of the State and the Contractor. In the event of a conflict between the terms and conditions of the Contract and this Amendment, the terms and conditions of this Amendment shall prevail.

IN WITNESS THEREOF, this amendment is signed and entered into on the date indicated below.

ThoughtSpan Technology LLC

Louisiana Board of Regents

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: Commissioner of Higher Education

Date: _____

Date: _____

Agenda Item #6

Contract
between OGB and
Caremark PCS Health, LLC



STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF GROUP BENEFITS



Office of Group Benefits

September 16, 2022 JLCB Meeting

Caremark PCS Health, LLC ("CVS Caremark")

Pharmacy Benefit Manager Services Contract Overview

CVS Caremark

PBM Services Contract Overview & Comparison to Current PBM Emergency Contract

	Express Scripts	CVS Caremark
Contract Purpose	To provide PBM services to support certain self-funded health plans offered by OGB.	
Eligible Participants	Members enrolled in the Magnolia Open Access, Magnolia Local, Magnolia Local Plus, and Pelican HRA1000 plans.	
PBM Members as of 9/1/2022¹	198,293	
Contract Type	Emergency	Regular
Contract Term	1 year (12 months)	3 years (36 months)
Beginning Contract Date	01/01/2022	01/01/2023
Ending Contract Date	12/31/2022	12/31/2025
Renewable Options	None	Up to 24 additional months
Procurement Method	SFO	RFP
Contract Maximum Payable Amount²	\$602,142,205.00	\$2,070,144,000.00
Year 1 Total Projected Contract Expenditures, Net of Projected Rebates³	\$489,329,000	\$401,835,000
Year 2 Total Projected Contract Expenditures, Net of Projected Rebates³	N/A	\$425,419,000
Year 3 Total Projected Contract Expenditures, Net of Projected Rebates³	N/A	\$454,117,000

¹ Based on the 9/01/2022 member participation counts for the BCBSLA Magnolia Open Access, Magnolia Local, Magnolia Local Plus, and Pelican HRA1000 plans.

² The maximum payable amount does not include expected rebates.

³ Projections performed by Buck Global, LLC, and are based on the pricing terms associated with the current Express Scripts emergency contract and the proposed CVS Caremark contract, for a sample of claims.

CVS Caremark

Financial Summary

CVS Caremark's pricing was compared to the current emergency contract with Express Scripts and the 2020 RFP offer from CVS Caremark for reference. The exhibit below summarizes projected first-year (2023) and three-year (2023-2025) estimated plan costs, relative to current Express Scripts pricing.

	Express Scripts Current Contract (2022)	CVS Caremark (2023 Pricing from the 2020 Proposal) ⁴	CVS Caremark 2023-2025 (Market Check Pricing)	CVS Caremark 2023-2025 (Final Negotiated Pricing)
Year 1 Total Projected Cost, Net of Projected Rebates (2023)	\$489,329,000	\$470,713,000	\$465,312,000	\$401,835,000
Savings Compared to Current Contract	N/A	(\$18,616,000)	(\$24,017,000)	(\$87,494,000)
% Savings Compared to Current Contract	N/A	(3.8%)	(4.9%)	(17.9%)
3-Year Total Projected Cost, Net of Projected Rebates (2023- 2025)	\$1,615,377,000	\$1,561,032,000	\$1,483,634,000	\$1,281,371,000
Savings Compared to Current Contract	N/A	(\$54,345,000)	(\$131,743,000)	(\$334,006,000)
% Savings Compared to Current Contract	N/A	(3.4%)	(8.2%)	(20.7%)

*The results above show the projections and combined savings in both the Commercial plan and EGWP plan.

*The projected amounts include a trend to account for increased utilization and increased pharmaceutical costs.

The final pricing which was obtained after further negotiations with CVS Caremark shows that, over the 3-year contract, OGB expects a savings of approximately **\$334 million**, a **20.7%** improvement relative to the current 2022 pricing terms with Express Scripts.

⁴ CVS Caremark's Proposal to the 2020 RFP included pricing for 2023.

CVS Caremark

Background Information

- In 2020, OGB issued an RFP for PBM services. Upon completion of the competitive RFP process, CVS Caremark was awarded the Contract on July 9, 2020. MedImpact protested the award and the award was stayed.
- The Chief Procurement Officer (“CPO”) upheld the award to CVS Caremark. MedImpact then appealed the CPO’s decision to the Commissioner of Administration. The Commissioner of Administration also upheld the award. MedImpact challenged the Commissioner’s decision by filing a Petition for Judicial Review with the Nineteenth Judicial District Court in Baton Rouge. The Judge in the Nineteenth JDC overturned the Commissioner’s decision. In so ruling, the Judge cancelled the contract award to CVS Caremark and also cancelled the RFP.
- Since litigation was pending and OGB is required to have PBM services in place for its members, OGB negotiated an Emergency Contract with CVS Caremark beginning January 1, 2021. Subsequently, JLCB did not approve the Emergency Contract with CVS Caremark. As a result, OGB entered into an Emergency Contract with MedImpact for PBM services for calendar year 2021.
- In 2021, since litigation over the 2020 RFP was still pending, OGB issued a Solicitation for Offers (“SFO”). MedImpact and Express Scripts submitted offers. After evaluation, Express Scripts’ offer was selected and OGB entered into an Emergency Contract with Express Scripts for calendar year 2022.
- CVS Caremark and OGB appealed the District Court’s decision to the First Circuit Court of Appeal. After extensive briefing, oral arguments were heard on February 21st of this year. On June 3, 2022, the First Circuit issued its ruling which reversed the decision of the District Court. In its Opinion, the First Circuit expressly reinstated the Commissioner of Administration’s decision and upheld and reinstated the award of the PBM services contract to CVS Caremark.
- Upon receipt of the Court’s Order, OGB, in conjunction with its contract actuarial services firm, conducted a “Market Check” (an exercise to evaluate the competitiveness of PBM pricing) which OGB then used to negotiate better pricing terms from CVS Caremark.

Agenda Item #7

FY 2022-2023 operating
budget for the Greater New
Orleans Expressway
Commission



STATE OF LOUISIANA

Legislative Fiscal Office
BATON ROUGE

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Alan M. Boxberger
Interim Legislative Fiscal Officer

To: The Honorable Jerome Zeringue, Chairman
Joint Legislative Committee on the Budget
The Honorable Members of the Joint Legislative Committee on the Budget

From: Kimberly Frugé, Fiscal Analyst *KF*
Alan Boxberger, Interim Legislative Fiscal Officer *AB*

Date: October 14, 2022

Subject: GREATER NEW ORLEANS EXPRESSWAY COMMISSION
FY 23 BUDGET ANALYSIS

The Greater New Orleans Expressway Commission (GNOEC) staff annually prepares its budget for approval by the Commissioners in accordance with its bond indenture. Upon approval by the GNOEC, the budget is then submitted to the Legislative Fiscal Office. The GNOEC approved the budget on August 3, 2022, and submitted the approved budget to the Legislative Fiscal Office.

Prior to the submission of the annual operating budget to the Joint Legislative Committee on the Budget (JLCB) for its approval or rejection, the Legislative Fiscal Office reviews the submission of the budget for mathematical accuracy and content. In addition, the Legislative Fiscal Office prepares an analysis of the budget submitted by the GNOEC and provides this report to the Joint Legislative Committee on the Budget (JLCB) for its consideration.

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Greater New Orleans Expressway Commission

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BUDGET SUMMARY, FISCAL YEAR 2022-23
Greater New Orleans Expressway Commission

	Actual FY 20	Actual FY 21	Approved FY 22	Requested FY 23	Change From Prior FY	
					\$	%
Means of Finance						
Tolls	\$18,721,627	\$20,770,961	\$21,489,000	\$23,082,000	\$1,593,000	7.4%
Highway Fund No. 2	\$6,819,713	\$6,872,397	\$6,300,000	\$6,400,000	\$100,000	1.6%
Interest Income	\$556,160	\$27,573	\$60,000	\$60,000	\$0	0.0%
Other Revenue	\$96,757	\$174,344	\$100,000	\$100,000	\$0	0.0%
Total MOF	\$26,194,257	\$27,845,275	\$27,949,000	\$29,642,000	\$1,693,000	6.1%
Expenditures						
Salaries	\$3,734,915	\$4,204,993	\$4,317,363	\$4,821,774	\$504,411	11.7%
Related Benefits	\$1,477,465	\$1,554,822	\$2,210,362	\$2,312,645	\$102,283	4.6%
Other Compensation	\$27,344	\$34,232	\$34,180	\$34,180	\$0	0.0%
Personnel Svcs.	\$5,239,724	\$5,794,047	\$6,561,905	\$7,168,599	\$606,694	9.2%
Operating Services	\$2,926,271	\$2,950,134	\$3,139,000	\$3,597,000	\$458,000	14.6%
Supplies	\$1,100,471	\$1,257,063	\$1,296,650	\$1,359,685	\$63,035	4.9%
Operating Expenses	\$4,026,742	\$4,207,197	\$4,435,650	\$4,956,685	\$521,035	11.7%
Professional Services	\$270,070	\$189,937	\$220,000	\$215,000	(\$5,000)	-2.3%
Debt Service	\$7,796,831	\$7,617,131	\$7,427,406	\$7,427,781	\$375	0.0%
State Surplus-HPL	\$1,639,515	\$1,666,833	\$1,859,099	\$1,672,940	(\$186,159)	-10.0%
Other Charges	\$9,436,346	\$9,283,964	\$9,286,505	\$9,100,721	(\$185,784)	-2.0%
Acquisitions	\$276,175	\$151,936	\$584,538	\$531,395	(\$53,143)	-9.1%
Maj. Rep. /Cap. Imps.	\$6,945,200	\$8,218,194	\$6,860,402	\$7,669,599	\$809,197	11.8%
Acquisitions/Repairs	\$7,221,375	\$8,370,130	\$7,444,940	\$8,200,994	\$756,054	10.2%
Total Expenditures	\$26,194,257	\$27,845,275	\$27,949,000	\$29,641,999	\$1,692,999	6.1%

Section 2 of Act 875 of 1988 requires the GNOEC to submit its annual budget to the Joint Legislative Committee on the Budget for its approval or rejection prior to the expenditure of funds contained in such budget. Act 842 of the 2008 Regular Legislative Session requires "...consideration of operating budgets shall be given in advance of the beginning of the subject entity's fiscal year." The GNOEC's new fiscal year begins on November 1, 2023; therefore, its annual operating budget is being presented at this time.

BUDGET SUMMARY

The Greater New Orleans Expressway Commission (GNOEC) is requesting approval of a FY 23 total budget of \$29.6 M, representing a \$1.69 M total increase, or 6.1%, from the budget approved by the JLCB for FY 22. The Commission anticipates an almost \$1.6 M increase in toll revenues in FY 23 over initial FY 22 projections.

MEANS OF FINANCING

The FY 23 revenues for the GNOEC operating budget totals \$29.6 M and are comprised of the following: toll revenues (77.9%), State Highway Fund No. 2 revenues (21.6%), interest income (0.2%), and other revenues (0.3%). The following discussion will provide additional details on these means of finance.

Toll Revenues

Toll revenues are budgeted based upon historical collections and trends in traffic patterns. As a result of COVID-19, toll revenues were conservatively projected for both FY 21 and FY 22. Revenues for FY 21 were budgeted at \$17.1 M; however, the actual year-end revenue for FY 21 was \$20.8 M, an increase of \$3.7 M. Similarly, revenues for FY 22 were budgeted at \$21.5 M; however, the updated projected year-end revenue for FY 22 is \$23.1 M, an increase of \$1.6 M more than budgeted as economic activity continues to increase from 2020.

The proposed toll revenues for FY 23 increase approximately 7.4% from the approved FY 22 budget. Toll revenues are budgeted at \$23.1 M for FY 23, which is \$1.6 M over the total approved in FY 22 (\$21.5 M). The total number of one-way crossings on the expressway is anticipated to be 5,741,642 in FY 23 as compared with 5,736,905 for FY 22, an increase of 4,737 crossings, or 0.1%. The full toll schedule is outlined on page 7, and toll revenue history is discussed on page 8.

These revenues are used to pay for the Commission's operating expenses (\$12.3 M), and the excess toll revenues are encumbered in order to pay for future capital improvement projects and debt services. In FY 23, \$6.4 M will be placed in the Extraordinary Maintenance and Repair Reserve Fund for current and future projects (see page 18). The remaining \$4.3 M will be used to pay the 2017 debt service payment of \$4.3 M (see page 16).

State Highway Fund Number 2

State Highway Fund No. 2 revenues are derived from vehicular license taxes collected in Orleans, Jefferson, St. John the Baptist, St. Charles, Tangipahoa and St. Tammany parishes. These revenues are disbursed as follows: 1) fifty percent (50%) accruing to GNOEC; 2) all monies collected in Orleans Parish from vehicular registration license fees and taxes from trucks and trailers pursuant to LA R.S. 47:462 are deposited into the New Orleans Ferry Fund; 3) after making the allocation for the GNOEC, and the New Orleans Ferry Fund, fifty percent (50%) of monies collected in Jefferson Parish pursuant to R.S. 47:462 are deposited into the Regional Maintenance and Improvement Fund; and 4) the remaining funds are deposited into the Transportation Trust Fund (TTF). Based upon the Revenue Estimating Conference's latest adopted revenue forecast from May 9, 2022, of the \$13 M for FY 23, the GNOEC's share of revenue is anticipated to total \$6.5 M in State Highway Fund No. 2 dollars for FY 23. The board has approved a budget of \$6.4 M for FY 23.

The GNOEC's budgeted revenues (\$6.4 M) from State Highway Fund No. 2 are anticipated to be greater than its debt service payment (for Series 2013 and 2014 bonds) backed by resources from the fund, which is projected to be \$3.1 M in FY 23. As stated in earlier reports, the Legislative Fiscal Office (LFO) previously requested and received an Attorney General opinion on this matter verifying that "surplus" funds from Highway Fund No. 2 are permissible to be utilized by the GNOEC in its budget for expenses of the Huey P. Long (HPL) Bridge and other local agencies, as well as capital improvements. The excess revenue from the Highway Fund No. 2 after the annual debt service payment is \$3.3 M (or \$6.4 M minus \$3.1 M); \$1.7 M will go towards IAT for the HPL Bridge and local agencies, and the remaining surplus of \$1.6 M will be encumbered for acquisitions (\$531,395) and major repairs and capital improvements (\$1.1 M).

Interest Income

Interest income is projected at \$60,000 for FY 23, which is the same as the approved FY 22 amount. This category consists of monies received from interest received from construction investments. Revenues from interest income are deposited into the Extraordinary Maintenance and Repair Reserve Fund. The budgeted amount of \$60,000 is to align the budget with the expected expenditures from the Extraordinary Maintenance and Repair Reserve Fund. For informational purposes, interest income totaled \$556,160 in FY 20 and \$27,573 in FY 21.

Other Revenue

Other Revenue is projected at \$100,000 for FY 23, which is the same as the approved amount in FY 22. This category consists of monies received for copies of police accident and incident reports, plans for projects, records requests, and revenue generated from ATM fees. If the Commission has a surplus auction during the year, revenues generated from the event will go towards other revenues. The budgeted amount of \$100,000 is to align the budget with the expected expenditures from the Extraordinary Maintenance and Repair Reserve Fund.

MEANS OF FINANCING ISSUES

Act 481 of 2016 -Toll Increases, Toll Bonds, Span Improvements

Act 481 of 2016, allows the GNOEC to carry out improvements to both spans of the bridge, including the addition of safety bays and higher safety rails and to issue toll bonds up to \$133 M, the proceeds of which would be used to fund the higher safety rails and safety bays. The bond issuance was subject to approval of the State Bond Commission, as well as Jefferson and St. Tammany Parishes, the localities that the bridge directly serves. Act 481 also states that the bonds must be backed using revenues derived from tolls and cannot be supplemented by State Highway Fund No. 2, which the GNOEC uses to fund its current debt service payments. As a result, the GNOEC voted to increase toll schedules for use of the bridge in August 2016, allowing the Commission to back the bond issuance with increased toll revenues. During FY 17, the GNOEC issued bonds with a principal amount of \$88.7 M and an interest rate of 5% with a maturity date of November 1, 2047. For FY 22 and FY 23, the GNOEC is only required to pay on the interest with no principal payment owed. The GNOEC paid \$4.3 M towards interest in FY 22 and plans to do the same in FY 23. Payment on the principal will resume in FY 24.

Act 481 allows the GNOEC to fund higher safety rails on both spans at a cost of up to \$67 M. The GNOEC contracted with Texas A&M University to develop a rail that would fasten to the top of the existing rails on the southbound and northbound spans. Two options were tested. The option the GNOEC chose will increase the rail height of the southbound span by 21 inches for a total rail height of 46 inches (25-inch existing rail height + 21-inch addition) at a total estimated cost of \$40 M. It will include 2 bars spanning the length of the bridge on both sides and will be secured to the bridge by a bolt on the top and side of the existing rail. The project to increase the rail height began in May 2019 and is expected to be completed by the end of October 2022.

In addition to increasing the rail heights on the southbound spans, Act 481 allows the GNOEC to add safety bays to both spans of the bridge at a cost of up to \$63 M. The safety bays will have a length of 1,008 feet each and will result in a partial lane being added to each span of the bridge at different intervals that will allow vehicles to pull off in case of mechanical failure or wrecks. There will be a total of 12 safety bays with the Northbound and Southbound bridges, each having six. The safety bays on the Southbound Bridge require 12 of its 56-foot spans to be widened, and the Northbound Bridge safety bays require 8 of its 84-foot spans to be widened. The safety bays will add up to an additional 16 feet of width to the corresponding spans. Volkert Inc. is the design engineer for the project and anticipates a total project cost of approximately \$54 M. Test pilings were put into the lake at the beginning September of 2018, and the Commission began the full project in December of 2018. The project was completed in August of 2020.

Toll Rates and Rehabilitation Projects

In February 1995, the GNOEC increased tolls and charges on the Lake Pontchartrain Causeway. The revenues generated from the increase are dedicated for the purpose of funding major repairs/capital improvement projects.

The GNOEC increased tolls during an August 2016 meeting. Proceeds from the increased toll revenues were used to finance a bond issuance, the proceeds of which funded higher safety rails on the southbound span and safety bays on both spans. The new toll schedule became effective on May 1, 2017. A table of the toll schedule is below.

Note: The GNOEC began one-way toll collections in May 1999. Tolls have been collected only on the North Shore since that time.

TOLL SCHEDULE Effective May 1, 2017

# of Axles	Toll Tag		Cash	
	Under 7'	Over 7'	Under 7'	Over 7'
2	\$3.00	\$9.00	\$5.00	\$9.00
3	\$6.75	\$13.50	\$7.00	\$14.00
4	\$9.00	\$18.00	\$9.00	\$18.00
5	\$11.25	\$22.50	\$12.00	\$23.00
6	\$11.25	\$22.50	\$12.00	\$23.00
7+	\$11.25	\$22.50	\$12.00	\$23.00

Toll Revenues

Toll revenues are projected at \$23.1 M for FY 23, an increase of almost \$1.6 M, or 7.4%, above the \$21.5 M approved in FY 22. These revenues are used to pay for the Commission's operating expenses of \$12.3 M. The excess toll revenues are encumbered in order to pay for future capital improvement projects and debt services. In FY 23, \$6.4 M will be placed in the Extraordinary Maintenance and Repair Reserve Fund for current and future projects. The remaining \$4.3 M will be used to pay the 2017 debt service payment of \$4.3 M.

Toll revenues are budgeted based upon historical collections and trends in traffic patterns. The table below illustrates toll revenue collections and traffic counts from FY 04 (pre-Katrina levels) to projected levels in FY 23. The large decrease in FY 20 revenues is a result of decreased traffic due to COVID-19.

TOLL REVENUES

Fiscal Year	Toll Collections		Traffic Count	
	\$	PY \$ Change	#	PY # Change
2004	\$15,421,017		5,909,426	
2005	\$13,566,529	(\$1,854,488)	5,814,832	-94,594
2006	\$18,184,159	\$4,617,630	6,707,603	892,771
2007	\$17,768,414	(\$415,745)	6,571,180	-136,423
2008	\$17,135,270	(\$633,144)	6,366,320	-204,860
2009	\$17,047,947	(\$87,323)	6,400,327	34,007
2010	\$16,025,247	(\$1,022,700)	6,355,044	-45,283
2011	\$16,018,853	(\$6,394)	6,337,597	-17,447
2012	\$15,811,025	(\$207,828)	6,364,746	27,149
2013	\$16,212,070	\$401,045	6,409,719	44,973
2014	\$15,916,000	(\$296,070)	6,445,170	35,451
2015	\$16,455,022	\$539,022	6,413,600	-31,570
2016	\$16,543,981	\$88,959	6,629,438	215,838
2017	\$20,207,445	\$3,663,464	6,495,401	-134,037
2018	\$24,189,993	\$3,982,548	6,399,579	-95,822
2019	\$23,867,547	(\$322,446)	6,409,364	9,785
2020	\$18,721,627	(\$5,145,920)	5,216,325	-1,193,039
2021	\$20,771,000	\$2,049,373	5,524,940	308,615
2022	\$23,059,000	\$2,288,000	5,736,905	211,965
2023	\$23,082,000	\$23,000	5,741,642	4,737

EXPENDITURES

PERSONNEL EXPENSES

Salaries	FTE	Actual FY 20	FTE	Actual FY 21	FTE	Approved FY 22	FTE	Requested FY 23	Change From PY	
									\$	%
Administration										
General Manager	1.0	\$133,843	1.0	\$133,843	1.0	\$140,527	1.0	\$150,527		
Office Personnel	12.0	\$529,932	12.0	\$568,596	12.0	\$581,512	12.0	\$620,059		
Less: HPL Adm.	(1.0)	(\$93,388)	(1.0)	(\$97,780)	(1.0)	(\$101,150)	(1.0)	(\$96,903)		
Sub-Total	12.0	\$570,387	12.0	\$604,659	12.0	\$620,889	12.0	\$673,683	\$52,794	8.5%
Operations										
Toll Collectors	17.0	\$564,011	16.0	\$613,330	16.0	\$608,255	16.0	\$689,999		
Maintenance	26.0	\$894,200	25.0	\$901,532	25.0	\$1,045,566	25.0	\$1,170,240		
Bascule Operators	5.0	\$226,237	5.0	\$252,285	5.0	\$223,078	5.0	\$221,263		
Dispatch	13.5	\$597,979	12.0	\$513,677	12.0	\$512,348	12.0	\$575,657		
Police	35.0	\$1,596,062	32.0	\$2,045,769	32.0	\$2,145,501	30.0	\$2,243,869		
Less: HPL Operations	(13.0)	(\$713,961)	(13.0)	(\$726,259)	(13.0)	(\$838,273)	(11.0)	(\$752,936)		
Sub-Total	83.5	\$3,164,528	77.0	\$3,600,334	77.0	\$3,696,475	77.0	\$4,148,092	\$451,617	12.2%
Total Salaries	95.5	\$3,734,915	89.0	\$4,204,993	89.0	\$4,317,364	89.0	\$4,821,775	\$504,411	11.7%
Related Benefits										
Parochial (Retirement)		\$689,336		\$701,453		\$719,451		\$760,409		
Group Insurance		\$918,038		\$893,598		\$1,532,187		\$1,532,187		
Retirees Group Benefits		\$73,373		\$168,588		\$200,000		\$218,750		
Gov. Def. Comp. Plan		\$79,778		\$79,778		\$85,000		\$84,000		
Less: HPL Rel. Benef.		(\$283,060)		(\$288,595)		(\$326,276)		(\$282,701)		
Total Related Benefits		\$1,477,465		\$1,554,822		\$2,210,362		\$2,312,645	\$102,283	4.6%
Other Compensation		\$27,344		\$34,232		\$34,180		\$34,180	\$0	0.0%
TOTAL		\$5,239,724		\$5,794,047		\$6,561,906		\$7,168,600	\$606,694	8.7%

Salaries

The GNOEC is requesting \$4.8 M for salaries, an 11.7% increase from FY 22. There are 89 full-time equivalent employees (FTEs) for FY 23, which is unchanged from FY 22. The number of FTEs by category allocated to the Causeway Commission for FY 23 is as follows: 12 administrative positions and 77 non-administrative positions for a total of 89 positions. Note: The table above backs out funding equivalent to the administrative and operations functions for the Huey P. Long Bridge.

Merit increases are approved each year through the Commission's budget approval process. Traditionally, administrative and supervisory personnel of the GNOEC may receive merit increases as a flat percentage based upon individual job performances. For FY 23, the Commission authorized merit-based pay increases for GNOEC personnel. In addition, the Commission updated various salaries to be competitive with similar positions. The overall increase for both salary adjustments is approximately 12%.

The GNOEC currently has 30 Peace Officer Standards & Training (POST) certified police officers (24 - Causeway, 6 – Huey P. Long Bridge). Act 664 of 2008 provides that these police officers are eligible to receive state supplemental pay, which is currently \$500/month or \$6,000/year for a total state supplement of \$180,000 for all Causeway police officers currently receiving supplemental pay. In addition, Act 199 (HB 1) of 2022 provides a one-time state supplemental pay of \$1,200 per officer, a total of \$36,000 for all Causeway police officers. These portions of the police officers' salaries are not included in the GNOEC's budget, as the state pays these amounts annually. However, the GNOEC is responsible for paying the related benefits costs associated with the additional \$7,200 (\$6,000 + \$1,200) state salary supplement, which equates to approximately \$24,840 of additional related benefits expenditures included in the operating budget over and above the base salaries.

Salary information for filled positions can be found on pages 23-24.

Related Benefits:

The GNOEC is requesting \$2.3 M for related benefits, a 4.6% increase from FY 22. This is primarily due to an increase in group insurance costs for retirees.

Other Compensation:

The GNOEC is requesting standstill funding of \$34,180 for Other Compensation in FY 23. Other Compensation represents the salaries of the Greater New Orleans Expressway Commissioners. The five appointed commissioners are paid \$569.66 per month for Commission duties as provided by an amendment to the Articles of Incorporation of the Greater New Orleans Expressway Commission. The Parishes of Jefferson and St. Tammany executed the Articles of Incorporation on October 20, 1954, with the above amendment being approved on August 7, 1986.

OPERATING SERVICES

	FY 20	FY 21	FY 22	FY 23	Change From Prior FY	
	Actual	Actual	Approved	Requested	\$	%
Advertising (Motorist Safety Campaign)	\$10,435	\$4,985	\$10,000	\$10,000	\$0	0.0%
Publication of Public Notices	\$1,485	\$993	\$1,500	\$1,500	\$0	0.0%
Insurance	\$2,063,638	\$2,028,777	\$2,275,000	\$2,750,000	\$475,000	20.9%
Travel	\$95	\$0	\$1,500	\$1,500	\$0	0.0%
Telephone and Radio	\$275,819	\$347,758	\$225,000	\$225,000	\$0	0.0%
Utilities	\$153,266	\$188,304	\$175,000	\$180,000	\$5,000	2.9%
Bank/ Visa Charge on Toll Deposits	\$315,648	\$327,901	\$380,000	\$360,000	(\$20,000)	-5.3%
Bank Trustee Fees	\$6,640	\$10,734	\$8,500	\$8,500	\$0	0.0%
Dues & Subscriptions	\$13,566	\$6,315	\$12,500	\$10,500	(\$2,000)	-16.0%
Unused Vacation and Sick Leave	\$85,679	\$34,367	\$50,000	\$50,000	\$0	0.0%
Total	\$2,926,271	\$2,950,134	\$3,139,000	\$3,597,000	\$458,000	14.6%

Operating Services:

The GNOEC is requesting \$3.6 M for operating services, a 14.6% increase from FY 22. Operating services include advertising, the publication of public notices and minutes, insurance, travel, telephone and radio expenses, utilities, payout of unused vacation and sick leave, dues and subscriptions, trustee fees, bank and visa charges for toll deposits, and other miscellaneous expenses. The primary cause of the significant increase is due to an anticipated increase of 20.9%, or \$475,000, in insurance costs, largely driven by an increase in property insurance.

SUPPLIES

	FY 20 Actual	FY 21 Actual	FY 22 Approved	FY 23 Requested	Change From Prior FY	
					\$	%
Office Expenses	\$255,809	\$223,203	\$251,500	\$235,400	(\$16,100)	-6.4%
Operating Expenses	\$526,220	\$530,344	\$685,975	\$694,610	\$8,635	1.3%
Repairs and Maintenance	\$318,442	\$503,516	\$359,175	\$429,675	\$70,500	19.6%
Total	\$1,100,471	\$1,257,063	\$1,296,650	\$1,359,685	\$63,035	4.9%

Supplies Expenses:

The GNOEC is requesting \$1.4 M for supplies, a 4.9% increase from FY 22.

Office expenses are decreasing by 6.4% from FY 22, primarily due to decrease in the purchasing of office supplies. Costs include leased office space, disposal services, postage, extermination and termite control, office machine repairs and maintenance contracts, and other general administrative office supplies.

Operating expenses are roughly level with FY 22; this cost includes gasoline, oil, auto parts, tires, lubricants, diesel fuel, police equipment mounted on vehicles, vehicle maintenance, police uniforms, protective equipment, and any other expenditure related to vehicle maintenance and police car retrofitting.

Repairs and maintenance costs are increasing by 19.6% from the prior year, primarily due to an increase in vehicle repairs and the increase in prices for retrofitting vehicles. In addition, the Causeway is discounting ATA tags and instead using 6C tags which requires the purchase of more toll tags for the change. This category includes costs for general maintenance and supplies needed on the bridge, toll tags, toll system software maintenance, computer and electronic repairs on all bridge equipment, plumbing and janitorial supplies for the entire operation, and air conditioning contracts and other miscellaneous items dealing with operations maintenance. Also included are the components of the crash attenuators used on the bridge, which must be kept in stock and used by maintenance personnel in repairing damages throughout the year.

PROFESSIONAL SERVICES

	FY 20 Actual	FY 21 Actual	FY 22 Approved	FY 23 Requested	Change From Prior FY	
					\$	%
Accounting and Finance						
Independent Audit	\$17,232	\$25,200	\$15,000	\$15,000	\$0	0.0%
Accounting Services	\$8,883	\$13,850	\$35,000	\$35,000	\$0	0.0%
Engineering						
Engineering & Traffic Consultant	\$20,000	\$15,000	\$15,000	\$15,000	\$0	0.0%
Litigation & Legal Representation						
General Counsel	\$175,294	\$115,874	\$135,000	\$135,000	\$0	0.0%
Other Professional Services						
Investment Consultant	\$48,661	\$20,013	\$20,000	\$15,000	(\$5,000)	-25.0%
Total	\$270,070	\$189,937	\$220,000	\$215,000	\$0	0.0%

Professional Services:

The GNOEC is requesting \$215,000 for professional services, a decrease of \$5,000 from the FY 22 requested budgeted. The Commission hires outside consultants and services under professional services contracts. These items include services for bond indenture requirements in the form of independent audit and accounting services (\$50,000), engineering and traffic consultants (\$15,000), legal counsel (\$135,000), and investment consultation (\$15,000). The decrease in investment consultation is due to less money being managed.

OTHER CHARGES

	FY 20 Actual	FY 21 Actual	FY 22 Approved	FY 23 Requested	Change From Prior FY	
					\$	%
Debt Service	\$7,796,831	\$7,617,131	\$7,427,406	\$7,427,781	\$375	0.0%
Interagency Expense:						
Act 875 of 1988:						
St. Charles Parish	\$50,000	\$50,000	\$50,000	\$50,000	\$0	0.0%
St. John the Baptist	\$50,000	\$50,000	\$50,000	\$50,000	\$0	0.0%
Tangipahoa Parish	\$50,000	\$50,000	\$50,000	\$50,000	\$0	0.0%
Total Act 875	\$150,000	\$150,000	\$150,000	\$150,000	\$0	0.0%
Act 1227 of 1995:						
Orleans Parish	\$50,000	\$50,000	\$50,000	\$50,000	\$0	0.0%
Jefferson Parish	\$50,000	\$50,000	\$50,000	\$50,000	\$0	0.0%
St. Tammany Parish	\$50,000	\$50,000	\$50,000	\$50,000	\$0	0.0%
Washington Parish	\$50,000	\$50,000	\$50,000	\$50,000	\$0	0.0%
Total Act 1227	\$200,000	\$200,000	\$200,000	\$200,000	\$0	0.0%
Huey P. Long Bridge	\$1,289,515	\$1,316,833	\$1,509,099	\$1,322,940	(\$186,159)	-12.3%
Subtotal Interagency	\$1,639,515	\$1,666,833	\$1,859,099	\$1,672,940	(\$186,159)	-10.0%
TOTAL OTHER	\$9,436,346	\$9,283,964	\$9,286,505	\$9,100,721	(\$185,784)	-2.0%

Other Charges

The GNOEC is requesting \$9.1 M for other charges expenditures, a 2.0% decrease from FY 22. Other charges expenditures consist of debt service, interagency expenditures, and policing of the Huey P. Long Bridge.

The GNOEC interagency expenditures are decreasing by 10.0% from the prior year. Interagency expenditures include expenses required by Act 875 of 1988 and Act 1227 of 1995. These Acts provide that, prior to the transfer of surplus funds to the State of Louisiana, funding will be distributed to the following parishes: \$50,000 each to the parishes of Jefferson, Orleans, St. Charles, St. John the Baptist, St. Tammany, Tangipahoa, and Washington for a total of \$350,000. In addition, the GNOEC has requested \$1.3 M for the Huey P. Long Bridge police (see table on next page).

Note: The Commission last returned surplus revenues to the State of Louisiana in FY 94 in the amount of \$104,748.

HUEY P. LONG BRIDGE
Interagency Transfer

	FY 20 Actual	FY 21 Actual	FY 22 Approved	FY 23 Requested	Change From Prior FY	
					\$	%
Administrative						
Administrative Salaries	\$93,388	\$97,780	\$101,150	\$96,903	(\$4,247)	-4.2%
Payroll Taxes	\$12,619	\$13,163	\$13,226	\$12,549	(\$677)	-5.1%
Payroll Benefits	\$15,232	\$16,352	\$20,432	\$17,849	(\$2,583)	-12.6%
Operations						
Police Patrol	\$591,739	\$604,968	\$714,190	\$614,459	(\$99,731)	-14.0%
Dispatch	\$104,929	\$101,257	\$101,917	\$113,825	\$11,908	11.7%
Payroll Taxes	\$101,660	\$101,990	\$114,159	\$101,825	(\$12,334)	-10.8%
Payroll Benefits	\$147,823	\$150,228	\$169,488	\$139,758	(\$29,730)	-17.5%
Unused Vacation and Sick Leave	\$6,571	\$137	\$10,000	\$10,000	\$0	0.0%
Materials, Supplies & Maintenance	\$79,687	\$127,366	\$90,000	\$75,000	(\$15,000)	-16.7%
Telephone & Radio	\$30,825	\$20,197	\$40,000	\$25,000	(\$15,000)	-37.5%
Insurance	\$24,510	\$23,900	\$28,000	\$20,000	(\$8,000)	-28.6%
Maintenance						
Maintenance Personnel	\$17,293	\$20,034	\$22,166	\$24,652	\$2,486	11.2%
Payroll Taxes	\$2,339	\$2,702	\$2,978	\$3,192	\$214	7.2%
Payroll Benefits	\$3,387	\$4,160	\$5,993	\$7,528	\$1,535	25.6%
Capital Acquisitions	\$57,513	\$32,599	\$75,400	\$60,400	(\$15,000)	-19.9%
Total	\$1,289,515	\$1,316,833	\$1,509,099	\$1,322,940	(\$186,159)	-12.3%

DEBT SERVICE SCHEDULE

	Series 2013 Bond Total	Series 2014 Bond Principal	Series 2014 Bond Interest	Series 2014 Bond Total	Series 2017 Bond Principal	Series 2017 Bond Interest	Series 2017 Bond Total	Combined Total Debt Service
2021	\$2,421,963	\$65,000	\$616,544	\$681,544	\$185,000	\$4,328,625	\$4,513,625	\$7,617,132
2022	\$2,413,963	\$75,000	\$614,444	\$689,444	\$0	\$4,324,000	\$4,324,000	\$7,427,407
2023	\$2,416,588	\$75,000	\$612,194	\$687,194	\$0	\$4,324,000	\$4,324,000	\$7,427,782
2024	\$2,404,713	\$90,000	\$609,719	\$699,719	\$1,905,000	\$4,324,000	\$6,229,000	\$9,333,432
2025	\$2,403,813	\$90,000	\$607,188	\$697,188	\$1,780,000	\$4,276,375	\$6,056,375	\$9,157,376
2026	\$2,402,966	\$95,000	\$332,585	\$427,585	\$1,585,000	\$4,184,250	\$5,769,250	\$8,599,801
2027	\$2,399,409	\$100,000	\$601,894	\$701,894	\$1,365,000	\$4,100,125	\$5,465,125	\$8,566,428
2028	\$2,392,650	\$110,000	\$598,744	\$708,744	\$1,120,000	\$4,026,375	\$5,146,375	\$8,247,769
2029		\$2,545,000	\$558,919	\$3,103,919	\$830,000	\$3,964,250	\$4,794,250	\$7,898,169
2030		\$2,625,000	\$479,728	\$3,104,728	\$525,000	\$3,915,500	\$4,440,500	\$7,545,228
2031		\$2,705,000	\$394,756	\$3,099,756	\$3,790,000	\$3,881,625	\$7,671,625	\$10,771,381
2032		\$2,810,000	\$294,600	\$3,104,600	\$3,595,000	\$3,773,750	\$7,368,750	\$10,473,350
2033		\$2,920,000	\$180,000	\$3,100,000	\$3,360,000	\$3,589,125	\$6,949,125	\$10,049,125
2034		\$3,040,000	\$60,800	\$3,100,800	\$3,090,000	\$3,415,250	\$6,505,250	\$9,606,050
2035					\$2,785,000	\$3,254,000	\$6,039,000	\$6,039,000
2036					\$2,440,000	\$3,107,125	\$5,547,125	\$5,547,125
2037					\$2,055,000	\$2,976,500	\$5,031,500	\$5,031,500
2038					\$5,845,000	\$2,864,125	\$8,709,125	\$8,709,125
2039					\$5,595,000	\$2,666,625	\$8,261,625	\$8,261,625
2040					\$5,290,000	\$2,380,625	\$7,670,625	\$7,670,625
2041					\$4,945,000	\$2,108,500	\$7,053,500	\$7,053,500
2042					\$4,560,000	\$1,852,625	\$6,412,625	\$6,412,625
2043					\$4,120,000	\$1,615,000	\$5,735,000	\$5,735,000
2044					\$3,640,000	\$1,398,000	\$5,038,000	\$5,038,000
2045					\$7,865,000	\$1,204,000	\$9,069,000	\$9,069,000
2046					\$7,440,000	\$916,375	\$8,356,375	\$8,356,375
2047					\$6,955,000	\$533,750	\$7,488,750	\$7,488,750

ACQUISITIONS, MAJOR REPAIRS, AND CAPITAL IMPROVEMENTS

	FY 22 Approved	FY 23 Requested	Change From Prior FY	
			\$	%
Acquisitions	\$584,538	\$531,395	(\$53,143)	-9.1%
Major Repairs / Capital Improvements (Extraordinary Maintenance and Repair Reserve Fund)	\$6,860,402	\$7,669,599	\$809,197	11.8%
Total	\$7,444,940	\$8,200,994	\$756,054	10.2%

Acquisitions, Major Repairs, and Capital Improvements

The GNOEC is requesting \$8.2 M for acquisitions, major repairs, and capital improvements expenditures, a 10.2% increase from FY 22.

Acquisitions expenditures are decreasing by 9.1% from the prior year. This is primarily due to a reduce in toll items, administration requests, and reusing some of the equipment currently on the surplus units for the new units.

Major repairs and capital improvements expenditures are budgeted for \$7.7 M for FY 23, an increase of 11.8% over the approved FY 22 budget. These funds are transferred to the Extraordinary Maintenance and Repair Reserve Fund for use in the Commission's Capital Improvement Program (see next section). The GNOEC is required to have all funds available prior to the start of any capital improvement project. The Commission accumulates any unexpended funds each year in the Extraordinary Maintenance and Repair Reserve Fund for the purpose of meeting its regular capital outlay and maintenance needs.

CAPITAL IMPROVEMENT PROGRAM

The Commission is requesting \$25.2 M from the Extraordinary Maintenance and Repair Reserve Fund for \$2.2 M in major annual repairs and \$23 M in capital improvements for FY 23. These expenditures are not reflected in the operating budget because these funds have been accrued in prior fiscal years.

The fund balance at the start of FY 23 is \$31.1 M and will receive deposits of \$7.7 M through the FY 23 budget. The \$25.2 M for capital projects in FY 23 will leave a fund balance of \$13.7 M for FY 24. A detailed list of projects and expenditures can be found below.

EXTRAORDINARY MAINTENANCE AND RESERVE FUND

	Requested FY 23
Annual Maintenance Items	
Extraordinary Maintenance and Consulting Engineering	\$400,000
Annual AASHTO Inspection of GNOEC Facilities & Security Inspection	\$700,000
Emergency and Periodic Repairs	\$100,000
System Improvements	\$100,000
Preventative Maintenance Electrical/Mechanical Systems	\$900,000
Subtotal	\$2,200,000
Electrical/Mechanical Improvements	
North Channel Bascule Mechanical Maintenance	\$1,500,000
Upgrade CCTV System	\$750,000
High Voltage Power System - Control System and Surge Protection	\$250,000
Upgrade 1700 AM Highway Advisory Radio	\$25,000
Bascule Lock Bar Operator Rehabilitation	\$1,500,000
Channel Marker Platform Rehabilitation	\$750,000
Bridge Improvements	
Replace Call Boxes	\$1,000,000
Replace Budget Truck	\$250,000
Road Improvements	
Monroe Street Overpass and Frontage Road Rehabilitation	\$1,500,000
Road Rehabilitation Monroe St., West Approach	\$1,300,000
North Approach Overlay	\$5,000,000
Building/Plaza Improvements	
Northshore Maintenance Facility Improvements	\$500,000
North Toll Plaza Canopy Roof and Lightning Protection	\$750,000
Toll Tag Store Software Upgrade	\$600,000
Toll Collection System - Violation Enforcement System	\$500,000
Upgrade GNOEC Cyber Security	\$300,000
Upgrade Toll System	\$6,000,000
Toll Booth Renovations	\$500,000
Subtotal	\$22,975,000
Total Annual Items and Capital Improvements	\$25,175,000

Major Repairs

The budget approved by the Commission on August 3, 2022, includes the major repairs projects listed below. The projects approved by the GNOEC for a typical fiscal year often are changed during the course of the year due to changing priorities and other factors, which require projects to be altered or rescheduled (either delayed or accelerated). Total costs for the projects outlined below are \$2.2 M.

Extraordinary Maintenance & Consulting Engineering - \$400,000

The services provided include monthly and annual reporting, review of driveway and utility permits, inspection of accident site damages, inspection and coordination of repairs to bridge deck and approach roads when necessary, and other engineering services as needed.

Annual AASHTO Inspection of Facilities & Security Inspection - \$700,000

This is the annual inspection of the Causeway in accordance with the Federal Highway Administration (FHWA) and the American Association of State Highway & Transportation Officials (AASHTO) guidelines. The GNOEC's Trust Indenture requires that the bridge be inspected annually. In addition, the Consulting Engineers conduct monthly inspections of the underside of the bridge and the navigation lights.

Emergency and Periodic Repair - \$100,000

This provides funding for issues that may arise throughout the year. For instance, the lock bar has failed the past two years, and in order to fund the repair, money was taken from other project expenditures.

System Improvement - \$100,000; and Preventative Maintenance - \$900,000

The services provided under this category are associated with improving switches, technology, and electrical items for bridge improvements.

Capital Improvement Projects

The budget approved by the GNOEC on August 3, 2022, includes the capital improvement projects listed below. The projects approved by the GNOEC for a typical fiscal year often are changed during the course of the year due to changing priorities and other factors, which require projects to be altered or rescheduled (either delayed or accelerated). Total costs for the projects outlined below are \$23 M.

North Channel Bascule Mechanical Maintenance - \$1,500,000

The project provides for maintenance of the mechanical portion of the bascule and other repairs not covered during prior projects. The project will involve shimming the load bearings.

Upgrade Closed Circuit TV (CCTV) System - \$750,000

The CCTV System has been in service for approximately 10 years. During this time, no major software or hardware upgrades have been performed. Most of the hardware has reached end of life and end of support. The recording devices have been running 24/7 for 10 years and they are beginning to fail with minimal support available.

High Voltage Power System - \$250,000

The High Voltage Power System provides power at various distribution points along the 24-mile bridge and has been in service since 2002. The system includes 11 switchgears at the utility source connections and distribution points that allow the system to be automatically reconfigured upon loss of utility power from one of the two sources (CLECO and Entergy). This power system relies on a complex control system that communicates on a fiber optic network communication system. Because of the "daisy chain" configuration, the loss of a single communication device eliminates all communication to the Supervisory Control and Data Acquisition (SCADA) master station. The proposed upgrades will provide individual communication paths from each of the 11 switchgear control stations to the SCADA master station. In the event of a loss of a single communication device at one of the 11 stations, all other stations will continue to provide data. This allows partial system status to be known until the communication failure can be resolved. The upgrades will also provide additional capabilities for data collection and remote diagnosis of power system issues. The upgrades will improve the reliability of the communications for the power system controls and monitoring.

Upgrade 1700 AM Highway Advisory Radio - \$25,000

The GNOEC maintains a Highway Advisory Radio (HAR) system operating on 1700 AM to inform motorist conditions on the Lake Ponchartrain Causeway Bridge and approaches. The system transmitters are located on the roof of the administration offices on the south shore, Crossover 4, the North Toll Plaza, and near State Police Troop L on US 190 (north approach). Due to the age of the HAR system, replacement parts are difficult to find and the system has become unreliable. This project will replace components to improve communications with the motorist.

Bascule Lockbar Operator Rehabilitation - \$1,500,000

The bascule lockbar operator rehabilitation will replace the lockbar receiver collar, lock collars, pin motors, and brake assemblies.

Channel Marker Platform Rehabilitation - \$750,000

The channel markers are the lake lights that mark the channels. They have started to deteriorate due to the weather and water. The project will consist of replacing the lights and platforms that go down to the channels.

Replace Call Boxes - \$1,000,000

Emergency call boxes are currently located at four-tenth mile intervals along the bridge and at each crossover. These call boxes allow motorists to summon help in the event of an emergency. The existing call boxes, installed in 1999, have reached the ends of their useful lives and replacement parts are becoming difficult to obtain. This project will provide for the replacement of the call boxes with new equipment, allowing greater flexibility for the Causeway staff to handle emergencies and increased safety for the Causeway user.

Replace Bucket Truck- \$250,000

The bridge bucket truck, originally purchased in 1997, is used to access the traffic lights, DMS signs, and cameras on and off the bridge and approach roads. The current bridge bucket truck is in need of repairs and the cost of the repairs are about the same price as a replacement.

Monroe Street Overpass and Frontage Road Rehabilitation - \$1,500,000

The project was originally constructed in the early 1990s and needs to be rehabilitated. The bridge repairs will result in the replacement of expansion joint seals, epoxy repair of cracks in bent caps, bridge drain restoration and repair of the brick fascia. The Frontage Road repairs will consist of removal and replacement of a damaged guardrail, extension of culvers and cleaning of the drainage system and replacement of the striping and pavement markers.

Road Rehabilitation at Monroe St. West Approach and Patching at North Approach - \$1,300,000

In 2015, the West Approach Road from the west side of the Chinchuba Bayou Bridge to the intersection with LA 22 was rehabilitated. The limits for this project will be from the end of the Monroe Street Overpass through the Chinchuba Bayou Bridge. The existing asphaltic concrete overlay and striping/pavement markings are badly worn and are in need of replacement. This project provides for the removal and replacement of two inches of the existing asphaltic concrete overlay, patching of the Portland Cement Concrete pavement as needed, replacement of the curb in the median as needed, replacement of the striping, pavement markers, and any symbols or legends. This project will also include installation of safety end treatments on existing cross-side drains and cleaning of the existing drainage system. The guardrails across from the Chinchuba Bayou Bridge will also be replaced. Construction will be sequenced or phased in to cause minimal interruptions to the flow of traffic. In order to extend the life of the existing asphaltic concrete overlay, the North Approach Road will also be receiving patching and crack sealing. If warranted, microsurfacing will also be applied.

North Approach Overlay - \$5,000,000

The project provides for the removal and replacement of two inches of the existing asphaltic concrete overlay, patching of the Portland Cement Concrete pavement as needed, replacement of the curb in the median as needed, replacement of the striping and pavement markers and any symbols and legends, etc. Construction will be sequenced or phased to cause minimal interruption to the flow of traffic.

Northshore Maintenance Facility Improvements - \$500,000

The Northshore Maintenance Facility, constructed in 1998, is in need of renovation and expansion. Renovation of the existing facility will include replacement of flooring, replacement of roll up doors, replacement of the HVAC system, and installation of industrial shelving, painting, and site drainage work.

North Toll Plaza Canopy Roof and Lightning Protection - \$750,000

This project includes waterproofing the North Toll Plaza canopy roof and providing lightning and surge protection for the North Toll Plaza. The project will be scheduled after the dynamic message sign has been removed and replaced on the truss.

Toll Tag Store Software Upgrade - \$600,000

The Toll Tag software was last updated in 2009. The system currently can only work using Internet Explorer 9, which is no longer supported. The upgrade will include the capability to use multiple browsers, compatibility for the violation system, and equipment upgrades. The upgrade expenses will extend over a four-year period.

Toll Collection System – Violation Enforcement System (VES) - \$500,000

The Violation Enforcement System allows for an open toll road. The VES will connect to the Toll Tag Software, and the image will be reviewed to verify the vehicle has a tag or a violation letter will be issued. This project will consist of software and camera upgrades.

Upgrade GNOEC Cyber Security - \$300,000

The GNOEC cyber system will be upgraded. With the multiple hacks in government systems, the GNOEC has decided to upgrade its cyber security systems. The adjustments will be to the firewall, offsite/ cloud servers, and additional methods of anti-virus software.

Upgrade Toll System - \$6,000,000

In 2012, the GNOEC installed a new toll system. After ten years, the current system software needs to be updated. This project would upgrade the software, readers, treadles, and other equipment and allow for future interoperability.

Toll Booth Renovations- \$500,000

The toll booth renovations would update the booths. The current booths have not been updated in over 10 years. Some of the upgrades include electrical updates, new air conditioning and heating units, cameras, and computer equipment.

In future years, as conditions warrant, the GNOEC intends to replace bearing pads and level the northbound bridge, clean and adjust bearings and level the southbound span, perform structural repairs to the underside of the bridge deck, paint the steel spans, replace or perform maintenance on the radar system, and encapsulate piles. Historically, funds are carried to the next fiscal year as the GNOEC is required by its bond indenture to have all construction funds available before a project can be initiated.

Note: The above information on Major Repairs and Capital Improvements was provided by the GNOEC.

SALARY INFORMATION FOR FILLED POSITIONS AS OF OCTOBER 1, 2022

TITLE/POSITION	DATE OF HIRE	STATUS	FY 22 CURRENT SALARY	FY 23 PROPOSED SALARY	% INCREASE
Administration					
General Manager	9/1/09	FULL	\$140,524.80	\$150,524.80	7%
Director of Finance	5/23/03	FULL	\$93,891.20	\$101,391.20	8%
Human Resources Director	6/16/95	FULL	\$89,731.20	\$97,231.20	8%
Executive Assistant	10/30/17	FULL	\$37,876.80	\$40,976.80	8%
Receptionist	11/28/05	FULL	\$36,108.80	\$39,208.80	9%
Computer Sales					
Commuter Sales Supervisor	2/22/06	FULL	\$41,995.20	\$48,178.20	15%
North Shore Tag Office	6/25/18	FULL	\$28,246.40	\$32,745.40	16%
North Shore Tag Office	3/5/18	FULL	\$29,452.80	\$34,233.80	16%
North Shore Tag Office	7/16/08	FULL	\$33,092.80	\$38,223.80	16%
Accounting					
Bookkeeper	2/18/15	FULL	\$43,659.20	\$47,484.20	9%
Purchasing Clerk	1/26/09	FULL	\$40,352.00	\$43,952.00	9%
Web Special Project	6/6/12	FULL	\$44,595.20	\$48,520.20	9%
Causeway Bridge Police					
Commander	10/1/19	FULL	\$96,491.20	\$103,991.20	8%
Lieutenant	1/16/05	FULL	\$85,758.40	\$93,476.66	9%
Lieutenant	3/15/99	FULL	\$83,179.20	\$90,665.33	9%
Sergeant	1/2/14	FULL	\$48,630.40	\$54,192.74	11%
Sergeant	11/3/09	FULL	\$61,276.80	\$66,791.71	9%
Sergeant	7/16/12	FULL	\$47,070.40	\$52,492.34	12%
Sergeant	10/4/10	FULL	\$50,065.60	\$55,757.10	11%
Sergeant	3/17/08	FULL	\$62,316.80	\$67,925.31	9%
Corporal	11/6/18	FULL	\$43,513.60	\$48,615.42	12%
Corporal	7/28/98	FULL	\$73,632.00	\$81,444.48	11%
Corporal	9/17/18	FULL	\$41,454.40	\$46,370.90	12%
Officer	3/1/21	FULL	\$36,712.00	\$41,201.68	12%
Officer	5/24/17	FULL	\$43,430.40	\$48,524.74	12%
Officer	5/7/18	FULL	\$41,288.00	\$46,189.52	12%
Officer	8/1/17	FULL	\$43,430.40	\$48,524.74	12%
Officer	10/13/21	FULL	\$35,651.20	\$40,140.88	13%
Officer	11/13/18	FULL	\$40,081.60	\$44,874.54	12%
Officer	6/6/22	FULL	\$35,651.20	\$40,051.20	12%
Officer	9/30/20	FULL	\$37,086.40	\$41,609.78	12%
Officer	2/18/21	FULL	\$36,712.00	\$41,201.68	12%
Huey P. Long Bridge Police					
Sergeant	3/22/99	FULL	\$73,756.80	\$81,580.51	11%
Sergeant	12/2/13	FULL	\$48,380.80	\$53,920.67	11%
Corporal	9/19/96	FULL	\$72,508.80	\$80,220.19	11%
Officer	11/5/14	FULL	\$43,430.40	\$48,524.74	12%
Officer	3/12/07	FULL	\$43,430.40	\$48,524.74	12%

TITLE/POSITION	DATE OF HIRE	STATUS	FY 22 CURRENT SALARY	FY 23 PROPOSED SALARY	% INCREASE
Communication - Dispatch and Bascule					
Dispatcher	3/3/08	FULL	\$39,665.60	\$45,555.43	15%
TAC Officer	4/23/01	FULL	\$51,022.40	\$57,991.13	14%
Dispatcher - HPL	3/23/15	FULL	\$32,468.80	\$37,674.94	16%
Dispatcher	12/20/14	FULL	\$33,072.00	\$38,335.44	16%
Dispatcher	8/31/05	FULL	\$42,993.60	\$49,199.59	14%
Dispatcher	2/2/04	FULL	\$46,924.80	\$53,504.26	14%
Dispatcher - HPL	7/31/98	FULL	\$49,150.40	\$55,941.29	14%
Dispatcher	9/4/18	FULL	\$31,574.40	\$36,695.57	16%
Operator	1/21/14	FULL	\$36,400.00	\$39,600.00	9%
Operator	8/16/12	FULL	\$36,400.00	\$39,600.00	9%
Operator	8/2/21	FULL	\$27,040.00	\$29,490.00	9%
Toll Collectors - North Shore					
N.S. Toll Captain	1/30/96	FULL	\$50,544.00	\$57,332.00	13%
Trainer	3/21/16	FULL	\$32,177.60	\$37,265.60	16%
Toll Collector	10/9/17	FULL	\$25,814.88	\$30,350.80	18%
Toll Collector	1/8/18	FULL	\$25,646.40	\$30,184.40	18%
Toll Collector	3/9/20	FULL	\$25,625.60	\$30,163.60	18%
Toll Collector	4/20/15	FULL	\$30,380.00	\$35,668.00	17%
Toll Collector	9/17/21	FULL	\$24,960.00	\$29,453.00	18%
Toll Collector	11/3/15	FULL	\$26,166.40	\$30,794.40	18%
Toll Collector	7/14/17	FULL	\$25,812.80	\$30,395.80	18%
Toll Collector	12/19/16	FULL	\$26,020.80	\$30,648.80	18%
Toll Collector	7/18/08	FULL	\$30,388.80	\$35,326.80	16%
Toll Collector	5/22/17	FULL	\$25,812.80	\$30,386.80	18%
Toll Collector	4/27/06	FULL	\$20,474.00	\$24,069.00	18%
Maintenance					
Bridge/Operation Director	1/2/95	FULL	\$93,891.20	\$101,397.20	8%
Maintenance Supervisor	8/19/91	FULL	\$70,345.60	\$76,345.60	9%
Electrical	12/14/20	FULL	\$41,496.00	\$47,317.60	14%
North Shore Maintenance	10/18/21	FULL	\$33,280.00	\$38,301.60	15%
North Shore Maintenance	9/5/20	FULL	\$28,392.00	\$33,013.60	16%
Electrical Leaderman	10/8/18	FULL	\$36,069.20	\$41,588.80	15%
North Shore Maintenance	10/1/02	FULL	\$38,833.60	\$44,255.20	14%
North Shore Maintenance	6/27/18	FULL	\$30,284.80	\$35,056.40	16%
S.S. Maintenance Supervisor	2/23/09	FULL	\$47,590.40	\$51,790.40	9%
Motorists Assistance Patrol					
MAP Leader	8/2/04	FULL	\$42,369.60	\$48,506.40	14%
Operator	6/5/17	FULL	\$35,152.00	\$40,248.80	14%
Operator	6/19/17	FULL	\$32,884.80	\$37,681.60	15%
Operator	6/6/16	FULL	\$34,465.60	\$39,262.40	14%
Operator	10/15/18	FULL	\$31,969.60	\$36,766.40	15%
Operator	9/3/19	FULL	\$31,075.20	\$35,872.00	15%
Operator	9/8/20	FULL	\$30,035.20	\$34,832.00	16%
Vehicle Maintenance					
Leaderman	2/21/11	FULL	\$41,870.40	\$47,642.00	14%
Mechanic	11/13/00	FULL	\$48,422.40	\$54,594.00	13%
Mechanic	5/24/21	FULL	\$27,310.40	\$31,782.00	16%

Greater New Orleans Expressway Commission

Starting Salaries (if approved):

Police – Causeway - \$19.00	\$39,510.64	Current Rate \$17.14 (\$35,651.20)
Mandeville- \$20.96	\$43,596.80	
Covington - \$18.75	\$39,000.00	
Jefferson - \$22.72	\$47,257.60	

Dispatch – Causeway - \$15.00	\$31,200.00	Current Rate \$13.00 (\$27,040)
Mandeville - \$19.07	\$39,665.60	
Jefferson - \$16.83	\$35,006.40	

Maintenance – Grounds

Causeway - \$15.00	\$31,200.00	Current Rate \$13.00 (\$27,040)
Mandeville - \$15.09	\$31,387.20	
St. Tammany - \$14.04	\$29,203.20	

Vehicle Maintenance

Causeway - \$15.00	\$31,200.00	Current Rate \$13.00 (\$27,040)
St. Tammany - \$19.82	\$41,225.60	
Jefferson JPSO - \$19.04	\$39,600.00	
Jefferson - \$15.19	\$31,586.00	

Toll Collectors – Causeway - \$14.00	\$29,120.00	Current Rate \$12.00 (\$24,960)
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**Could not find other toll collector information. Matched with Fast Food

McDonalds - \$12.00	\$24,960.00
Other Fast Foods Range - \$10.00 to \$12.00	

TITLE/POSITION	DATE HIRED	FULL PART TIME	FY 2022 CURRENT SALARY	FY 2023 PROPOSED SALARY	% INCREASE
N. S. Toll Captain	1/30/96	FULL	50,544.00	57,332.00	13.43%
Trainer	3/21/16	FULL	32,177.60	37,265.60	15.81%
Toll Collector	10/9/17	FULL	25,814.88	30,350.80	17.57%
Toll Collector	1/8/18	FULL	25,646.40	30,184.40	17.69%
Toll Collector	3/9/20	FULL	25,625.60	30,163.60	17.71%
Toll Collector	4/20/15	FULL	30,680.00	35,668.00	16.26%
Toll Collector	9/17/21	FULL	24,960.00	29,453.00	18.00%
Toll Collector	11/3/15	FULL	26,166.40	30,794.40	17.69%
Toll Collector	7/24/17	FULL	25,812.80	30,395.80	17.75%
Toll Collector	12/19/16	FULL	26,020.80	30,648.80	17.79%
Toll Collector	7/18/08	FULL	30,388.80	35,326.80	16.25%
Toll Collector	5/22/17	FULL	25,812.80	30,386.80	17.72%
Toll Collector	4/27/06	PART	20,474.00	24,069.00	17.56%

Trainer was moved to an 8 hour shift and the shift difference pay was added to the base salary

TITLE/POSITION	DATE HIRED	FULL PART TIME	FY 2022 CURRENT SALARY	FY 2023 PROPOSED SALARY	% INCREASE
Bridge/Operation Director	11/2/95	FULL	93,891.20	101,391.20	7.99%
Maintenance Supervisor	8/19/91	FULL	70,345.60	76,345.60	8.53%
Electrical	12/14/20	FULL	41,496.00	47,317.60	14.03%
North Shore Maintenance	10/18/21	FULL	33,280.00	38,301.60	15.09%
North Shore Maintenance	9/5/20	FULL	28,392.00	33,013.60	16.28%
Electrical Leaderman	10/8/18	FULL	36,067.20	41,588.80	15.31%
North Shore Maintenance	10/1/02	FULL	38,833.60	44,255.20	13.96%
North Shore Maintenance	6/27/18	FULL	30,284.80	35,056.40	15.76%
S.S. Maintenance Supervisor	2/23/09	FULL	47,590.40	51,790.40	8.83%

MAP Leaderman	8/2/04	FULL	42,369.60	48,506.40	14.48%
Operator	6/5/17	FULL	35,152.00	40,248.80	14.50%
Operator	6/19/17	FULL	32,884.80	37,681.60	14.59%
Operator	6/6/16	FULL	34,465.60	39,262.40	13.92%
Operator	10/15/18	FULL	31,969.60	36,766.40	15.00%
Operator	9/3/19	FULL	31,075.20	35,872.00	15.44%
Operator	9/8/20	FULL	30,035.20	34,832.00	15.97%

Leaderman	2/21/11	FULL	41,870.40	47,642.00	13.78%
Mechanic	11/13/00	FULL	48,422.40	54,594.00	12.75%
Mechanic	5/24/21	FULL	27,310.40	31,782.00	16.37%

MAP operator received CDL and is able to work large equipment. Was given a raise for taking on more duties

TITLE/POSITION	DATE HIRED	FULL PART TIME	FY 2022 CURRENT SALARY	FY 2023 PROPOSED SALARY	% INCREASE
Dispatcher	3/3/08	FULL	39,665.60	45,555.43	14.85%
TAC Officer	4/23/01	FULL	51,022.40	57,991.13	13.66%
Dispatcher-HPL	3/23/15	FULL	32,468.80	37,674.94	16.03%
Dispatcher	12/20/14	FULL	33,072.00	38,335.44	15.92%
Dispatcher	8/31/05	FULL	42,993.60	49,199.59	14.43%
Dispatcher	2/2/04	FULL	46,924.80	53,504.26	14.02%
Dispatcher-HPL	7/31/98	FULL	49,150.40	55,941.29	13.82%
Dispatcher	9/4/18	FULL	31,574.40	36,695.57	16.22%

TITLE/POSITION	DATE HIRED	FULL PART TIME	FY 2022 CURRENT SALARY	FY 2023 PROPOSED SALARY	% INCREASE
Operator	1/21/14	FULL	36,400.00	39,600.00	8.79%
Operator	8/16/12	FULL	36,400.00	39,600.00	8.79%
Operator	8/2/21	FULL	27,040.00	29,490.00	9.06%

Both were promoted to Bascule Operator II which takes on more responsibilities.

TITLE/POSITION	DATE HIRED	FULL PART TIME	FY 2022 CURRENT SALARY	FY 2023 PROPOSED SALARY	% INCREASE
Commander	10/1/19	FULL	96,491.20	103,991.20	7.77%
Lieutenant	1/16/05	FULL	85,758.40	93,476.66	9.00%
Lieutenant	3/15/99	FULL	83,179.20	90,665.33	9.00%
Sergeant	1/2/14	FULL	48,630.40	54,192.74	11.44%
Sergeant	11/3/09	FULL	61,276.80	66,791.71	9.00%
Sergeant	7/16/12	FULL	47,070.40	52,492.34	11.52%
Sergeant	10/4/10	FULL	50,065.60	55,757.10	11.37%
Sergeant	3/17/08	FULL	62,316.80	67,925.31	9.00%
Corporal	11/6/18	FULL	43,513.60	48,615.42	11.72%
Corporal	7/28/98	FULL	73,632.00	81,444.48	10.61%
Corporal	9/17/18	FULL	41,454.40	46,370.90	11.86%
Officer	3/1/21	FULL	36,712.00	41,201.68	12.23%
Officer	5/24/17	FULL	43,430.40	48,524.74	11.73%
Officer	5/7/18	FULL	41,288.00	46,189.52	11.87%
Officer	8/1/17	FULL	43,430.40	48,524.74	11.73%
Officer	10/13/21	FULL	35,651.20	40,140.88	12.59%
Officer	11/13/18	FULL	40,081.60	44,874.54	11.96%
Officer	6/6/22	FULL	35,651.20	40,051.20	12.34%
Officer	9/30/20	FULL	37,086.40	41,609.78	12.20%
Officer	2/18/21	FULL	36,712.00	41,201.68	12.23%

Sergeant	3/22/99	FULL	73,756.80	81,580.51	10.61%
Sergeant	12/2/13	FULL	48,380.80	53,920.67	11.45%
Corporal	9/19/96	FULL	72,508.80	80,220.19	10.64%
Officer	11/5/14	FULL	43,430.40	48,524.74	11.73%
Officer	3/12/07	FULL	43,430.40	48,524.74	11.73%

Officers were promoted from Corporal to Segearnt and from Officer to Corporal

TITLE/POSITION	DATE HIRED	FULL PART TIME	FY 2022 CURRENT SALARY	FY 2023 PROPOSED SALARY	% INCREASE
General Manager	9/1/09	FULL	140,524.80	150,524.80	7.12%
Director of Finance	5/28/03	FULL	93,891.20	101,391.20	7.99%
Human Resource Director	6/16/95	FULL	89,731.20	97,231.20	8.36%
Executive Assistant	10/30/17	FULL	37,876.80	40,976.80	8.18%
Executive Receptionist	11/28/05	FULL	36,108.80	39,208.80	8.59%

Commuter Sales Supervisor	2/22/06	FULL	41,995.20	48,178.20	14.72%
North Shore Tag Office	6/25/18	FULL	28,246.40	32,746.40	15.93%
North Shore Tag Office	3/5/18	FULL	29,452.80	34,233.80	16.23%
North Shore Tag Office	7/16/08	FULL	33,092.80	38,223.08	15.50%

Bookkeeper	2/18/15	FULL	43,659.20	47,484.20	8.76%
Toll Analyst	1/26/09	FULL	40,352.00	43,952.00	8.92%
Web Special Project	6/6/12	FULL	44,595.20	48,520.20	8.80%

Both took on more responsibilities when the General Managers Assistant left. Instead of hiring another person, the duties were divided up and they received an increase in pay & changed job titles



GREATER NEW ORLEANS EXPRESSWAY COMMISSION

P.O. BOX 7656 • METAIRIE, LOUISIANA 70010
TELEPHONE 504-835-3118 • FAX 504-835-2518
www.thecauseway.us

September 22, 2022

The Honorable Jerome Zeringue, Chairman
Joint Legislative Committee on the Budget
State of Louisiana
P.O. Box 44294
Baton Rouge, LA 70804

Dear Representative Zeringue:

At its regular meeting held on August 3, 2022, the Greater New Orleans Expressway Commission approved its Proposed Budget for fiscal year November 1, 2022 – October 31, 2023. A copy of the budget has been forwarded to Fiscal Analyst Kimberly Fruge of the Legislative Fiscal Office for submission to the Joint Legislative Committee on the Budget.

We respectfully request being placed on the agenda of the Joint Legislative Committee on the Budget for its meeting scheduled to be held on Friday, October 21, 2022.

If you have any questions or would like to discuss our budget prior to the Committee meeting, please do not hesitate to call me at (504)835-3118.

Thank you for your consideration.

Very truly yours,

Carlton Dufrechou
General Manager
Greater New Orleans Expressway Commission

CD/mmp

cc: Rebecca Robinson, Fiscal Analyst
GNOEC Commission Members

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION
BUDGET SUMMARY**

	(1)	(2)	(3)	(4)	(5)	% CHANGE	% CHANGE
	ACTUAL	ACTUAL	APPROVED	UPDATED	BUDGETED	-4- to -3-	-5- to -3-
	2019-2020	2020-2021	BUDGET	PROJECTED	2022-2023	2022 UPDATED	2023 BUDGETED
			2021-2022	YEAR END		VS	VS
			2021-2022	2021-2022		2022 APPROVED	2022 APPROVED
MEANS OF FINANCE							
Tolls	18,721,627	20,770,961	21,489,000	23,059,000	23,082,000	7.3%	7.4%
Hwy Fund No. 2	6,819,713	6,872,397	6,300,000	6,450,000	6,400,000	2.4%	1.6%
Interest Income	556,160	27,573	60,000	70,327	60,000	17.2%	0.0%
Other Revenue	96,757	174,344	100,000	59,023	100,000	-41.0%	0.0%
TOTAL MEANS OF FINANCE	26,194,257	27,845,275	27,949,000	29,638,350	29,642,000	6.0%	6.1%
EXPENDITURES							
Salaries							
Salaries Continuing	Pg.2 3,734,915	4,204,993	4,317,363	3,667,227	4,821,774	-15.1%	11.7%
Other Compensation	27,344	34,232	34,180	34,180	34,180	0.0%	0.0%
Related Benefits	Pg.2 1,477,465	1,554,822	2,210,362	1,882,686	2,312,645	-14.8%	4.6%
Total Salaries & Benefits	Pg.2 5,239,724	5,794,047	6,561,905	5,584,093	7,168,599	-14.9%	9.2%
Operating Services							
Operating Services	Pg.3 2,926,271	2,950,134	3,139,000	3,653,991	3,597,000	16.4%	14.6%
Office, Operating & Maintenance	Pg.4 1,100,471	1,257,063	1,296,650	1,290,851	1,359,685	-0.4%	4.9%
Total Operating Expenses	4,026,742	4,207,197	4,435,650	4,944,842	4,956,685	11.5%	11.7%
Professional Services	Pg.5 270,070	189,937	220,000	207,116	215,000	-5.9%	-2.3%
Other Charges							
Debt Service	7,796,831	7,617,131	7,427,406	7,427,406	7,427,781	0.0%	0.0%
State Surplus-I.A.T.	Pg.7 1,639,515	1,666,833	1,859,099	1,595,355	1,672,940	-14.2%	-10.0%
Total Other Charges	9,436,346	9,283,964	9,286,505	9,022,761	9,100,721	-2.8%	-2.0%
Acquisitions & Repairs							
Acquisitions	444,116	151,936	584,538	575,295	531,395	-1.6%	-9.1%
Major Repairs & Capital							
Improvements/Construction Fund	Pg.6 6,777,259	8,218,194	6,860,402	9,304,243	7,669,599	35.6%	11.8%
Total Acq. & Major Repairs	7,221,375	8,370,130	7,444,940	9,879,538	8,200,995	32.7%	10.2%
TOTAL EXPENDITURES	26,194,257	27,845,275	27,949,000	29,638,350	29,642,000	6.0%	6.1%

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION
PERSONNEL SALARIES**

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APPROVED BY COMMISSION

	(1)		(2)		(3)		(4)		(5)		% CHANGE -4- to -3- 2022 UPDATED VS 2022 APPROVED	% CHANGE -5- to -3- 2023 BUDGETED VS 2022 APPROVED
	FTE	ACTUAL 2019-2020	FTE	ACTUAL 2020-2021	FTE	APPROVED BUDGET 2021-2022	FTE	UPDATED PROJECTED YEAR END 2021-2022	FTE	BUDGETED 2022-2023		
ADMINISTRATIVE												
General Manager	1.0	133,843	1.0	133,843	1.0	140,527	1.0	140,527	1.0	150,527	0.0%	7.1%
Office Personnel	12.0	529,932	12.0	568,596	12.0	581,512	12.0	495,344	12.0	620,059	-14.8%	6.6%
Less: Adm. HPL	(1.0)	(93,388)	(1.0)	(97,780)	(1.0)	(101,150)	(1.0)	(85,231)	(1.0)	(96,903)	-15.7%	-4.2%
TOTAL ADMINISTRATIVE	12.0	570,387	12.0	604,659	12.0	620,889	12.0	550,640	12.0	673,683	-11.3%	8.5%
NON ADMINISTRATIVE												
Toll Collectors	17.0	564,011	16.0	613,330	16.0	608,255	16.0	612,343	16.0	689,999	0.7%	13.4%
Maintenance	26.0	894,200	25.0	901,532	25.0	1,045,566	25.0	850,640	25.0	1,170,240	-18.6%	11.9%
Bascule Operators	5.0	226,237	5.0	252,285	5.0	223,078	5.0	188,426	5.0	221,263	-15.5%	-0.8%
Communications	13.5	597,979	12.0	513,677	12.0	512,348	12.0	459,441	12.0	575,657	-10.3%	12.4%
Police	35.0	1,596,062	32.0	2,045,769	32.0	2,145,501	30.0	1,849,946	30.0	2,243,869	-13.8%	4.6%
Less: Non Adm. HPL	(13.0)	(713,961)	(13.0)	(726,259)	(13.0)	(838,273)	(11.0)	(844,209)	(11.0)	(752,936)	0.7%	-10.2%
TOTAL NON ADMIN.	83.5	3,164,528	77.0	3,600,334	77.0	3,696,475	77.0	3,116,587	77.0	4,148,092	-15.7%	12.2%
TOTAL SALARIES	95.5	3,734,915	89.0	4,204,993	89.0	4,317,363	89.0	3,667,227	89.0	4,821,774	-15.1%	11.7%
RELATED BENEFITS												
Parochial & Payroll Taxes		689,336		701,453		719,451		640,021		760,409	-11.0%	5.7%
Group Insurance		918,038		893,598		1,532,187		1,119,795		1,532,187	-26.9%	0.0%
Retirees Group Benefits		73,373		168,588		200,000		184,020		218,750	-8.0%	9.4%
		991,411		1,062,186		1,732,187		1,303,815		1,750,937	-24.7%	1.1%
Governmental Def. Comp 457 Plan		79,778		79,778		85,000		76,868		84,000	-9.6%	-1.2%
Less: HPL Related Benefits		(283,060)		(288,595)		(326,276)		(138,018)		(282,701)	-57.7%	-13.4%
TOTAL RELATED BENEFITS		1,477,465		1,554,822		2,210,362		1,882,686		2,312,645	-14.8%	4.6%

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION
OPERATING SERVICES**

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APPROVED BY COMMISSION

	(1)	(2)	(3)	(4)	(5)	% CHANGE -4- to -3- 2022 UPDATED VS 2022 APPROVED	% CHANGE -5- to -3- 2023 BUDGETED VS 2022 APPROVED
	ACTUAL 2019-2020	ACTUAL 2020-2021	APPROVED BUDGET 2021-2022	UPDATED PROJECTED YEAR END 2021-2022	BUDGETED 2022-2023		
Bank & Visa Charges on Toll Deposits	315,648	327,901	380,000	311,583	360,000	-18.0%	-5.3%
Bank Trustee Fees	6,640	10,734	8,500	8,500	8,500	0.0%	0.0%
Dues & Subscriptions	13,566	6,315	12,500	10,502	10,500	-16.0%	-16.0%
Insurance	2,063,638	2,028,777	2,275,000	2,807,088	2,750,000	23.4%	20.9%
Motorist Safety Campaign	10,435	4,985	10,000	9,550	10,000	-4.5%	0.0%
Publication of Notices & Minutes	1,485	993	1,500	1,456	1,500	-2.9%	0.0%
Telephone and Radio	275,819	347,758	225,000	239,500	225,000	6.4%	0.0%
Travel	95	0	1,500	0	1,500	-100.0%	0.0%
Unused Vacation & Sick Leave	85,679	34,367	50,000	89,271	50,000	78.5%	0.0%
Utilities	153,266	188,304	175,000	176,541	180,000	0.88%	2.86%
Total Operating Services	2,926,271	2,950,134	3,139,000	3,653,991	3,597,000	16.4%	14.6%

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION
OFFICE, OPERATING AND MAINTENANCE**

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APPROVED BY COMMISSION

	(1)	(2)	(3)	(4)	(5)	% CHANGE -4- to -3- 2022 UPDATED VS 2022 APPROVED	% CHANGE -5- to -3- 2023 BUDGETED VS 2022 APPROVED
	ACTUAL 2019-2020	ACTUAL 2020-2021	APPROVED BUDGET 2021-2022	UPDATED PROJECTED YEAR END 2021-2022	BUDGETED 2022-2023		
Office Expenses & Supplies	255,809	223,203	251,500	220,123	235,400	-12.5%	-6.4%
Operating Expenses & Supplies	526,220	530,344	685,975	685,520	694,610	-0.1%	1.3%
Repair & Maintenance/Supplies	318,442	503,516	359,175	385,208	429,675	7.2%	19.6%
Total Office, Operating & Maintenance	1,100,471	1,257,063	1,296,650	1,290,851	1,359,685	-0.4%	4.9%

Office Expenses & Supplies

Included in this general ledger account are the costs related to leased office space, disposal services, postage, exterminating services, office machine repairs and maintenance contracts, and other general administrative office supplies.

Operating Expenses & Supplies

Included in this general ledger account are the costs associated with vehicle and truck repairs and their routine preventive maintenance. All gasoline, oil, auto parts, tires, lubricants, diesel fuel and any other similar costs are in this account. All police vehicle equipment and accessories, related maintenance, police uniforms and protective equipment and expenditures for police car retrofitting are included in this account.

Repair & Maintenance/Supplies

Included in this general ledger account are the costs for the general maintenance and supplies needed on the bridge, computer & electronic repairs on all bridge equipment, toll tags, toll system software maintenance, plumbing and janitorial supplies for the entire operation, air conditioning contracts and other miscellaneous items dealing with operations maintenance.

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION
PROFESSIONAL SERVICES**

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APPROVED BY COMMISSION

	(1)	(2)	(3)	(4)	(5)	% CHANGE -4- to -3- 2022 UPDATED VS 2022 APPROVED	% CHANGE -5- to -3- 2023 BUDGETED VS 2022 APPROVED
	ACTUAL 2019-2020	ACTUAL 2020-2021	APPROVED BUDGET 2021-2022	UPDATED PROJECTED YEAR END 2021-2022	BUDGETED 2022-2023		
Accounting & Finance							
Bond Indenture Req'd Services							
Independent Audit	17,232	25,200	15,000	14,800	15,000	-1.3%	0.0%
Accounting Services	8,883	13,850	35,000	25,015	35,000	-28.5%	0.0%
Total Accounting & Finance	26,115	39,050	50,000	39,815	50,000	-20.4%	0.0%
Engineering - Meetings & Annual Report							
Engineering Traffic Consultant	20,000	15,000	15,000	20,000	15,000	33.3%	0.0%
Legal Representation							
General Counsels	175,294	115,874	135,000	132,656	135,000	-1.7%	0.0%
Other Professional Services							
Investment Consultant	48,661	20,013	20,000	14,645	15,000	-26.8%	-25.0%
Total Professional Services	270,070	189,937	220,000	207,116	215,000	-5.9%	-2.3%

EXTRAORDINARY MAINTENANCE AND REPAIR RESERVE FUND
APPROVED BY COMMISSION

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FISCAL YEAR		2019 - 2020	2020- 2021	PROJECTED 2021 - 2022	BUDGETED 2022 - 2023
ANNUAL ITEMS					
EXTRAORDINARY MAINTENANCE & CONSULTING ENGINEERING		227,219	175,846	295,883	400,000
ANNUAL AASHTO INSPECTION OF GNOEC FACILITIES & SECURITY INSPECTION		56,135	34,155	836,881	700,000
EMERGENCY AND PERIODIC REPAIRS		66,000	136,856	18,359	100,000
SYSTEM IMPROVEMENTS		0	0	0	100,000
PREVENTATIVE MAINTENANCE ELECTRICAL/MECHANICAL SYSTEMS		892,980	966,098	773,668	900,000
SUBTOTAL ANNUAL ITEMS		1,242,334	1,312,955	1,924,791	2,200,000
CURRENT AND PROPOSED MAINTENANCE AND REPAIR PROJECTS					
ELECTRICAL / MECHANICAL IMPROVEMENTS					
206	NORTH CHANNEL BASCULE MECHANICAL MAINTENANCE	0	0	0	1,500,000
207	UPGRADE CCTV SYSTEM	13,204	55,936	1,303,233	750,000
208	HIGH VOLTAGE POWER SYSTEM - CONTROL SYSTEM AND SURGE PROTECTION	0	0	0	250,000
209	UPGRADE 1700 AM HIGHWAY ADVISORY RADIO	0	0	0	25,000
210	BASCULE LOCK BAR OPERATOR REHABILITATION	0	0	0	1,500,000
	CHANNEL MARKER PLATFORM REHABILITATION	0	0	0	750,000
BRIDGE IMPROVEMENTS					
430	REPLACE CALL BOXES	13,684	36,392	20,000	1,000,000
22-014	REPLACE BRIDGE SWEEPER	0	0	274,974	0
23-015	REPLACE BUCKET TRUCK	0	0	0	250,000
432	SAFETY SHOULDERS	16,223,113	2,685,073	0	0
433	SOUTHBOUND BRIDGE RAIL IMPROVEMENTS	22,153,555	2,132,861	4,063,384	0
ROAD IMPROVEMENTS					
636	MONROE STREET OVERPASS AND FRONTAGE ROAD REHABILITATION	0	0	0	1,500,000
637	ROAD REHABILITATION MONROE ST, WEST APPROACH	0	0	0	1,300,000
638	NORTH APPROACH OVERLAY	38,888		0	5,000,000
BUILDING / PLAZA IMPROVEMENTS					
812	NORTHSHORE MAINTENANCE FACILITY IMPROVEMENTS	0	0	75,000	500,000
812B	NORTHSHORE MAINTENANCE FACILITY IMPROVEMENTS - CANOPY	61,859	0	0	0
820	NORTH TOLL PLAZA CANOPY ROOF AND LIGHTNING PROTECTION	0	0	0	750,000
825	TOLL TAG STORE SOFTWARE UPGRADE	322,498	254,256	562,320	600,000
826	TOLL COLLECTION SYSTEM - VIOLATION ENFORCEMENT SYSTEM (VES)	81,767	14,043	0	500,000
827	UPGRADE TO COMMUNICATIONS SATELLITE OFFICE	0	0	250,000	0
828	UPGRADE GNOEC CYBER SECURITY	0	0	70,000	300,000
829	UPGRADE TOLL SYSTEM	0	0	0	6,000,000
830	TOLL BOOTH RENOVATIONS	0	0	0	500,000
FUNDS ENCUMBERED - BEGINNING BALANCE		70,112,810	36,907,108	30,415,592	31,176,133
PROJECT EXPENDITURES		(40,150,902)	(6,491,516)	(8,543,702)	(25,175,000)
PROJECT FUNDING		6,945,200	8,218,194	9,304,243	7,669,599
FUNDS ENCUMBERED - ENDING BALANCE		\$36,907,108	\$38,633,786	\$31,176,133	\$13,670,733

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION
TRANSFERS AND H.P.L. EXPENSES**

Page 7

APPROVED BY COMMISSION

	(1)	(2)	(3)	(4)	(5)	% CHANGE -4- to -3- 2022 UPDATED VS 2022 APPROVED	% CHANGE -5- to -3- 2023 BUDGETED VS 2022 APPROVED
	ACTUAL 2019-2020	ACTUAL 2020-2021	APPROVED BUDGET 2021-2022	UPDATED PROJECTED YEAR END 2021-2022	BUDGETED 2022-2023		
Tri-Parish St. Charles, St. John & Tangipahoa Parishes	150,000	150,000	150,000	150,000	150,000	0.0%	0.0%
Additional Parishes Orleans, Jefferson St. Tammany & Washington	200,000	200,000	200,000	200,000	200,000	0.0%	0.0%
Huey P. Long Bridge	1,289,515	1,316,833	1,509,099	1,245,355	1,322,940	-17.5%	-12.3%
State of Louisiana	0	0	0	0	0	0.0%	0.0%
Total State Surplus Expenditures	<u>1,639,515</u>	<u>1,666,833</u>	<u>1,859,099</u>	<u>1,595,355</u>	<u>1,672,940</u>	<u>-14.2%</u>	<u>-10.0%</u>
HUEY P. LONG BRIDGE							
OPERATIONS							
Police Patrol	591,739	604,968	714,190	596,762	614,459	-16.4%	-14.0%
Dispatch	104,929	101,257	101,917	101,001	113,825	-0.9%	11.7%
Payroll Taxes	101,660	101,990	114,159	99,097	101,825	-13.2%	-10.8%
Payroll Benefits	147,823	150,228	169,488	104,694	139,758	-38.2%	-17.5%
Unused Sick & Vacation Leave	6,571	137	10,000	6,776	10,000	-32.2%	0.0%
Materials, Supplies & Maintenance	79,687	127,366	90,000	89,852	75,000	-0.2%	-16.7%
Telephone & Radio	30,825	20,197	40,000	18,358	25,000	-54.1%	-37.5%
Insurance	24,510	23,900	28,000	18,804	20,000	-32.8%	-28.6%
MAINTENANCE							
Salaries	17,293	20,034	22,166	20,133	24,652	-9.2%	11.2%
Payroll Taxes	2,339	2,702	2,978	2,696	3,192	-9.5%	7.2%
Payroll Benefits	3,387	4,160	5,993	2,563	7,528	-57.2%	25.6%
ADMINISTRATIVE							
Salaries	93,388	97,780	101,150	85,231	96,903	-15.7%	-4.2%
Payroll Taxes	12,619	13,163	13,226	11,434	12,549	-13.5%	-5.1%
Payroll Benefits	15,232	16,352	20,432	10,554	17,849	-48.3%	-12.6%
Capital Acquisitions	57,513	32,599	75,400	77,400	60,400	2.7%	-19.9%
	<u>1,289,515</u>	<u>1,316,833</u>	<u>1,509,099</u>	<u>1,245,355</u>	<u>1,322,940</u>	<u>-17.5%</u>	<u>-12.3%</u>

**GREATER NEW ORLEANS EXPRESSWAY COMMISSION
NET REVENUE REQUIREMENTS
YEARS ENDED OCTOBER 31, 2022, 2023, AND 2024**

	UPDATED FORECAST Y/E 10/31/22	BUDGET Y/E 10/31/23	FORECAST Y/E 10/31/24
NET REVENUES			
Tolls (per latest data)	23,059,000	23,082,000	26,373,122
Vehicular License Tax	6,450,000	6,400,000	6,400,000
Interest Income	70,327	60,000	60,000
Other Revenue	<u>59,023</u>	<u>100,000</u>	<u>50,000</u>
	29,638,350	29,642,000	32,883,122
Current Expenses Budgeted	<u>11,904,006</u>	<u>13,602,824</u>	<u>13,806,867</u>
NET REVENUES	<u>17,734,344</u>	<u>16,039,176</u>	<u>19,076,255</u>
NET REVENUE REQUIREMENT			
Add the greater of I and II or I and III			
I. Deficiencies in the Debt Service Fund and the Debt Service Reserve Fund	<u>0</u>	<u>0</u>	<u>0</u>
IIa. Debt Service & EMRR Aggregate Debt Service	7,427,406	7,427,781	9,333,431
- and -			
IIb. Extraordinary Maintenance and Repair Reserve Requirement	9,304,243	7,669,599	7,669,599
	<u>16,731,649</u>	<u>15,097,380</u>	<u>17,003,030</u>
III. Debt Service Multiple Debt Service x 1.2	7,427,406 <u>x 1.2</u>	7,427,781 <u>x 1.2</u>	9,333,431 <u>x 1.2</u>
	<u>8,912,887</u>	<u>8,913,337</u>	<u>11,200,117</u>
THE LARGER OF I AND II OR I AND III EQUALS: NET REVENUE REQUIREMENT	<u>16,731,649</u>	<u>15,097,380</u>	<u>17,003,030</u>
NET REVENUES IN EXCESS OF REQUIREMENT	<u>1,002,695</u>	<u>941,795</u>	<u>2,073,225</u>

Section 6.15 Toll Covenant (c) The Commission shall complete a review of its Financial Condition for the purpose of estimating whether Net Revenues for the immediately succeeding Fiscal Year and for the next following Fiscal Year will be sufficient to comply with subsection(b).

Section 6.15(b) The commission.... shall be required in order that in each Fiscal Year Net Revenues shall at least equal the Net Revenue Requirement for such Fiscal Year....

Net Revenue Requirement is equivalent to the calculation as stated above.

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
SUMMARY OF CAPITAL ACQUISITIONS
NOVEMBER 2022 - OCTOBER 2023

Approved by Commission

DEPARTMENT	CAUSEWAY BRIDGE	H.P. LONG BRIDGE
NORTH SHORE VEHICLE MAINTENANCE	79,834.50	
NORTH SHORE ELECTRONICS MAINTENANCE	6,213.26	
NORTH/SOUTH SHORE MAINTENANCE	37,510.10	
MOTORISTS ASSISTANCE PATROL	89,646.90	
NORTH SHORE TOLL PLAZA	8,921.00	
COMMUNICATIONS - BASCULE	2,869.56	
COMMUNICATIONS - COMMUNICATIONS	0.00	
ADMINISTRATION	3,500.00	
Computer	0.00	
CAUSEWAY POLICE	302,900.00	
HUEY P. LONG POLICE	0.00	60,400.00
ACQUISITIONS 2023	\$ 531,395.32	\$ 60,400.00

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
NORTH SHORE MECHANIC/VEHICLE MAINTENANCE SHOP
CAPITAL ACQUISITIONS
NOVEMBER 2022 - OCTOBER 2023

Approved by Commission

ITEM NUMBER	QUANTITY	DESCRIPTION	ITEM PRICE	TOTAL
	2	F-150 Extended Cab	34,229.25	68,458.50
	2	Equipment For Truck	5,688.00	11,376.00
				\$ 79,834.50

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
ELECTRONICS MAINTENANCE
CAPITAL ACQUISITIONS
NOVEMBER 2022 - OCTOBER 2023

Approved by Commission

ITEM NUMBER	QUANTITY	DESCRIPTION	ITEM PRICE	TOTAL
		TOLL SYSTEM MAINTENANCE		
		No Requested		-
				\$ -
		AVC/AVI - ADMINISTRATIVE COMPUTER REPAIRS		
		No Requested		-
				\$ -
		AVC/AVI - DISPATCH COMPUTERS		
		No Requested		-
				\$ -
		AVC/AVI - Maintenance Truck		
	2	Radio Equipment	1,898.13	3,796.26
	2	Radio Equipment	1,208.50	2,417.00
				\$ 6,213.26
		Grand Total for Electrical Maintenance		\$ 6,213.26

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
MAINTENANCE DEPARTMENT (NORTH & SOUTH)
CAPITAL ACQUISITIONS
NOVEMBER 2022 - OCTOBER 2023

Approved by Commission

ITEM NUMBER	QUANTITY	DESCRIPTION	ITEM PRICE	TOTAL
GENERAL				
		No Request		-
				-
Grounds & Landscaping				
L4701HST	1	Kubota Tractor	32,365.10	32,365.10
106090	1	Equipment Blue Diamond Root Grapple	5,145.00	5,145.00
				37,510.10
Welding				
		No Request		-
				-
Carpentry				
		No Request		-
				-
S.S. Maintenance				
Z724XKW-3-54		No Request	-	-
				-
Total for General				\$ -
Total for Grounds & Landscaping				\$ 37,510.10
Total for Welding				\$ -
Total for Carpentry				\$ -
Total for S.S. Maintenance				\$ -
Grand Total for All Maintenance				\$ 37,510.10

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
 MOTORISTS ASSISTANCE PATROL - CAUSEWAY BRIDGE
 CAPITAL ACQUISITIONS
 NOVEMBER 2022 - OCTOBER 2023

Approved by Commission

ITEM NUMBER	QUANTITY	DESCRIPTION	ITEM PRICE	TOTAL
55-00020239	1	F-350 Ford Truck MAP 2023	44,402.75	44,402.75
55-00019940	1	Equipment For New MAP Truck	37,009.00	37,009.00
20862	1	Motorola APX4500 700mhz Mobile Radio	3,547.15	3,547.15
4400005417	1	Soundoff Light Bar Duo/Trio	2,518.00	2,518.00
	1	3M Reflective Decals for Unit	2,170.00	2,170.00
				0.00
				\$ 89,646.90

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
NORTH SHORE TOLL PLAZA
CAPITAL ACQUISITIONS
NOVEMBER 2022 - OCTOBER 2023

Approved by Commission

ITEM NUMBER	QUANTITY	DESCRIPTION	ITEM PRICE	TOTAL
HRD23001F-2D	1	PYXIS Handheld Reader	1,999.00	1,999.00
600-9003-00	1	JetSort2000 - Coin Machine	6,922.00	6,922.00
				\$ 8,921.00

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
 BASCULE
 CAPITAL ACQUISITIONS
 NOVEMBER 2022 - OCTOBER 2023

Approved by Commission

ITEM NUMBER	QUANTITY	DESCRIPTION	ITEM PRICE	TOTAL
	1	Genetec - Dell OptiPlex 7090	2,869.56	2,869.56
Total for Bascule				\$ 2,869.56

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
ADMINISTRATION
CAPITAL ACQUISITIONS
NOVEMBER 2022 - OCTOBER 2023

Approved by Commission

ITEM NUMBER	QUANTITY	DESCRIPTION	ITEM PRICE	TOTAL
		Human Resources		
		No Request		-
				-
		Commuter Sales		
	1	PID Camera	1,500.00	1,500.00
				1,500.00
		Accounting		
	1	Accounting Server (Document Server) Replacement Dell R540	2,000.00	2,000.00
				2,000.00
		Administrative Office		
		No Request		-
				-
		Total Administration		\$ 3,500.00

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
 CAUSEWAY POLICE
 CAPITAL ACQUISITIONS
 NOVEMBER 2022 - OCTOBER 2023

Approved by Commission

ITEM NUMBER	QUANTITY	DESCRIPTION	ITEM PRICE	TOTAL
	5	Courtesy Ford-Police SUV/F-150	38,000.00	190,000.00
	5	Vehicle Parts/Light Bars	2,200.00	11,000.00
	5	Vehicle Parts/Push Bumper Light Bars	1,500.00	7,500.00
	5	Watch Guard Video Camera	6,500.00	32,500.00
	5	Stalker Radar / Vehicle	3,500.00	17,500.00
	5	Zoll AED Defibrillator	2,100.00	10,500.00
	5	Panasonic Computer-Laptop	3,800.00	19,000.00
	8	Barney's Police Supplies - Body Armor	1,100.00	8,800.00
	5	Motorola - UHF Radios	1,220.00	6,100.00
				\$ 302,900.00

GREATER NEW ORLEANS EXPRESSWAY COMMISSION
HUEY P. LONG POLICE
CAPITAL ACQUISITIONS
NOVEMBER 2022 - OCTOBER 2023

Approved by Commission

ITEM NUMBER	QUANTITY	DESCRIPTION	ITEM PRICE	TOTAL
	1	Courtsey Ford - Police SUV / F-150	38,000.00	38,000.00
	1	Vehicle Parts / Light Bars	2,200.00	2,200.00
	1	Vehicle Parts / Push Bumper Light Bars	1,500.00	1,500.00
	1	Watch Guard / Camera	6,500.00	6,500.00
	1	Stalker Radar / Units	3,500.00	3,500.00
	1	Stalker Radar / Lidar	2,800.00	2,800.00
	1	Zoll AED Defibrillator	2,100.00	2,100.00
	1	Panasonic Computer - Laptop	3,800.00	3,800.00
				\$ 60,400.00

Agenda Item #8

Amendments to CY 2022
operating budget and CY
2023 operating budget for
Louisiana Public Facilities
Authority

James W. Parks II
President and CEO

Tricia A. Dubroc
VP of Student Loans and Administration

Martin Walke
VP of Economic Development



LPFA
LOUISIANA PUBLIC FACILITIES AUTHORITY

BOARD OF TRUSTEES

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Ronald H. Bordelon, Vice Chairman
Craig A. Cheramie, Secretary-Treasurer
Michael C. Darnell
David W. Groner
Casey R. Guidry
Dannye W. Malone

September 9, 2022

The Honorable Jerome Zeringue
Chairman
Joint Legislative Committee on the Budget
11th Floor, State Capitol
Baton Rouge, LA 70804

The Honorable Bodi White
Vice Chairman
Joint Legislative Committee on the Budget
11th Floor, State Capitol
Baton Rouge, LA 70804

Re: Proposed Amendments to the LPFA Budget for Calendar Year 2022 and the
Proposed LPFA Budget for Calendar Year 2023

Dear Chairman Zeringue and Vice Chairman White:

Attached for your consideration are amendments to our calendar year 2022 Budget and our proposed Budget for calendar year 2023. These proposed Budgets were approved by LPFA's Board of Trustees at a public meeting held on September 6, 2022.

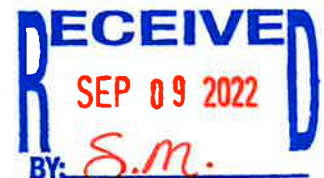
As always, the LPFA will operate solely on self-generated revenues. We are not requesting and we have never received any funds from the State for our operations.

The amount budgeted for revenues has increased by \$541,170 due to increases in Program Fees as a result of the restructuring of one of our outstanding bond issues. The amount budgeted for expenditures has increased by \$512,705 to provide for a balanced budget.

The total expenditures requested for 2022 and 2023 are approximately \$2.56 million. The proposed calendar year 2023 Budget is identical to the proposed amended calendar year 2022 Budget.

Here are a few brief highlights about the proposed budgets:

- Overall revenues have increased by \$541,170 due to an increase in Program Fees from the restructuring of one of our outstanding bond issues.
- Overall expenses have increased by \$512,705 as a result of the increase in revenues and to provide for a balanced budget.



- The amount budgeted for Total Personal Services has increased by \$197,700. This amount includes funding for an authorized, but currently unfunded, marketing representative position and a cost of living adjustment for our current employees.
- The amount budgeted for Total Operating Expenses has increased by \$243,825. Most of this increase relates to the expansion of our supplemental student loan program.
- The amount budgeted for Professional Services has increased by \$91,380. Once again, this increase relates to the expansion of our supplemental student loan program.
- The amount budgeted for "Acquisitions and Major Repairs" has not changed and remains at \$29,400.
- The number of authorized employees has not changed and remains at 14.
- The number of funded employees has increased from 10 to 11. As mentioned above, we are funding one of our authorized marketing representatives for our supplemental student loan program.
- All of our employees are unclassified.
- LPFA employees are not considered State employees.
- We do not participate in the State retirement plan, but instead have a **defined contribution retirement plan**.
- We also do not participate in State Group Benefits and have no LPFA provided health insurance coverage after retirement. LPFA employees are eligible for Medicare.
- LPFA employees are not eligible for Social Security.

The Honorable Jerome Zeringue
The Honorable Bodi White
September 9, 2022
Page 3

Please contact me if you have any questions or if you would like for me to meet with you or your staff about our proposed calendar year 2022 Budget amendments or our proposed calendar year 2023 Budget.

Very truly yours,

A handwritten signature in blue ink, appearing to read "James W. Parks II", with a stylized flourish at the end.

James W. Parks II

Enclosures

cc: Members, LPFA Board of Trustees

BUDGET AMENDMENT REQUEST

BR-0
(6/08)

Amendment to Year Ending December 31, 2022

NAME OF DEPARTMENT: Louisiana Public Facilities Authority

ADDRESS: 2237 South Acadian Thruway Suite 650
Baton Rouge, LA

BUDGET UNIT: _____

SCHEDULE NUMBER: _____

ZIP CODE: 70808

FAX NUMBER: (225) 923-0021

TELEPHONE NUMBER: (225) 923-0020

AGENCY WEB ADDRESS: lpfa.com and lela.org

TO THE OFFICE OF PLANNING AND BUDGET:

THE ACCOMPANYING FORMS, STATEMENTS AND EXPLANATIONS HAVE BEEN APPROVED BY US AND ARE COMPRISED AS FOLLOWS:

OPERATIONAL PLAN PACKAGE:
EXISTING OPERATING BUDGET PACKAGE:
CONTINUATION BUDGET PACKAGE:
TECHNICAL/OTHER ADJUSTMENT BUDGET PACKAGE:
NEW/EXPANDED BUDGET REQUEST PACKAGE:
TOTAL REQUEST SUMMARY PACKAGE:
ADDENDA TO REQUEST (WHERE APPLICABLE)

NUMBERED PAGE 1 THROUGH PAGE_____
NUMBERED PAGE 1 THROUGH PAGE_____
NUMBERED PAGE 1 THROUGH PAGE_____
NUMBERED PAGE 1 THROUGH PAGE_____
NUMBERED PAGE 1 THROUGH PAGE_____
NUMBERED PAGE 1 THROUGH PAGE_____
NUMBERED PAGE 1 THROUGH PAGE_____

WE HEREBY CERTIFY THAT THE STATEMENTS AND FIGURES ON THE ACCOMPANYING FORMS ARE TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE.

HEAD OF DEPARTMENT: *James W. Parks II*

PRINTED NAME/TITLE: President and CEO

DATE: September 9, 2022

EMAIL ADDRESS: parks@lpfa.com

PROGRAM CONTACT PERSON: James W. Parks II

TITLE: President and CEO

TELEPHONE NUMBER: (225) 923-0020

EMAIL ADDRESS: parks@lpfa.com

HEAD OF BUDGET UNIT: *James W. Parks II*

PRINTED NAME/TITLE: President and CEO

EMAIL ADDRESS: parks@lpfa.com

FINANCIAL CONTACT PERSON: James W. Parks II

TITLE: President and CEO

TELEPHONE NUMBER: (225) 923-0020

EMAIL ADDRESS: parks@lpfa.com



TABLE OF CONTENTS

BR-TC
(9/10)

BUDGET REQUEST DOCUMENTS:

BR-0	X	BR-16A	X
BR-TC	X	BR-16B	X
BR-1	X	BR-16C	X
BR-2	X	BR-16D	X
BR-6	X	BR-17A	X
BR-6A	N/A	BR-18	X
BR-6B	X	BR-18A	N/A
BR-6S	N/A	BR-18B	N/A
BR-7	N/A	BR-19	X
BR-8	X	BR-19A	N/A
BR-9E	N/A	BR-19B	N/A
BR-10	X	BR-20A	X
BR-12	N/A	BR-20B	N/A
BR-13	X	BR-20BX	N/A
BR-14A	X	BR-20C	N/A
BR-14B	N/A	BR-20D	N/A
BR-15A	X	BR-21A	N/A
BR-15B	X	BR-SUPP	N/A
BR-15C	X		
BR-15D	X		
BR-15E	X		
BR-15F	X		
BR-15G	X		
BR-15H	X		
BR-15I	X		
BR-15J	X		
BR-15K	X		

CB-0	
CB-1	
CB-2	
CB-4	
CB-5	
CB-6	
CB/BR-	X
CB-7	
CB-8	
CB/BR-20A	
CB/BR-21A	
T/OAP-0	
T/OAP-1A	
T/OAP-2A	
NE-0	
NE-DS	
NE-AS	
NE-A	
NE-B	
NE-C	
TR-0	
TR-SUMM1, 1A, 1B	
TR-SUMM2, 2A, 2B	

OPERATION PLAN

ADDENDA TO REQUEST:

IT-0	
SUNSET REVIEW	
WFC-1	
WFC-2	
WFC-3	
CHILD-DT	
CHILD-DS	
CHILD-DC	
CHILD-AS	
CHILD-AC	
CHILD-1	
CHILD-2	

PLEASE PLACE AN "X" IN THE SPACE PROVIDED IF YOUR BUDGET REQUEST INCLUDES THE INDICATED FORM.

PLEASE PLACE "N/A" IN THE SPACE PROVIDED IF YOUR BUDGET REQUEST DOES NOT INCLUDE THE INDICATED FORM BECAUSE IT IS NOT APPLICABLE.



SUMMARY STATEMENT OF MEANS OF FINANCING FOR YEARS SHOWN

BR-1
(9/06)

LINE NO.	MEANS OF FINANCING	PRIOR YEAR ACTUAL 2020 (no negatives)	EXISTING OPERATING BUDGET 2022 (no negatives)	REVISED TOTAL REQUEST 2022 (no negatives)	OVER/UNDER EXISTING OPERATING BUDGET	PERCENT CHANGE
1	FEES & SELF-GENERATED REVENUES	\$ 2,181,710	\$ 2,022,620	\$ 2,563,790	\$ 541,170	26.76%
2						
3	TOTAL MEANS OF FINANCING	\$ 2,181,710	\$ 2,022,620	\$ 2,563,790	\$ 541,170	26.76%

Note: Column totals on BR-1 from should equal corresponding Column totals on BR-2 form.

SUMMARY STATEMENT OF EXPENDITURES FOR YEARS SHOWN

BR-2
(8/13)

LINE NO.	CATEGORY OF EXPENDITURE	PRIOR YEAR ACTUAL 2020 (no negatives)	EXISTING OPERATING BUDGET 2022 (no negatives)	REVISED TOTAL REQUEST 2022 (no negatives)	OVER/UNDER EXISTING OPERATING BUDGET	PERCENT CHANGE
1	PERSONAL SERVICES:					
2	Salaries	\$ 811,226	\$ 852,800	\$ 981,000	\$ 128,200	15.03%
3	Other Compensation	\$ 1,445	\$ 23,665	\$ 28,665	\$ 5,000	21.13%
4	Related Benefits	\$ 412,011	\$ 365,500	\$ 430,000	\$ 64,500	17.65%
5	TOTAL PERSONAL SERVICES	\$ 1,224,682	\$ 1,241,965	\$ 1,439,665	\$ 197,700	15.92%
6	OPERATING EXPENSES:					
7	Travel	\$ 6,536	\$ 64,700	\$ 100,700	\$ 36,000	55.64%
8	Operating Services	\$ 394,392	\$ 562,950	\$ 752,775	\$ 189,825	33.72%
9	Supplies	\$ 12,572	\$ 27,250	\$ 27,250	\$ -	0.00%
10	TOTAL OPERATING EXPENSES	\$ 413,500	\$ 654,900	\$ 880,725	\$ 225,825	34.48%
11	PROFESSIONAL SERVICES	\$ 103,117	\$ 124,820	\$ 214,000	\$ 89,180	71.45%
12	OTHER CHARGES:					
13	Other Charges	N/A	N/A	N/A	N/A	N/A
14	Debt Service	N/A	N/A	N/A	N/A	N/A
15	Interagency Transfers	N/A	N/A	N/A	N/A	N/A
16	TOTAL OTHER CHARGES	\$ -	\$ -	\$ -	\$ -	N/A
17	ACQUISITIONS & MAJOR REPAIRS:					
18	Acquisitions	\$ -	\$ 29,400	\$ 29,400	\$ -	0.00%
19	Major Repairs	\$ -	\$ -	\$ -	\$ -	N/A
20	TOTAL ACQUISITIONS & MAJOR REPAIRS	\$ -	\$ 29,400	\$ 29,400	\$ -	0.00%
21	UNALLOTTED	N/A	N/A	N/A	N/A	N/A
22	TOTAL EXPENDITURES & REQUEST	\$ 1,741,299	\$ 2,051,085	\$ 2,563,790	\$ 512,705	25.00%
23	AUTHORIZED T. O. FRE POSITIONS					
24	Classified	-	-	-	-	0.00%
25	Unclassified	10	14	14	-	0.00%
26	TOTAL AUTHORIZED T. O. FTE POSITIONS	10	14	14	-	0.00%
27	TOTAL AUTHORIZED OTHER CHARGES POSITION	-	-	-	-	0.00%
28	TOTAL NON-T.O. FTE POSITIONS**	-	-	-	-	0.00%

* Authorized Other Charges Positions are those reported under Objects 3670, 3680, and 3681.

** Non-T.O. FTE Positions are those reported under Object 2200 (exclude WAEs).

Note: There should be no **NEGATIVE** numbers in the following columns: PRIOR YEAR ACTUAL, EXISTING OPERATING BUDGET, AND TOTAL REQUEST.

MEANS OF FINANCING

REVENUE OBJECT	SOURCE (FEDERAL, INTERAGENCY TRANSFERS, ETC.) * Give the Legal Citation Authorizing These Funds and Describe Fully Their Purpose and Use.	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	REVISED TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET	DETAIL SHEET NOS.
	SELF-GENERATED REVENUES					
	Financing Acceptance Fees	\$ 452,757	\$ 425,000	\$ 425,000	\$ -	
	Financing Application Fees	\$ 4,000	\$ 15,000	\$ 15,000	\$ -	
	Program Administrative Fees	\$ 1,034,141	\$ 1,026,500	\$ 1,567,670	\$ 541,170	
	Program Fees - General	\$ 23,700	\$ 25,000	\$ 25,000	\$ -	
	Multifamily and other Program Fees	\$ 35,996	\$ 36,120	\$ 36,120	\$ -	
	Interest Income - Loan Programs	\$ 195,179	\$ 170,000	\$ 170,000	\$ -	
	Interest Income	\$ 218,559	\$ 325,000	\$ 325,000	\$ -	
	Program Investment Earnings	\$ 120,413	\$ -	\$ -	\$ -	
	Miscellaneous Income	\$ 1,979	\$ -	\$ -	\$ -	
	Realized and unrealized gain or loss on investments	\$ 94,986	\$ -	\$ -	\$ -	
	TOTAL SELF-GENERATED REVENUES	\$ 2,181,710	\$ 2,022,620	\$ 2,563,790	\$ 541,170	
	PUBLIC TRUST ACT:					
	LA. R.S. 9:2341-47 The Louisiana Public Facilities Authority (LPFA) is a financing authority created as a public trust and public corporation by a Louisiana corporation, pursuant to an Indenture of Trust. The State of Louisiana is the beneficiary of the LPFA trust. LPFA was established to benefit the State of Louisiana and its citizens through the issuance of taxable and tax-exempt bonds as well as through other means of public service and economic development. The purposes of the LPFA are to promote, encourage and further the accomplishment of all activities beneficial to the state and which have a public purpose.					

* NOTE: Each individual grant, interagency transfer, self-generated revenue source, etc. must be listed separately, and a BR-6A and BR-6B detail sheet must be completed for each separate item listed on the BR-6.

Financing Acceptance Fees	The Authority requires a financing acceptance fee usually equal to one-twentieth of one percent of the face amount of issued bonds less the financing application fee. The financing acceptance fee covers general administration expenses incurred by the Authority. This fee is due upon the closing of a bond issue and is recorded as revenue at such time.
Financing Application Fees	The Authority assesses a non-refundable financing application fee of \$500 on all project-financing applications formally submitted for consideration by the Authority's Board of Trustees.
Program Administrative Fees	The Authority acts as both the issuer and administrator for certain bond programs. The Authority is compensated as administrator through a fee usually based upon a percentage of either the outstanding bonds or assets of the program. The percentages vary from one-tenth of one percent to one percent. The fee is assessed to cover program administrative costs incurred by the Authority.
Multi-family and Other Program Fees	The Authority assesses an annual issuer fee on all multi-family bond issues. The fee is typically based upon a percentage of the outstanding bond principal balance as of January 1 of each year. The percentage usually is either one-twentieth of one percent for pre-1985 issues or one-tenth of one percent for issues thereafter. The Authority also collects fees and interest from its other programs such as the Bond Bank and Rural Development Loan Programs. These fees cover general administration expenses incurred by the Authority.
Interest Income	The Authority receives interest income from the investment of Authority assets.
Program Investment Earnings	Program Investment Earnings consist primarily of residual funds of retired program bond issues. Residual proceeds represent cash and investment balances of a program bond issue that remain after the extinguishment of all obligations, including applicable arbitrage rebate to the federal government. The residuals are due to the Authority unless the program issue's Indenture of Trust identifies another recipient. The residual funds are recognized as income to the Authority upon the termination of the program bond issue's Indenture of Trust. All residuals from project financings are paid to the project borrower.

Line No.	DEPARTMENT OF BR-8 Tracking Sheet	PRIOR YEAR ACTUAL 2020 (NO NEGATIVE NUMBERS IN THIS COLUMN)	EXISTING OPERATING BUDGET 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	REVISED REQUEST 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	OVER/UNDER EXISTING OPERATING BUDGET
	Program:				
1	General Fund	-	-	-	
2	Self-Generated Revenues:				
3	Financing Acceptance Fees	452,757	425,000	425,000	-
4	Financing Application Fees	4,000	15,000	15,000	-
5	Program Administrative Fees	1,034,141	1,026,500	1,567,670	541,170
6	Program Fees - General	23,700	25,000	25,000	-
7	Multifamily and Other Program Fees	35,996	36,120	36,120	-
8	Interest Income - Loan Programs	195,179	170,000	170,000	-
9	Interest Income	218,559	325,000	325,000	-
10	Program Investment Earnings	120,413	-	-	-
11	Miscellaneous Income	1,979	-	-	-
12	Realized and unrealized gain or loss on investments	94,986	-	-	-
13					
14					
15	TOTAL REVENUE	2,181,710	2,022,620	2,563,790	541,170
16					
17	Classified	N/A	N/A	N/A	N/A
18	Unclassified	10	14	14	-
19	TOTAL AUTHORIZED T. O. FTE POSITIONS	14	14	14	-
20	TOTAL AUTHORIZED OTHER CHARGES POSITIONS*	-	-	-	-
21	TOTAL NON-T.O. FTE POSITIONS**	-	-	-	-
22	TOTAL POSITION CONTROL	14	14	14	-
23					
24	2100 Salaries-Classified - Regular	N/A	N/A	N/A	N/A
25	2110 Salaries-Classified - Overtime	N/A	N/A	N/A	N/A
26	2120 Salaries-Classified - Termination	N/A	N/A	N/A	N/A
27	2130 Salaries-Unclassified - Regular	811,226	852,800	981,000	128,200
28	2140 Salaries-Unclassified - Overtime	N/A	N/A	N/A	N/A
29	2150 Salaries-Unclassified - Termination	N/A	N/A	N/A	N/A
30	TOTAL SALARIES	811,226	852,800	981,000	128,200
31					
32	2200 Other Compensation - Wages	-	665	665	-
33	2210 Other Compensation - Students	445	3,000	8,000	5,000
34	2221 Compensation Board of Trustees	1,000	20,000	20,000	-
35	2230 Evening Instruction	N/A	N/A	N/A	N/A
36	TOTAL OTHER COMPENSATION	1,445	23,665	28,665	5,000
37					
38	2300 Retirement - State	N/A	N/A	N/A	N/A
39	2310 Retirement - School Employees	N/A	N/A	N/A	N/A
40	2320 Retirement - Teachers	N/A	N/A	N/A	N/A

Line No.	DEPARTMENT OF BR-8 Tracking Sheet		PRIOR YEAR ACTUAL 2020 (NO NEGATIVE NUMBERS IN THIS COLUMN)	EXISTING OPERATING BUDGET 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	REVISED REQUEST 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	OVER/UNDER EXISTING OPERATING BUDGET
	Program:					
41	2330	Retirement - School Lunch	N/A	N/A	N/A	N/A
42	2340	Retirement - Other	99,110	95,600	109,900	14,300
43	2350	FICA Tax - State	N/A	N/A	N/A	N/A
44	2360	Medicare Tax - State	12,011	12,200	13,500	1,300
45	2370	Unemployment Taxes	202	600	600	-
46	2380	Group Insurance - State	186,135	212,100	246,000	33,900
47	2400	Other Related Benefits	114,553	45,000	60,000	15,000
48	2410	Taxable Fringe Benefits	-	-	-	-
49		TOTAL RELATED BENEFITS	412,011	365,500	430,000	64,500
50						
51		TOTAL PERSONNEL SERVICES	1,224,682	1,241,965	1,439,665	197,700
52						
53	2500	In State Travel - Administrative	1,188	11,800	14,800	3,000
54	2510	In State Travel - Conferences	510	11,000	20,000	9,000
55	2520	In State Travel - Field Travel	525	6,000	20,000	14,000
56	2530	In State Travel - Board Members	736	9,000	9,000	-
57	2550	In State IT Travel / Training	-	-	-	-
58	2600	Out of State Travel - Administrative	457	700	700	-
59	2610	Out of State Travel - Conferences	3,120	22,750	32,750	10,000
60	2620	Out of State Travel - Field Travel	-	950	950	-
61	2630	Out of State Travel - Board Members	-	2,500	2,500	-
62	2650	Out of State IT Travel / Training	-	-	-	-
63						
64		TOTAL TRAVEL	6,536	64,700	100,700	36,000
65						
66	2700	Advertising	47,168	72,175	115,000	42,825
67	2710	Printing	12,664	23,000	60,000	37,000
68	2720	Insurance - Automotive	N/A	N/A	N/A	N/A
69	2730	Insurance - Workman's Compensation	3,109	4,600	4,600	-
70	2740	Insurance - Fire & Extended Coverage	4,272	4,600	4,600	-
71	2750	Insurance - Malpractice	N/A	N/A	N/A	N/A
72	2760	Insurance - Other	25,175	27,000	27,000	-
73	2770	Maintenance of Prop & Equip - Auto	N/A	N/A	N/A	N/A
74	2780	Maintenance of Prop & Equip - Other	N/A	N/A	N/A	N/A
75	2790	Maintenance of Buildings	N/A	N/A	N/A	N/A
76	2791	Maintenance - Pest Control	N/A	N/A	N/A	N/A
77	2792	Maintenance - Waste Disposal	N/A	N/A	N/A	N/A
78	2800	Maintenance of Equipment	-	4,000	4,000	-
79	2810	Maintenance - Janitorial / Custodial	N/A	N/A	N/A	N/A
80	2811	Maintenance of Grounds	N/A	N/A	N/A	N/A

Line No.	DEPARTMENT OF BR-8 Tracking Sheet		PRIOR YEAR ACTUAL 2020 (NO NEGATIVE NUMBERS IN THIS COLUMN)	EXISTING OPERATING BUDGET 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	REVISED REQUEST 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	OVER/UNDER EXISTING OPERATING BUDGET
	Program:					
81	2820	Maintenance of Data Processing Equipment	34,715	24,000	50,000	26,000
82	2825	Maintenance of Data Processing Software	-	-	-	-
83	2830	Rentals - Buildings	159,358	180,000	180,000	-
84	2840	Rentals - Equipment	N/A	N/A	N/A	N/A
85	2850	Rentals - Data Processing Equipment	N/A	N/A	N/A	N/A
84	2870	Rentals - Other	N/A	N/A	N/A	N/A
85	2875	Data Processing - Licensing Software	10,814	10,000	10,000	-
86	2880	Internet Provider Costs	23,990	24,000	60,000	36,000
87	2890	Dues & Subscriptions	25,438	16,925	21,925	5,000
88	2900	Mail, Delivery & Postage	1,971	12,000	15,000	3,000
89	2910	Telephone - Services	\$11,168	\$15,000	\$15,000	-
90	2930	Telephone - Other Comm Services	N/A	N/A	N/A	N/A
91	2935	Data Processing - Contract Services	N/A	N/A	N/A	N/A
92	2940	Utilities - Gas	N/A	N/A	N/A	N/A
93	2950	Utilities - Electricity	N/A	N/A	N/A	N/A
94	2960	Utilities - Water	N/A	N/A	N/A	N/A
95	2970	Utilities - Other	N/A	N/A	N/A	N/A
96	2990	Lab Fees	N/A	N/A	N/A	N/A
97	2991	Operating Services - Security	N/A	N/A	N/A	N/A
98	3000	Miscellaneous	25,959	125,850	165,850	40,000
99	3010	Depreciation Expense-Building	N/A	N/A	N/A	N/A
100	3020	Depreciation Expense-Improvements	-	400	400	-
101	3030	Depreciation Expense-Equipment	8,591	17,400	17,400	-
102	3040	Depreciation Expense-Software	-	2,000	2,000	-
103	3090	Credit Card Transaction Fees	N/A	N/A	N/A	N/A
104	3091	Credit Card Discount Fees	N/A	N/A	N/A	N/A
105						
106	TOTAL OPERATING SERVICES		394,392	562,950	752,775	189,825
107						
108						
109	3100	Office Supplies	12,572	27,250	27,250	-
110	3120	Computer Supplies	N/A	N/A	N/A	N/A
111	3130	Clothing & Uniforms	N/A	N/A	N/A	N/A
112	3140	Medical Supplies	N/A	N/A	N/A	N/A
113	3160	Food Supplies	N/A	N/A	N/A	N/A
114	3170	Automotive Supplies	N/A	N/A	N/A	N/A
115	3180	Operating Supplies - Other	N/A	N/A	N/A	N/A
116	3190	Bldgs, Grounds & Gen Plant Supplies	N/A	N/A	N/A	N/A
117	3200	Household Supplies	N/A	N/A	N/A	N/A
118	3300	Repair & Maintenance Supplies - Auto	N/A	N/A	N/A	N/A

Line No.	DEPARTMENT OF BR-8 Tracking Sheet		PRIOR YEAR ACTUAL 2020 (NO NEGATIVE NUMBERS IN THIS COLUMN)	EXISTING OPERATING BUDGET 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	REVISED REQUEST 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	OVER/UNDER EXISTING OPERATING BUDGET
	Program:					
119	3310	Repair & Maintenance Supplies - Other	N/A	N/A	N/A	N/A
120	3320	Software	N/A	N/A	N/A	N/A
121	3330	Voc-Tech School Buildings Supplies	N/A	N/A	N/A	N/A
122	3340	Stores Increase	N/A	N/A	N/A	N/A
123						
124	TOTAL SUPPLIES		12,572	27,250	27,250	-
125						
126	TOTAL OPERATING SERVICES		413,500	654,900	880,725	225,825
127						
128	3400	Accounting & Auditing	33,000	37,500	42,500	5,000
129	3410	Management Consulting	N/A	N/A	N/A	N/A
130	3420	Engineering & Architectural	N/A	N/A	N/A	N/A
131	3430	Legal	29,763	30,000	40,000	10,000
132	3440	Medical	N/A	N/A	N/A	N/A
133	3460	Other Professional Services	40,354	57,320	131,500	74,180
134	3470	Other Professional Travel	N/A	N/A	N/A	N/A
135	3471	Professional Travel	N/A	N/A	N/A	N/A
136						
137	TOTAL PROFESSIONAL SERVICES		103,117	124,820	214,000	89,180
138						
139	3650	Other Charges	0	0	0	0
140	3670	Other Charges-Salaries-Classified	0	0	0	0
141	3680	Other Compensation	0	0	0	0
142	3690	Related Benefits	0	0	0	0
143	3700&3710	Travel	0	0	0	0
144	3720	O/C - Operating Services	0	0	0	0
145	3730	O/C - Supplies	0	0	0	0
146	3735&3780	Other Charges	0	0	0	0
147	3740	O/C - Professional Services	0	0	0	0
148	3750	O/C - Acquisitions / Major Repairs	0	0	0	0
149	3750 & 3770	Major Repairs	0	0	0	0
150	3840	Other Charges-Client Payments Section 110	0	0	0	0
151						
152	TOTAL OTHER CHARGES		0	0	0	0
153						
154	4800-4899	Debt Service				
155	4900	IAT - Commodities & Services	0	0	0	0
156	4940	IAT - Transfer of Funds	0	0	0	0
157	4960	IAT - Printing	0	0	0	0
158	4970	IAT - Data Processing	0	0	0	0

Line No.	DEPARTMENT OF BR-8 Tracking Sheet					OVER/UNDER EXISTING OPERATING BUDGET
			PRIOR YEAR ACTUAL 2020 (NO NEGATIVE NUMBERS IN THIS COLUMN)	EXISTING OPERATING BUDGET 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	REVISED REQUEST 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	
	Program:					
159	4980	IAT - Insurance	0	0	0	0
160	5000	IAT - Other Maintenance	0	0	0	0
161	5010	IAT - Rentals	0	0	0	0
162	5020	IAT - Dues & Subscriptions	0	0	0	0
163	5030	IAT - Postage	0	0	0	0
164	5040	IAT - Telephone & Telegraph	0	0	0	0
165	5050	IAT - Utilities	0	0	0	0
166	5080	IAT - Laboratory Fees	0	0	0	0
167	5110	IAT - Office Supplies	0	0	0	0
168	5140	IAT - Automotive Supplies	0	0	0	0
169	5150	IAT - Other Operating Services	0	0	0	0
170						
171		TOTAL INTERAGENCY TRANSFER	0	0	0	0
172						
173		TOTAL O/C & IAT	0	0	0	0
174						
175	4400	Land				
176	4410	Buildings				
177	4420	Capitalized Automobile => \$5000	0	0	0	0
178	4440	Equipment \$1000 - \$4999	0	0	0	0
179	4441	Equipment < \$1000	0	0	0	0
180	4442	Equipment => \$5000	0	0	0	0
181	4450	Capitalized Computer Software => \$5000	0	0	0	0
182	4451	Capitalized Computer Hardware => \$5000	0	12,000	12,000	0
183	4452	Capitalized Data Comm Facilities => \$5000	0	0	0	0
184	4453	Software \$1000 - \$4999	0	0	0	0
185	4454	Hardware \$1000 - \$4999	0	10,000	10,000	0
186	4455	Data Comm Facilities \$1000 - \$4999	0	0	0	0
187	4456	Software < \$1000	0	0	0	0
188	4457	Hardware < \$1000	0	0	0	0
189	4458	Data Comm Facilities < \$1000	0	0	0	0
190	4470	Household	0	0	0	0
191	4480	Medical	0	0	0	0
192	4490	Office Equipment \$1000 - \$4999	0	7,400	7,400	0
193	4491	Capitalized Office Equipment => \$5000	0	0	0	0
194	4492	Office Equipment < \$1000	0	0	0	0
195	4512	Library Reference < \$1000	0	0	0	0
196	4520	Boats \$1000 - \$4999	0	0	0	0
197	4521	Capitalized Boats => \$5000	0	0	0	0
198	4522	Boats < \$1000	0	0	0	0

Line No.	DEPARTMENT OF BR-8 Tracking Sheet					OVER/UNDER EXISTING OPERATING BUDGET
			PRIOR YEAR ACTUAL 2020 (NO NEGATIVE NUMBERS IN THIS COLUMN)	EXISTING OPERATING BUDGET 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	REVISED REQUEST 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	
	Program:					
199	4530	Communications \$1000 - \$4999	0	0	0	0
200	4531	Capitalized Communications => \$5000	0	0	0	0
201	4532	Communications < \$1000	0	0	0	0
202	4540	Other Acquisitions \$1000 - \$4999	0	0	0	0
203	4541	Capitalized Other Acquisitions => \$5000	0	0	0	0
204	4542	Other Acquisitions < \$1000	0	0	0	0
205						
206	TOTAL ACQUISITIONS		0	29,400	29,400	0
207						
208	4610	Major Repair - Building	0	0	0	0
209	4620	Major Repair - Auto	0	0	0	0
210	4640	Major Repair - Boats	0	0	0	0
211	4650	Major Repair - Aircraft	0	0	0	0
212	4740	Major Repair - Other	0	0	0	0
213						
214	TOTAL MAJOR REPAIR		0	0	0	0
215						
216	TOTAL ACQUISITION & MAJOR REPAIR		0	29,400	29,400	0
217						
218	TOTAL EXPENDITURES		1,741,299	2,051,085	2,563,790	512,705
219						

* Authorized Other Charges Positions are those reported under Objects 3670, 3680, and 3681.

** Non-T.O. FTE Positions are those reported under Object 2200 (exclude WAEs).

SCHEDULE OF WAGES AND STUDENT LABOR

BR-10
(9/09)

Title of Position (Indicate if Student or Wages) (List by Program)	Detailed Explanation for Existing Operating Budget	Prior Year Actual Expenditures 2020	Existing Operating Budget 2022			Revised Request 2022		
			Hourly Rate of Pay	No. of Hours Employ.	Amount	Hourly Rate of Pay	No. of Hours Employ.	Amount
1 Waged Worker	Performs duties and responsibilities for both programs.	\$ -	\$ 19.00	35	\$ 665	\$ 19.00	35	\$ 665
2 Student Workers	Performs duties and responsibilities for both programs.	\$ 445	\$ 10.00	300	\$ 3,000	\$ 10.00	800	\$ 8,000
Total Positions 3								
TOTAL WAGES AND STUDENT LABOR		\$ 445		335	\$ 3,665		835	\$ 8,665

Name of Member	Statutory Authority for Payment	No. of Per Diem Days in 2020	Per Diem Rate	What Other Expenses Are Paid With The Exception Of Travel? (Itemize Type and Amount)	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
Guy Campbell III	La R.S. 9:2343(A)	9	\$200 per day	None	\$ 1,800	\$ 5,000	\$ 5,000	\$ -
Craig Cheramie	La R.S. 9:2343(A)	6	\$200 per day	None	\$ 1,200	\$ 5,000	\$ 5,000	\$ -
Ronald H. Bordelon	La R.S. 9:2343(A)	9	\$200 per day	None	\$ 1,800	\$ 2,000	\$ 2,000	\$ -
Michael C Darnell	La R.S. 9:2343(A)	10	\$200 per day	None	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
David W. Groner	La R.S. 9:2343(A)	10	\$200 per day	None	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Danny W. Malone	La R.S. 9:2343(A)	2	\$200 per day	None	\$ 400	\$ 2,000	\$ 2,000	\$ -
Casey R. Guidry	La R.S. 9:2343(A)	10	\$200 per day	None	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
						\$ -	\$ -	\$ -
TOTAL COMPENSATION					\$ 11,200	\$ 20,000	\$ 20,000	\$ -

SCHEDULE OF TRAVEL EXPENSE (25; 26) DETAIL

BR-14A

(9/09)

[illegible]

SCHEDULE OF TRAVEL EXPENSE (25; 26) DETAIL

BR-14A
(8/02)[illegible]

PROPOSED OUT OF STATE TRAVEL BUDGET FOR 2022

EMPLOYEES

Staff Member:	2 People	
Purpose:	NAHEFFA Spring Conference	
Location:	To be determined by NAHEFFA	
Costs to Attend:		\$3,000
Staff Member:	2 People	
Purpose:	NAHEFFA Fall Conference	
Location:	To be determined by NAHEFFA	
Costs to Attend:		\$3,000
Staff Member:	1 person	
Purpose:	CDFA Board Meeting	
Location:	To be determined by CDFA	
Costs to Attend:		\$1,500
Staff Member:	2 People	
Purpose:	CDFA Board Meeting & Annual Educational Conference	
Location:	To be determined by CDFA	
Costs to Attend:		\$3,000
Staff Member:	1 Person	
Purpose:	CDFA Board Meeting & Strategic Planning	
Location:	To be determined by CDFA	
Costs to Attend:		\$1,500
Staff Member:	1 person	
Purpose:	A meeting or meetings with the MSRB, IRS, SEC, or other Government Agencies at the request of the agencies or in connection with NAHEFFA or CDFA initiatives	
Location:	Washington, D.C.	
Costs to Attend:		\$1,750
Staff Member:	1 person	
Purpose:	Accounting Training and CPE Seminar	
Location:	To be determined	
Costs to Attend:		\$1,000
Staff Member:	1 person	
Purpose:	SPRF Annual Conference	
Location:	To be determined by SPRF	
Costs to Attend:		\$1,500

EMPLOYEES CONTD.	Event/Item	Estimated Amount
	Education Finance Council Annual Membership Meeting Location: To be determined by EFC Purpose: Annual mtg and training on student loan bond issues, secondary market issues, regulatory compliance President and Vice President of Student Loans	3,500
	Education Finance Council Mid-Year Meeting Location: Washington D.C. Purpose: Training updates from Washington DC from regulators as well as student loan industry updates Two employees	3,000
	US DOE Office of Federal Student Aid (FSA) Annual Meeting Location: Washington D.C. Purpose: Servicing and Administration Compliance Updates One employee	2,000
	Education Finance Council CEO Planning Meeting Location: To be determined by the association Purpose: Timing varies and is scheduled on an as needed basis to inform leadership of changes and course of action to take on various issues which will affect the future of the loan programs; President and/or Vice President of Student Loans	2,500
	SWASFAA Board Meetings Location: To be determined by SWASFAA Purpose: Interacting with schools and financial aid administrators One employee	1,000
	Regional and National Financial Aid School Meeting Location: To be determined by the respective organizations Purpose: Interacting with schools and financial aid administrators Two employees	3,000
	Accounting Training and CPE Location: To be determined Purpose: Ongoing training and CPE for staff accountant Accountant	1,500
	Total for Employees	<u>32,750</u>
TRUSTEES		
	Council of Development Finance Agencies, National Association of Health and Educational Facilities Finance Authorities or Education Finance Council - Capital Hill Day Location: Washington, DC Purpose: Educate and update Louisiana's Congressional Delegation about LPFA's Programs and Services Board Members	<u>2,500</u>
	Total for Trustees	<u>2,500</u>

ADVERTISING 2700	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
Advertising and Business Promotions	\$ 47,168	\$ 72,175	\$ 115,000	\$ 42,825
TOTAL	\$ 47,168	\$ 72,175	\$ 115,000	\$ 42,825

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

PRINTING 2710	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
Printing and Binding	\$ 12,664	\$ 23,000	\$ 60,000	\$ 37,000
TOTAL PRINTING	\$ 12,664	\$ 23,000	\$ 60,000	\$ 37,000

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

INSURANCE	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
2720 - AUTOMOTIVE	N/A	N/A	N/A	N/A
2730 - WORKMAN'S COMPENSATION	\$3,109.00	\$ 4,600	\$ 4,600	\$ -
2740 - FIRE & EXTENDED COVERAGE	\$ 4,272	\$ 4,600	\$ 4,600	\$ -
2750 - MALPRACTICE	N/A	N/A	N/A	N/A
2760 - OTHER				
Insurance Surty and D&O	\$ 25,175	\$ 27,000	\$ 27,000	\$ -
TOTAL OTHER	\$ 25,175	\$ 27,000	\$ 27,000	\$ -
PAGE TOTAL	\$ 32,556	\$ 36,200	\$ 36,200	\$ -

DETAILED EXPLANATION MUST BE PROVIDED

MAINTENANCE OF PROPERTY AND EQUIPMENT	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
2770 - AUTOMOTIVE	N/A	N/A	N/A	N/A

Explain Existing Operating Budget by Program. Use Continuation Sheet if Necessary.

MAINTENANCE OF PROPERTY AND EQUIPMENT	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
2780 - PROPERTY & EQUIP. - OTHER	N/A	N/A	N/A	N/A
2790 - BUILDINGS	N/A	N/A	N/A	N/A
2800 - EQUIPMENT	\$ -	\$ 4,000	\$ 4,000	\$ -
2810 - JANITORIAL/CUSTODIAL	N/A	N/A	N/A	N/A
2820 - DATA PROCESSING	\$ 34,715	\$ 24,000	\$ 50,000	\$ 26,000
2825 - DATA PROCESSING - SOFTWARE	\$ -	\$ -	\$ -	\$ -
PAGE TOTAL	\$ 34,715	\$ 28,000	\$ 54,000	\$ 26,000

Explain Existing Operating Budget by Program. Use Continuation Sheet if Necessary.

RENTALS	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
2830 - BUILDINGS				
Office	\$ 149,578	\$ 170,000	\$ 170,000	\$ -
Storage Facility	\$ 9,780	\$ 10,000	\$ 10,000	\$ -
TOTAL BUILDINGS	\$ 159,358	\$ 180,000	\$ 180,000	\$ -
2840 - EQUIPMENT	N/A	N/A	N/A	N/A
2850 - DATA PROCESSING	N/A	N/A	N/A	N/A
2860 - THIRD PARTY LEASES	N/A	N/A	N/A	N/A
2865 - DATA PROCESSING EQUIPMENT - FINANCING	N/A	N/A	N/A	N/A
2870 - OTHER (SPECIFY)	N/A	N/A	N/A	N/A
*AUTO, AIRCRAFT, BOAT	N/A	N/A	N/A	N/A
2875 - DATA PROCESSING EQUIPMENT - SOFTWARE	\$ 10,814	\$ 10,000	\$ 10,000	\$ -
2880 - INTERNET PROVIDER COSTS	\$ 23,990	\$ 24,000	\$ 60,000	\$ 36,000
PAGE TOTAL	h	\$ 214,000	\$ 250,000	\$ 36,000

Explain Existing Operating Budget by Program. Use Continuation Sheet to list specifics as outlined in the Instruction Manual.

SCHEDULE OF OPERATING SERVICES--DETAIL 7

DETAILED EXPLANATION MUST BE PROVIDED

BR-15G
(9/09)

DUES AND SUBSCRIPTIONS 2890	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
Dues and Membership	\$ 21,570	\$ 13,175	\$ 18,175	\$ 5,000
Publications/Reports	\$ 843	\$ 750	\$ 750	\$ -
Subscriptions	\$ 3,025	\$ 3,000	\$ 3,000	\$ -
TOTAL DUES AND SUBSCRIPTIONS	\$ 25,438	\$ 16,925	\$ 21,925	\$ 5,000

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

DUES AND SUBSCRIPTIONS 2890	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
DUES AND MEMBERSHIP			
Council of Development Finance Agencies	\$ 3,000	\$ 3,000	\$ -
National Ass'n. of Health & Education Fac. Finance Authorities	\$ 4,000	\$ 4,000	\$ -
Louisiana Ind. Dev. Executives Assn.	\$ 200	\$ 200	\$ -
Louisiana Assoc. of Non Profit Org.	\$ 100	\$ 100	\$ -
Louisiana Business Incubation Assoc.	\$ 100	\$ 100	\$ -
Miscellaneous	\$ 3,275	\$ 2,475	\$ (800)
Southwest Assoc. of Student Aid Admin.	\$ 250	\$ 250	\$ -
Louisiana Assoc. of Student Aid Admin.	\$ 250	\$ 250	\$ -
Education Finance Council	\$ -	\$ 1,000	\$ 1,000
National College Access Network	\$ 1,000	\$ 1,000	\$ -
Louisiana Banker's Association	\$ 1,000	\$ 1,000	\$ -
National Association of Financial Aid Administrators	\$ -	\$ 4,800	\$ 4,800
TOTAL DUES AND MEMBERSHIP	\$ 13,175	\$ 18,175	\$ 5,000

DUES AND SUBSCRIPTIONS 2890	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
PUBLICATIONS AND REPORTS			
Legal Directories Publication	\$ 30	\$ 30	\$ -
Louisiana Governmental Studies	\$ 375	\$ 375	\$ -
Secretary of State Publications	\$ 75	\$ 75	\$ -
Louisiana Press Association	\$ 20	\$ 20	\$ -
Louisiana Assoc. of Non Profit Org.	\$ 20	\$ 20	\$ -
Legal Directories Publication	\$ 30	\$ 30	\$ -
La. Assoc. of College Reg.and Admiss. Off.	\$ 50	\$ 50	\$ -
Louisiana Bankers Association	\$ 125	\$ 125	\$ -
Louisiana Press Association	\$ 25	\$ 25	\$ -
TOTAL PUBLICATIONS AND REPORTS	\$ 750	\$ 750	\$ -

DUES AND SUBSCRIPTIONS 2890	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
SUBSCRIPTIONS			
The Bond Buyer	\$ 1,300	\$ 1,300	\$ -
New Orleans City Business	\$ 100	\$ 100	\$ -
State Bond Commission	\$ 35	\$ 35	\$ -
Tax Analysts	\$ 150	\$ 150	\$ -
Capitol City Press	\$ 75	\$ 75	\$ -
Finder Binder	\$ 60	\$ 60	\$ -
B.R. Business Report	\$ 50	\$ 50	\$ -
Metro Press Clipping	\$ 1,025	\$ 1,025	\$ -
Sheshunoff Publications	\$ 55	\$ 55	\$ -
Capital City Press	\$ 125	\$ 125	\$ -
Postsecondary Education	\$ 25	\$ 25	\$ -
TOTAL SUBSCRIPTIONS	\$ 3,000	\$ 3,000	\$ -

MAIL, DELIVERY & POSTAGE 2900	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
Freight and Shipping	\$ 1,480	\$ 7,000	\$ 10,000	\$ 3,000
Postage Expense	\$ 491	\$ 5,000	\$ 5,000	\$ -
TOTAL MAIL, DELIVERY & POSTAGE	\$ 1,971	\$ 12,000	\$ 15,000	\$ 3,000

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

Major articles mailed:

- 1) Quarterly LPFA Newsletter sent to clients for education and awareness.
- 2) Annual Report sent to clients for education and awareness.
- 3) Ongoing Student Loan marketing materials including direct mail campaigns to high school students.
- 4) Ongoing Board of Trustees meeting agendas.

DETAILED EXPLANATION MUST BE PROVIDED

TELEPHONE SERVICES	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
2910 - TELEPHONE SERVICES	\$11,168	\$15,000	\$15,000	\$ -
2930 - OTHER COMMUNICATION SERVICES	N/A	N/A	N/A	N/A
2935 - DATA PROCESSING - CONTRACT SERVICES	N/A	N/A	N/A	N/A
PAGE TOTAL	\$ 11,168	\$ 15,000	\$ 15,000	\$ -

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

UTILITIES	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
2940 - GAS	N/A	N/A	N/A	N/A
2950 - ELECTRICITY	N/A	N/A	N/A	N/A
2960 - WATER	N/A	N/A	N/A	N/A
2970 - OTHER	N/A	N/A	N/A	N/A
PAGE TOTAL	0	0	0	0

Explain Existing Operating Budget By Program. Use Continuation Sheet if Necessary.

OTHER OPERATING SERVICES	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
2980 - LAUNDRY	N/A	N/A	N/A	N/A
2990 - LABORATORY FEES	N/A	N/A	N/A	N/A
2991 - SECURITY	N/A	N/A	N/A	N/A
3000 - MISCELLANEOUS				
Unreimbursed Project Costs	\$ -	\$ 400	\$ 400	\$ -
DNR Program Expenses	\$ 14,000	\$ 11,000	\$ 11,000	\$ -
Bank Charges	\$ 3,959	\$ 4,000	\$ 4,000	\$ -
Miscellaneous	\$ -	\$ 400	\$ 400	\$ -
Taxes and Licenses	\$ -	\$ 50	\$ 50	\$ -
Bad Debt Expense	\$ -	\$ -	\$ -	\$ -
Grants/ Technical Assistance/Advocacy	\$ 8,000	\$ 110,000	\$ 150,000	\$ 40,000
TOTAL MISCELLANEOUS	\$ 25,959	\$ 125,850	\$ 165,850	\$ 40,000
3020 - DEPRECIATION EXPENSE-IMPROVEMENTS	\$ -	\$ 400	\$ 400	
3030 - DEPRECIATION EXPENSE-EQUIPMENT	\$ 8,591	\$ 17,400	\$ 17,400	\$ -
3040 - DEPRECIATION EXPENSE-SOFTWARE	\$ -	\$ 2,000	\$ 2,000	\$ -
PAGE TOTAL	\$ 34,550	\$ 145,650	\$ 185,650	\$ 40,000

Explain Existing Operating Budget By Program. Use Continuation Sheet if Necessary.

SCHEDULE OF SUPPLIES-DETAIL 3

DETAILED EXPLANATION MUST BE PROVIDED

BR-16A
(9/09)

OFFICE SUPPLIES 3100	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
Copier Expense	\$ 3,725	\$ 6,500	\$ 6,500	\$ -
Office Expenses	\$ 8,847	\$ 20,000	\$ 20,000	\$ -
Miscellaneous	\$ -	\$ 750	\$ 750	\$ -
TOTAL OFFICE SUPPLIES	\$ 12,572	\$ 27,250	\$ 27,250	\$ -

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

OPERATING SUPPLIES	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
3110 - PHARMACEUTICALS	N/A	N/A	N/A	N/A
3120 - COMPUTER	N/A	N/A	N/A	N/A
3130 - CLOTHING - UNIFORMS	N/A	N/A	N/A	N/A
3140 - MEDICAL	N/A	N/A	N/A	N/A
3150 - EDUCATION & RECREATION	N/A	N/A	N/A	N/A
3160 - FOOD	N/A	N/A	N/A	N/A
PAGE TOTAL	0	0	0	0

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

OTHER OPERATING SUPPLIES	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
3170 - AUTOMOTIVE	N/A	N/A	N/A	N/A
3180 - OTHER	N/A	N/A	N/A	N/A
3185 - PURCHASING CARD	N/A	N/A	N/A	N/A
3190 - BUILDINGS, GROUNDS & GENERAL PLANT	N/A	N/A	N/A	N/A
3200 - HOUSEHOLD	N/A	N/A	N/A	N/A
3210 - FARM	N/A	N/A	N/A	N/A
3220 - PERSONAL ITEMS	N/A	N/A	N/A	N/A
3230 - OTHER MEDICAL	N/A	N/A	N/A	N/A
PAGE TOTAL	0	0	0	0

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

REPAIR & MAINTENANCE SUPPLIES	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
3300 - AUTOMOTIVE	N/A	N/A	N/A	N/A
3310 - OTHER	N/A	N/A	N/A	N/A
3320 - SOFTWARE	N/A	N/A	N/A	N/A
3330 - VOC-TECH SCHOOL BLDG. SUPPLIES	N/A	N/A	N/A	N/A
3340 - STORES INCREASE	N/A	N/A	N/A	N/A
3350 - STORES DECREASE	N/A	N/A	N/A	N/A
PAGE TOTAL	0	0	0	0

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

BR-17A
(9/09)

Explain Existing Operating Budget by Program. Use Continuation Sheet if Necessary.

NATURE OF WORK PERFORMED
AND JUSTIFICATION FOR SERVICES

Postlethwaite and Netterville, APAC – 8550 United Plaza Blvd. Suite 1001, Baton Rouge, LA 70809 – Provides some accounting services related to LPFA operations, including but not limited to payroll, maintenance of general ledger and financial statement preparation. Provides independent audit function for the LPFA's student loan program.

Brezeale, Sachse & Wilson, LLP – P.O. Box 3197, Baton Rouge, LA 70821 – Provides legal counsel and expertise relative to student loan, labor, LouLease Program and general matters for the LPFA.

Gregory A. Pletsch & Associates – 8555 United Plaza Blvd. Suite 301, Baton Rouge, LA 70809 – Provides legal counsel to both programs of the LPFA.

ENCOURA - Austin, Texas. Provides contact lists of potential Louisiana college bound seniors.

Jacob S. Capraro – 1100 Poydras Street, Suite 2900, New Orleans, LA 70163 – Provides legal counsel and expertise to both programs of the LPFA.

Foley & Lardner – 777 East Wisconsin Ave., Milwaukee, WI 53202 – Provides legal counsel and expertise in connection with the LPFA's student loan program with respect to drafting and maintaining the federally required "Privacy Policy" for the student loan program and matters related thereto.

Kutak Rock – 4435 Main Street, Suite 810, Kansas City, MO 64111 – Provides legal counsel and expertise in connection with LPFA bond issues and programs.

Don Kadair Photography – 8590 Oliver Ave, Baton Rouge, LA 70809– Provides professional photography services for both programs of the LPFA. Services include photography for the newsletters, brochures, other publications and the LPFA Annual Report.

Dr. James Richardson - 3165 Kleinert Avenue, Baton Rouge, LA 70806 – The Authority periodically uses Dr. Richardson to prepare and update a study detailing the economic impact of the Authority and its financings

Louisiana Legislative Auditor - Baton Rouge, LA 70802 – Provides primary general independent audit function related to LPFA operations.

Object 9 - Baton Rouge Location: 312 W Ardenwood Dr., Baton Rouge, LA 70806 – Provides expertise in the design and production of marketing print materials, digital services and graphics for the LPFA's student loan programs as well as expertise in the design and production of letterhead, business cards, logo designs, and other services for both programs of the LPFA.

EGB Creative - 15214 Oakview Lane, Baton Rouge, LA 70817 – Provides creative, digital and design services.

B. Ann Carmichael - 405 Kees Circle, Lafayette, LA 70506 – Provides contracted services to manage toll-free Lela line calls, scholarship services and to manage, develop and conduct virtual custom group presentations for Louisiana schools and families.

LINE NO.	DESCRIPTION	PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET	DETAIL SHEET NOS.
1						
2	N/A	N/A	N/A	N/A	N/A	N/A
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23	TOTAL OTHER CHARGES					
	AUTHORIZED OTHER CHARGES POSITIONS:					
24	Other Charges-Salaries Classified (3670)					
25	Other Charges-Compensation (3680)					
26	Other Charges-Wages (3681)					
27	TOTAL AUTHORIZED OTHER CHARGES POSITIONS*					

* Authorized Other Charges Positions are those reported under Objects 3670, 3680, and 3681 (exclude WAEs).

SCHEDULE OF INTERAGENCY TRANSFERS

BR-19
(6/08)

LINE NO		PRIOR YEAR ACTUAL 2020	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2022	OVER/UNDER EXISTING OPERATING BUDGET
1	General Fund				\$0
2	Interagency Transfer				\$ -
3	Self Generated Revenue				\$0
4	Statutory Dedications:				\$0
5	(List Statutory Dedications Separately)				\$0
6	IEB				\$0
7	Federal Funds				\$0
					\$0
8	TOTAL REVENUE	\$ -	\$ -	\$ -	\$ -
	DESCRIPTION				
	(To Be Transferred To)				
9	State of Lousiana per 2015 Act 121	\$0	\$0	\$0	\$0
10					\$0
11					\$0
12					\$0
13					\$0
14					\$0
15					\$0
16					\$0
17					\$0
18					\$0
19					\$0
20					\$0
21					\$0
22					\$0
					\$0
23	TOTAL INTERAGENCY TRANSFERS	\$0	\$0	\$0	\$0

Note: Copies of all IAT agreements requested to be funded should be included in the agency's budget request submission. Verify that all such agreements are included prior to submitting the budget request. This excludes statewide IAT agreements - ie. OTM, Risk Management.

DETAIL OF ACQUISITIONS REQUESTED

BR-20A

(USE THIS FORM TO EXPLAIN ACQUISITIONS AUTHORIZED IN THE EXISTING OPERATING BUDGET)

(9/09)

Priority Number	OBJ CLASS	QUANTITY	EQUIPMENT REPLACED DESCRIPTION BY PROGRAM	AMOUNT	OBJ CLASS	QUANTITY	NEW EQUIPMENT DESCRIPTION BY PROGRAM	AMOUNT
							Both Programs*	
					4450		Acquisitions - Capitalized Software	
								\$ -
							Subtotal	\$ -
					4451		Acquisitions - Capitalized Hardware	
						1	Computer and Telephone Network Upgrades	\$ 12,000
								\$ -
							Subtotal	\$ 12,000
					4453		Acquisitions - Software	
								\$ -
							Subtotal	\$ -
					4454		Acquisitions - Hardware	
						2	Laptop Computers	\$ 5,000
						3	Desktop Computers	\$ 5,000
							Subtotal	\$ 10,000
					4456		Acquisitions - Software Less Than \$1000	
							Subtotal	\$ -
					4457		Acquisitions - Hardware Less Than \$1000	
							Subtotal	\$ -
					4490		Acquisitions - Office Equipment	
							Various Office Furniture and Equipment to Replace Old or Broken Items	\$ 7,400
							Subtotal	\$ 7,400
					4491		Acquisitons - Capitalized Office Equipment	
								\$ -
							Subtotal	\$ -
					4492		Acquisitions - Office Equipment Less Than \$1000	
							Subtotal	\$ -

Itemized Equipment currently authorized in the Existing Operating Budget. Use Continuation Sheet.

1	2	3	4	5	6			7	8			9	10			
Name of Incumbent	C or U	Date of Vacancy	Class or Title of Position (including Pay Scale Group)	Current Semi-Monthly Salary as of 8/1/2022 ----	Semi-Monthly Increases To Be Given Prior to End of Current Year			Total Base for Requested Year (Column 5 + Column 6B) X 26	Total Salary Adjustments for Requested Year			Total Salary for Requested Year Column 7 + Column 8C	Related Benefits			
					6A	6B	6C		8A	8B	8C		Retirement	F.I.C.A. Tax	F.I.C.A. Medicare Tax	Group Insurance
					Date	Biweekly Amount	Total Amount		Date	Biweekly Amount	Total Amount					
James W. Parks II	U		President and CEO	\$8,520		\$0	\$0	\$204,480	8/1/2022	*	*	*	*	\$0	*	*
Martin Walke	U		Vice President of Economic and Program Development	\$4,535		\$0	\$0	\$108,840	8/1/2022	*	*	*	*	\$0	*	*
Patricia A. Dubroc	U		Vice President of Student Loans and Administration	\$5,671		\$0	\$0	\$136,104	8/1/2022	*	*	*	*	\$0	*	*
Amy Tuminello	U		Accountant	\$3,414		\$0	\$0	\$81,936	8/1/2022	*	*	*	*	\$0	*	*
Currently Vacant	U		Assistant Vice President of Student Loans	\$0		\$0	\$0	\$0	8/1/2022	*	*	*	*	\$0	*	*
Stacye Bradford	U		Executive Assistant	\$2,824		\$0	\$0	\$67,776	8/1/2022	*	*	*	*	\$0	*	*
Joni Leggio	U		Assistant Vice President of Student Loans	\$3,667		\$0	\$0	\$88,008	8/1/2022	*	*	*	*	\$0	*	*
Currently Vacant	U		Marketing Representative	\$0		\$0	\$0	\$0	8/1/2022	*	*	*	*	\$0	*	*
Currently Vacant	U		Client Service Representative	\$0		\$0	\$0	\$0	8/1/2022	*	*	*	*	\$0	*	*
Emily Singleton	U		Public Information / IT Manager	\$1,971		\$0	\$0	\$47,304	8/1/2022	*	*	*	*	\$0	*	*
Kentra Davis	U		Compliance Analyst	\$1,864		\$0	\$0	\$44,736	8/1/2022	*	*	*	*	\$0	*	*
Geralyn King	U		Administrative Assistant	\$1,709		\$0	\$0	\$41,016	8/1/2022	*	*	*	*	\$0	*	*
Currently Vacant	U		Administrative Assistant	\$0		\$0	\$0	\$0	8/1/2022	*	*	*	*	\$0	*	*
Rachel Simmons	U		Receptionist	\$1,355		\$0	\$0	\$32,520	8/1/2022	*	*	*	*	\$0	*	*
A cost off living salary adjustment will be made for the current year as determined by LPFA management The total pool of funds available for such cost of living adjustments is 8% of the current amount budgeted for salaries.																
SUBTOTALS	0			\$35,530		\$0	\$0	\$852,800		\$0	\$0	\$981,000	\$109,900	\$0	\$13,500	\$246,000
LESS ATTRITION												\$0	\$0	\$0	\$0	\$0
TOTALS	0			\$35,530		\$0	\$0	\$852,800		\$0	\$0	\$981,000	\$109,900	\$0	\$13,500	\$246,000

BUDGET REQUEST

BR-0
(6/08)

Year Ending December 31, 2023

NAME OF DEPARTMENT: Louisiana Public Facilities Authority

ADDRESS: 2237 South Acadian Thruway Suite 650
Baton Rouge, LA

BUDGET UNIT: _____

SCHEDULE NUMBER: _____

ZIP CODE: 70808

FAX NUMBER: (225) 923-0021

TELEPHONE NUMBER: (225) 923-0020

AGENCY WEB ADDRESS: lpfa.com and lela.org

TO THE OFFICE OF PLANNING AND BUDGET:

THE ACCOMPANYING FORMS, STATEMENTS AND EXPLANATIONS HAVE BEEN APPROVED BY US AND ARE COMPRISED AS FOLLOWS:

OPERATIONAL PLAN PACKAGE:

NUMBERED PAGE 1 THROUGH PAGE _____

EXISTING OPERATING BUDGET PACKAGE:

NUMBERED PAGE 1 THROUGH PAGE _____

CONTINUATION BUDGET PACKAGE:

NUMBERED PAGE 1 THROUGH PAGE _____

TECHNICAL/OTHER ADJUSTMENT BUDGET PACKAGE:

NUMBERED PAGE 1 THROUGH PAGE _____

NEW/EXPANDED BUDGET REQUEST PACKAGE:

NUMBERED PAGE 1 THROUGH PAGE _____

TOTAL REQUEST SUMMARY PACKAGE:

NUMBERED PAGE 1 THROUGH PAGE _____

ADDENDA TO REQUEST (WHERE APPLICABLE)

NUMBERED PAGE 1 THROUGH PAGE _____

WE HEREBY CERTIFY THAT THE STATEMENTS AND FIGURES ON THE ACCOMPANYING FORMS ARE TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE.

HEAD OF DEPARTMENT: _____

James W. Parks II

PRINTED NAME/TITLE: President and CEO

DATE: September 9, 2022

EMAIL ADDRESS: parks@lpfa.com

HEAD OF BUDGET UNIT: _____

James W. Parks II

PRINTED NAME/TITLE: President and CEO

EMAIL ADDRESS: parks@lpfa.com

PROGRAM CONTACT PERSON: James W. Parks II

TITLE: President and CEO

TELEPHONE NUMBER: (225) 923-0020

EMAIL ADDRESS: parks@lpfa.com

FINANCIAL CONTACT PERSON: James W. Parks II

TITLE: President and CEO

TELEPHONE NUMBER: (225) 923-0020

EMAIL ADDRESS: parks@lpfa.com



TABLE OF CONTENTS

BR-TC
(9/10)

BUDGET REQUEST DOCUMENTS:

BR-0	X	BR-16A	X
BR-TC	X	BR-16B	X
BR-1	X	BR-16C	X
BR-2	X	BR-16D	X
BR-6	X	BR-17A	X
BR-6A	N/A	BR-18	X
BR-6B	X	BR-18A	N/A
BR-6S	N/A	BR-18B	N/A
BR-7	N/A	BR-19	X
BR-8	X	BR-19A	N/A
BR-9E	N/A	BR-19B	N/A
BR-10	X	BR-20A	X
BR-12	N/A	BR-20B	N/A
BR-13	X	BR-20BX	N/A
BR-14A	X	BR-20C	N/A
BR-14B	N/A	BR-20D	N/A
BR-15A	X	BR-21A	N/A
BR-15B	X	BR-SUPP	N/A
BR-15C	X		
BR-15D	X		
BR-15E	X		
BR-15F	X		
BR-15G	X		
BR-15H	X		
BR-15I	X		
BR-15J	X		
BR-15K	X		

CB-0	
CB-1	
CB-2	
CB-4	
CB-5	
CB-6	
CB/BR	X
CB-7	
CB-8	
CB/BR-20A	
CB/BR-21A	
T/OAP-0	
T/OAP-1A	
T/OAP-2A	
NE-0	
NE-DS	
NE-AS	
NE-A	
NE-B	
NE-C	
TR-0	
TR-SUMM1, 1A, 1B	
TR-SUMM2, 2A, 2B	

OPERATION PLAN

ADDENDA TO REQUEST:

IT-0	
SUNSET REVIEW	
WFC-1	
WFC-2	
WFC-3	
CHILD-DT	
CHILD-DS	
CHILD-DC	
CHILD-AS	
CHILD-AC	
CHILD-1	
CHILD-2	

PLEASE PLACE AN "X" IN THE SPACE PROVIDED IF YOUR BUDGET REQUEST INCLUDES THE INDICATED FORM.

PLEASE PLACE "N/A" IN THE SPACE PROVIDED IF YOUR BUDGET REQUEST DOES NOT INCLUDE THE INDICATED FORM BECAUSE IT IS NOT APPLICABLE.



SUMMARY STATEMENT OF MEANS OF FINANCING FOR YEARS SHOWN

BR-1
(9/06)

LINE NO.	MEANS OF FINANCING	PRIOR YEAR ACTUAL 2021 (no negatives)	EXISTING OPERATING BUDGET 2022 (no negatives)	TOTAL REQUEST 2023 (no negatives)	OVER/UNDER EXISTING OPERATING BUDGET	PERCENT CHANGE
1	FEES & SELF-GENERATED REVENUES	\$ 2,223,760	\$ 2,563,790	\$ 2,563,790	\$ -	0.00%
2						
3	TOTAL MEANS OF FINANCING	\$ 2,223,760	\$ 2,563,790	\$ 2,563,790	\$ -	0.00%

Note: Column totals on BR-1 from should equal corresponding Column totals on BR-2 form.

SUMMARY STATEMENT OF EXPENDITURES FOR YEARS SHOWN

BR-2
(8/13)

LINE NO.	CATEGORY OF EXPENDITURE	PRIOR YEAR ACTUAL 2021 (no negatives)	EXISTING OPERATING BUDGET 2022 (no negatives)	TOTAL REQUEST 2023 (no negatives)	OVER/UNDER EXISTING OPERATING BUDGET	PERCENT CHANGE
1	PERSONAL SERVICES:					
2	Salaries	\$ 830,571	\$ 981,000	\$ 981,000	\$ -	0.00%
3	Other Compensation	\$ 1,608	\$ 28,665	\$ 28,665	\$ -	0.00%
4	Related Benefits	\$ 393,092	\$ 430,000	\$ 430,000	\$ -	0.00%
5	TOTAL PERSONAL SERVICES	\$ 1,225,271	\$ 1,439,665	\$ 1,439,665	\$ -	0.00%
6	OPERATING EXPENSES:					
7	Travel	\$ 18,015	\$ 100,700	\$ 100,700	\$ -	0.00%
8	Operating Services	\$ 383,748	\$ 752,775	\$ 752,775	\$ -	0.00%
9	Supplies	\$ 17,135	\$ 27,250	\$ 27,250	\$ -	0.00%
10	TOTAL OPERATING EXPENSES	\$ 418,898	\$ 880,725	\$ 880,725	\$ -	0.00%
11	PROFESSIONAL SERVICES	\$ 106,714	\$ 214,000	\$ 214,000	\$ -	0.00%
12	OTHER CHARGES:					
13	Other Charges	N/A	N/A	N/A	N/A	N/A
14	Debt Service	N/A	N/A	N/A	N/A	N/A
15	Interagency Transfers	N/A	N/A	N/A	N/A	N/A
16	TOTAL OTHER CHARGES	\$ -	\$ -	\$ -	\$ -	N/A
17	ACQUISITIONS & MAJOR REPAIRS:					
18	Acquisitions	\$ -	\$ 29,400	\$ 29,400	\$ -	0.00%
19	Major Repairs	\$ -	\$ -	\$ -	\$ -	N/A
20	TOTAL ACQUISITIONS & MAJOR REPAIRS	\$ -	\$ 29,400	\$ 29,400	\$ -	0.00%
21	UNALLOTTED	N/A	N/A	N/A	N/A	N/A
22	TOTAL EXPENDITURES & REQUEST	\$ 1,750,883	\$ 2,563,790	\$ 2,563,790	\$ -	0.00%
23	AUTHORIZED T. O. FRE POSITIONS					
24	Classified	-	-	-	-	0.00%
25	Unclassified	14	14	14	-	0.00%
26	TOTAL AUTHORIZED T. O. FTE POSITIONS	14	14	14	-	0.00%
27	TOTAL AUTHORIZED OTHER CHARGES POSITION	-	-	-	-	0.00%
28	TOTAL NON-T.O. FTE POSITIONS**	-	-	-	-	0.00%

* Authorized Other Charges Positions are those reported under Objects 3670, 3680, and 3681.

** Non-T.O. FTE Positions are those reported under Object 2200 (exclude WAEs).

Note: There should be no **NEGATIVE** numbers in the following columns: PRIOR YEAR ACTUAL, EXISTING OPERATING BUDGET, AND TOTAL REQUEST.

MEANS OF FINANCING

BR-6
(9/10)

REVENUE OBJECT	SOURCE (FEDERAL, INTERAGENCY TRANSFERS, ETC.) * Give the Legal Citation Authorizing These Funds and Describe Fully Their Purpose and Use.	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET	DETAIL SHEET NOS.
	SELF-GENERATED REVENUES					
	Financing Acceptance Fees	\$ 245,138	\$ 425,000	\$ 425,000	\$ -	
	Financing Application Fees	\$ 5,000	\$ 15,000	\$ 15,000	\$ -	
	Program Administrative Fees	\$ 963,071	\$ 1,567,670	\$ 1,567,670	\$ -	
	Program Fees - General	\$ 9,315	\$ 25,000	\$ 25,000	\$ -	
	Multifamily and other Program Fees	\$ 35,863	\$ 36,120	\$ 36,120	\$ -	
	Interest Income - Loan Programs	\$ 135,990	\$ 170,000	\$ 170,000	\$ -	
	Interest Income	\$ 173,631	\$ 325,000	\$ 325,000	\$ -	
	Program Investment Earnings	\$ 18	\$ -	\$ -	\$ -	
	Miscellaneous Income	\$ 1,972	\$ -	\$ -	\$ -	
	Realized and unrealized gain or loss on investments	\$ 653,762	\$ -	\$ -	\$ -	
	TOTAL SELF-GENERATED REVENUES	\$ 2,223,760	\$ 2,563,790	\$ 2,563,790	\$ -	
	PUBLIC TRUST ACT:					
	LA. R.S. 9:2341-47					
	The Louisiana Public Facilities Authority (LPFA) is a financing authority created as a public trust and public corporation by a Louisiana corporation, pursuant to an Indenture of Trust. The State of Louisiana is the beneficiary of the LPFA trust. LPFA was established to benefit the State of Louisiana and its citizens through the issuance of taxable and tax-exempt bonds as well as through other means of public service and economic development. The purposes of the LPFA are to promote, encourage and further the accomplishment of all activities beneficial to the state and which have a public purpose.					

*** NOTE: Each individual grant, interagency transfer, self-generated revenue source, etc. must be listed separately, and a BR-6A and BR-6B detail sheet must be completed for each separate item listed on the BR-6.**

Financing Acceptance Fees	The Authority requires a financing acceptance fee usually equal to one-twentieth of one percent of the face amount of issued bonds less the financing application fee. The financing acceptance fee covers general administration expenses incurred by the Authority. This fee is due upon the closing of a bond issue and is recorded as revenue at such time.
Financing Application Fees	The Authority assesses a non-refundable financing application fee of \$500 on all project-financing applications formally submitted for consideration by the Authority's Board of Trustees.
Program Administrative Fees	The Authority acts as both the issuer and administrator for certain bond programs. The Authority is compensated as administrator through a fee usually based upon a percentage of either the outstanding bonds or assets of the program. The percentages vary from one-tenth of one percent to one percent. The fee is assessed to cover program administrative costs incurred by the Authority.
Multi-family and Other Program Fees	The Authority assesses an annual issuer fee on all multi-family bond issues. The fee is typically based upon a percentage of the outstanding bond principal balance as of January 1 of each year. The percentage usually is either one-twentieth of one percent for pre-1985 issues or one-tenth of one percent for issues thereafter. The Authority also collects fees and interest from its other programs such as the Bond Bank and Rural Development Loan Programs. These fees cover general administration expenses incurred by the Authority.
Interest Income	The Authority receives interest income from the investment of Authority assets.
Program Investment Earnings	Program Investment Earnings consist primarily of residual funds of retired program bond issues. Residual proceeds represent cash and investment balances of a program bond issue that remain after the extinguishment of all obligations, including applicable arbitrage rebate to the federal government. The residuals are due to the Authority unless the program issue's Indenture of Trust identifies another recipient. The residual funds are recognized as income to the Authority upon the termination of the program bond issue's Indenture of Trust. All residuals from project financings are paid to the project borrower.

Line No.	DEPARTMENT OF BR-8 Tracking Sheet	PRIOR YEAR ACTUAL 2021 (NO NEGATIVE NUMBERS IN THIS COLUMN)	EXISTING OPERATING BUDGET 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	TOTAL REQUEST 2023 (NO NEGATIVE NUMBERS IN THIS COLUMN)	OVER/UNDER EXISTING OPERATING BUDGET
	Program:				
1	General Fund	-	-	-	
2	Self-Generated Revenues:				
3	Financing Acceptance Fees	245,138	425,000	425,000	-
4	Financing Application Fees	5,000	15,000	15,000	-
5	Program Administrative Fees	963,071	1,567,670	1,567,670	-
6	Program Fees - General	9,315	25,000	25,000	-
7	Multifamily and Other Program Fees	35,863	36,120	36,120	-
8	Interest Income - Loan Programs	135,990	170,000	170,000	-
9	Interest Income	173,631	325,000	325,000	-
10	Program Investment Earnings	18	-	-	-
11	Miscellaneous Income	1,972	-	-	-
12	Realized and unrealized gain or loss on investments	653,762	-	-	-
13					
14					
15	TOTAL REVENUE	2,223,760	2,563,790	2,563,790	0
16					
17	Classified	N/A	N/A	N/A	N/A
18	Unclassified	10	14	14	-
19	TOTAL AUTHORIZED T. O. FTE POSITIONS	14	14	14	-
20	TOTAL AUTHORIZED OTHER CHARGES POSITIONS*	-	-	-	-
21	TOTAL NON-T.O. FTE POSITIONS**	-	-	-	-
22	TOTAL POSITION CONTROL	14	14	14	-
23					
24	2100 Salaries-Classified - Regular	N/A	N/A	N/A	N/A
25	2110 Salaries-Classified - Overtime	N/A	N/A	N/A	N/A
26	2120 Salaries-Classified - Termination	N/A	N/A	N/A	N/A
27	2130 Salaries-Unclassified - Regular	830,571	981,000	981,000	-
28	2140 Salaries-Unclassified - Overtime	N/A	N/A	N/A	N/A
29	2150 Salaries-Unclassified - Termination	N/A	N/A	N/A	N/A
30	TOTAL SALARIES	830,571	981,000	981,000	-
31					
32	2200 Other Compensation - Wages	-	665	665	-
33	2210 Other Compensation - Students	408	8,000	8,000	-
34	2221 Compensation Board of Trustees	1,200	20,000	20,000	-
35	2230 Evening Instruction	N/A	N/A	N/A	N/A
36	TOTAL OTHER COMPENSATION	1,608	28,665	28,665	-
37					
38	2300 Retirement - State	N/A	N/A	N/A	N/A
39	2310 Retirement - School Employees	N/A	N/A	N/A	N/A
40	2320 Retirement - Teachers	N/A	N/A	N/A	N/A

Line No.	DEPARTMENT OF BR-8 Tracking Sheet		PRIOR YEAR ACTUAL 2021 (NO NEGATIVE NUMBERS IN THIS COLUMN)	EXISTING OPERATING BUDGET 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	TOTAL REQUEST 2023 (NO NEGATIVE NUMBERS IN THIS COLUMN)	OVER/UNDER EXISTING OPERATING BUDGET
	Program:					
41	2330	Retirement - School Lunch	N/A	N/A	N/A	N/A
42	2340	Retirement - Other	99,957	109,900	109,900	-
43	2350	FICA Tax - State	N/A	N/A	N/A	N/A
44	2360	Medicare Tax - State	11,999	13,500	13,500	-
45	2370	Unemployment Taxes	1,491	600	600	-
46	2380	Group Insurance - State	214,423	246,000	246,000	-
47	2400	Other Related Benefits	65,222	60,000	60,000	-
48	2410	Taxable Fringe Benefits	-	-	-	-
49		TOTAL RELATED BENEFITS	393,092	430,000	430,000	-
50						
51		TOTAL PERSONNEL SERVICES	1,225,271	1,439,665	1,439,665	-
52						
53	2500	In State Travel - Administrative	265	14,800	14,800	-
54	2510	In State Travel - Conferences	9,840	20,000	20,000	-
55	2520	In State Travel - Field Travel	2,814	20,000	20,000	-
56	2530	In State Travel - Board Members	963	9,000	9,000	-
57	2550	In State IT Travel / Training	-	-	-	-
58	2600	Out of State Travel - Administrative	-	700	700	-
59	2610	Out of State Travel - Conferences	4,133	32,750	32,750	-
60	2620	Out of State Travel - Field Travel	-	950	950	-
61	2630	Out of State Travel - Board Members	-	2,500	2,500	-
62	2650	Out of State IT Travel / Training	-	-	-	-
63						
64		TOTAL TRAVEL	18,015	100,700	100,700	-
65						
66	2700	Advertising	61,824	115,000	115,000	-
67	2710	Printing	12,844	60,000	60,000	-
68	2720	Insurance - Automotive	N/A	N/A	N/A	N/A
69	2730	Insurance - Workman's Compensation	\$2,879.00	4,600	4,600	-
70	2740	Insurance - Fire & Extended Coverage	4,609	4,600	4,600	-
71	2750	Insurance - Malpractice	N/A	N/A	N/A	N/A
72	2760	Insurance - Other	26,408	27,000	27,000	-
73	2770	Maintenance of Prop & Equip - Auto	N/A	N/A	N/A	N/A
74	2780	Maintenance of Prop & Equip - Other	N/A	N/A	N/A	N/A
75	2790	Maintenance of Buildings	N/A	N/A	N/A	N/A
76	2791	Maintenance - Pest Control	N/A	N/A	N/A	N/A
77	2792	Maintenance - Waste Disposal	N/A	N/A	N/A	N/A
78	2800	Maintenance of Equipment	-	4,000	4,000	-
79	2810	Maintenance - Janitorial / Custodial	N/A	N/A	N/A	N/A
80	2811	Maintenance of Grounds	N/A	N/A	N/A	N/A

Line No.	DEPARTMENT OF BR-8 Tracking Sheet		PRIOR YEAR ACTUAL 2021 (NO NEGATIVE NUMBERS IN THIS COLUMN)	EXISTING OPERATING BUDGET 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	TOTAL REQUEST 2023 (NO NEGATIVE NUMBERS IN THIS COLUMN)	OVER/UNDER EXISTING OPERATING BUDGET
	Program:					
81	2820	Maintenance of Data Processing Equipment	22,363	50,000	50,000	-
82	2825	Maintenance of Data Processing Software	-	-	-	-
83	2830	Rentals - Buildings	165,602	180,000	180,000	-
84	2840	Rentals - Equipment	N/A	N/A	N/A	N/A
85	2850	Rentals - Data Processing Equipment	N/A	N/A	N/A	N/A
84	2870	Rentals - Other	N/A	N/A	N/A	N/A
85	2875	Data Processing - Licensing Software	9,262	10,000	10,000	-
86	2880	Internet Provider Costs	25,834	60,000	60,000	-
87	2890	Dues & Subscriptions	13,328	21,925	21,925	-
88	2900	Mail, Delivery & Postage	4,599	15,000	15,000	-
89	2910	Telephone - Services	\$13,009	\$15,000	\$15,000	-
90	2930	Telephone - Other Comm Services	N/A	N/A	N/A	N/A
91	2935	Data Processing - Contract Services	N/A	N/A	N/A	N/A
92	2940	Utilities - Gas	N/A	N/A	N/A	N/A
93	2950	Utilities - Electricity	N/A	N/A	N/A	N/A
94	2960	Utilities - Water	N/A	N/A	N/A	N/A
95	2970	Utilities - Other	N/A	N/A	N/A	N/A
96	2990	Lab Fees	N/A	N/A	N/A	N/A
97	2991	Operating Services - Security	N/A	N/A	N/A	N/A
98	3000	Miscellaneous	17,355	165,850	165,850	-
99	3010	Depreciation Expense-Building	N/A	N/A	N/A	N/A
100	3020	Depreciation Expense-Improvements	-	400	400	-
101	3030	Depreciation Expense-Equipment	3,832	17,400	17,400	-
102	3040	Depreciation Expense-Software	-	2,000	2,000	-
103	3090	Credit Card Transaction Fees	N/A	N/A	N/A	N/A
104	3091	Credit Card Discount Fees	N/A	N/A	N/A	N/A
105						
106	TOTAL OPERATING SERVICES		383,748	752,775	752,775	-
107						
108						
109	3100	Office Supplies	17,135	27,250	27,250	-
110	3120	Computer Supplies	N/A	N/A	N/A	N/A
111	3130	Clothing & Uniforms	N/A	N/A	N/A	N/A
112	3140	Medical Supplies	N/A	N/A	N/A	N/A
113	3160	Food Supplies	N/A	N/A	N/A	N/A
114	3170	Automotive Supplies	N/A	N/A	N/A	N/A
115	3180	Operating Supplies - Other	N/A	N/A	N/A	N/A
116	3190	Bldgs, Grounds & Gen Plant Supplies	N/A	N/A	N/A	N/A
117	3200	Household Supplies	N/A	N/A	N/A	N/A
118	3300	Repair & Maintenance Supplies - Auto	N/A	N/A	N/A	N/A

Line No.	DEPARTMENT OF BR-8 Tracking Sheet		PRIOR YEAR ACTUAL 2021 (NO NEGATIVE NUMBERS IN THIS COLUMN)	EXISTING OPERATING BUDGET 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	TOTAL REQUEST 2023 (NO NEGATIVE NUMBERS IN THIS COLUMN)	OVER/UNDER EXISTING OPERATING BUDGET
	Program:					
119	3310	Repair & Maintenance Supplies - Other	N/A	N/A	N/A	N/A
120	3320	Software	N/A	N/A	N/A	N/A
121	3330	Voc-Tech School Buildings Supplies	N/A	N/A	N/A	N/A
122	3340	Stores Increase	N/A	N/A	N/A	N/A
123						
124	TOTAL SUPPLIES		17,135	27,250	27,250	-
125						
126	TOTAL OPERATING SERVICES		418,898	880,725	880,725	-
127						
128	3400	Accounting & Auditing	36,960	42,500	42,500	-
129	3410	Management Consulting	N/A	N/A	N/A	N/A
130	3420	Engineering & Architectural	N/A	N/A	N/A	N/A
131	3430	Legal	29,456	40,000	40,000	-
132	3440	Medical	N/A	N/A	N/A	N/A
133	3460	Other Professional Services	40,298	131,500	131,500	-
134	3470	Other Professional Travel	N/A	N/A	N/A	N/A
135	3471	Professional Travel	N/A	N/A	N/A	N/A
136						
137	TOTAL PROFESSIONAL SERVICES		106,714	214,000	214,000	0
138						
139	3650	Other Charges	0	0	0	0
140	3670	Other Charges-Salaries-Classified	0	0	0	0
141	3680	Other Compensation	0	0	0	0
142	3690	Related Benefits	0	0	0	0
143	3700&3710	Travel	0	0	0	0
144	3720	O/C - Operating Services	0	0	0	0
145	3730	O/C - Supplies	0	0	0	0
146	3735&3780	Other Charges	0	0	0	0
147	3740	O/C - Professional Services	0	0	0	0
148	3750	O/C - Acquisitions / Major Repairs	0	0	0	0
149	3750 & 3770	Major Repairs	0	0	0	0
150	3840	Other Charges-Client Payments Section 110	0	0	0	0
151						
152	TOTAL OTHER CHARGES		0	0	0	0
153						
154	4800-4899	Debt Service				
155	4900	IAT - Commodities & Services	0	0	0	0
156	4940	IAT - Transfer of Funds	0	0	0	0
157	4960	IAT - Printing	0	0	0	0
158	4970	IAT - Data Processing	0	0	0	0

Line No.	DEPARTMENT OF BR-8 Tracking Sheet		PRIOR YEAR ACTUAL 2021 (NO NEGATIVE NUMBERS IN THIS COLUMN)	EXISTING OPERATING BUDGET 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	TOTAL REQUEST 2023 (NO NEGATIVE NUMBERS IN THIS COLUMN)	OVER/UNDER EXISTING OPERATING BUDGET
	Program:					
159	4980	IAT - Insurance	0	0	0	0
160	5000	IAT - Other Maintenance	0	0	0	0
161	5010	IAT - Rentals	0	0	0	0
162	5020	IAT - Dues & Subscriptions	0	0	0	0
163	5030	IAT - Postage	0	0	0	0
164	5040	IAT - Telephone & Telegraph	0	0	0	0
165	5050	IAT - Utilities	0	0	0	0
166	5080	IAT - Laboratory Fees	0	0	0	0
167	5110	IAT - Office Supplies	0	0	0	0
168	5140	IAT - Automotive Supplies	0	0	0	0
169	5150	IAT - Other Operating Services	0	0	0	0
170						
171		TOTAL INTERAGENCY TRANSFER	0	0	0	0
172						
173		TOTAL O/C & IAT	0	0	0	0
174						
175	4400	Land				
176	4410	Buildings				
177	4420	Capitalized Automobile => \$5000	0	0	0	0
178	4440	Equipment \$1000 - \$4999	0	0	0	0
179	4441	Equipment < \$1000	0	0	0	0
180	4442	Equipment => \$5000	0	0	0	0
181	4450	Capitalized Computer Software => \$5000	0	0	0	0
182	4451	Capitalized Computer Hardware => \$5000	0	12,000	12,000	0
183	4452	Capitalized Data Comm Facilities => \$5000	0	0	0	0
184	4453	Software \$1000 - \$4999	0	0	0	0
185	4454	Hardware \$1000 - \$4999	0	10,000	10,000	0
186	4455	Data Comm Facilities \$1000 - \$4999	0	0	0	0
187	4456	Software < \$1000	0	0	0	0
188	4457	Hardware < \$1000	0	0	0	0
189	4458	Data Comm Facilities < \$1000	0	0	0	0
190	4470	Household	0	0	0	0
191	4480	Medical	0	0	0	0
192	4490	Office Equipment \$1000 - \$4999	0	7,400	7,400	0
193	4491	Capitalized Office Equipment => \$5000	0	0	0	0
194	4492	Office Equipment < \$1000	0	0	0	0
195	4512	Library Reference < \$1000	0	0	0	0
196	4520	Boats \$1000 - \$4999	0	0	0	0
197	4521	Capitalized Boats => \$5000	0	0	0	0
198	4522	Boats < \$1000	0	0	0	0

Line No.	DEPARTMENT OF BR-8 Tracking Sheet					OVER/UNDER EXISTING OPERATING BUDGET
			PRIOR YEAR ACTUAL 2021 (NO NEGATIVE NUMBERS IN THIS COLUMN)	EXISTING OPERATING BUDGET 2022 (NO NEGATIVE NUMBERS IN THIS COLUMN)	TOTAL REQUEST 2023 (NO NEGATIVE NUMBERS IN THIS COLUMN)	
	Program:					
199	4530	Communications \$1000 - \$4999	0	0	0	0
200	4531	Capitalized Communications => \$5000	0	0	0	0
201	4532	Communications < \$1000	0	0	0	0
202	4540	Other Acquisitions \$1000 - \$4999	0	0	0	0
203	4541	Capitalized Other Acquisitions => \$5000	0	0	0	0
204	4542	Other Acquisitions < \$1000	0	0	0	0
205						
206	TOTAL ACQUISITIONS		0	29,400	29,400	0
207						
208	4610	Major Repair - Building	0	0	0	0
209	4620	Major Repair - Auto	0	0	0	0
210	4640	Major Repair - Boats	0	0	0	0
211	4650	Major Repair - Aircraft	0	0	0	0
212	4740	Major Repair - Other	0	0	0	0
213						
214	TOTAL MAJOR REPAIR		0	0	0	0
215						
216	TOTAL ACQUISITION & MAJOR REPAIR		0	29,400	29,400	0
217						
218	TOTAL EXPENDITURES		1,750,883	2,563,790	2,563,790	0
219						

* Authorized Other Charges Positions are those reported under Objects 3670, 3680, and 3681.

** Non-T.O. FTE Positions are those reported under Object 2200 (exclude WAEs).

SCHEDULE OF WAGES AND STUDENT LABOR

BR-10
(9/09)

Title of Position (Indicate if Student or Wages) (List by Program)	Detailed Explanation for Existing Operating Budget	Prior Year Actual Expend- itures 2021	Existing Operating Budget 2022			Total Request 2023		
			Hourly Rate of Pay	No. of Hours Employ.	Amount	Hourly Rate of Pay	No. of Hours Employ.	Amount
1 Waged Worker	Performs duties and responsibilities for both programs.	\$ -	\$ 19.00	35	\$ 665	\$ 19.00	35	\$ 665
2 Student Workers	Performs duties and responsibilities for both programs.	\$ 408	\$ 10.00	800	\$ 8,000	\$ 10.00	800	\$ 8,000
Total Positions 3								
TOTAL WAGES AND STUDENT LABOR		\$ 408		835	\$ 8,665		835	\$ 8,665

Name of Member	Statutory Authority for Payment	No. of Per Diem Days in 2021	Per Diem Rate	What Other Expenses Are Paid With The Exception Of Travel? (Itemize Type and Amount)	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
Guy Campbell III	La R.S. 9:2343(A)	1	\$200 per day	None	\$ 200	\$ 5,000	\$ 5,000	\$ -
Craig Cheramie	La R.S. 9:2343(A)	1	\$200 per day	None	\$ 200	\$ 5,000	\$ 5,000	\$ -
Ronald H. Bordelon	La R.S. 9:2343(A)	0	\$200 per day	None	\$ -	\$ 2,000	\$ 2,000	\$ -
Michael C Darnell	La R.S. 9:2343(A)	1	\$200 per day	None	\$ 200	\$ 2,000	\$ 2,000	\$ -
David W. Groner	La R.S. 9:2343(A)	1	\$200 per day	None	\$ 200	\$ 2,000	\$ 2,000	\$ -
Danny W. Malone	La R.S. 9:2343(A)	1	\$200 per day	None	\$ 200	\$ 2,000	\$ 2,000	\$ -
Casey R. Guidry	La R.S. 9:2343(A)	1	\$200 per day	None	\$ 200	\$ 2,000	\$ 2,000	\$ -
						\$ -	\$ -	\$ -
TOTAL COMPENSATION					\$ 1,200	\$ 20,000	\$ 20,000	\$ -

OBJECT CLASS	LIST BY PROGRAM	DESTINATION	PURPOSE OF TRAVEL	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023
	IN STATE TRAVEL:					
2500	Administrative	Statewide	To promote, encourage and further the accomplishment of all activities which are or may become of benefit to the state of Louisiana and which have public purpose, including industrial, economic, and community development, health, education, environmental, and public safety; to provide leadership training programs, bond financing seminars, economic development	\$ 265	\$ 14,800	\$ 14,800
2510	Conferences, Conventions and Training	Statewide	training for local governments and rural areas, educational and networking opportunities for state and local governments; community outreach initiatives; professional training seminars for human resources, computer, and continuing education on federal and state bond laws; to attend economic development	\$ 9,840	\$ 20,000	\$ 20,000
2520	Field Travel	Statewide	conferences, bond closings, groundbreaking ceremonies for bond financings, and public relations seminars and activities; to meet with clients and prospective clients; and to perform general economic development activities.	\$ 2,814	\$ 20,000	\$ 20,000
2530	Board Members	Statewide	To develop and market supplemental student loan and outreach programs and other related programs which make higher education more accessible and affordable to Louisiana students, parents and teachers; to provide information on financial aid access and FAFSA completion services In Louisiana; to attend professional training seminars for human resources, accounting, personnel, computer and client users; to attend student loan conferences of third party service providers; to develop in-school lower cost loan programs; to attend student aid operations functions and student loan bond closings and seminars. To attend board meetings, bond commission meetings and other special functions promoting LPFA programs and services. To attend board meetings, bond closings, bond commission meetings and other special functions promoting LPFA programs and services.	\$ 963	\$ 9,000	\$ 9,000
Explain Existing Operating Budget by Program. Use Continuation Sheet.						

SCHEDULE OF TRAVEL EXPENSE (25; 26) DETAIL

BR-14A
(8/02)

OBJECT CLASS		LIST BY PROGRAM	DESTINATION	PURPOSE OF TRAVEL	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023
OUT OF STATE TRAVEL:							
2600	Administrative			SEE THE ATTACHED DESCRIPTION OF PROPOSED 2022 OUT OF STATE TRAVEL	\$ -	\$ 700	\$ 700
2610	Conferences, Conventions and Training				\$ 4,133	\$ 32,750	\$ 32,750
2620	Field Travel				\$ -	\$ 950	\$ 950
2630	Board members				\$ -	\$ 2,500	\$ 2,500
Explain Existing Operating Budget. Use Continuation Sheet.							

PROPOSED OUT OF STATE TRAVEL BUDGET FOR 2022

EMPLOYEES

Staff Member: 2 People
Purpose: NAHEFFA Spring Conference
Location: To be determined by NAHEFFA
Costs to Attend: \$3,000

Staff Member: 2 People
Purpose: NAHEFFA Fall Conference
Location: To be determined by NAHEFFA
Costs to Attend: \$3,000

Staff Member: 1 person
Purpose: CDFA Board Meeting
Location: To be determined by CDFA
Costs to Attend: \$1,500

Staff Member: 2 People
Purpose: CDFA Board Meeting & Annual Educational Conference
Location: To be determined by CDFA
Costs to Attend: \$3,000

Staff Member: 1 Person
Purpose: CDFA Board Meeting & Strategic Planning
Location: To be determined by CDFA
Costs to Attend: \$1,500

Staff Member: 1 person
Purpose: A meeting or meetings with the MSRB, IRS, SEC, or other Government Agencies at the request of the agencies or in connection with NAHEFFA or CDFA initiatives
Location: Washington, D.C.
Costs to Attend: \$1,750

Staff Member: 1 person
Purpose: Accounting Training and CPE Seminar
Location: To be determined
Costs to Attend: \$1,000

Staff Member: 1 person
Purpose: SPRF Annual Conference
Location: To be determined by SPRF
Costs to Attend: \$1,500

EMPLOYEES CONTD.	Event/Item	Estimated Amount
	Education Finance Council Annual Membership Meeting Location: To be determined by EFC Purpose: Annual mtg and training on student loan bond issues, secondary market issues, regulatory compliance President and Vice President of Student Loans	3,500
	Education Finance Council Mid-Year Meeting Location: Washington D.C. Purpose: Training updates from Washington DC from regulators as well as student loan industry updates Two employees	3,000
	US DOE Office of Federal Student Aid (FSA) Annual Meeting Location: Washington D.C. Purpose: Servicing and Administration Compliance Updates One employee	2,000
	Education Finance Council CEO Planning Meeting Location: To be determined by the association Purpose: Timing varies and is scheduled on an as needed basis to inform leadership of changes and course of action to take on various issues which will affect the future of the loan programs; President and/or Vice President of Student Loans	2,500
	SWASFAA Board Meetings Location: To be determined by SWASFAA Purpose: Interacting with schools and financial aid administrators One employee	1,000
	Regional and National Financial Aid School Meeting Location: To be determined by the respective organizations Purpose: Interacting with schools and financial aid administrators Two employees	3,000
	Accounting Training and CPE Location: To be determined Purpose: Ongoing training and CPE for staff accountant Accountant	1,500
	Total for Employees	<u>32,750</u>
TRUSTEES		
	Council of Development Finance Agencies, National Association of Health and Educational Facilities Finance Authorities or Education Finance Council - Capital Hill Day Location: Washington, DC Purpose: Educate and update Louisiana's Congressional Delegation about LPFA's Programs and Services Board Members	<u>2,500</u>
	Total for Trustees	<u>2,500</u>

ADVERTISING 2700	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
Advertising and Business Promotions	\$ 61,824	\$ 115,000	\$ 115,000	\$ -
TOTAL	\$ 61,824	\$ 115,000	\$ 115,000	\$ -

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

PRINTING 2710	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
Printing and Binding	\$ 12,844	\$ 60,000	\$ 60,000	\$ -
TOTAL PRINTING	\$ 12,844	\$ 60,000	\$ 60,000	\$ -

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

INSURANCE	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
2720 - AUTOMOTIVE	N/A	N/A	N/A	N/A
2730 - WORKMAN'S COMPENSATION	\$ 2,879	\$ 4,600	\$ 4,600	\$ -
2740 - FIRE & EXTENDED COVERAGE	\$ 4,609	\$ 4,600	\$ 4,600	\$ -
2750 - MALPRACTICE	N/A	N/A	N/A	N/A
2760 - OTHER				
Insurance Surty and D&O	\$ 26,408	\$ 27,000	\$ 27,000	\$ -
TOTAL OTHER	\$ 26,408	\$ 27,000	\$ 27,000	\$ -
PAGE TOTAL	\$ 33,896	\$ 36,200	\$ 36,200	\$ -

DETAILED EXPLANATION MUST BE PROVIDED

MAINTENANCE OF PROPERTY AND EQUIPMENT	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
2770 - AUTOMOTIVE	N/A	N/A	N/A	N/A

Explain Existing Operating Budget by Program. Use Continuation Sheet if Necessary.

MAINTENANCE OF PROPERTY AND EQUIPMENT	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
2780 - PROPERTY & EQUIP. - OTHER	N/A	N/A	N/A	N/A
2790 - BUILDINGS	N/A	N/A	N/A	N/A
2800 - EQUIPMENT	\$ -	\$ 4,000	\$ 4,000	\$ -
2810 - JANITORIAL/CUSTODIAL	N/A	N/A	N/A	N/A
2820 - DATA PROCESSING	\$ 22,363	\$ 50,000	\$ 50,000	\$ -
2825 - DATA PROCESSING - SOFTWARE	\$ -	\$ -	\$ -	\$ -
PAGE TOTAL	\$ 22,363	\$ 54,000	\$ 54,000	\$ -

Explain Existing Operating Budget by Program. Use Continuation Sheet if Necessary.

RENTALS	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
2830 - BUILDINGS				
Office	\$ 155,822	\$ 170,000	\$ 170,000	\$ -
Storage Facility	\$ 9,780	\$ 10,000	\$ 10,000	\$ -
TOTAL BUILDINGS	\$ 165,602	\$ 180,000	\$ 180,000	\$ -
2840 - EQUIPMENT	N/A	N/A	N/A	N/A
2850 - DATA PROCESSING	N/A	N/A	N/A	N/A
2860 - THIRD PARTY LEASES	N/A	N/A	N/A	N/A
2865 - DATA PROCESSING EQUIPMENT - FINANCING	N/A	N/A	N/A	N/A
2870 - OTHER (SPECIFY)	N/A	N/A	N/A	N/A
*AUTO, AIRCRAFT, BOAT	N/A	N/A	N/A	N/A
2875 - DATA PROCESSING EQUIPMENT - SOFTWARE	\$ 9,262	\$ 10,000	\$ 10,000	\$ -
2880 - INTERNET PROVIDER COSTS	\$ 25,834	\$ 60,000	\$ 60,000	\$ -
PAGE TOTAL	\$ 200,698	\$ 250,000	\$ 250,000	\$ -

Explain Existing Operating Budget by Program. Use Continuation Sheet to list specifics as outlined in the Instruction Manual.

SCHEDULE OF OPERATING SERVICES--DETAIL 7

DETAILED EXPLANATION MUST BE PROVIDED

BR-15G
(9/09)[illegible]

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

DUES AND SUBSCRIPTIONS 2890	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
DUES AND MEMBERSHIP			
Council of Development Finance Agencies	\$ 3,000	\$ 3,000	\$ -
National Ass'n. of Health & Education Fac. Finance Authorities	\$ 4,000	\$ 4,000	\$ -
Louisiana Ind. Dev. Executives Assn.	\$ 200	\$ 200	\$ -
Louisiana Assoc. of Non Profit Org.	\$ 100	\$ 100	\$ -
Louisiana Business Incubation Assoc.	\$ 100	\$ 100	\$ -
Miscellaneous	\$ 2,475	\$ 2,475	\$ -
Southwest Assoc. of Student Aid Admin.	\$ 250	\$ 250	\$ -
Louisiana Assoc. of Student Aid Admin.	\$ 250	\$ 250	\$ -
Education Finance Council	\$ 1,000	\$ 1,000	\$ -
National College Access Network	\$ 1,000	\$ 1,000	\$ -
Louisiana Banker's Association	\$ 1,000	\$ 1,000	\$ -
National Association of Financial Aid Administrators	\$ 4,800	\$ 4,800	\$ -
TOTAL DUES AND MEMBERSHIP	\$ 18,175	\$ 18,175	\$ -

DUES AND SUBSCRIPTIONS 2890	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
PUBLICATIONS AND REPORTS			
Legal Directories Publication	\$ 30	\$ 30	\$ -
Louisiana Governmental Studies	\$ 375	\$ 375	\$ -
Secretary of State Publications	\$ 75	\$ 75	\$ -
Louisiana Press Association	\$ 20	\$ 20	\$ -
Louisiana Assoc. of Non Profit Org.	\$ 20	\$ 20	\$ -
Legal Directories Publication	\$ 30	\$ 30	\$ -
La. Assoc. of College Reg.and Admiss. Off.	\$ 50	\$ 50	\$ -
Louisiana Bankers Association	\$ 125	\$ 125	\$ -
Louisiana Press Association	\$ 25	\$ 25	\$ -
TOTAL PUBLICATIONS AND REPORTS	\$ 750	\$ 750	\$ -

DUES AND SUBSCRIPTIONS 2890	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
SUBSCRIPTIONS			
The Bond Buyer	\$ 1,300	\$ 1,300	\$ -
New Orleans City Business	\$ 100	\$ 100	\$ -
State Bond Commission	\$ 35	\$ 35	\$ -
Tax Analysts	\$ 150	\$ 150	\$ -
Capitol City Press	\$ 75	\$ 75	\$ -
Finder Binder	\$ 60	\$ 60	\$ -
B.R. Business Report	\$ 50	\$ 50	\$ -
Metro Press Clipping	\$ 1,025	\$ 1,025	\$ -
Sheshunoff Publications	\$ 55	\$ 55	\$ -
Capital City Press	\$ 125	\$ 125	\$ -
Postsecondary Education	\$ 25	\$ 25	\$ -
TOTAL SUBSCRIPTIONS	\$ 3,000	\$ 3,000	\$ -

SCHEDULE OF OPERATING SERVICES--DETAIL 8

DETAILED EXPLANATION MUST BE PROVIDED

BR-15H
(9/09)

MAIL, DELIVERY & POSTAGE 2900	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
Freight and Shipping	\$ 4,144	\$ 10,000	\$ 10,000	\$ -
Postage Expense	\$ 455	\$ 5,000	\$ 5,000	\$ -
TOTAL MAIL, DELIVERY & POSTAGE	\$ 4,599	\$ 15,000	\$ 15,000	\$ -

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

Major articles mailed:

- 1) Quarterly LPFA Newsletter sent to clients for education and awareness.
- 2) Annual Report sent to clients for education and awareness.
- 3) Ongoing Student Loan marketing materials including direct mail campaigns to high school students.
- 4) Ongoing Board of Trustees meeting agendas.

TELEPHONE SERVICES	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
2910 - TELEPHONE SERVICES	\$13,009	\$15,000	\$15,000	\$ -
2930 - OTHER COMMUNICATION SERVICES	N/A	N/A	N/A	N/A
2935 - DATA PROCESSING - CONTRACT SERVICES	N/A	N/A	N/A	N/A
PAGE TOTAL	\$ 13,009	\$ 15,000	\$ 15,000	\$ -

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

UTILITIES	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
2940 - GAS	N/A	N/A	N/A	N/A
2950 - ELECTRICITY	N/A	N/A	N/A	N/A
2960 - WATER	N/A	N/A	N/A	N/A
2970 - OTHER	N/A	N/A	N/A	N/A
PAGE TOTAL	0	0	0	0

Explain Existing Operating Budget By Program. Use Continuation Sheet if Necessary.

OTHER OPERATING SERVICES	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
2980 - LAUNDRY	N/A	N/A	N/A	N/A
2990 - LABORATORY FEES	N/A	N/A	N/A	N/A
2991 - SECURITY	N/A	N/A	N/A	N/A
3000 - MISCELLANEOUS				
Unreimbursed Project Costs	\$ -	\$ 400	\$ 400	\$ -
DNR Program Expenses	\$ 13,500	\$ 11,000	\$ 11,000	\$ -
Bank Charges	\$ 3,855	\$ 4,000	\$ 4,000	\$ -
Miscellaneous	\$ -	\$ 400	\$ 400	\$ -
Taxes and Licenses	\$ -	\$ 50	\$ 50	\$ -
Bad Debt Expense	\$ -	\$ -	\$ -	\$ -
Grants/ Technical Assistance/Advocacy	\$ -	\$ 150,000	\$ 150,000	\$ -
TOTAL MISCELLANEOUS	\$ 17,355	\$ 165,850	\$ 165,850	\$ -
3020 - DEPRECIATION EXPENSE-IMPROVEMENTS	\$ -	\$ 400	\$ 400	
3030 - DEPRECIATION EXPENSE-EQUIPMENT	\$ 3,832	\$ 17,400	\$ 17,400	\$ -
3040 - DEPRECIATION EXPENSE-SOFTWARE	\$ -	\$ 2,000	\$ 2,000	\$ -
PAGE TOTAL	\$ 21,187	\$ 185,650	\$ 185,650	\$ -

Explain Existing Operating Budget By Program. Use Continuation Sheet if Necessary.

SCHEDULE OF SUPPLIES-DETAIL 3

DETAILED EXPLANATION MUST BE PROVIDED

BR-16A
(9/09)

OFFICE SUPPLIES 3100	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
Copier Expense	\$ 3,485	\$ 6,500	\$ 6,500	\$ -
Office Expenses	\$ 13,650	\$ 20,000	\$ 20,000	\$ -
Miscellaneous	\$ -	\$ 750	\$ 750	\$ -
TOTAL OFFICE SUPPLIES	\$ 17,135	\$ 27,250	\$ 27,250	\$ -

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

OPERATING SUPPLIES	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
3110 - PHARMACEUTICALS	N/A	N/A	N/A	N/A
3120 - COMPUTER	N/A	N/A	N/A	N/A
3130 - CLOTHING - UNIFORMS	N/A	N/A	N/A	N/A
3140 - MEDICAL	N/A	N/A	N/A	N/A
3150 - EDUCATION & RECREATION	N/A	N/A	N/A	N/A
3160 - FOOD	N/A	N/A	N/A	N/A
PAGE TOTAL	0	0	0	0

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

OTHER OPERATING SUPPLIES	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
3170 - AUTOMOTIVE	N/A	N/A	N/A	N/A
3180 - OTHER	N/A	N/A	N/A	N/A
3185 - PURCHASING CARD	N/A	N/A	N/A	N/A
3190 - BUILDINGS, GROUNDS & GENERAL PLANT	N/A	N/A	N/A	N/A
3200 - HOUSEHOLD	N/A	N/A	N/A	N/A
3210 - FARM	N/A	N/A	N/A	N/A
3220 - PERSONAL ITEMS	N/A	N/A	N/A	N/A
3230 - OTHER MEDICAL	N/A	N/A	N/A	N/A
PAGE TOTAL	0	0	0	0

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

REPAIR & MAINTENANCE SUPPLIES	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
3300 - AUTOMOTIVE	N/A	N/A	N/A	N/A
3310 - OTHER	N/A	N/A	N/A	N/A
3320 - SOFTWARE	N/A	N/A	N/A	N/A
3330 - VOC-TECH SCHOOL BLDG. SUPPLIES	N/A	N/A	N/A	N/A
3340 - STORES INCREASE	N/A	N/A	N/A	N/A
3350 - STORES DECREASE	N/A	N/A	N/A	N/A
PAGE TOTAL	0	0	0	0

Explain Existing Operating Budget By Program. Use Continuation Sheet If Necessary.

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NATURE OF WORK PERFORMED
AND JUSTIFICATION FOR SERVICES

Postlethwaite and Netterville, APAC – 8550 United Plaza Blvd. Suite 1001, Baton Rouge, LA 70809 – Provides some accounting services related to LPFA operations, including but not limited to payroll, maintenance of general ledger and financial statement preparation. Provides independent audit function for the LPFA's student loan program.

Brezeale, Sachse & Wilson, LLP – P.O. Box 3197, Baton Rouge, LA 70821 – Provides legal counsel and expertise relative to student loan, labor, LouLease Program and general matters for the LPFA.

Gregory A. Pletsch & Associates – 8555 United Plaza Blvd. Suite 301, Baton Rouge, LA 70809 – Provides legal counsel to both programs of the LPFA.

ENCOURA - Austin, Texas. Provides contact lists of potential Louisiana college bound seniors.

Jacob S. Capraro – 1100 Poydras Street, Suite 2900, New Orleans, LA 70163 – Provides legal counsel and expertise to both programs of the LPFA.

Foley & Lardner – 777 East Wisconsin Ave., Milwaukee, WI 53202 – Provides legal counsel and expertise in connection with the LPFA's student loan program with respect to drafting and maintaining the federally required "Privacy Policy" for the student loan program and matters related thereto.

Kutak Rock – 4435 Main Street, Suite 810, Kansas City, MO 64111 – Provides legal counsel and expertise in connection with LPFA bond issues and programs.

Don Kadair Photography – 8590 Oliver Ave, Baton Rouge, LA 70809– Provides professional photography services for both programs of the LPFA. Services include photography for the newsletters, brochures, other publications and the LPFA Annual Report.

Dr. James Richardson - 3165 Kleinert Avenue, Baton Rouge, LA 70806 – The Authority periodically uses Dr. Richardson to prepare and update a study detailing the economic impact of the Authority and its financings

Louisiana Legislative Auditor - Baton Rouge, LA 70802 – Provides primary general independent audit function related to LPFA operations.

Object 9 - Baton Rouge Location: 312 W Ardenwood Dr., Baton Rouge, LA 70806 – Provides expertise in the design and production of marketing print materials, digital services and graphics for the LPFA's student loan programs as well as expertise in the design and production of letterhead, business cards, logo designs, and other services for both programs of the LPFA.

EGB Creative - 15214 Oakview Lane, Baton Rouge, LA 70817 – Provides creative, digital and design services.

B. Ann Carmichael - 405 Kees Circle, Lafayette, LA 70506 – Provides contracted services to manage toll-free Lela line calls, scholarship services and to manage, develop and conduct virtual custom group presentations for Louisiana schools and families.

LINE NO.	DESCRIPTION	PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET	DETAIL SHEET NOS.
1						
2	N/A	N/A	N/A	N/A	N/A	N/A
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23	TOTAL OTHER CHARGES					
	AUTHORIZED OTHER CHARGES POSITIONS:					
24	Other Charges-Salaries Classified (3670)					
25	Other Charges-Compensation (3680)					
26	Other Charges-Wages (3681)					
27	TOTAL AUTHORIZED OTHER CHARGES POSITIONS*					

* Authorized Other Charges Positions are those reported under Objects 3670, 3680, and 3681 (exclude WAEs).

SCHEDULE OF INTERAGENCY TRANSFERS

BR-19
(6/08)

LINE NO		PRIOR YEAR ACTUAL 2021	EXISTING OPERATING BUDGET 2022	TOTAL REQUEST 2023	OVER/UNDER EXISTING OPERATING BUDGET
1	General Fund				\$0
2	Interagency Transfer				\$ -
3	Self Generated Revenue				\$0
4	Statutory Dedications:				\$0
5	(List Statutory Dedications Separately)				\$0
6	IEB				\$0
7	Federal Funds				\$0
					\$0
8	TOTAL REVENUE	\$ -	\$ -	\$ -	\$ -
	DESCRIPTION				
	(To Be Transferred To)				
9	State of Lousiana per 2015 Act 121	\$0	\$0	\$0	\$0
10					\$0
11					\$0
12					\$0
13					\$0
14					\$0
15					\$0
16					\$0
17					\$0
18					\$0
19					\$0
20					\$0
21					\$0
22					\$0
					\$0
23	TOTAL INTERAGENCY TRANSFERS	\$0	\$0	\$0	\$0

Note: Copies of all IAT agreements requested to be funded should be included in the agency's budget request submission. Verify that all such agreements are included prior to submitting the budget request. This excludes statewide IAT agreements - ie. OTM, Risk Management.

Priority Number	OBJ CLASS	QUANTITY	EQUIPMENT REPLACED DESCRIPTION BY PROGRAM	AMOUNT	OBJ CLASS	QUANTITY	NEW EQUIPMENT DESCRIPTION BY PROGRAM	AMOUNT
							Both Programs*	
					4450		Acquisitions - Capitalized Software	
								\$ -
							Subtotal	\$ -
					4451		Acquisitions - Capitalized Hardware	
						1	Computer and Telephone Network Upgrades	\$ 12,000
								\$ -
							Subtotal	\$ 12,000
					4453		Acquisitions - Software	
								\$ -
							Subtotal	\$ -
					4454		Acquisitions - Hardware	
						2	Laptop Computers	\$ 5,000
						3	Desktop Computers	\$ 5,000
							Subtotal	\$ 10,000
					4456		Acquisitions - Software Less Than \$1000	
							Subtotal	\$ -
					4457		Acquisitions - Hardware Less Than \$1000	
							Subtotal	\$ -
					4490		Acquisitions - Office Equipment	
							Various Office Furniture and Equipment to Replace Old or Broken Items	\$ 7,400
							Subtotal	\$ 7,400
					4491		Acquisitons - Capitalized Office Equipment	
								\$ -
							Subtotal	\$ -
					4492		Acquisitions - Office Equipment Less Than \$1000	
							Subtotal	\$ -

Itemized Equipment currently authorized in the Existing Operating Budget. Use Continuation Sheet.

1	2	3	4	5	6			7	8			9	10			
Name of Incumbent	C or U	Date of Vacancy	Class or Title of Position (including Pay Scale Group)	Current Semi-Monthly Salary as of 8/1/2022 ----	Semi-Monthly Increases To Be Given Prior to End of Current Year			Total Base for Requested Year (Column 5 + Column 6B) X 26	Total Salary Adjustments for Requested Year			Total Salary for Requested Year Column 7 + Column 8C	Related Benefits			
					6A	6B	6C		8A	8B	8C		Retirement	F.I.C.A. Tax	F.I.C.A. Medicare Tax	Group Insurance
					Date	Biweekly Amount	Total Amount		Date	Biweekly Amount	Total Amount					
James W. Parks II	U		President and CEO	\$8,520		\$0	\$0	\$204,480	8/1/2022	*	*	*	*			*
Martin Walke	U		Vice President of Economic and Program Development	\$4,535		\$0	\$0	\$108,840	8/1/2022	*	*	*	*		\$0	*
Patricia A. Dubroc	U		Vice President of Student Loans and Administration	\$5,671		\$0	\$0	\$136,104	8/1/2022	*	*	*	*		\$0	*
Amy Turninello	U		Accountant	\$3,414		\$0	\$0	\$81,936	8/1/2022	*	*	*	*		\$0	*
Currently Vacant	U		Assistant Vice President of Student Loans	\$0		\$0	\$0	\$0	8/1/2022	*	*	*	*		\$0	*
Stacye Bradford	U		Executive Assistant	\$2,824		\$0	\$0	\$67,776	8/1/2022	*	*	*	*		\$0	*
Joni Leggio	U		Assistant Vice President of Student Loans	\$3,667		\$0	\$0	\$88,008	8/1/2022	*	*	*	*		\$0	*
Currently Vacant	U		Marketing Representative	\$0		\$0	\$0	\$0	8/1/2022	*	*	*	*		\$0	*
Currently Vacant	U		Client Service Representative	\$0		\$0	\$0	\$0	8/1/2022	*	*	*	*		\$0	*
Emily Singleton	U		Public Information / IT Manager	\$1,971		\$0	\$0	\$47,304	8/1/2022	*	*	*	*		\$0	*
Kentra Davis	U		Compliance Analyst	\$1,864		\$0	\$0	\$44,736	8/1/2022	*	*	*	*		\$0	*
Geralyn King	U		Administrative Assistant	\$1,709		\$0	\$0	\$41,016	8/1/2022	*	*	*	*		\$0	*
Currently Vacant	U		Administrative Assistant	\$0		\$0	\$0	\$0	8/1/2022	*	*	*	*		\$0	*
Rachel Simmons	U		Receptionist	\$1,355		\$0	\$0	\$32,520	8/1/2022	*	*	*	*		\$0	*
Column 7 reflects salaries as of September 9, 2022. If the proposed 2022 Budget Amendments are approved by the Committee, no salary adjustments will be made for calendar year 2023. Thus, the totals for Columns 9 and 10 equal the totals in our proposed 2022 Budget Amendments.																
SUBTOTALS	0			\$35,530		\$0	\$0	\$852,800		\$0	\$0	\$981,000	\$109,900	\$0	\$13,500	\$246,000
LESS ATTRITION												\$0	\$0	\$0	\$0	\$0
TOTALS	0			\$35,530		\$0	\$0	\$852,800		\$0	\$0	\$981,000	\$109,900	\$0	\$13,500	\$246,000

Agenda Item #9

Contract Extension between
LDH and Gainwell
Technologies, LLC

EXTERNAL FACT SHEET

Gainwell Technologies, LLC CY 2023 Contract Extension

10/13/2022

BACKGROUND

- Gainwell Technologies, LLC (Gainwell) has continued to provide fiscal intermediary services for the Louisiana Medicaid program.
- This extension request is for calendar year 2023 and will be the 9th one-year extension to an original 10-year contract term that began in January 2005.
- Services provided by Gainwell include:
 - provider enrollment
 - prior authorization of clinical services
 - process claims and encounters
 - pay providers and managed care entities
 - detect and investigate potential fraud, waste, and abuse, as required for the Louisiana Medicaid program under Federal laws and regulations.
- Failure to maintain such services will jeopardize Federal Medicaid funding resulting in the use of State funds above the budgeted amount.
- The LDH fiscal intermediary also manages the current Medicaid Management Information System (MMIS). The Gainwell contract provides for core functions of the Louisiana Medicaid program, most notably:

Fee-For-Service	Managed Care	Medicaid as a Whole
<ul style="list-style-type: none"> Provider Enrollment Claims Processing Prior Authorization of Medical Services 	<ul style="list-style-type: none"> Enrollment Broker Data Interfaces PMPM Payments to MCEs Provider Registry Enrollment of Managed Care Providers Encounter Processing 	<ul style="list-style-type: none"> Member ID Cards Program Integrity Data Warehouse Management Patient Access and Interoperability (PAI)

- CMS requires states to move from a single MMIS to a Medicaid Enterprise System (MES) made up of separate reusable and interchangeable modules that are simple, flexible, and adaptable.
- The goal is to encourage the use of newer technology and easier implementation of program changes.
- The Department of Health has been working to move toward federally required systems modernization, including a replacement vendor for claims, encounter, and financial processing through the NASPO ValuePoint process as recommended in HCR99 of the 2022 legislative session.
- LDH has made significant progress toward modularity recently including:
 - LDH has selected a replacement vendor for claims, encounter, and financial processing through the NASPO ValuePoint process as recommended in HCR99 of the 2022 legislative session.
 - LDH is scheduling vendor demonstrations for the provider management module through the NASPO ValuePoint process
 - The data warehouse RFP is in draft and expected to be published in January 2023.
 - The third party liability module was recently awarded; design, development and implementation (DDI) is in progress.
- Full implementation of the modular MES will take several years due to the extensive R/SFP development, contract award, and design/development/implementation processes.
- LDH anticipates coming to JLCB to request one-year extensions of the current Gainwell contract for the next several years as we sequentially procure small chunks or “modules” of MMIS functionality and concurrently maintain essential MMIS functions as we downsize the scope and cost of the current Gainwell contract.

EXTERNAL FACT SHEET

Gainwell Technologies, LLC CY 2023 Contract Extension

10/13/2022

JUSTIFICATION:

- Louisiana Department of Health (LDH) is requesting an extension to the current Gainwell contract for fiscal intermediary services for an additional twelve (12) month period beginning January 1, 2023 through December 31, 2023.
- This extension will be Amendment 24 of the contract.
- It is essential that we maintain operations with Gainwell Technologies in this transitional phase until the new system modules are procured and launched.
- Once implemented, the Department will start reducing the contract scope from the current fiscal intermediary.

FISCAL IMPACT:

- There is an overall 2% increase for CY2023 due to increased cost of labor, hardware/software cost, required hardware refreshers for end-of-life hardware, rent, etc.
- Cost for each of the remaining technical requirement areas within the Base Operations, Provider Management Maintenance and Operations, and PAI Maintenance and Operations will not increase for CY2024 and CY2025.
- Per Amendment 21, Gainwell will not invoice for provider enrollment until the Maintenance and Operations phase begins.
- Per Amendment 22, Gainwell will not invoice for PAI until the Maintenance and Operations phase begins.
- In 2023, Gainwell will complete the upgrade/migration of ClaimCheck to Claims Xten.
- There will be no annual cap on the number of paid and adjusted transactions (claims, capitated payments, and encounters) processed by Gainwell.

TIMEFRAME	MONTHLY AMOUNT	QTY	TOTAL
Jan 2023	\$4,588,855	1	\$4,588,855
Feb-Dec 2023	\$4,562,880	11	\$50,191,680
CY2023 TOTAL		12	\$54,780,535

Calendar Year	Actual Expenditures	Projected Expenditures
CY2022	\$53,684,777	
CY2023		\$54,780,535
CY2024		\$54,780,535
CY2025		\$54,780,535

MEDICAID IMPACT:

- Gainwell Technologies is responsible for the payment of claims to providers and the timely and accurate reporting to state and federal partners.
- Without this contract in place, all Medicaid operations will end – providers will not receive payments for services rendered and resultantly, services will suspend for Medicaid enrollees.
- LDH will also be out of compliance with certain federal requirements such as T-MSIS reporting, which CMS uses to monitor state Medicaid programs, and provider enrollment, revalidation and screening under the 21st Century CURES Act.
- All Medicaid providers must be enrolled with the state before payment can be rendered for services.
- It is essential that we maintain operations with Gainwell Technologies in this transitional phase until the new system modules can be procured and launched.
- Once implemented, the Department will start reducing the contract scope from the current fiscal intermediary.



State of Louisiana

Louisiana Department of Health

Bureau of Health Services Financing

September 30, 2022

Joint Legislative Committee on the Budget
Box 94062 (900 North 3rd Street)
Baton Rouge, LA 70804

Re: Fiscal Intermediary Contract Extension

Dear Members:

Thank you for your dedication and service on behalf of the residents of Louisiana. I am writing to express the Louisiana Department of Health's need to extend the contract of our fiscal intermediary, Gainwell Technologies LLC. This extension request is for calendar year 2023. It will be the 9th one-year extension to an original 10-year contract term that began in January 2005. As background on this issue, a contract to fully replace the current fiscal intermediary was cancelled in 2013. After this, the Centers for Medicare and Medicaid Services (CMS) began requiring states to utilize a modular approach to Medicaid Enterprise System (MES) contracting. CMS requires states to move to an MES composed of reusable and interchangeable modules that are simple, flexible and adaptable. The goal is to increase Medicaid programs' ability to update and change their systems as well as allow earlier access to enhanced rates for implementing IT systems. LDH is actively developing and implementing a modular MES design. However, full implementation of the modular MES design will take several years due to the extensive procurement development, contract award, and design, development, and implementation processes. We anticipate coming to the Joint Legislative Committee on the Budget to request one-year extensions of the current Gainwell Technologies contract for the next several years as we sequentially procure smaller modules of MES functionality and concurrently maintain essential MES functions as we downsize the scope and cost of the current Gainwell contract. CMS will not allow the state to procure a single replacement of the current fiscal intermediary contract; we must modernize taking a modular approach. LDH has made significant progress toward modularity recently including:

- LDH has selected a replacement vendor for claims, encounter, and financial processing through the NASPO ValuePoint process as recommended in HCR99 of the 2022 legislative session.
- LDH is scheduling vendor demonstrations for the provider management module through the NASPO ValuePoint process
- The data warehouse RFP is in draft and expected to publish in January 2023
- The third party liability module was recently awarded and design, development and implementation (DDI) is in progress.

Throughout the modularity design and development timeline, the Department will have to pay Gainwell to continue legacy operations. We have a fixed price contract with Gainwell, wherein Gainwell has absorbed significant new responsibilities with slight increases over the span of the contract. In its role as the Louisiana Medicaid fiscal intermediary, Gainwell maintains the core functions of the Medicaid program, including the following critical service areas:

- Claims/Encounter Processing
- Maintain, operate and manage security and access to systems such as:
 - Customer Information Control System for general transaction processing for the mainframe

- Provider Enrollment Tracking System and Provider Portal for providers to have web-based application and enrollment to meet Centers for Medicare and Medicaid Services (CMS) compliance
- Java Surveillance and Review System for fraud, waste, abuse analysis and investigation
- Point of Sale system for real time processing for pharmacies billing fee-for-service (FFS) claims
- Louisiana Optical Assisted Data Entry System (OADES) used for imaging, document entry, retrieval and workflow for paper claims processing and provider enrollments
- Louisiana Health Insurance Premium Payment (LaHIPP) program for premium payments on commercial health insurance
- Recipient reimbursement system allows LDH to process and pay out-of-pocket expenses for recipients during their retroactive eligibility period
- Trauma, Recipient and Estate Recovery applications developed to manage information for recovery
- System for processing Optional State Supplement checks to eligibility residents of nursing facilities and intermediate care facilities
- Prior Authorization Liaison tracking system for compliance with *Chisholm* lawsuit
- Fee-for-service prior authorization system for pharmacy benefits
- Maintain and operate web applications such as the provider locator tool; the web interface for providers to retrieve manuals and fee schedules and other resources; the Provider Ownership Search Application for the Louisiana Attorney General's office; Electronic Clinical Data Inquiry allowing prescribers to search drug history on recipients; the Electronic Medicaid Eligibility Verification System allowing providers to verify Medicaid eligibility when providing services; and online prior authorization submission.
- Reference File Maintenance such as building and maintaining taxonomy crosswalks, the pharmacy drug file, fee schedules, the usual and customary fee file (on provider fees charged), diagnosis code updates, third party liability (TPL) carrier file on updates to recipient's with other insurance, and zip code validation on recipient ID cards.
- Eligibility functions such as mailing Medicaid cards, reports on Medicare Disproportionate Share Eligibility Verification used by long term care facilities, corrections to duplicate IDs, and recipient extracts.
- Provider Enrollment designed to meet CMS requirements for screening and enrolling Medicaid providers and validate the status and progress of the enrollment process for providers. This includes operation of a call center.
- Prior and Post Authorization for FFS recipients to access durable medical equipment, early and periodic screening, diagnostic and treatment (EPSDT) personal care services, rehabilitation, air ambulance, hospice.
- Medical review by the Claims Resolution Unit, which reviews claims failing computer edits and/or require review. The unit attempts to resolve problems, settle claims and correct all suspended claims.
- COBA/Third Party Liability - The TPL Subsystem ensures that payments for Medicaid services are made by other health insurance carriers when such coverage exists, rather than by Medicaid. This includes a comparison to recognize claims paid by Medicaid for services rendered to recipients whose eligibility records were updated to reflect retroactive Medicare coverage for the dates of service.
- Pharmacy - The Medicare Part D subsystem assists Medicare drug benefit transition, and ensures that Louisiana Medicaid gets the maximum savings from the new Medicare drug coverage with the least possible administrative burden. The Drug Utilization process is a subsystem designed to analyze a recipient's drug utilization for quality control purposes.
- Financial Processing - Generate monthly per member per month (PMPM) payments (including retro payments and adjustments) for the Managed Care Organizations (MCOs), the Dental Plans, and the Magellan Coordinated System of Care (CSoc) plan. Report plan payments on specified/required files to partners and load into data warehouse. Process contractual withholds, audit payouts, Program for All Inclusive Care for the Elderly (PACE) premiums, hospital supplemental payments, maternity kick payments, manual checks (if needed), LaGOV and ISIS reporting, LaHIPP premium payments.
- Reporting such as federally required T-MSIS data reporting to CMS, LaHIPP Cost Savings Report, Budget Activity Files, requests for long term care facilities to assist with cost reporting.
- Data Warehousing stores all data on Medicaid payments, eligibility, and service utilization.

October 5, 2022

Page 3

- Fraud, Waste, and Abuse Activities such as Surveillance and Utilization Review, Payment Error Rate Measurement (PERM), and the fraud hotline.
- Interoperability and Patient Access functionality including the Application Programming Interface (API) Gateway and helpdesk.
- Interface/Vendor Onboarding into Medicaid services and operations.
- Supporting transition of fiscal reporting and files from ISIS to LaGov.

Gainwell Technologies is responsible for the payment of claims to providers and the timely and accurate reporting to state and federal partners. Without this contract in place, all Medicaid operations will end – providers will not receive payments for services rendered and resultantly, services will suspend for Medicaid enrollees. LDH will also be out of compliance with certain federal requirements such as T-MSIS reporting, which CMS uses to monitor state Medicaid programs, and provider enrollment, revalidation and screening under the 21st Century CURES Act. All Medicaid providers must be enrolled with the state before payment can be rendered for services.

The Department of Health has been working to move toward federally required systems modernization, including a replacement vendor for claims, encounter, and financial processing through the NASPO ValuePoint process as recommended in HCR99 of the 2022 legislative session. It is essential that we maintain operations with Gainwell Technologies in this transitional phase until the new system modules can be procured and launched. Once implemented, the Department will start reducing the contract scope from the current fiscal intermediary.

I am available to discuss any concerns with concerned and interested members. Please feel free to contact me at any time at Tara.LeBlanc@la.gov or 225-317-4484.

Sincerely,



Tara A. LeBlanc
Medicaid Executive Director

AMENDMENT TWENTY-FOUR (24)

TO THE AGREEMENT

For

The Operation and Enhancement
of the Louisiana Medicaid Management Information System (LMMIS)
through a Fiscal Intermediary Type Arrangement

Between

The Louisiana Department of Health (LDH)

And

Gainwell Technologies LLC

State of Louisiana

Louisiana Department of Health
Amendment Twenty-Four (24) to the Agreement

WHEREAS, the Louisiana Department of Health f/k/a Louisiana Department of Health and Hospitals (the "Department") has made the Agreement of April 30, 2004 by and between Unisys Corporation, which was assigned to Molina Information Systems, LLC on May 1, 2010, which was assigned to DXC MS LLC on October 1, 2018, which was assigned to Gainwell Technologies LLC (the "Contractor") on October 1, 2020, and the Department, as amended by Amendments One (1) through Twenty-Three (23); and whereas, both the Department and the Contractor have agreed to extend the current LMMIS Fiscal Intermediary contract for an additional twelve (12) month period; and whereas, the Centers for Medicare and Medicaid Services (CMS) has approved this extension of the LMMIS Fiscal Intermediary contract; and whereas, the Contractor has the capability to, and agrees to, provide all Fiscal Intermediary services for the period of this contract extension.

NOW, therefore the Department and the Contractor agree to and hereby amend the contract for Fiscal Intermediary services including the document entitled "Agreement for the Operation and Enhancement of the Louisiana Medicaid Management Information System through a Fiscal Intermediary Type Arrangement" (the "Agreement" or the "Contract") with respect to the following provisions found in the Agreement:

1. Article I, Content of Contract and Precedence, is amended as follows:

Section A, #2 is amended to read:

"The Solicitation for Proposal (SFP), which includes its amendments, the Questions and Answers, the Contractor's Proposal, and the modifications made to it by Amendment Twenty-Four (24) to the Agreement. To the extent that there is a conflict between Amendment 24 and any prior documents, including the Agreement or any previous amendment thereto, this Amendment 24 shall control."

2. Article II, Term, is amended as follows:

- A. Term is amended by adding the following sentence to the first paragraph, immediately following the fifth sentence of the said paragraph:

"Amendment Number 24 to the Contract shall be effective and binding on the Department and the Contractor on the date of execution as specified herein. The parties agree to extend the Contract between the parties for one twelve-month period. This Amendment Number 24 extends the term of the Contract

for an addition twelve (12) months encompassing the period of January 1, 2023 through December 31, 2023 (referred to hereinafter as “Extension Year 2023”).”

B. Subsection B, Option to Renew, is amended by adding the following sentence:

“By Amendment Number 24 to the Contract, the contract life is extended from January 1, 2023 through December 31, 2023 or until the contract is terminated, in accordance with the terms set forth in the Agreement.”

3. With the execution of Amendment 24, the Contractor and the Department agree to a modified fixed payment schedule as follows for Extension Year 2023:

LDH Billing Schedule	Base Ops	JSURS Decommission	Prov Mgmt. M&O	PAI Project	FDB Medicaid / Drug Rebate Module	Total
Jan-23	\$4,234,270	\$(50,250)	\$ 339,470	\$ 39,390	\$ 25,975	\$4,588,855
Feb-23	\$4,234,270	\$(50,250)	\$ 339,470	\$ 39,390	\$ -	\$4,562,880
Mar-23	\$4,234,270	\$(50,250)	\$ 339,470	\$ 39,390	\$ -	\$4,562,880
Apr-23	\$4,234,270	\$(50,250)	\$ 339,470	\$ 39,390	\$ -	\$4,562,880
May-23	\$4,234,270	\$(50,250)	\$ 339,470	\$ 39,390	\$ -	\$4,562,880
Jun-23	\$4,234,270	\$(50,250)	\$ 339,470	\$ 39,390	\$ -	\$4,562,880
Jul-23	\$4,234,270	\$(50,250)	\$ 339,470	\$ 39,390	\$ -	\$4,562,880
Aug-23	\$4,234,270	\$(50,250)	\$ 339,470	\$ 39,390	\$ -	\$4,562,880
Sep-23	\$4,234,270	\$(50,250)	\$ 339,470	\$ 39,390	\$ -	\$4,562,880
Oct-23	\$4,234,270	\$(50,250)	\$ 339,470	\$ 39,390	\$ -	\$4,562,880
Nov-23	\$4,234,270	\$(50,250)	\$ 339,470	\$ 39,390	\$ -	\$4,562,880
Dec-23	\$4,234,270	\$(50,250)	\$ 339,470	\$ 39,390	\$ -	\$4,562,880
Total	\$50,811,240	\$(603,000)	\$4,073,640	\$472,680	\$25,975	\$54,780,535

Additionally, the Contractor will bill the following services individually as indicated:

Project Name	Month of Service Billing Amount	Monthly Charge
Excess Postage (existing mailings, i.e, postage for special mailings to providers and/or recipients more than 500 pieces)	January thru December	Actual amount of excess postage costs

Large mailings, those more than 500 pieces, will be priced according to the following schedule:

<u>No. of Pages in Mailing*</u>	<u>#10 Envelope</u>	<u>Flat Envelope</u> <small>(9 x 13 inches)</small>
One (1)-page mailing	\$0.98549	\$1.85937
Two (2)-page mailing	\$0.99380	\$1.87613
Three (3)-page mailing	\$1.01868	\$2.18129
Four (4)-page mailing	\$1.03527	\$2.19804
Five (5)-page mailing	\$1.05186	\$2.21480

** Applies to mailings greater than 500 pieces*

Pricing includes:

1. Supplies – paper, toner, envelope, and mail machine ink
2. USPS postage costs
3. Labor costs for printer & folding setup, printing, inserting, postage metering, and mailing

The above pricing assumes:

1. All mailings will be printed internally, folded, and stuffed in an automated fashion. Hand stuffing or outside printing will incur additional charges,
 2. Any mail outs exceeding 5 pages will be printed separately.
4. With the execution of this Amendment Number 24, Contractor and the Department agree that in the event that the service requirements are affected by other vendors due to incorrect files, the Contractor shall use commercially reasonable efforts to continue to meet services levels for the services affected, but service credits will not be available for such service.
 5. With the execution of this Amendment Number 24, the Contractor agrees to provide transition and phase-in support to the Department at a mutually agreed-upon price and schedule as it moves forward with the replacement of its Medicaid Fiscal Intermediary services and data by shifting from the current MMIS system provided by Contractor to a modularized MMIS infrastructure. The Department shall not provide, and shall not require the Contractor to provide, the Contractor's proprietary or confidential information to successor contractors or other third parties. In no event shall the Contractor be liable for errors or omissions caused by or originating from any replacement MMIS modules that interface with or are relied upon by the current MMIS system provided by Contractor unless such replacement MMIS modules are also provided by the Contractor.
 6. With the execution of Amendment Number 24, the Contractor and the Department agreed to extend the terms and conditions of Amendment One (1) for McKesson ClaimCheck executed on August 5, 2009, Amendment Five (5) for HIPAA Standards 5010 and NCPDP D.0/3.0 implementation and operation executed on August 31,

2010, and Amendment Eleven (11) for the implementation and operation of the ICD-10CM and ICD-10 PCS Crosswalk Solution executed on October 25, 2013. ClaimCheck will terminate March 2023 and will be replaced by Claims Xten.

7. The Department and the Contractor agree that the requirements set forth in Exhibit A to this Amendment 24 (the “Eliminated Requirements”) have been eliminated from the services and are no longer required to be performed or operated by the Contractor. The SFP is hereby modified to remove the Eliminated Requirements and to also remove tasks related to or interfacing with the Eliminated Requirements. Exhibit A to this Amendment 24 shall replace and completely supersede the Exhibit A that was attached to Amendment Twenty-Three (23) to the Agreement.
8. The Contractor will ensure key personnel are able to sustain operations during transitional phases. The Contractor will also ensure cooperation with partners of the Department during design sessions of modules for the Medicaid Enterprise and provide historical context.
9. With the execution of Amendment Number 24, the Contractor and the Department agree to extend the terms and conditions of Amendment Twenty (20) with respect to revalidating Fee-For-Service (FFS) and enrolling Managed Care providers.
10. With the execution of Amendment Number 24, the Contractor and the Department agree to extend the terms and conditions of Amendment 21 with respect to provider enrollment maintenance and operations services. The Department will not be responsible for payment for such services until the provider enrollment Maintenance and Operations phase begins.
11. With the execution of Amendment Number 24, the Contractor and the Department agree to extend the terms and conditions of Amendment 22 with respect to the Patient Access and Interoperability (PAI) solution and related services. The Department will not be responsible for payment for such services until the PAI Operations and Maintenance phase begins, which commences upon approval of the “3rd Party Vetting Process” document by both parties.
12. With the execution of Amendment Number 24, the Contractor and the Department agree to extend the terms and conditions of Amendment 23 requirements for CMS’ National Correct Coding Initiative (NCCI).
13. With the execution of Amendment Number 24, the Contractor and the Department agree to implementation of electronic submission for all prior authorization requests and supporting information via e-PA. Provider communication will be developed and posted to LaMedicaid.com beginning October 1, 2022.

14. With the execution of Amendment Number 24, the Contractor and the Department agree to require providers to include completed cover sheets for all hardcopy crossover claims to align with Medicare Advantage requirements. If a hardcopy crossover claim does not include the required cover sheet, the Contractor shall adjudicate such claim through MMIS and report it back to the provider on the Remittance Advice as a claim denial. Provider communication will be developed and posted to LaMedicaid.com by October 1, 2022.
15. With the execution of Amendment Number 24, the Contractor and the Department agree to require only NPIs of the rendering and billing providers on paper claims, in accordance with Electronic Data Interchange (EDI) submission requirements. The Contractor shall adjudicate such claim through the MMIS and report it back to the provider on the Remittance Advice. Provider communication will be developed and posted to LaMedicaid.com by October 1, 2022.
16. With the execution of Amendment Number 24, the Contractor and the Department agree that the Contractor shall develop fillable PDF enrollment packets that can be printed and submitted via hardcopy, if the provider desires. The fillable PDF enrollment packet will be available on LaMedicaid.com. Provider communication will be developed and posted to LaMedicaid.com by January 1, 2023.
17. With the execution of Amendment Number 24, the Contractor and the Department agree that all provider enrollment documentation submitted electronically on or after January 1, 2023, shall be stored electronically. Provider enrollment applications and other documents submitted via hardcopy shall continue to be stored hardcopy.
18. With the execution of Amendment Number 24, the Contractor and the Department agree to decommission JSURS effective December 31, 2022.
19. With the execution of Amendment Number 24, the Contractor and the Department agree that 2.6.3.1(5) of the SFP is amended and restated as follows:

“Provide twice weekly (at least two (2) pickups per week) courier services to and from all Department central office sites and other delivery sites in East Baton Rouge Parish as designated by the Department.”
20. With the execution of Amendment Number 24, the Contractor and the Department agree to allow Contractor to notify and migrate electronic claims submitters from the Bulletin Board System (BBS) to the Secure File Transfer Protocol (SFTP). Provider communication will be developed and posted to LaMedicaid.com beginning October 1, 2022.
21. With the execution of Amendment Number 24, the Contractor and the Department agree that the Contractor shall direct providers to download the Provider Training

Manuals from LaMedicaid.com. Contractor will send hard copies of Provider Training Manuals via USPS, upon request.

22. With the execution of Amendment Number 24, the Contractor and the Department agree that the Contractor shall provide a preliminary schedule of the costs for each of the remaining technical requirement areas within the base operations. Such schedule shall be provided to the Department no later than March 31, 2023, and will be utilized in negotiating a price reduction for base operations as each technical requirement area is transitioned from the Contractor. The parties understand that such price reductions will be determined in accordance with 45 CFR Part 75, Subpart E, taking into consideration other factors that may impact pricing, such as: ongoing support of related data, interface requirements, gaps related to current functionality and procured functionality, and impact on other technical requirement areas.
23. With the execution of Amendment Number 24, the Contractor and the Department agree that, if the Department exercises its option to extend the Contract for additional twelve (12) month periods beyond December 31, 2023, based on a consistent level of scope/service delivery, the cost for each of the remaining technical requirement areas within the base operations, Provider Management Maintenance and Operations, and PAI Maintenance and Operations will not increase through the next two (2) twelve (12) month extensions.
24. With the execution of Amendment Number 24, the Contractor and the Department agree that the Contractor shall comply with the requirements set forth herein during the turnover of the technical requirement areas within the base operations, Provider Management Maintenance and Operations, PAI Maintenance and Operations, and/or other services provided for under this Contract, at no additional cost to the Department.

The Contractor shall:

- a. Provide a Turnover Plan to the Department for review and approval within ninety (90) calendar days after receipt of notification of intent to turnover specified services. This Turnover Plan shall include:
 - i. A proposed plan of turnover activities, including, but not limited to, tasks and sub-tasks and schedule for turnover.
 - ii. Proposed procedures for updating the production environments and documentation during turnover, leveraging existing documentation where available.
 - iii. A breakdown of processing steps performed, staffing, equipment facility consumption, workloads (staffing ratios), and standard procedures, leveraging existing documentation where available.
 - iv. Any additional information that the Department, determines is necessary to effect a smooth turnover.
- b. Deliver an updated turnover plan to the Department after the selection of a successor contractor, if it is other than the incumbent, within ninety (90) calendar days after a written request from the Department.

- c. Provide training to the successor Contractor's management in the use, operation, and maintenance of the LMMIS computer programs, policies, and procedures. Such training must be completed at least two (2) months prior to the specified turnover date. Training shall include:
 - i. Claims processing data entry.
 - ii. Computer operations, including cycle monitoring procedures.
 - iii. Controls and balancing procedures.
 - iv. Exception claims processing.
 - v. Other manual procedures.
 - vi. Quality Control and Quality assurance procedures.
 - vii. Documentation of the design change request and system development life cycle methodology.
 - viii. All Software applications used by the Department to aid in maintaining ad hoc and special reporting.
 - ix. Use of reporting tools across the MMIS System's multiple platforms.
- d. Perform a comprehensive assessment of all relevant LMMIS documentation. This documentation assessment shall be completed and delivered to the Department no later than twelve (12) months before the specified turnover date. The Contractor shall update any documentation that is not accurate, complete, and in accordance with these requirements no later than six (6) months prior to the turnover date.
- e. Transfer to the successor contractor all unprocessed LMMIS online and paper documents with transmittal sheets indicating contents, the exact status of each document, and the remaining activities for completion within five (5) business days after receiving a request from the Department, or as otherwise directed by the Department.
- f. Provide the successor contractor with a comprehensive list of all inventories and historical inventory usage rates no later than forty-five (45) calendar days prior to the turnover date.
- g. Transfer all software, files, programs, and documentation to the successor contractor within five (5) business days of receiving a request from the Department, or as otherwise directed by the Department.
- h. Maintain staffing levels required during and until the entire turnover process is complete.
- i. Designate full-time and backup Project managers to provide management and control of the Contractor's turnover assistance until the process is complete.
- j. Not restrict staff from becoming employees of the successor contractor.
- k. The Department shall maintain full ownership of all non-third party LMMIS application software and all systems and operations documentation used pursuant to this Contract without cost to the Department. The Contractor may retain ownership of all hardware.
- l. Immediately upon expiration or termination of the Contract or at an earlier date if required by the Department, the Contractor shall allow access to and provide requested training in the operation of any and all aspects of the LMMIS including hardware to the Department for a reasonable period of time under a

separate agreement with the same terms and conditions as the expired or terminated Contract to allow the Department to obtain the necessary, equivalent services without interruption from its own resources or from another Contractor. In addition, the Contractor shall provide the Department with all reasonably related technical advice and assistance on request.

25. With the execution of Amendment Number 24, the Contractor and the Department agree that the Contractor shall not undertake any non-emergency upgrades, downgrades, or relocation of hardware and/or other equipment utilized in connection with this Contract, including, but not limited to, the data center, without prior written permission from the Department. Said permission shall not be unreasonably withheld.
26. All other terms and conditions of the above referenced SFP and Agreement shall remain unchanged and in full force and effect.

[Signatures on the following page]

This amendment has been duly signed by authorized representatives of the parties, intending to be legally bound and shall become effective as of the date the Director of the Office of State Procurement has affixed her signature hereto.

Gainwell Technologies LLC

Signature

President and Chief Executive Officer
Title

Date

**State of Louisiana
Department of Health**

Signature

Title

Date

**Approved:
State of Louisiana
Division of Administration**

Signature

Title

Date

Exhibit A

For purposes of this Amendment 24 and future amendments unless otherwise stated therein, the following sections and the services described therein are deleted from the services that Contractor is to perform under the 2004 SFP (the “Eliminated Requirements”). In addition, any other functions that are contained in other portions of the SFP that related to, affect or are affected by these sections are hereby modified to read as if the services rendered by Contractor never included the Eliminated Requirements.

SFP Section Number and Description	
1.1(4) RDBMS	1.1(7) Phase in Schedule of Events
1.2(2) Transition	1.2(4) RDBMS
1.2(5) Managed Care System	1.4.4.1 Optional Targeted Case Management
1.4.4.2 Inpatient Hospital Services & EPSDT Optional Targeted Case Management Services	1.6 Approach to Desired Enhancements
2.3(2) Phase-In	2.3(8) Subsystem-Community Care/EPSDT
2.3(9) Turnover	2.3(14) Subsystem-Hospital Pre-Admission
2.4.3 Staffing Key Personnel	2.4.3.2 Experience
2.4.4 Policy Conformance	2.5 Phase In Requirements
2.6.3.6 Facility Requirements	2.6.3.8.1 SMG Responsibility
2.6.3.9.1 SDG Responsibility	2.6.4 Staffing Requirement
2.7.3.2.2 (B) (C) Case Management/EPSDT	2.7.6.2.4.1 SURS Staffing
2.7.8 Community Care/EPSDT Subsystem	2.7.13 Community Care Functions
2.7.15 Inpatient Hospital Pre-Admission	2.8.2.3.1 Scheduled Field Visits
2.8.2.3.2 Unscheduled Field Visits Participation Providers	2.8.2.3.3 Unscheduled Field Visits Non-Participating Providers
2.8.4.4 (3) Conduct field meetings	2.8.4.4 (7 through 12) Provider Visits
2.10.2.1 Phase In	2.10.2.10 Key Personnel & Staffing
2.10.2.11 Turnover	2.10.2.14 Hospital Pre-Admission
2.11.5 Merging Community Care/EPSDT	2.11.8 Case Management of Medical Care
2.11.9.2 Facility Location	2.11.9.11 Community Care
2.11.10 DRG	2.12 Turnover Requirements
3.3 & 7) C (4) Provider Data Entry	3.3 (8) Communications
3.3 (11) B Encounter Processing	3.3 (12) O Provider the capability to process reinsurance claims
3.3 (13) F Reports required for PACE and/or managed care	Section 4 Deleted
Section 5 Deleted	Section 6 Deleted
Section 7 Deleted	Section 8 Deleted
2.7.6.2.3.1 Objectives	2.7.6.2.3.2 Description

Gainwell Technologies (Fiscal Intermediary) CY 2023 Contract Extension
Amendment 24 – January 1, 2023 through December 31, 2023

Current Contract Language from Amendment 23		New Contract Language from Amendment 24		LDH Comments	Pages																																																																																																																																																																																																				
1A	The Solicitation for Proposal (SFP), which includes its amendments, the Questions and Answers, the Contractor's Proposal, and the modifications made to it by Amendment Twenty-Three (23) to the Agreement. To the extent that there is a conflict between Amendment 23 and any prior documents, including the Agreement or any previous amendment thereto, this Amendment 23 shall control.	1A	The Solicitation for Proposal (SFP), which includes its amendments, the Questions and Answers, the Contractor's Proposal, and the modifications made to it by Amendment Twenty-Four (24) to the Agreement. To the extent that there is a conflict between Amendment 24 and any prior documents, including the Agreement or any previous amendment thereto, this Amendment 24 shall control.	Amendment 24, updates the priority of the documents to include Amendment 24	45 of 155																																																																																																																																																																																																				
2A	“Amendment Number 23 to the Contract shall be effective and binding on the Department and the Contractor on the date of execution as specified herein. The parties agree to extend the Contract between the parties for one twelve-month period. This Amendment Number 23 extends the term of the Contract for an addition twelve (12) months encompassing the period of January 1, 2022 through December 31, 2022 (referred to hereinafter as “Extension Year 2022”).”	2A	“Amendment Number 24 to the Contract shall be effective and binding on the Department and the Contractor on the date of execution as specified herein. The parties agree to extend the Contract between the parties for one twelve-month period. This Amendment Number 24 extends the term of the Contract for an addition twelve (12) months encompassing the period of January 1, 2023 through December 31, 2023 (referred to hereinafter as “Extension Year 2023”).”	Amendment 24 identifies the effective date of contract: January 1, 2023 through December 31, 2023	48 of 155																																																																																																																																																																																																				
2B	“By Amendment Number 23 to the Contract, the contract life is extended from January 1, 2022 through December 31, 2022 or until the contract is terminated, in accordance with the terms set forth in the Agreement.”	2B	“By Amendment Number 24 to the Contract, the contract life is extended from January 1, 2023 through December 31, 2023 or until the contract is terminated, in accordance with the terms set forth in the Agreement.”	Amendment 24 extends the contract from January 1, 2023 through December 31, 2023	50 of 155																																																																																																																																																																																																				
3	<p>With the execution of Amendment 23, the Contractor and the Department agree to a modified fixed payment schedule as follows for Extension Year 2022:</p> <table><tr><th>LDH Billing Schedule</th><th>Base Ops (incl. Legacy Prov. Enroll)</th><th>Prov Mgmt M&O</th><th>PAI Project</th><th>FDB Medicaid / Drug Rebate Module</th><th>Total</th></tr><tr><td>January 2022</td><td>\$4,107,582</td><td>*\$326,215</td><td>**\$37,852</td><td>\$25,000</td><td>\$4,496,649</td></tr><tr><td>February 2022</td><td>\$4,107,582</td><td>*\$326,215</td><td>**\$37,851</td><td>\$ -</td><td>\$4,471,648</td></tr><tr><td>March 2022</td><td>\$4,107,582</td><td>*\$326,215</td><td>**\$37,851</td><td>\$ -</td><td>\$4,471,648</td></tr><tr><td>April 2022</td><td>\$4,107,582</td><td>*\$326,215</td><td>**\$37,851</td><td>\$ -</td><td>\$4,471,648</td></tr><tr><td>May 2022</td><td>\$4,107,582</td><td>*\$326,215</td><td>**\$37,851</td><td>\$ -</td><td>\$4,471,648</td></tr><tr><td>June 2022</td><td>\$4,107,582</td><td>*\$326,215</td><td>**\$37,851</td><td>\$ -</td><td>\$4,471,648</td></tr><tr><td>July 2022</td><td>\$4,107,582</td><td>*\$326,215</td><td>**\$37,851</td><td>\$ -</td><td>\$4,471,648</td></tr><tr><td>August 2022</td><td>\$4,107,582</td><td>*\$326,215</td><td>**\$37,851</td><td>\$ -</td><td>\$4,471,648</td></tr><tr><td>September 2022</td><td>\$4,107,582</td><td>*\$326,215</td><td>**\$37,851</td><td>\$ -</td><td>\$4,471,648</td></tr><tr><td>October 2022</td><td>\$4,107,582</td><td>*\$326,215</td><td>**\$37,851</td><td>\$ -</td><td>\$4,471,648</td></tr><tr><td>November 2022</td><td>\$4,107,582</td><td>*\$326,215</td><td>**\$37,851</td><td>\$ -</td><td>\$4,471,648</td></tr><tr><td>December 2022</td><td>\$4,107,582</td><td>*\$326,215</td><td>**\$37,851</td><td>\$ -</td><td>\$4,471,648</td></tr><tr><td>Total</td><td>\$49,290,984</td><td>*\$3,914,580</td><td>**\$454,213</td><td>\$25,000</td><td>\$53,684,777</td></tr></table> <p>Per Amendment 21, the Contractor will not bill LDH until the provider enrollment Maintenance and Operations phase begins</p> <p>Per Amendment 22, the Contractor will not bill LDH until the PAI Maintenance and Operation phase begins.</p> <p>The above pricing schedule applies to the transaction counts (including claims, capitated payments, encounters and adjustments) that are paid or adjusted. The above fixed price is for unlimited transactions.</p>	LDH Billing Schedule	Base Ops (incl. Legacy Prov. 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This is a 2% increase from last year’s pricing.	2, 72 of 155
LDH Billing Schedule	Base Ops (incl. Legacy Prov. Enroll)	Prov Mgmt M&O	PAI Project	FDB Medicaid / Drug Rebate Module	Total																																																																																																																																																																																																				
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Nov-23	\$4,190,560	\$ (50,250)	\$43,710	\$ 339,470	\$39,390	\$ -	\$4,562,880																																																																																																																																																																																																		
Dec-23	\$4,190,560	\$ (50,250)	\$43,710	\$ 339,470	\$39,390	\$ -	\$4,562,880																																																																																																																																																																																																		
Total	\$50,286,720	\$ (603,000)	\$ 524,520	\$4,073,640	\$ 472,680	\$25,975	\$54,780,535																																																																																																																																																																																																		

Gainwell Technologies (Fiscal Intermediary) CY 2023 Contract Extension
Amendment 24 – January 1, 2023 through December 31, 2023

	<p>Additionally, the Contractor will bill the following services individually as indicated:</p> <table><tr><th>Project Name</th><th>Month of Service Billing Amount</th><th>Monthly Charge</th></tr><tr><td>Excess Postage (existing mailings, i.e. postage for special mailings to providers and/or recipients more than 500 pieces)</td><td>January thru December</td><td>Actual amount of excess postage costs</td></tr></table> <div><div></div><table><tr><th>No. of Pages in Mailing*</th><th>#10 Envelope</th><th>Flat Envelope (9 x 13 inches)</th></tr><tr><td>One (1)-page mailing</td><td>\$0.86813</td><td>\$1.70813</td></tr><tr><td>Two (2)-page mailing</td><td>\$0.87627</td><td>\$1.72440</td></tr><tr><td>Three (3)-page mailing</td><td>\$0.90067</td><td>\$2.02067</td></tr><tr><td>Four (4)-page mailing</td><td>\$0.91693</td><td>\$2.03693</td></tr><tr><td>Five (5)-page mailing</td><td>\$0.93320</td><td>\$2.05320</td></tr></table><p>* Applies to mailings greater than 500 pieces</p><p>All mailings may be printed one (1) or two (2) sided. Any mailing that exceeds 5 pages or requires hand-stuffing or printing by a separate contractor will require separate pricing.</p></div>	Project Name	Month of Service Billing Amount	Monthly Charge	Excess Postage (existing mailings, i.e. postage for special mailings to providers and/or recipients more than 500 pieces)	January thru December	Actual amount of excess postage costs	No. of Pages in Mailing*	#10 Envelope	Flat Envelope (9 x 13 inches)	One (1)-page mailing	\$0.86813	\$1.70813	Two (2)-page mailing	\$0.87627	\$1.72440	Three (3)-page mailing	\$0.90067	\$2.02067	Four (4)-page mailing	\$0.91693	\$2.03693	Five (5)-page mailing	\$0.93320	\$2.05320		<p>Additionally, the Contractor will bill the following services individually as indicated:</p> <table><tr><th>Project Name</th><th>Month of Service Billing Amount</th><th>Monthly Charge</th></tr><tr><td>Excess Postage (existing mailings, i.e. postage for special mailings to providers and/or recipients more than 500 pieces)</td><td>January thru December</td><td>Actual amount of excess postage costs</td></tr></table> <p>Large mailings, those more than 500 pieces, will be priced according to the following schedule:</p> <table><tr><th>No. of Pages in Mailing*</th><th>#10 Envelope</th><th>Flat Envelope (9 x 13 inches)</th></tr><tr><td>One (1)-page mailing</td><td>\$0.98549</td><td>\$1.85937</td></tr><tr><td>Two (2)-page mailing</td><td>\$0.99380</td><td>\$1.87613</td></tr><tr><td>Three (3)-page mailing</td><td>\$1.01868</td><td>\$2.18129</td></tr><tr><td>Four (4)-page mailing</td><td>\$1.03527</td><td>\$2.19804</td></tr><tr><td>Five (5)-page mailing</td><td>\$1.05186</td><td>\$2.21480</td></tr></table> <p>* Applies to mailings greater than 500 pieces</p> <p>Pricing includes:</p> <ol style="list-style-type: none">Supplies – paper, toner, envelope, mail machine inkUSPS postage costsLabor costs for printer & folding setup, printing, inserting, postage metering and mailing <p>This above pricing assumes:</p> <ol style="list-style-type: none">All mailings will be printed internally, folded, and stuffed in an automated fashion. Hand stuffing or outside printing will incur additional chargesAny mailouts exceeding 5 pages will be priced separately	Project Name	Month of Service Billing Amount	Monthly Charge	Excess Postage (existing mailings, i.e. postage for special mailings to providers and/or recipients more than 500 pieces)	January thru December	Actual amount of excess postage costs	No. of Pages in Mailing*	#10 Envelope	Flat Envelope (9 x 13 inches)	One (1)-page mailing	\$0.98549	\$1.85937	Two (2)-page mailing	\$0.99380	\$1.87613	Three (3)-page mailing	\$1.01868	\$2.18129	Four (4)-page mailing	\$1.03527	\$2.19804	Five (5)-page mailing	\$1.05186	\$2.21480	Amendment 24 mail-out cost increase applies to 500 pieces or greater. Excess postage will be billed as stated in the 2003 SFP, Section 5.3.4 Increase in Postage Rates.	2-3, 72-73 of 155
Project Name	Month of Service Billing Amount	Monthly Charge																																																			
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4	With the execution of this Amendment Number 23, Contractor and the Department agree that in the event that the service requirements are affected by other vendors due to incorrect files, the Contractor shall use commercially reasonable efforts to continue to meet services levels for the services affected, but service credits will not be available for such service.	4	With the execution of this Amendment Number 24, Contractor and the Department agree that in the event that the service requirements are affected by other vendors due to incorrect files, the Contractor shall use commercially reasonable efforts to continue to meet services levels for the services affected, but service credits will not be available for such service.	Amendment 24 only changed the number of the amendment from 23 to 24; all other all language remains the same.	3, 73 of 155																																																
5	With the execution of this Amendment Number 23, the Contractor agrees to provide transition and phase-in support to the Department at a mutually agreed-upon price and schedule as it moves forward with the replacement of its Medicaid Fiscal Intermediary services and data by shifting from the current MMIS system provided by Contractor to a modularized MMIS infrastructure. The Department shall not provide, and shall not require the Contractor to provide, the Contractor’s proprietary or confidential information to successor contractors or other third parties. In no event shall the Contractor be liable for errors or omissions caused by or originating from any replacement MMIS modules that interface with or are relied upon by	5	With the execution of this Amendment Number 24, the Contractor agrees to provide transition and phase-in support to the Department at a mutually agreed-upon price and schedule as it moves forward with the replacement of its Medicaid Fiscal Intermediary services and data by shifting from the current MMIS system provided by Contractor to a modularized MMIS infrastructure. The Department shall not provide, and shall not require the Contractor to provide, the Contractor’s proprietary or confidential information to successor contractors or other third parties. In no event shall the Contractor be liable for errors or omissions caused by or originating from any replacement MMIS modules that interface with	Amendment 24 changed the number of the amendment from 23 to 24; amendment 24 added/updated language.	3, 73 of 155																																																

Gainwell Technologies (Fiscal Intermediary) CY 2023 Contract Extension

Amendment 24 – January 1, 2023 through December 31, 2023

	the current MMIS system provided by Contractor unless such replacement MMIS modules are also provided by the Contractor.		or are relied upon by the current MMIS system provided by Contractor unless such replacement MMIS modules are also provided by the Contractor.		
6	With the execution of Amendment Number 23, the Contractor and the Department agreed to extend the terms and conditions of Amendment One (1) for McKesson ClaimCheck executed on August 5, 2009, Amendment Five (5) for HIPAA Standards 5010 and NCPDP D.0/3.0 implementation and operation executed on August 31, 2010, and Amendment Eleven (11) for the implementation and operation of the ICD-10CM and ICD-10 PCS Crosswalk Solution executed on October 25, 2013. ClaimCheck will terminate June, 2022 and will be replaced by Claims Xten.	6	With the execution of Amendment Number 24, the Contractor and the Department agreed to extend the terms and conditions of Amendment One (1) for McKesson ClaimCheck executed on August 5, 2009, Amendment Five (5) for HIPAA Standards 5010 and NCPDP D.0/3.0 implementation and operation executed on August 31, 2010, and Amendment Eleven (11) for the implementation and operation of the ICD-10CM and ICD-10 PCS Crosswalk Solution executed on October 25, 2013. ClaimCheck will terminate March 2023 and will be replaced by Claims Xten	Amendment 24 changed the number of the amendment from 23 to 24; amendment 24 added/updated language.	3-4, 73 of 155
7	The Department and the Contractor agree that the requirements set forth in Exhibit A to this Amendment 23 (the “Eliminated Requirements”) have been eliminated from the services and are no longer required to be performed or operated by the Contractor. The SFP is hereby modified to remove the Eliminated Requirements and to also remove tasks related to or interfacing with the Eliminated Requirements. Exhibit A to this Amendment 23 shall replace and completely supersede the Exhibit A that was attached to Amendment 21 to the Agreement.	7	The Department and the Contractor agree that the requirements set forth in Exhibit A to this Amendment 24 (the “Eliminated Requirements”) have been eliminated from the services and are no longer required to be performed or operated by the Contractor. The SFP is hereby modified to remove the Eliminated Requirements and to also remove tasks related to or interfacing with the Eliminated Requirements. Exhibit A to this Amendment 24 shall replace and completely supersede the Exhibit A that was attached to Amendment 23 to the Agreement.	Amendment 24 only changed the number of the amendment from 23 to 24; all other all language remains the same.	4, 74 of 155
8	The Contractor will ensure key personnel are able to sustain operations during transitional phases. The contractor will also ensure cooperation with partners of the Department during design sessions of modules for the Medicaid Enterprise are planned, development, implemented and maintained by engaging in discussion and providing historical context.	8	The Contractor will ensure key personnel are able to sustain operations during transitional phases. The Contractor will also ensure cooperation with partners of the Department during design sessions of modules for the Medicaid Enterprise and provide historical context.	Amendment 24 changed the number of the amendment from 23 to 24; amendment 34 added/updated language.	4, 74 of 155
9	With the execution of Amendment Number 23, the Contractor and the Department agree to extend the terms and conditions of Amendment Twenty (20) with respect to revalidating Fee-For-Service (FFS) and enrolling Managed Care providers.	9	With the execution of Amendment Number 24, the Contractor and the Department agree to extend the terms and conditions of Amendment Twenty (20) with respect to revalidating Fee-For-Service (FFS) and enrolling Managed Care providers.	Amendment 24 only changed the number of the amendment from 23 to 24; all other all language remains the same.	4, 74 of 155
10	With the execution of Amendment Number 23, the Contractor and the Department agree to extend the terms and conditions of Amendment 21 with respect to provider enrollment maintenance and operations services. The Department will not be responsible for payment for such services until the provider enrollment Maintenance and Operations phase begins.	10	With the execution of Amendment Number 24, the Contractor and the Department agree to extend the terms and conditions of Amendment 21 with respect to provider enrollment maintenance and operations services. The Department will not be responsible for payment for such services until the provider enrollment Maintenance and Operations phase begins.	Amendment 24 only changed the number of the amendment from 23 to 24 all other language remains the same.	4, 74 of 155
11	With the execution of Amendment Number 23, the Contractor and the Department agree to extend the terms and conditions of Amendment 22 with respect to the Patient Access and Interoperability (PAI) solution and related services.	11	With the execution of Amendment Number 24, the Contractor and the Department agree to extend the terms and conditions of Amendment 22 with respect to the Patient Access and Interoperability (PAI) solution and related services. The Department will not be responsible for payment for such services until the PAI Operations and Maintenance phase begins, which commences upon approval of the “3rd Party Vetting Process" document by both parties.	Amendment 24 changed the number of the amendment from 23 to 24; amendment 24 added/updated language.	4, 74 of 155

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12	<p>With the execution of Amendment Number 23, the Contractor agrees to comply with all applicable requirements for CMS’ National Correct Coding Initiative (NCCI), which promotes national correct coding methodologies and reduces improper coding which may result in inappropriate payments of Medicare Part B claims and Medicaid claims. In accordance with the Patient Protection and Affordable Care Act, compatible NCCI methodologies must be incorporated in the Department’s systems for processing Medicaid claims. The Contractor, as the Department’s Fiscal Intermediary, shall implement and use compatible NCCI methodologies in paying applicable Medicaid claims.</p> <p>With the execution of Amendment Number 23, the Contractor shall:</p> <p>a. Comply with all Federal and State Laws, rules, regulations, policies, [procedures, and manual related to Medicaid NCCI files and/or secure RISSNET portal.</p> <p>b. Limit disclosure of the Medicaid NCCI files posted on the secure RISSNET portal to only those responsible for the implementation of the quarterly state Medicaid NCCI edit files.</p> <p>c. After the start of the new calendar quarter, disclose only non-confidential information contained in the Medicaid NCCI edit files that is also available to the general public found on the Medicaid NCCI webpage.</p> <p>d. Agree to use any nonpublic information from the quarterly state Medicaid NCCI edit files only for any business purposes directly related to the implementation of the Medicaid NCCI methodologies in the State.</p> <p>e. Not publish or otherwise share any new, revised, or deleted Medicaid NCCI edits with individuals, medical societies, or any other entities except a Contracted Party prior to the posting of the Medicaid NCCI edits on the Medicaid NCCI webpage. Contracted Parties is defined as the Contractor, the Department’s contracted Medicaid managed care entities, and any contractor or subcontractor (including COTS software vendors) that assists with implementation of claims processing or encounter data, and who must use the Medicaid NCCI files posted on the secure RISSNET portal for processing purposes.</p> <p>f. Not implement new, revised, or deleted Medicaid NCCI edits prior to the first day of the calendar quarter.</p> <p>g. Not release additional information for selected individual edits or limited ranges of edits from the files posted on the secure RISSNET portal without prior written approval from the Department.</p> <p>h. Be subject to the imposition of penalties of no more than \$2,500 per violation, and up to and including loss of contract or subcontract, for violation of any provisions relating to use of the secure RISSNET portal edit files or disclosure of related information. Notwithstanding the foregoing: (i) the maximum annual penalty amount in the case of violations caused by gross negligence or willful neglect shall be \$500,000, and (ii) the maximum annual penalty amount in the case of all other violations shall be \$250,000. For the purposes of this Section 13(h), a “violation” shall be defined as a single event or action and shall not be calculated on a per record disclosed or other occurrence basis.</p> <p>i. Ensure that its contractor or subcontractor (including COTS software vendors) that must use the Medicaid NCCI files posted on the secure RISSNET portal to assist with processing claims or encounter data complies with the requirements set forth herein in items a through h above.</p>	12	<p>With the execution of Amendment Number 24, the Contractor and the Department agree to extend the terms and conditions of Amendment 23 requirements for CMS’ National Correct Coding Initiative (NCCI).</p>	<p>Amendment 24 only changed the number of the amendment from 23 to 24; extending the terms and conditions of Amendment 23 CMS NCCI requirements.</p>	4, 74 of 155
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Gainwell Technologies (Fiscal Intermediary) CY 2023 Contract Extension
Amendment 24 – January 1, 2023 through December 31, 2023

	All other terms and conditions of the above referenced SFP and Agreement shall remain unchanged and in full force and effect				
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Gainwell Technologies (Fiscal Intermediary) CY 2023 Contract Extension

Amendment 24 – January 1, 2023 through December 31, 2023

NEW		13	With the execution of Amendment 24, the Contractor and the Department agree to implementation of electronic submission for all prior authorization requests and supporting information via e-PA. Provider communication will be developed and posted to LaMedicaid.com beginning October 1, 2022.	Amendment 24 adds language to address implementation of PA electronic submission.	4, 74 of 155
NEW		14	With the execution of Amendment Number 24, the Contractor and the Department agree to require providers to include completed cover sheets for all hardcopy crossover claims to align with Medicare Advantage requirements. If a hardcopy crossover claim does not include the required cover sheet, the Contractor shall adjudicate such claim through MMIS and report it back to the provider on the Remittance Advice as a claim denial. Provider communication will be developed and posted to LaMedicaid.com by October 1, 2022.	Amendment 24 adds language to address implementation of cover sheets for hardcopy crossover claims.	4-5, 74-75 of 155
NEW		15	With the execution of Amendment Number 24, the Contractor and the Department agree to require only NPIs of the rendering and billing providers on paper claims, in accordance with Electronic Data Interchange (EDI) submission requirements. The Contractor shall adjudicate such claim through the MMIS and report it back to the provider on the Remittance Advice. Provider communication will be developed and posted to LaMedicaid.com by October 1, 2022.	Amendment 24 adds language to address implementation of paper claim submission requirements aligned w/EDI.	5, 75 of 155
NEW		16	With the execution of Amendment Number 24, the Contractor and the Department agree that the Contractor shall develop fillable PDF enrollment packets that can be printed and submitted via hardcopy, if the provider desires. The fillable PDF enrollment packet will be available on LaMedicaid.com. Provider communication will be developed and posted to LaMedicaid.com by January 1, 2023.	Amendment 24 adds language to address fillable documents.	5, 75 of 155
NEW		17	With the execution of Amendment Number 24, the Contractor and the Department agree that all provider enrollment documentation submitted electronically on or after January 1, 2023, shall be stored electronically. Provider enrollment applications and other documents submitted via hardcopy shall continue to be stored hardcopy.	Amendment 24 adds language to address storage of files.	5, 75 of 155
NEW		18	With the execution of Amendment Number 24, the Contractor and the Department agree to decommission JSURS effective December 31, 2022.	Amendment 24 adds language to address JSURS decommissioning. A24 Exhibit A will be updated to remove all references to JSURS in the curent SFP.	5, 75 of 155
NEW		19	With the execution of Amendment Number 24, the Contractor and the Department agree that 2.6.3.1(5) of the SFP is amended and restated as follows: “Provide twice weekly (at least two (2) pickups per week) courier services to and from all Department central office sites and other delivery sites in East Baton Rouge Parish as designated by the Department.”	Amendment 24 adds language to address courier services.	5, 75 of 155
NEW		20	With the execution of Amendment Number 24, the Contractor and the Department agree to allow Contractor to notify and migrate electronic claims submitters from the Bulletin Board System (BBS) to the Secure File Transfer Protocol (SFTP). Provider communication will be developed and posted to LaMedicaid.com beginning October 1, 2022	Amendment 24 adds language to allow GW to notify and migrate submitters from BBS.	5, 75 of 155

Gainwell Technologies (Fiscal Intermediary) CY 2023 Contract Extension

Amendment 24 – January 1, 2023 through December 31, 2023

NEW		21	With the execution of Amendment Number 24, the Contractor and the Department agree that the Contractor shall direct providers to download the Provider Training Manuals from LaMedicaid.com. Contractor will send hard copies of Provider Training Manuals via USPS, upon request.	Amendment 24 adds language to address mailings of hardcopy provider training manuals.	5, 75 of 155
NEW		22	With the execution of Amendment Number 24, the Contractor and the Department agree that the Contractor shall provide a preliminary schedule of the costs for each of the remaining technical requirement areas within the base operations. Such schedule shall be provided to the Department no later than March 31, 2023, and will be utilized in negotiating a price reduction for base operations as each technical requirement area is transitioned from the Contractor. The parties understand that such price reductions will be determined in accordance with 45 CFR Part 75, Subpart E, taking into consideration other factors that may impact pricing, such as: ongoing support of related data, interface requirements, gaps related to current functionality and procured functionality, and impact on other technical requirement areas.	Amendment 24 adds language to address GW providing of costs for base operations including technical areas.	6, 75- 76 of 155
NEW		23	With the execution of Amendment Number 24, the Contractor and the Department agree that, if the Department exercises its option to extend the Contract for additional twelve (12) month periods beyond December 31, 2023, based on a consistent level of scope/service delivery, the cost for each of the remaining technical requirement areas within the base operations, Provider Management Maintenance and Operations, and PAI Maintenance and Operations will not increase through the next two (2) twelve (12) month extensions.	Amendment 24 adds language to address scope/service delivery costs for next 2 contract extensions.	6, 76 of 155
NEW		24	<p>With the execution of Amendment Number 24, the Contractor and the Department agree that the Contractor shall comply with the requirements set forth herein during the turnover of the technical requirement areas within the base operations, Provider Management Maintenance and Operations, PAI Maintenance and Operations, and/or other services provided for under this Contract, at no additional cost to the Department.</p> <p>The Contractor shall:</p> <ul style="list-style-type: none"> a. Provide a Turnover Plan to the Department for review and approval within ninety (90) calendar days after receipt of notification of intent to turnover specified services. This Turnover Plan shall include: <ul style="list-style-type: none"> i. A proposed plan of turnover activities, including, but not limited to, tasks and sub-tasks and schedule for turnover. ii. Proposed procedures for updating the production environments and documentation during turnover, leveraging existing documentation where available. iii. A breakdown of processing steps performed, staffing, equipment facility consumption, workloads (staffing ratios), and standard procedures, leveraging existing documentation where available. iv. Any additional information that the Department, determines is necessary to effect a smooth turnover. b. Deliver an updated turnover plan to the Department after the selection of a successor contractor, if it is other than the incumbent, within ninety (90) calendar days after a written request from the Department. c. Provide training to the successor Contractor's management in the use, operation, and maintenance of the LMMIS computer programs, policies, and procedures. Such training must 	Amendment 24 adds language to address turnover requirements.	6-8, 76-78 of 155

Gainwell Technologies (Fiscal Intermediary) CY 2023 Contract Extension
Amendment 24 – January 1, 2023 through December 31, 2023

			<p>be completed at least two (2) months prior to the specified turnover date. Training shall include:</p> <ul style="list-style-type: none">i. Claims processing data entry.ii. Computer operations, including cycle monitoring procedures.iii. Controls and balancing procedures.iv. Exception claims processing.v. Other manual procedures.vi. Quality Control and Quality assurance procedures.vii. Documentation of the design change request and system development life cycle methodology.viii. All Software applications used by the Department to aid in maintaining ad hoc and special reporting.ix. Use of reporting tools across the MMIS System’s multiple platforms. <p>d. Perform a comprehensive assessment of all relevant LMMIS documentation. This documentation assessment shall be completed and delivered to the Department no later than twelve (12) months before the specified turnover date. The Contractor shall update any documentation that is not accurate, complete, and in accordance with these requirements no later than six (6) months prior to the turnover date.</p> <p>e. Transfer to the successor contractor all unprocessed LMMIS online and paper documents with transmittal sheets indicating contents, the exact status of each document, and the remaining activities for completion within five (5) business days after receiving a request from the Department, or as otherwise directed by the Department.</p> <p>f. Provide the successor contractor with a comprehensive list of all inventories and historical inventory usage rates no later than forty-five (45) calendar days prior to the turnover date.</p> <p>g. Transfer all software, files, programs, and documentation to the successor contractor within five (5) business days of receiving a request from the Department, or as otherwise directed by the Department.</p> <p>h. Maintain staffing levels required during and until the entire turnover process is complete.</p> <p>i. Designate full-time and backup Project managers to provide management and control of the Contractor's turnover assistance until the process is complete.</p> <p>j. Not restrict staff from becoming employees of the successor contractor.</p> <p>k. The Department shall maintain full ownership of all non-third party LMMIS application software and all systems and operations documentation used pursuant to this Contract without cost to the Department. The Contractor may retain ownership of all hardware.</p> <p>l. Immediately upon expiration or termination of the Contract or at an earlier date if required by the Department, the Contractor shall allow access to and provide requested training in the operation of any and all aspects of the LMMIS including hardware to the Department for a reasonable period of time and under a separate agreement with the same terms and conditions as the expired or terminated Contract to allow the Department to obtain the necessary, equivalent services without interruption from its own resources or from another</p>		
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Gainwell Technologies (Fiscal Intermediary) CY 2023 Contract Extension
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			Contractor. In addition, the Contractor shall provide the Department with all reasonably related technical advice and assistance on request.		
NEW		25	<p>With the execution of Amendment Number 24, the Contractor and the Department agree that the Contractor shall not undertake any non-emergency upgrades, downgrades, or relocation of hardware and/or other equipment utilized in connection with this Contract, including, but not limited to, the data center, without prior written permission from the Department. Said permission shall not be unreasonably withheld.</p> <p>All other terms and conditions of the above referenced SFP and Agreement shall remain unchanged and in full force and effect.</p>	Amendment 24 adds language to address process of hardware, equipment upgrades, downgrades, decentralizing, and or removal.	8, 78 of 155
			<p>Exhibit A</p> <p>For purposes of this Amendment 24 and future amendments unless otherwise stated therein, the following sections and the services described therein are deleted from the services that Contractor is to perform under the 2004 SFP (the “Eliminated Requirements”). In addition, any other functions that are contained in other portions of the SFP that related to, affect or are affected by these sections are hereby modified to read as if the services rendered by Contractor never included the Eliminated Requirements.</p>	Amendment 24 updates Exhibit A “Eliminated Requirements”	95-96 of 155

Agenda Item #10

Agreement between LA
Energy Partners, LLC, and
Orleans Sustainable Energy
Partners, LLC

Cooperative Endeavor
Agreement by and between
the state of Louisiana and LA
Energy Partners, LLC
reviewed by JLCB August
2019

COOPERATIVE ENDEAVOR AGREEMENT

BY AND BETWEEN

STATE OF LOUISIANA

AND

LA ENERGY PARTNERS, LLC

[•], 2019

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COOPERATIVE ENDEAVOR AGREEMENT

This Cooperative Endeavor Agreement (“**Agreement**”), effective upon the date executed by both Parties (“**Effective Date**”), is made between:

THE STATE OF LOUISIANA (the “**State**”), appearing herein through Jay Dardenne, the Commissioner of Administration, Division of Administration, duly authorized and empowered by the State; and

LA ENERGY PARTNERS, LLC (“**LAEP**”), a Delaware limited liability company, appearing herein through Michael T. Durham, its duly authorized agent;

(the State and LAEP are collectively referred to as the “**Parties**” and singularly referred to as a “**Party**”).

RECITALS:

I. General

WHEREAS, the Louisiana Constitution of 1974, as amended, in Article VII, Section 14(C), provides that for a public purpose the State and its political subdivisions may engage in cooperative endeavors with each other and with any public or private association, corporation or individual;

WHEREAS, the Louisiana Constitution of 1974, as amended, in Article IX, Section 1 provides that the natural resources of the State, including air and water, and the healthful, scenic, historic, and esthetic quality of the environment shall be protected, conserved, and replenished insofar as possible and consistent with the health, safety, and welfare of the people;

WHEREAS, the operating costs and deferred maintenance and replacement of assets at State-owned and -operated facilities places a substantial financial burden on the State and exposes the State and those facilities to risks that materially and adversely impact the State’s ability to conduct its business and satisfy its commitments and obligations;

WHEREAS, to lessen the impact of lack of adequate funding, the State continuously seeks to mitigate these risks, eliminate unnecessary expenditures and increase efficiencies that derive savings;

WHEREAS, in furtherance of these efforts, the State, through the Office of State Buildings (“**OSB**”), issued a Solicitation for Offers for a Cooperative Endeavor Agreement Number 300000812, for a public-private partnership regarding statewide chiller facilities and building energy conservation measures (the “**SFO**”);

WHEREAS, Bernhard, LLC (doing business as Bernhard Energy Solutions) and Johnson Controls, Inc. collaborated to submit a proposal in response to the Solicitation for Offers pursuant to which they would form LAEP to enter into this Agreement with the State in order to establish a framework pursuant to which the Parties will enter into arrangements to, among other things, convey exclusive leasehold or concession rights to LAEP over certain State-owned or -controlled utility plants and engage LAEP to undertake Improvements to State-owned or -controlled buildings in order to mitigate the State’s risks, assist the State in complying with its commitments and obligations and make such assets and properties more efficient, thus saving the State money;

WHEREAS, the Parties desire to enter into this Agreement to establish a framework to facilitate and advance the goals recited herein, as well as other goals for the public benefit of the State, through multiple Projects to be performed by one or more Affiliates of LAEP (referred to as Project SPEs);

WHEREAS, the Parties intend that over the Term of this Agreement the contemplated Projects will reduce the need for State general fund expenditures necessary for the operation, maintenance, repair, renewal and enhancement of Covered Facilities, as well as creating energy efficiencies resulting in reduced energy and operating costs for the State which will have a beneficial effect on economic and operating expenditures of the State, third-parties and the environment;

WHEREAS, the State and the public will benefit from the economic development and revenue generation created pursuant to the Projects;

WHEREAS, (a) the State Investment for each Project will be for a public purpose that comports with the governmental purpose for which the State Entity party to such Project has the legal authority to pursue, (b) it is anticipated that the value of the benefits of each Project to the State and its citizens will exceed the value of the State Investment undertaken for such Project so that all expenditures by the State Entity party to a Project will not be gratuitous donations and (c) for each Project it shall be a condition precedent that the State Entity entering into such Project establish a demonstrable, objective and reasonable expectation of receiving at least equivalent value in exchange for the State Investment for such Project;

WHEREAS, any and every new Project shall satisfy the Constitutional, statutory, regulatory and jurisprudential conditions for a cooperative endeavor agreement;

II. Phase I Project

WHEREAS, simultaneous with the execution and delivery of this Agreement, the Parties desire to now enter into Ancillary Agreements for the initial Project contemplated by this Agreement (the “**Phase I Project**”);

a. Shaw Center

WHEREAS, the State is party to the Shaw Center CEA, pursuant to which the parties thereto designed, constructed and operate a multi-use museum, theatre and arts complex known as “The Shaw Center for the Arts”;

WHEREAS, pursuant to the Shaw Center CEA, the State provides, at the State’s cost and expense, thermal services and certain operation, maintenance, repair, renewal and enhancement services to the Shaw Center Building;

WHEREAS, the State provides thermal services to the Shaw Center Building from existing assets situated within the Shaw Center Plant located near the Shaw Center Building, and delivers the same through established distribution systems comprising piping, valves and fittings running between the Shaw Center Building and the Shaw Center Plant;

WHEREAS, LAEP desires to operate and maintain the Shaw Center Plant and the assets contained therein in exchange for the exclusive lease of the Shaw Center Plant and all assets therein, and provide Thermal Services to the Shaw Center Building on a priority usage basis and thereby relieve the State of its current financial and operational undertaking of providing thermal services to the Shaw Center Building;

WHEREAS, as further consideration by LAEP to lease the Shaw Center Plant and assume certain State obligations under the Shaw Center CEA, LAEP desires to provide specific enhancements and improvements to the Shaw Center Building;

WHEREAS, the State expects to recognize financial benefits from the enhancements made to and improvements installed in the Shaw Center Building, including (i) utility and operational cost savings, (ii) Infrastructure Savings, and (iii) improved functionality and reliability of the Shaw Center Building;

WHEREAS, the State has obtained the prior written approval of the Commissioner to lease the Shaw Center Plant to LAEP pursuant to La. R.S. 33:9036 for the purposes of economic development, as the Project is located within a downtown development district in the city of Baton Rouge;

b. Office of State Buildings

WHEREAS, the State has identified specific buildings where the operational costs and deferred maintenance and replacement costs have limited the State's ability to operate and maintain those buildings and LAEP desires to provide specific enhancements and improvements to such buildings to mitigate the State's operational costs and risks therein;

WHEREAS, the State expects to recognize financial benefits from the enhancements made to and improvements installed in the buildings, including (i) utility and operational cost savings, (ii) Infrastructure Savings, and (iii) improved functionality and reliability of the buildings;

WHEREAS, the Parties desire to collaboratively support the State and its commitments and obligations to its citizens through the Phase I Project;

III. Future Projects

WHEREAS, the SFO contemplated that the State or other State Entities may enter into future Projects for the type of Work and Services described therein under the terms and conditions of this Agreement; and

WHEREAS, by allowing the State and other State Entities to pursue additional future Projects under this Agreement, the State and such State Entities will benefit by relying on the framework established herein, including contractual protections afforded to the State and other State Entities herein and assurance that each such Project will have a Net Public Benefit.

AGREEMENT:

THEREFORE, IT IS AGREED:

ARTICLE 1 DEFINITIONS; CONFLICT OF TERMS

Section 1.1 Defined Terms. When used in any Contract Document, the terms contained in **Exhibit "A"** will have the meanings given in that Exhibit unless a different meaning is expressed or clearly indicated by the context in the applicable Contract Document. Defined terms will be given their common and ordinary meanings when they appear uncapitalized in the text. Undefined terms will be given their common and ordinary meanings pursuant to custom and industry parlance. Notwithstanding the foregoing, any terms defined in an Ancillary Agreement shall have the meaning set forth in such Ancillary Agreement.

Section 1.2 Interpretation; Use of Defined Terms.

- a.** The definitions of terms will apply equally to the singular and plural forms of the terms defined;
- b.** Whenever the context may require, any pronoun will include the corresponding masculine, feminine and neuter forms;
- c.** The words “herein”, “hereof” and “hereunder”, and words of similar import, will be construed to refer to the applicable Contract Document in its entirety and not to any particular provision thereof;
- d.** The words “include”, “includes” and “including” will be deemed to be followed by the phrase “without limitation”;
- e.** The verb “will” shall be construed to have the same meaning and effect as the verb “shall”;
- f.** Any definition of or reference to any agreement (including a Contract Document), document, standard, principle or other instrument in a Contract Document will be construed as referring to such agreement, document, standard, principle or other instrument as from time to time amended, supplemented, substituted, novated, assigned or otherwise modified (subject to any restrictions on such amendments, supplements, substitutions, novations, assignments or modifications set forth in a Contract Document);
- g.** Any reference herein to any Person, or to any Person in a specified capacity, will be construed to include such Person’s successors and assigns or such Person’s successors in such capacity, as the case may be (subject to any restrictions on assignment set forth in a Contract Document);
- h.** All references to Articles, Sections, Exhibits and Appendices will be construed to refer to Articles, Sections, Exhibits and Appendices of or to the applicable Contract Document. The Exhibits and Appendices to a Contract Document are an integral part of that Contract Document. Notwithstanding the foregoing, the provisions of a Contract Document will prevail over the provisions of the Exhibits and Appendices to such Contract Document to the extent of any inconsistency;
- i.** The headings used are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting a Contract Document;
- j.** Any reference to time of day is a reference to Central Standard Time or Central Daylight Saving Time, as the case may be;
- k.** Any reference to a governmental authority is deemed to include a reference to any successor to such governmental authority or any Person which has taken over the responsibilities or functions of said governmental authority;
- l.** All monetary amounts are expressed in U.S. dollars;
- m.** If the time for doing an act falls or expires on a day that is not a Business Day, the time for doing such act will be extended to the next Business Day; and
- n.** By this reference, each “WHEREAS” clause contained in the Recitals of a Contract Document is made part of that Contract Document as if fully set forth therein.

ARTICLE 2 SCOPE OF COOPERATIVE ENDEAVOR

Section 2.1 State Benefits. Projects may have one or more of the following positive impacts to the State and its citizens:

- a. utility and operational cost savings to the State due to efficiencies created by Improvements made to Covered Facilities;
- b. avoidance of costly operation and maintenance services, Infrastructure Savings and deferred maintenance expenses of the State with respect to Covered Facilities;
- c. improved functionality and reliability of receipt of Thermal Services to and within Covered Facilities; and
- d. design and construction of Improvements that provide energy cost reductions, operational cost reductions, load reductions and/or equipment upgrades or replacements to Covered Facilities.

The benefits described in this Section 2.1 are collectively known as “**Project Benefits**”, and the specific Project Benefits of each Project will be identified in the applicable Ancillary Agreements and a related Net Public Benefit Assurance Plan for such Project utilizing the principles set forth in **Exhibits “B” and “C”**. The Project Benefits of the Phase I Project are set forth in the Phase I Ancillary Agreements and **Exhibit “K”**.

Section 2.2 Relationship of Parties; Independent Contractor. Nothing in the Contract Documents will be deemed to constitute any Party a partner, agent or legal representative of any other Party or to create a joint venture, partnership, agency or any relationship between the Parties, and LAEP and the Project SPEs are independent contractors of the State and will be independent contractors of any State Entities with respect to the Projects. No employees or representatives of LAEP or a Project SPE shall be deemed employees or independent contractors of the State or any State Entity, and neither the State nor any State Entity shall be liable to LAEP, a Project SPE or their employees for any employment benefits. It is expressly acknowledged and understood that LAEP and the Project SPEs shall not be bound to comply with Louisiana’s Public Bid Laws, La. R.S. 38:2211, *et seq.*, or the Louisiana Procurement Code, La. R.S. 39:1551, *et seq.*, with respect to procurement of materials or the selection of a contractor for any Work or Services, regardless of the total amount of any such contract. It is expressly acknowledged and understood that LAEP and the Project SPEs shall not be bound to comply with the Louisiana Public Records Law, the Louisiana Open Meetings Law and the Louisiana Civil Service Law with regard to the procurement of any materials or services under any Contract Document.

Section 2.3 Net Public Benefit Assurance. The amount of the Net Public Benefit for a specific Project shall be calculated annually throughout the term of such Project according to the principles set forth in **Exhibit “B”**. The plan to measure the annual Net Public Benefit for the Phase I Project is set forth in **Exhibit “K”**. Within ninety (90) days of the end of each Service Year of a Project, LAEP and the applicable Project SPE shall provide to the State or the applicable State Entity an annual reconciliation of the Net Public Benefit of such Project for the previous Service Year. The State and applicable State Entity shall have thirty (30) days to review and approve or dispute the annual reconciliation. Failure of the State or a State Entity to respond within thirty (30) days shall be deemed approval thereof. If the State disagrees with the annual reconciliation, the disagreement shall be considered a Dispute under ARTICLE 14 and shall be resolved pursuant to the terms contained therein. In any Service Year of a Project where there is not a Net Public Benefit, LAEP and the applicable Project SPE shall pay to the State the amount that the State Investment for that Project expended for that Service Year exceeded the Project Benefits for that Service

Year. Such payment shall be made within thirty (30) days of the State or the applicable State Entity's approval (or deemed approval) of the Net Public Benefit pursuant to this Section 2.3 or final resolution of any Dispute pursuant to ARTICLE 14, and shall not be in the form of a credit towards any charges for future Work or Services related to that Project. The failure of a Project to generate a Net Public Benefit for a Service Year shall not be deemed an overpayment for the purposes of La. R.S. 39:72(B). The determination of Net Public Benefit shall be determined on a Project-by-Project basis, and no deficit or surplus from any Project will affect or be taken into consideration in the determination of a Net Public Benefit, or lack thereof, for any other Project.

ARTICLE 3 AUTHORITY

Section 3.1 State Authority. The State is granted authority, pursuant to Section 14(C) of Article VII of the Louisiana Constitution of 1974, as amended, to enter into cooperative endeavor agreements with public and private associations or corporations for a public purpose, including agreements which may require the use of State funds, personnel or other resources, provided legal guidelines are met and the Project Benefits are demonstrated to be commensurate with or greater than the investment of funds by the State. This Agreement is entered into with the expectation and belief that during the Term, the Project Benefits from each Project will exceed the obligations of the State under the applicable Ancillary Agreements for the respective Project, including the State Investment thereunder.

Section 3.2 LAEP and Project SPE Authority. LAEP has provided to the State a copy of LAEP's certificate of formation, limited liability company agreement, a certificate of good standing and a duly executed unanimous consent of the board of managers of LAEP, evidencing the authority and representation of LAEP by the undersigned representative, such documents collectively demonstrating the authority of LAEP to enter into this Agreement, to carry out the commitments made herein, and the authority of the undersigned representative to execute this Agreement on behalf of LAEP. At or prior to a Project SPE entering into any Ancillary Agreement, LAEP will provide to the State a copy of the Project SPE's certificate of formation, limited liability company agreement, a certificate of good standing and a duly executed certification of LAEP that such Project SPE is an Affiliate, evidencing the authority and representation of the Project SPE by its undersigned representative to such Ancillary Agreement, such documents collectively demonstrating the authority of the Project SPE to enter into the Ancillary Agreement, to carry out the commitments made therein, and the authority of its undersigned representative to execute the Ancillary Agreement on behalf of the Project SPE.

ARTICLE 4 REPRESENTATIONS

Section 4.1 State's Representations. As a material inducement to LAEP to enter into this Agreement and the Phase I Ancillary Agreements, without which LAEP would not have entered into this Agreement or the Phase I Ancillary Agreements, nor would LAEP cause any future Project SPE to enter into any future Ancillary Agreements, the State represents and warrants to LAEP as of the Effective Date and will represent and warrant to LAEP and any future Project SPEs as of each subsequent Commencement Date for a Project to which the State is party:

a. The State has performed with respect to the Phase I Project an analysis of the Project Benefits expected to be derived from the Phase I Project and such analysis projects a Net Public Benefit to the State pursuant to Section 2.3. Prior to entering into an Ancillary Agreement with respect to a future Project, the State (if it will be a party thereto) will perform an analysis of the Project Benefits expected to be derived from such Project in its reasonable discretion, and such analysis shall project a Net Public Benefit to the State as a condition to the State entering into such Ancillary Agreement. Notwithstanding the

foregoing representations in this Section 4.1.a, the State will be entitled to reasonably rely upon any information and data provided by LAEP or a Project SPE in support of the State's analysis.

b. The State's obligations under the Contract Documents to which the State is or will be party will be made for the public purpose of supporting the State's current obligations and are part of a bargained for exchange with LAEP and the applicable Project SPE.

c. The State shall request adequate appropriation from the Legislature to fund the entire State Investment for the Phase I Project and each other Project to which the State will be a party throughout the entire Term of such Projects, but makes no representations, warranties or covenants, express or implied, that the Legislature will make such appropriations.

d. The State has with respect to the Phase I Ancillary Agreements, and with respect to future Ancillary Agreements to which the State will be a party will have, the requisite power and authority to enter into the Contract Documents and to carry out the terms hereof and thereof. The Commissioner will have the authority to execute such Contract Documents as the authorized representative of the State, and to bind the State to all the terms of such Contract Documents as such may be applicable to the State.

e. Each Contract Document to which the State is a party has been, and with respect to future Ancillary Agreements will be, duly authorized, executed and delivered by the State and constitutes or will constitute, as applicable, a legal, valid and binding obligation of the State, enforceable in accordance with its terms.

f. The State has obtained with respect to this Agreement and the Phase I Ancillary Agreements, and will obtain prior to the execution and delivery of any future Ancillary Agreements to which the State will be a party, all approvals required by the State, consistent with the courts of law of the State.

g. The State has taken or will take all necessary and proper action to authorize the execution, issuance and delivery of each Contract Document to which it is or will be a party, and the performance of the State's obligations hereunder and thereunder.

h. The execution of each Contract Document to which the State is or will be a party, and the performance by the State of its obligations hereunder and thereunder, are or will be within the powers of the State, and will not violate any provisions of law applicable to the State.

i. At the time of execution by the State of a Contract Document, the State is or will be in full compliance with all terms and conditions thereof, and no event that would constitute an event of default by the State (as described in such Contract Document) with respect thereto has occurred or will occur as of such time.

j. To the State's Knowledge, this Agreement contains no untrue or misleading statement of any material fact. The State has no Knowledge of any material fact or circumstance that adversely affects or, so far as the State can now reasonably foresee, will adversely affect the condition of the State or its ability to perform its obligations under any Contract Documents, that the State has not disclosed in writing to LAEP. All representations made herein by the State are true and accurate and remain in full force and effect.

k. The State agrees and acknowledges that (i) LAEP, Project SPEs and any Permitted LAEP Transferees will rely upon this Agreement and all applicable Ancillary Agreements when arranging financing for a Project; and (ii) the Persons financing all or any portion of a Project, including the applicable

Project SPE's Financier, will rely upon this Agreement and all applicable Ancillary Agreements in agreeing to finance all or any portion of a Project.

Section 4.2 LAEP Representations. As a material inducement to the State to enter into this Agreement and the Phase I Ancillary Agreements, without which the State would not have entered into this Agreement or the Phase I Ancillary Agreements, LAEP represents and warrants to the State as of the Effective Date and as of each subsequent Commencement Date:

a. LAEP is, and each future Project SPE will be, a duly and legally organized Delaware limited liability company, in good standing under the laws of the state of Delaware and is qualified to do business and is in good standing in the State, and has or will have all the requisite power and authority to enter into each Contract Document to which it is or will be a party and to carry out the terms hereof and thereof, with all powers and governmental licenses, authorization, qualifications, consents and approvals required to carry on its business in the State as now conducted or will acquire and possess all such required authority to carry on the business contemplated in the Contract Documents to which it is a party, and the officer or agent signing each Contract Document to which it is or will be a party has, and with respect to future Ancillary Agreements will have, the authority to execute such Contract Document as the authorized representative of LAEP and to bind LAEP to all the terms hereof and thereof.

b. Each Contract Document to which LAEP or future Project SPEs are or will be a party has been, and with respect to future Ancillary Agreements will be, duly authorized, executed and delivered by LAEP or the Project SPE, as applicable, and constitutes or will constitute, as applicable, legal, valid and binding obligations of LAEP or the Project SPE, as applicable, enforceable in accordance with its terms.

c. LAEP has taken or will take, and each future Project SPE will take, all necessary and proper action to authorize the execution, issuance and delivery of each Contract Document to which they are or will be a party and any other documents required hereby or thereby, and the performance of their obligations hereunder and thereunder.

d. The execution of each Contract Document to which LAEP or a future Project SPE is or will be a party and any other documents required hereby or thereby, and the performance by LAEP or a future Project SPE of its obligations hereunder and thereunder, are or will be within the powers of LAEP or the future Project SPE, as applicable, and will not violate any provisions of any law, regulation, decree or governmental authorization applicable to LAEP or the future Project SPE, as applicable, or any agreements of LAEP or the future Project SPE, as applicable, with any of its creditors.

e. At the time of execution by LAEP or a future Project SPE of a Contract Document, LAEP or the future Project SPE, as applicable, is or will be in full compliance with all currently applicable terms and conditions thereof, and no event that would constitute an event of default by LAEP (as described in such Contract Document) with respect thereto has occurred or will occur as of such time.

f. Except as may be otherwise disclosed in writing, there is no action, suit, investigation or proceeding pending, or to LAEP's Knowledge threatened, against LAEP before any court, arbitrator, or administrative or governmental body which could reasonably be expected to result in a material adverse change in LAEP's financial condition or operations, or in LAEP's ability to comply with its obligations under each Contract Document to which it is or will be a party or to participate in the transactions contemplated hereby or thereby.

g. To LAEP's Knowledge, this Agreement contains no untrue or misleading statement of any material fact. There is no material fact or circumstance known to LAEP that adversely affects or, so far as LAEP can now reasonably foresee, will adversely affect the condition of LAEP or a future Project SPE or

their ability to perform their obligations under the Contract Documents, that LAEP has not disclosed in writing to the State. All representations made herein by LAEP are true and accurate and remain in full force and effect.

- h.** LAEP certifies that it has no outstanding audit issues or findings.

ARTICLE 5 OBLIGATIONS

Section 5.1 State Obligations.

a. Compliance with Contract Documents. The State will comply with and perform all of its obligations arising under or related to the Contract Documents, subject to the terms, obligations and conditions thereof, including granting to LAEP or a Project SPE:

(1) the exclusive right to occupy, use, operate, manage, administer and maintain any Covered Facilities subject to Leases, including all Covered Assets at or within such Covered Facilities;

(2) the exclusive right to design, construct, install and finance Plant Improvements, if applicable, at Covered Facilities subject to Leases;

(3) the exclusive right to provide Services to Covered Facilities subject to Ancillary Agreements;

(4) the exclusive right to provide Thermal Services to Covered Facilities subject to Thermal Services Agreements;

(5) the exclusive right to design, construct, install and finance Energy Optimization Improvements at Covered Facilities subject to Leases or Facility Optimization Services Agreements;

(6) the exclusive right to utilize Thermal Energy-producing assets located at Covered Facilities subject to Leases to provide Thermal Energy to any Third Party Off-takers on terms and conditions as LAEP and the Project SPE may accept, provided, that all such agreements with Third Party Off-Takers will expressly state that the provision of Thermal Services to such Third Party Off-taker is subordinate to LAEP's and the Project SPE's obligation to provide Thermal Services to the relevant Covered Facility; and

(7) indemnify the LAEP Indemnitees in accordance with Section 13.3a.

b. Contract Document Payments. Subject to Section 5.3, the State will timely make all payments due and owing by it under all Contract Documents, in accordance with the terms and within the time periods provided therein. The payment terms for the Phase I Project are attached hereto as **Exhibit "L"**.

c. No Encumbrances. The State agrees not to encumber, transfer or otherwise dispose of all or any portion or component of a Covered Facility without first receiving a subordination and non-disturbance agreement with any new interest holder acknowledging and agreeing to abide by the terms of the applicable Contract Documents.

d. Cooperation; No Obstruction or Interference. The State will:

(1) provide LAEP, the Project SPE and all LAEP Persons with reasonable access to Covered Facilities throughout the Term of the applicable Ancillary Agreement(s), including personnel access and receipt of major equipment deliveries as may be necessary to provide Work and Services at, on or for such Covered Facilities, and if applicable for a reasonable period of time following termination of the Term of an Ancillary Agreement to remove any Future Equipment; and

(2) not allow any of its actions or those of any State Person to unreasonably interfere with the performance of Work or Services at, on or for Covered Facilities.

e. Responses to LAEP Inquiries. Unless otherwise specified in this Agreement, the State will respond in writing to all written inquiries received from LAEP as soon as reasonably practicable and in any event within ten (10) days of receipt of such inquiry or such longer period as the circumstances and content of the inquiry may reasonably require.

f. Exclusivity for Work and Services. During the Term, the State will not contract with or otherwise permit Persons other than LAEP, a Project SPE and their Affiliates and subcontractors to furnish or provide any work or services at a Covered Facility that are the same Work or Services furnished or provided by LAEP or a Project SPE to such Covered Facility pursuant to a Scope of Work or an Ancillary Agreement without obtaining the prior written consent of LAEP or the applicable Project SPE, which may be withheld or conditioned in LAEP's sole discretion; provided, however, that the foregoing will not apply in the event of circumstances that could not have been reasonably foreseen and which requires the State to take immediate action to prevent, correct or protect such Covered Facility from substantial loss.

Section 5.2 LAEP Obligations.

a. Compliance with Contract Documents. LAEP will, and will cause the Project SPEs to, comply with and perform all of its obligations arising under or related to the Contract Documents, subject to the terms, obligations and conditions thereof, including:

(1) occupy, use, operate, manage, administer and maintain any Covered Facilities subject to Leases;

(2) design, construct, install and finance Plant Improvements, if applicable, at Covered Facilities subject to Leases;

(3) provide Thermal Services to Covered Facilities subject to Thermal Services Agreements;

(4) design, construct, install and finance Energy Optimization Improvements at Covered Facilities subject to Facility Optimization Services Agreements;

(5) provide M & V Services, if applicable, to Covered Facilities subject to Leases and Facility Optimization Services Agreements;

(6) furnish to the State, prior to the commencement of any Work or Services under an Ancillary Agreement, certificates of insurance effecting coverages required of LAEP or a Project SPE as described in **Exhibit "E"** hereto or as provided under such Ancillary Agreement, and maintain such insurance in full force and effect for the duration specified therein;

(7) furnish to the State, prior to the commencement of any Improvements under an Ancillary Agreement, any payment and performance bonds required of LAEP or a Project SPE under such Ancillary Agreement; and

(8) indemnify the State Indemnitees in accordance with Section 13.3b.

b. Contract Document Payments. LAEP will, and will cause the Project SPEs to, timely make all payments due and owing by them under all Contract Documents, in accordance with the terms, and within the time periods, provided therein.

c. Cooperation; No Obstruction or Interference. LAEP will not allow any of its actions or those of any Project SPE or LAEP Person to unreasonably interfere with the activities of the State or any other Person on or about a Covered Facility.

d. Responses to Inquiries. Unless otherwise specified in this Agreement, LAEP will respond in writing to all written inquiries received from the State as soon as reasonably practicable, and in any event within ten (10) days of receipt of such inquiry or such longer period as the circumstances and content of the inquiry may reasonably require.

Section 5.3 Appropriation. All State obligations under this Agreement and the other Contract Documents to which the State is a party are subject to appropriation by the Legislature of sufficient funds therefor and the availability of funds following Legislative appropriation, and subject to termination due to unavailability of complete funding. The State agrees to request that the State Budget include sufficient funds for the State Investment for all then-current Projects to which the State is a party and to use its best efforts to affect the necessary Legislative appropriations for all then-current Projects to which the State is a party, but makes no representations, warranties or covenants, express or implied, that the Legislature will make such appropriations. Notwithstanding the foregoing, nothing in this Section 5.3 shall require the State to specifically identify a Project in its Budget request to the Legislature.

Section 5.4 Title to Future Equipment.

a. The State acknowledges and agrees that the purchase of all Future Equipment will be made in the name of LAEP, a Project SPE or Project SPE's Trustee.

b. Throughout the Term of the applicable Ancillary Agreement, LAEP the Project SPE or Project SPE's Trustee will retain legal title to all such Future Equipment as security for the State's or the applicable State Entity's obligations under such Ancillary Agreement (including payment of any Termination Fee that may be owed thereunder), notwithstanding the installation of that Future Equipment into a Covered Facility in connection with such Work.

c. Pursuant to La. R.S. 10:9-334, the State and each State Entity that becomes a party to an Ancillary Agreement (i) acknowledges the Future Equipment will be installed in a Covered Facility and classified as "fixtures" as defined by La. R.S. 10:9-334, (ii) disclaims any interest in all Future Equipment, (iii) acknowledges LAEP, the Project SPEs or Project SPE's Trustee shall be the owner of all Future Equipment, (iv) consents to LAEP, the Project SPEs or Project SPE's Trustee granting security interests in all Future Equipment to third parties, including Project SPE's Financier, and (v) acknowledges that prior to the installation of any Future Equipment in a Covered Facility, LAEP or the Project SPE will perfect a fixture filing and UCC-1 in the mortgage records of East Baton Rouge Parish and/or the Parish in which the Covered Facility is located evidencing any security interests granted by LAEP, the Project SPE or Project SPE's Trustee in Future Equipment.

d. Upon the expiration or earlier termination of an Ancillary Agreement in accordance with the terms thereof, and subject to payment by the State or the applicable State Entity of the applicable Termination Fee for termination prior to expiration in accordance therewith, title to and ownership of the Future Equipment installed pursuant to such Ancillary Agreement shall vest in the State or State Entity free and clear of any security interests granted by LAEP or the Project SPE.

ARTICLE 6

INITIAL PROJECT; ADDITIONAL PROJECTS

Section 6.1 Phase I Project. Simultaneous with the execution and delivery of this Agreement, the State and BREP are entering into the Phase I Project, which is evidenced by the Phase I Ancillary Agreements and the Phase I Project Adoption Agreement.

Section 6.2 Addition of Covered Facilities. During the period commencing on the Effective Date and continuing until the tenth (10th) anniversary thereof, any State Entity may desire that LAEP provide Work and/or Services to a Proposed Covered Facility as a new Project under this Agreement pursuant to an Adoption Agreement (which shall constitute an amendment to this Agreement), and from and after the tenth (10th) anniversary of the Effective Date no new Projects may be effected; provided, however, that the foregoing shall not prohibit or preclude the amendment or modification of any Projects in effect as of such date. In no event may any proposed Work or Services for future Projects under this Agreement be outside the scope of the SFO.

Section 6.3 Notification. Should a State Entity desire to have LAEP provide Work and/or Services on a Project, such State Entity may provide written notice to LAEP identifying the Proposed Covered Facility and the scope of Work or Services the State Entity desires LAEP to perform or furnish at the Proposed Covered Facility. The State Entity shall give LAEP reasonable access to the Proposed Covered Facility, and provide LAEP with such information reasonably requested, so that LAEP may perform due diligence to determine the feasibility of the Project at the Proposed Covered Facility.

Section 6.4 Negotiations; Ancillary Agreements. The State hereby grants and delegates to any other State Entity the power to negotiate on that State Entity's own behalf the scope of Work and Services to be performed by LAEP, and the terms and conditions of applicable Ancillary Agreements (including pricing, duration and termination fees), for Projects at Proposed Covered Facilities; provided, however, such Ancillary Agreements shall conform to the Cooperative Purchasing Provisions set forth in **Exhibit "C"** and the scope of Work and Services shall be within the scope of the SFO. Prior to or simultaneous with entering into the Ancillary Agreements for a Project, the State, but in all instances after obtaining all consents and undertaking all reviews specified in Section 6.5, the State Entity, LAEP and the applicable Project SPE shall enter an Adoption Agreement in the form of **Exhibit "F"**. Notwithstanding anything contained herein to the contrary, the effectiveness of this Agreement and any prior Ancillary Agreements shall not relieve any Party from obtaining any requisite approvals or consents, including the Office of State Procurement of the Division of Administration (or any successor agency or entity thereto). In addition to the foregoing, if the State Entity seeking a Project pursuant to this ARTICLE 6 is a publicly funded institution of higher education within the State, such State Entity shall obtain prior to or simultaneous with entering into the Ancillary Agreements for a Project, the approval of its governing board.

Section 6.5 Approvals. With respect to Projects with a State Entity acting pursuant to the delegated authority provided for in Section 6.4, after the State Entity and LAEP have agreed upon the terms and conditions of the Ancillary Agreements, the State Entity shall present the Project and the Ancillary Agreements to the Division of Administration. The Division of Administration will review and approve the Project and Ancillary Agreements to confirm that they are proper under this Agreement and within the scope of the SFO. All Projects (after finalization of the Ancillary Agreements and, with respect to Projects

with State Entities, after confirmation by the Division of Administration) shall be submitted for review to the Joint Legislative Committee on the Budget pursuant to La. R.S. 39:366.11.

Section 6.6 Net Public Benefit. Each Project agreed to by the Parties under this ARTICLE 6 shall have a Net Public Benefit determined by the applicable Parties consistent with **Exhibit “B”** hereto and such other terms, conditions and principles as such parties may mutually agree prior to entering into the Ancillary Agreements relating thereto, exclusive of any other Projects entered into by the Parties under the terms of this Agreement, and the amount of Net Public Benefit for a particular Project shall be determined annually subject to Section 2.3. Prior to the execution of any future Ancillary Agreement, the State Entity seeking such Project shall cause to be performed an independent review of the anticipated Project Benefits and State Investment for such Project to confirm that (a) the State Investment for such Project will be for a public purpose that comports with the governmental purpose for which the State Entity has the legal authority to pursue, (b) the anticipated value of the benefits of the Project to the State and its citizens will exceed the value of the State Investment undertaken for the Project so that all expenditures by the State Entity will not be gratuitous donations and (c) the State Entity will have a demonstrable, objective and reasonable expectation of receiving at least equivalent value in exchange for the State Investment for the Project. Such review shall be attached to and become part of the applicable future Ancillary Agreement.

ARTICLE 7 INSURANCE AND BONDS

Section 7.1 Insurance. Each Party shall maintain insurance of the kinds and in the amounts specified in an Ancillary Agreement on the Covered Facility thereunder and any components thereof, and any other assets and properties covered or affected by that Ancillary Agreement, and for the Work and Services to be performed thereunder.

Section 7.2 Insurance Specifications. For any insurance required to be obtained and maintained by LAEP or a Project SPE pursuant to an Ancillary Agreement, such insurance shall comply with the terms and conditions of **Exhibit “E”**.

Section 7.3 Bonds. The State shall have the right, to be set forth in an Ancillary Agreement, to require LAEP or a Project SPE to furnish a bond for the faithful performance of the Project and payment of obligations arising thereunder. Upon request of any Person appearing to be a beneficiary of a required bond under an Ancillary Agreement, LAEP will, or will cause the Project SPE to, promptly furnish a copy of such bond. Any bonds required of LAEP or a Project SPE pursuant to an Ancillary Agreement shall be recorded by LAEP or the applicable Project SPE in the manner and on the conditions specified in the Ancillary Agreement.

ARTICLE 8 NONDISCRIMINATION

LAEP agrees, and will cause each Project SPE, to abide by the requirements of the following laws (as amended), to the extent applicable: (i) Title VI of the Civil Rights Act of 1964, Title VII of the Civil Rights Act of 1964 and Equal Employment Opportunity Act of 1972; (ii) Federal Executive Order 11246; (iii) the Rehabilitation Act of 1973; (iv) the Vietnam Era Veteran’s Readjustment Assistance Act of 1974; (v) the Uniformed Services Employment and Reemployment Rights Act of 1994; (vi) Title IX of the Education Amendments of 1972; (vii) the Age Discrimination Act of 1975; (viii) the Fair Housing Act of 1968; and (ix) the Americans with Disabilities Act of 1990. LAEP further agrees that, to the extent required by Applicable Legal Requirements, it and the Project SPEs shall not discriminate in their employment practices and shall render their services without discrimination, and without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

ARTICLE 9

PROJECT SPEs; ASSIGNMENT AND TRANSFER

Section 9.1 Project SPEs. For each Project, LAEP may form or caused to be formed a Project SPE to enter into the applicable Ancillary Agreements and perform the applicable Work and Services. If formed, a Project SPE will be a Delaware limited liability company and an Affiliate of LAEP.

Section 9.2 Assignment by LAEP. Except as expressly provided in this Section, LAEP will not assign or otherwise transfer this Agreement and the Project SPEs will not assign or otherwise transfer any Ancillary Agreement, or any of their Agreement Rights without the State's (or the applicable State Entity's with respect to any Ancillary Agreements) prior written consent, which consent may be withheld or conditioned in the State's (or State Entity's, as applicable) sole discretion. Notwithstanding the foregoing, LAEP and Project SPEs may assign without the consent of the State (i) their rights to receive any payments from the State under this Agreement or any Ancillary Agreement to a Project SPE's Financier and (ii) all Ancillary Agreements comprising a single Project in their entirety to a Permitted LAEP Transferee. In the event of any valid transfer and/or assignment of any Agreement Rights to a Permitted LAEP Transferee, LAEP or the Project SPE, as applicable, shall be released of any obligations and/or duties related to the transferred or assigned Agreement Rights subsequent to the effective date of such transfer.

Section 9.3 Assignment by the State. The State will not assign or otherwise transfer its rights or obligations under the Contract Documents without LAEP's prior written consent, which consent may be withheld or conditioned in LAEP's sole discretion.

Section 9.4 Assignment to a Project SPE's Financier. Notwithstanding anything contained in this ARTICLE 9 or elsewhere in the Contract Documents to the contrary, (a) a Project SPE's Financier may assume for itself the Contract Documents in accordance with an applicable NDA; and (b) in no event may any Ancillary Agreement for a specific Project be assigned separate and apart from all of the then-effective Ancillary Agreements for such Project.

ARTICLE 10

TERM

Section 10.1 Term; Ancillary Agreements Coterminous.

a. This Agreement shall be effective once signed by all Parties and shall extend for a term of forty (40) years.

b. All Ancillary Agreements entered into by the Parties under the terms and conditions of this Agreement shall terminate upon the termination (but not expiration which shall be extended as provided in Section 10.1a) of this Agreement; provided, however, that this Agreement shall not terminate upon, and as a result of, the termination of any individual Ancillary Agreement.

Section 10.2 Grounds for Termination.

a. This Agreement.

(1) The State: The State may terminate this Agreement prior to the Expiry Date only upon the occurrence of an event of default by LAEP specified in Section 11.1.b., but only after compliance with the provisions of Section 10.3 and 10.4. The State acknowledges and agrees that it may not terminate this Agreement for any other reason, including as a result of a Non-Appropriation Event with respect to one or more particular Projects or of default by LAEP or a Project SPE under an Ancillary Agreement, the

Parties recognizing that (i)(A) termination of this Agreement would result in the termination of all Projects and their respective Ancillary Agreements and (B) a Non-Appropriation Event with respect to one particular Project and related Ancillary Agreement should not result in the termination of all Projects and their respective Ancillary Agreements and (ii) the rights and remedies of the State or any State Entity, as applicable, shall be as set forth in the applicable Ancillary Agreement. The foregoing shall not be deemed to impair or limit the ability and right of the State or any State Entity, as applicable, to terminate any particular Project and the related Ancillary Agreement upon a Non-Appropriation Event with respect thereto.

(2) LAEP: LAEP may terminate this Agreement prior to the Expiry Date only upon an event of default by the State specified in Section 11.1.a, but only after compliance with the provisions of Section 10.3. LAEP acknowledges and agrees that it may not terminate this Agreement for any other reason, including as a result of any event of default by the State or a Lessor an Ancillary Agreement.

b. Ancillary Agreements. An Ancillary Agreement may only be terminated by the parties thereto prior to the Expiry Date thereof only for the events described in such Ancillary Agreement, which may only include those events described on **Exhibit “D”**. The procedures for terminating an Ancillary Agreement, including notice and cure periods as applicable, shall be set forth in the Ancillary Agreement. In no event may the termination of one or more Ancillary Agreements for a specific Project affect or be grounds for termination of any Ancillary Agreement(s) for any other Projects, except upon a termination of this Agreement pursuant to Section 10.2.a.

c. Phase I Ancillary Agreements. In addition to the procedures for terminating a Phase I Ancillary Agreement as specifically provided therein, the State may terminate all of the Phase I Ancillary Agreements, but not less than all, upon either: (i) LAEP’s or the Project SPE’s failure to pay any amounts that may be owed to the State for the Phase I Project pursuant to the Net Public Benefit assurance described in Section 2.3 (Termination by State for Net Public Benefit Payment Default); or (ii) a Non-Appropriation Event with respect to the entire Phase I Project (Termination by State for Phase I Non-Appropriation). The amounts that would be owed by the State in such instances are set forth in Schedules 3 (Termination by State for Net Public Benefit Payment Default) and 4 (Termination by State for Phase I Non-Appropriation) on **Exhibit “M”**.

Section 10.3 Procedures for Termination. Should a Party seek to terminate this Agreement on the terms herein, after such Party has delivered the requisite Notices pursuant to Section 11.1 and all appropriate cure periods have expired in accordance therewith, such Party shall provide an additional Notice to the other Party of its intent to terminate this Agreement. The cancelling Party shall specify the Termination Date in its Notice, which Termination Date shall not be less than sixty (60) days from the date such additional Notice is received by the other Party.

Section 10.4 Termination Fees. The Termination Fees for the Phase I Project are set forth in **Exhibit “M”** attached hereto.

a. On the Termination Date of this Agreement, each Ancillary Agreement in effect as of such Termination Date shall automatically terminate. In such event, the State and each other State Entity that is party to an Ancillary Agreement will pay all applicable Termination Fees that may be due and owing under all applicable Ancillary Agreements as of such Termination Date (such terminations of the Ancillary Agreements shall be deemed Terminations by State for Cause) and all amounts that accrue under the Ancillary Agreements from the Notice of termination until the Termination Date (including all amounts owed for all Services provided thereunder for such period), by wire or ACH transfer of immediately available funds to such account(s) as the applicable Project SPE or the relevant Project SPE’s Financier(s) shall direct the State or other State Entity in writing. The amount of the Termination Fee payable under an

Ancillary Agreement, if any, will be calculated in accordance with the terms and conditions of such Ancillary Agreement, except for the Termination Fee with respect to the Phase I Ancillary Agreements which is set forth on **Exhibit “M”** attached hereto.

b. THE STATE AND EACH OTHER STATE ENTITY THAT ENTERS INTO AN ANCILLARY AGREEMENT HEREUNDER AGREES THAT THEY ARE NOT ENTITLED TO WITHHOLD, OFFSET, ABATE, OR REDUCE THE AMOUNT OF PAYMENT OF ANY TERMINATION FEE DUE BY THEM UNDER A CONTRACT DOCUMENT FOR ANY REASON WHATSOEVER. THE STATE AND EACH OTHER STATE ENTITY THAT ENTERS INTO AN ANCILLARY AGREEMENT HEREUNDER SPECIFICALLY WAIVE ANY RIGHT OF WITHHOLDING, SET-OFF, ABATEMENT OR REDUCTION OR ANY OTHER DEFENSE AT LAW OR EQUITY TO ALL TERMINATION FEES DUE UNDER THE CONTRACT DOCUMENTS, AND AGREE THEY MUST PURSUE ANY AVAILABLE REMEDIES AGAINST LAEP AND/OR THE APPLICABLE PROJECT SPE WITHOUT WITHHOLDING, SET-OFF, ABATEMENT, OR REDUCTION IN AN AMOUNT LESS THAN THE ENTIRE TERMINATION FEES. IT IS THE INTENTION OF THE PARTIES THAT AT LEAST THE TERMINATION FEES WILL CONTINUE TO BE PAYABLE IN ALL EVENTS IN THE MANNER AND AT THE TIMES SET FORTH IN THE CONTRACT DOCUMENTS. NOTWITHSTANDING THE FOREGOING, NOTHING CONTAINED IN A CONTRACT DOCUMENT WILL BE DEEMED TO PREVENT THE STATE OR A STATE ENTITY FROM OFFSETTING A PREVIOUS OVERPAYMENT BY THE STATE OR A STATE ENTITY TO LAEP OR A PROJECT SPE AGAINST A FUTURE PAYMENT OWED BY THE STATE OR STATE ENTITY, BUT ONLY TO THE EXTENT OF SUCH PREVIOUS OVERPAYMENT, AS REQUIRED UNDER LA. R.S. 39:72(B).

Section 10.5 Effect of Termination. At the end of the Term of this Agreement, except as provided in Section 11.2c, possession and use of all of Covered Facilities, and upon payment of all applicable Termination Fees and other amounts owed by the State Entities under the then-effective Ancillary Agreements, title to all Improvements constructed and Future Equipment installed in Covered Facilities pursuant thereto during the Term, will revert to the State or applicable State Entity, free and clear of any interest of LAEP, a Project SPE or Project SPE’s Financier or any other claim or lien arising by or through LAEP or a Project SPE. No termination of this Agreement excuses either Party from any liability arising out of any default as provided in this Agreement that occurred prior to such termination.

ARTICLE 11 EVENTS OF DEFAULT

Section 11.1 Events of Default.

a. By the State. Subject to Force Majeure as provided in Section 11.5, the occurrence of any of the following events shall constitute an event of default by the State under this Agreement:

(1) The State fails to cure its breach of an obligation under this Agreement within thirty (30) days after the State receives notice from LAEP of the breach; provided, that if such breach cannot reasonably be cured during such 30-day period, the State will be entitled to an additional thirty (30)-day period within which to cure its breach, so long as it will have begun to cure such breach within the initial thirty (30)-day period and is diligently pursuing such cure; or

(2) any of the State’s representations or warranties herein proves to have been misleading or false in any material respect when made and, within thirty (30) days of receipt of notice from LAEP, the State does not cure the underlying facts so as to make the representation or warranty correct and not misleading.

The Parties acknowledge and agree that under no circumstances shall any event of default by the State, a Lessor or a State Entity under (i) this Agreement that pertains to a specific Project cause or be deemed to cause an event of default by the State, a Lessor or a State Entity with respect to any other Project and (ii) one or more Ancillary Agreements for a specific Project constitute an event of default by the State or another State Entity under any Ancillary Agreements for any other Projects. Upon the occurrence of an event of default with respect to a particular Project, LAEP's and the applicable Project SPE's remedies shall be limited to the Contract Documents relating to that particular Project and shall not give rise to any termination rights of LAEP under Section 10.2.a(2).

b. By LAEP. Subject to Force Majeure as provided in Section 11.5, the occurrence of any of the following events shall constitute an event of default by LAEP under this Agreement:

(1) LAEP fails to cure its breach of an obligation under this Agreement (other than an obligation specified in Section 5.2.a or 5.2.b) within thirty (30) days after LAEP receives notice from the State of the breach; provided, that if such breach cannot reasonably be cured during such 30-day period, LAEP will be entitled to an additional thirty (30)-day period within which to cure its breach, so long as it will have begun to cure such breach within the initial thirty (30)-day period and is diligently pursuing such cure; provided, that if a Project SPE's Financier gives the State notice prior to the expiration of a cure period that such Project SPE's Financier intends to cure all such LAEP breaches, the State shall give such Project SPE's Financier thirty (30) days (or sixty (60) days if such breach cannot reasonably be cured during such 30-day period) following the State's receipt of such notice to cure breaches; provided, further, that the Parties acknowledge and agree that any breach by LAEP of its obligations specified in Sections 5.2.a and 5.2.b shall only constitute an event of default under the applicable Ancillary Agreement(s) and the State's or State Entity's, as applicable, remedies shall be those specified in the applicable Ancillary Agreement(s), and shall not constitute grounds to terminate this Agreement; or

(2) any of LAEP's representations or warranties herein proves to have been misleading or false in any material respect when made and, within thirty (30) days of receipt of notice from the State, LAEP does not cure the underlying facts so as to make the representation or warranty correct and not misleading.

The Parties acknowledge and agree that under no circumstances shall any event of default by LAEP or a Project SPE under (i) this Agreement that pertains to a specific Project cause or be deemed to cause an event of default by LAEP or such Project SPE with respect to any other Project and (ii) one or more Ancillary Agreements for a specific Project constitute an event of default by LAEP or another Project SPE under any Ancillary Agreements for any other Projects. Upon the occurrence of an event of default with respect to a particular Project, the State's and the applicable State Entity's remedies shall be limited to the Contract Documents relating to that particular Project and shall not give rise to any termination rights of the State under Section 10.2.a(1).

Section 11.2 Remedies.

a. For State. Upon the occurrence of an event of default by LAEP under this Agreement described in Section 11.1.b, the State may: (i) seek specific performance of LAEP's obligations hereunder; (ii) seek any other remedy available to the State in law, including injunctive relief and claims for damages; and (iii) seek to terminate this Agreement. The State's ability to terminate this Agreement for an event of default by LAEP under this Agreement described in Section 11.1.b shall be subject to the State's and any State Entities' party to Ancillary Agreements obligations to pay all applicable Termination Fees pursuant to Section 10.4.

b. For LAEP. Upon the occurrence of an event of default by the State under this Agreement described in Section 11.1.a that has not been cured within the time period specified in Section 11.1.a, LAEP may file a claim with the Commissioner in accordance with La. R.S. 39:1673; provided, however, that if such claim has not been heard within thirty (30) days of LAEP's submission, LAEP may pursue any remedy as provided in the Louisiana Procurement Code or as provided for under this Agreement.

c. Repossession of Future Equipment. If either Party exercises its remedy to terminate this Agreement resulting in the simultaneous termination of all Ancillary Agreements then in effect, and the State or another State Entity fails to pay a Termination Fee that is payable in connection therewith, the State will cooperate with LAEP and the Project SPEs and grant LAEP, the Project SPEs or Project SPE's Trustee (as applicable) reasonable access (which may be outside normal business hours and include non-Business Days) to the Covered Facilities for the purpose of repossessing and removing the Future Equipment, and the State acknowledges and agrees that neither LAEP, the Project SPEs nor Project SPE's Trustee shall have any obligation to replace any Future Equipment so removed, but LAEP will repair any damage caused by LAEP, a Project SPE or Project SPE's Trustee in the process of such removal; provided, that neither LAEP, the Project SPEs, Project SPE's Trustee nor any of their agents or representatives shall have any obligation to replace any Future Equipment so removed.

Section 11.3 Waiver of Consequential Damages. In no event, whether based on contracts, indemnity, warranty, tort (including, as the case may be, a Party's own negligence) or otherwise, will any Party be liable to any other Party or any other Party's Affiliates for or with respect to any claims for consequential, indirect, punitive, exemplary, special or incidental damages, lost profits or lost revenues arising out of or related to any Contract Document except as specified in a Termination Fee or to the extent such consequential, indirect, punitive, exemplary, special or incidental damages, lost profits or lost revenues are payable to a third party in connection with an indemnification claim covered by ARTICLE 13.

Section 11.4 Delay or Omission; Waiver. No delay or omission in the exercise of any right or remedy accruing to any Party upon any breach of a Contract Document by another Party shall impair such right or remedy or be construed as a waiver of any breach theretofore or thereafter occurring. No provision of a Contract Document will be considered waived unless the waiver is in writing and signed by an authorized representative of the Party granting the waiver. The waiver of any condition or the breach of any term, covenant, or condition herein or therein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or any other term, covenant or condition herein or therein contained.

Section 11.5 Force Majeure.

a. Subject to the provisions of Sections 11.5b and 11.5c, to the extent a Party is prevented by an event of Force Majeure from carrying out any of its obligations under a Contract Document and such Party gives Notice and details of the event of Force Majeure and the obligations it is prevented from performing to the other Party as soon as practicable (and in any event within five (5) Business Days after such event of Force Majeure first prevents performance by that Party), then the Party seeking relief will be temporarily excused during the continuance of the Force Majeure event from the performance of such of its obligations under the Contract Documents as are affected by the event of Force Majeure; provided, however, that no event of Force Majeure will excuse the monetary obligations of the Parties.

b. The Party affected by the event of Force Majeure will use Commercially Reasonable Efforts to eliminate or avoid the effects thereof and resume performing those obligations for which it was excused pursuant to Section 11.5a.

c. Notwithstanding the foregoing, LAEP acknowledges that a Covered Facility may be used from time to time as a shelter facility in events of extreme weather conditions, disasters or other catastrophic events (including hurricanes, flooding and fires), and that for such events LAEP and the Project SPEs will not be relieved of their obligations to perform Work or Services under Ancillary Agreements unless such event has created conditions at the Covered Facility that endanger life or property. Further, LAEP shall comply with the State's comprehensive fire, emergency, disaster preparedness, post-disaster operational and contingency response plans for the Covered Facility.

ARTICLE 12 AUDITS

Section 12.1 Audit. The State or State Entity party to a Project shall retain annually an Independent Evaluation Consultant to verify that the Net Public Benefit for each Service Year has been achieved by the Project SPE pursuant to Section 2.3. LAEP or the Project SPE shall reimburse the State or State Entity for the reasonable fees and expenses (based on prevailing industry standards, but in no event higher than rates approved by the Division of Administration's Office of Facility Planning and Control) of the Independent Evaluation Consultant. Prior to retaining an Independent Evaluation Consultant, the State or State Entity shall give written notice to LAEP and the Project SPE of the identity of the Independent Evaluation Consultant, the qualifications of the Independent Evaluation Consultant, a general description of the scope of work to be performed by the Independent Evaluation Consultant and the proposed fees to be charged by the Independent Evaluation Consultant. Additionally, prior to retaining the Independent Evaluation Consultant, the Legislative Auditor shall have the right to review the selection of the Independent Evaluation Consultant to ensure there is no direct conflict of interest by and among the Independent Evaluation Consultant and the State Entity engaging the Independent Evaluation Consultant. It is hereby agreed that the Legislative Auditor for the State and/or the Office of the Governor, Division of Administration auditors shall have the option of auditing all accounts of LAEP and a Project SPE which relate to this Agreement, as well as any books and records of the Independent Evaluation Committee. Books and records shall be maintained by LAEP for each Project SPE for a period of three (3) years after the date of final payment under the Ancillary Agreements related to such Project SPE and by any subcontractors on a Project for a period of three (3) years after the date of final payment under subcontracts related thereto.

Section 12.2 Confidential Proprietary or Trade Secret Information. To the extent permitted by law, all records containing proprietary or trade secret information which LAEP intends to be maintained by the State as confidential pursuant to La. R.S. 44:3.2 shall be submitted with a cover sheet that provides in bold type "DOCUMENT CONTAINS CONFIDENTIAL PROPRIETARY OR TRADE SECRET INFORMATION", and with each instance of information which LAEP believes to be proprietary or trade secret information clearly marked. Further, to the extent permitted by law, all information provided to the auditors pursuant to Section 12.1 shall be treated as confidential and privileged information, and if permitted by law, such information shall not be disclosed to third parties without LAEP or the Project SPE's prior written consent.

ARTICLE 13 EFFECT; LIABILITY; INDEMNIFICATION; CHOICE OF LAW; JURISDICTION

Section 13.1 Effects. This Agreement shall be binding upon and inure to the benefit of each of the Parties, including successors and assigns. Except for Project SPEs and State Entities that may enter into Ancillary Agreements with LAEP or a Project SPE, there are no third-party beneficiaries to this Agreement. Except as expressly stated herein (including the preceding sentence), no Person not a Party (including any owners or tenants of Covered Facilities, but excluding a Project SPE's Financier to the extent of assignment of any Agreement Rights to it pursuant to Section 9.4) shall be entitled to rely on or enforce any provision of this Agreement.

Section 13.2 No Personal Liability. Except to the extent provided by law, no covenant or agreement contained in a Contract Document shall be deemed to be the covenant or agreement of any official, officer, agent or employee of any Party hereto in his/her individual capacity, and neither the officers of any Party hereto nor any official or agent executing a Contract Document shall be liable personally with respect to a Contract Document or be subject to any personal liability or accountability by reason of the execution and delivery of such Contract Document. However, any Person may be held personally liable for such Person's individual fraudulent acts.

Section 13.3 Indemnification.

a. Indemnification by the State. The State will indemnify, defend and hold harmless the LAEP Indemnitees from and against any and all Losses, to the extent arising, directly or indirectly, from or in connection with (i) any breach by the State of its obligations, covenants, representations or warranties contained in any Contract Document; (ii) any negligent actions or negligent omissions by the State or a State Person in connection with State's performance of the Contract Documents; (iii) any Hazardous Materials introduced onto, or Environmental Condition created at, a Covered Facility other than by LAEP or a LAEP Person, including the Excluded Environmental Conditions; or (iv) any claims arising from or based on the violation by the State or a State Person of Applicable Legal Requirements in connection with the performance of State's obligations under the Contract Documents. Notwithstanding any provision to the contrary, if there is joint, concurrent or contributing fault, negligence, gross negligence or intentional misconduct by LAEP or any LAEP Indemnitee, as determined through a final adjudication, including any appeals, then the State's indemnity obligations hereunder will be limited to the proportionate fault of the State or any State Persons.

b. Indemnification by LAEP. LAEP will indemnify, defend and hold harmless the State Indemnitees from and against any and all Losses to the extent arising, directly or indirectly, from or in connection with (i) any breach by LAEP of its obligations, covenants, representations or warranties contained in any Contract Document; (ii) any negligent actions or negligent omissions by LAEP or a LAEP Person in connection with LAEP's performance of the Contract Documents; (iii) any Hazardous Materials introduced onto, or Environmental Condition created at, the Shaw Center Plant by LAEP or a LAEP Person; or (iv) any claims arising from or based on the violation by LAEP or a LAEP Person of Applicable Legal Requirements in connection with the performance of LAEP's obligations under the Contract Documents. Notwithstanding any provision to the contrary, if there is joint, concurrent or contributing fault, negligence, gross negligence or intentional misconduct by the State or any State Indemnitee, as determined through a final adjudication, including any appeals, then LAEP's indemnity obligations hereunder will be limited to the proportionate fault of LAEP or any LAEP Persons.

Section 13.4 Choice of Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Louisiana. Any action for injunctive relief, damages, or any other purpose other than those set forth in ARTICLE 14 shall be brought in the Nineteenth Judicial District Court in Baton Rouge, Louisiana.

**ARTICLE 14
DISPUTE RESOLUTION**

Section 14.1 Notice of Dispute. Prior to filing a claim with the Commissioner in accordance with La. R.S. 39:1673, any Claimant having a Dispute with a Respondent will provide a Notice, stating plainly and concisely:

a. the nature of the Dispute, including the Persons involved and Respondent's role in the Dispute;

- b. the legal basis of the Dispute (*i.e.*, the specific authority out of which the Dispute arises);
- c. Claimant's proposed remedy; and
- d. that Claimant will meet with Respondent to discuss in good faith ways to resolve the Dispute.

Section 14.2 Negotiation. The Parties will make every reasonable effort to have their respective senior employees or representatives meet "in person" and negotiate in good faith to attempt to resolve the Dispute within the thirty (30)-day period commencing on the date of such Notice. If the Parties are unable resolve the Dispute during such thirty (30)-day period, the chief procurement officer of such State Entity (if applicable, and if none, the State Procurement Directors (or successor position thereto)) shall issue a decision of the State Entity to LAEP and the Project SPE pursuant to La. R.S. 39:1673 (the "**State's Decision**") which shall (i) define the State Entity's resolution to the Dispute, (ii) provide the reasons for the action taken, and (iii) inform LAEP and the Project SPE of the right to administrative review and judicial review of the State's Decision.

Section 14.3 Administrative Review. If LAEP disagrees with the State's Decision or if the State's Decision is not rendered within sixty (60) days of written request for such State's Decision, LAEP or the Project SPE shall have the right to administrative review by the Commissioner pursuant by La. R.S. 39:1685. LAEP or the Project SPE shall file its appeal of the State's Decision within fourteen (14) days of the receipt of the State's Decision (or expiration of such 60-day period). If the Commissioner upholds the State's Decision after Administrative review, LAEP shall have the right to appeal the adverse decision of the Commissioner to the Nineteenth Judicial District Court pursuant to LA. R.S. 39:1691(C). EACH PARTY AGREES TO WAIVE A TRIAL BY JURY IN ANY DISPUTE GOVERNED BY THIS SECTION 14.3.

Section 14.4 Continuity of Service. Except as set forth in a Contract Document or prohibited by Applicable Legal Requirement, during the pendency of any Dispute, the Parties will nonetheless honor their commitments under the Contract Documents.

Section 14.5 Independent Engineer.

a. The Parties may jointly appoint an Independent Engineer from time to time. The Parties inability to agree on an Independent Engineer within ten (10) Business Days will constitute a Dispute that may be resolved in accordance with this ARTICLE 14.

b. In the event of a Dispute relating to the Work, the Services, or any other Dispute relating to the performance or non-performance by a Party of its obligations under a Contract Document (but specifically excluding a Party's indemnification obligations pursuant to Section 13.3), either Party may submit such Dispute to the Independent Engineer. The Independent Engineer will be instructed by both Parties that he or she is to act as an expert in engineering (and not as an arbitrator or mediator) to resolve in accordance with Applicable Standards only the Dispute submitted to the Independent Engineer.

c. As promptly as practicable, but no later than fifteen (15) days after submission of a Dispute to the Independent Engineer, each of State and LAEP will submit to the Independent Engineer a position paper in support of, or further explaining, its position with respect to a referred Dispute, a copy of which will be delivered to the other Party. The Independent Engineer will deliver to the Parties a written decision as promptly as practicable but: (i) not sooner than (A) the submission deadline for the Parties' position papers described in the preceding sentence or (B) if supporting position papers are submitted, ten (10) days

after the Independent Engineer's receipt of them; and (ii) in any event within thirty (30) days after the submission of a Dispute to the Independent Engineer.

d. A decision of an Independent Engineer under this Section 14.5 will not be binding on the Parties, but is intended to assist the Parties in reaching an agreement to resolve a Dispute in an expedited manner during the performance of Work or Services. A decision of an Independent Engineer will be without prejudice in any subsequent proceedings and will not prevent a Party from submitting the Dispute to the Nineteenth Judicial District Court pursuant to LA R.S. 39:1672.4.

e. An Independent Engineer will conduct an impartial review of the Dispute in such manner as the Independent Engineer thinks fit, including carrying out site inspections, review of documents and interviews with any relevant individuals, as necessary or prudent to rule on the Dispute. The Parties will comply with all reasonable requests from an Independent Engineer for additional information or documents. Any submission or documentation in respect to the Dispute will also be provided to the other Parties.

f. If requested by an Independent Engineer, the Parties will execute a reasonable engagement letter, including customary confidentiality provisions. Any retainer and other fees and expenses payable to an Independent Engineer will be split evenly between State and LAEP.

ARTICLE 15 PRIOR AGREEMENTS

Section 15.1 Prior Agreements. Any prior memorandum of understanding, offer, representation or agreement between the Parties hereto relating to the Projects is superseded by this Agreement and the other Contract Documents, and shall cease to be in effect upon the Effective Date. The Parties hereto agree that the submission of a draft of this Agreement or any other Contract Document by one Party to the other is not intended by either Party to be an offer to enter into a legally binding contract with respect to the Project. The Parties shall be legally bound with respect to the Projects only if and when the Parties have negotiated all of the terms and provisions of this Agreement and the Ancillary Agreements in a manner acceptable to each of them, and each of the Parties shall have fully executed and delivered to the other at least one original counterpart of each of the Contract Documents.

ARTICLE 16 NOTICE

Section 16.1 Notice. Any Notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be delivered by: (i) hand-delivered by courier, with signed receipt; (ii) mailed through the United States Postal Service, postage prepaid, first-class, with return receipt requested; or (iii) delivered by private, commercial carrier, such as Federal Express, with signature for delivery. All such communications shall be delivered to the officer, agent or representative (or their respective successor) identified in this Section at the address set forth below, or to such other Person and address as may be subsequently designated by such Party upon five (5) days written Notice to the other Parties.

To the State:

[Name]
The State of Louisiana
[Address]
Telephone: (____) ____-____

With a copy to: [Name]
[Company]
[Address]
Telephone: (____) ____-____

To LAEP: Michael T. Durham
LA Energy Partners, LLC
8555 United Plaza Boulevard, Suite 201
Baton Rouge, Louisiana 70809
Telephone: (225) 706-9280

With a copy to: Charles A. Landry
Fishman Haygood, LLP
100 North Street, Suite 800
Baton Rouge, Louisiana 70802
Telephone: (225) 706-4080

ARTICLE 17 MISCELLANEOUS

Section 17.1 Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original and all of which will constitute one agreement. The signatures of any Party to a counterpart will be deemed to be a signature to, and may be appended to, any other counterpart. Digital signatures and other electronic signatures and copies of manual signatures transmitted by facsimile, e-mail or other electronic means will be binding and considered fully effective as if they were authentic original signatures.

Section 17.2 Severability. To the fullest extent possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under law, but if any provisions of this Agreement shall be prohibited or invalid under any law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 17.3 Further Assurances. From time to time, and at any time, at and after the Effective Date, each Party will execute, acknowledge and deliver such documents and assurances, reasonably requested by any other Party (in such form reasonably acceptable to the requested Party) and will take any other action consistent with the terms of any Contract Document that may be reasonably requested by a Party for the purpose of effecting or confirming any of the transactions contemplated hereby or thereby.

Section 17.4 Amendment. This Agreement may be amended only upon the written consent and approval of each Party, the Office of State Procurement and the Commissioner.

Section 17.5 Commercially Reasonable Efforts.

a. The Parties agree to use Commercially Reasonable Efforts to take or cause to be taken all actions and to do or cause to be done all things necessary or appropriate to consummate and make effective the transactions contemplated by the Contract Documents.

b. The Parties acknowledge that Commercially Reasonable Efforts will not be interpreted as requiring the initiation or settlement of litigation or the payment of money (other than usual and customary

expenses associated with negotiating and closing transactions of the nature set forth herein, including fees and expenses required to be paid under existing contractual obligations and processing or review fees and reimbursement for legal fees and other out-of-pocket expenses customarily required).

Section 17.6 No Authorship Presumption. Each of the Parties has had, or will have, an opportunity to obtain legal advice and negotiate the language of this Agreement and all other Contract Documents. No presumption shall arise, or adverse inference be drawn by virtue of authorship, and each Party hereby waives the benefit of any rule of law that might otherwise be applicable in connection with the interpretation of this Agreement or any other Contract Document, including to any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the Party whose counsel drafted that provision.

Section 17.7 Survival. Expiration or termination of this Agreement for any reason will not relieve the Parties of any obligation accrued or accruing prior to such expiration or termination, all of which will survive the expiration or termination of the Agreement.

Section 17.8 Good Faith. All rights, duties and obligations established by the Contract Documents will be exercised in good faith and in a commercially reasonable manner.

Section 17.9 Time of the Essence. Time is of the essence of this Agreement.

Section 17.10 No Third Party Benefit. Except as set forth in ARTICLE 13, no provisions in this Agreement are for the benefit of, or may be enforceable by, any Person other than the Parties hereto or to an Adoption Agreement and their permitted successors and assigns.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.]

IN WITNESS WHEREOF, this Cooperative Endeavor Agreement has been signed in four originals by the undersigned duly authorized representative, in the presence of the undersigned competent witnesses, on the dates indicated below.

WITNESSES:

STATE OF LOUISIANA

Signature

Printed Name

Signature

Printed Name

By: _____

Name: _____

Title: _____

Dated: [●], 2019

IN WITNESS WHEREOF, this Cooperative Endeavor Agreement has been signed in four originals by the undersigned duly authorized representative, in the presence of the undersigned competent witnesses, on the dates indicated below.

WITNESSES:

LA ENERGY PARTNERS, LLC

Signature

Printed Name

Signature

Printed Name

By: _____

Name: _____

Title: _____

Dated: [●], 2019

For current review by JLCB – Adoption Agreement (and ancillary agreements) by and between the state of Louisiana, the Board of Supervisors for the University of Louisiana System on behalf of the University of New Orleans, LA Energy Partners, LLC, and Orleans Sustainable Energy Partners, LLC

TO: Joint Legislative Committee on the Budget ("JLCB" or the "Committee")
900 North Third Street
Baton Rouge, LA 70802

DATE: October 7, 2022

RE: University of Louisiana System on behalf of University of New Orleans
Utilities Modernization Initiative Project

For several months, the Board of Supervisors for the University of Louisiana System (the "Board") on behalf of the University of New Orleans ("UNO") has worked diligently to find a suitable method of addressing substantial deferred maintenance in its utilities system and the reduction of UNO's annual operating costs for cooling and powering the campus. The State of Louisiana executed a Cooperative Endeavor Agreement (the "State CEA") through a competitive proposal and negotiation process with LA Energy Partners, LLC ("LAEP") a joint venture between Bernhard Energy ("Bernhard") and Johnson Controls, Inc. ("JCI") on September 27, 2019.

The State CEA establishes a framework to which the State and/or other State Entities (as defined in the State CEA), may collaborate to provide for the operation, maintenance, repair, renewal and enhancement of certain State or State entity assets, and create energy efficiencies resulting in reduced energy and operating cost for the facilities owned or controlled by the State or State Entities.

UNO is a publicly funded higher education institution under the supervision and control of its Board, which is considered a State Entity as defined under the State CEA and is authorized to "Opt-in" to the State CEA. The Board desires to undertake a Project (as defined in the State CEA) for the benefit of UNO and to execute an Adoption Agreement (UNO Adoption Agreement) between the State, the Board, LAEP and an affiliate of LAEP constituting a Project SPE.

After careful analysis UNO and LAEP have identified an accretive energy conservation project that implements necessary infrastructure upgrades to create a more energy efficient campus and a better overall learning environment for its students. The energy conservation measures consist of complete conversion to LED lighting technology, upgrades and improvements to the campus building automation system, a comprehensive water conservation program, and various other upgrades and corrections to the chilled water system.

Pursuant to the provisions of La. R.S. 39:366.11, the following documents are hereby submitted to the Committee for a hearing at the Committee's October 21, 2022 meeting:

1. Adoption Agreement by and among the Board of Supervisors for the University of Louisiana System on behalf of and for the benefit of the University of New Orleans, La Energy Partners, LLC and Orleans Sustainable Energy Partners, LLC, ("Adoption Agreement");
2. Exhibit E to the Adoption Agreement;
3. Lease Agreement by and between the Board of Supervisors for the University of Louisiana System acting on behalf of the University of New Orleans, and the University of New Orleans Research and Technology Foundation ("Lease Agreement");

4. Sub-Lease Agreement by and between University of New Orleans Research and Technology Foundation (the "Foundation") and Orleans Sustainable Energy Partners, LLC (the "Sublease Agreement");
5. Facility Optimization Services Agreement by and between Orleans Sustainable Energy Partners, LLC and the Board of Supervisors for the University of Louisiana System acting on behalf of the University of New Orleans ("FOSA");
6. Thermal Services Agreement by and between the Board of Supervisors for the University of Louisiana System acting on behalf of the University of New Orleans and Orleans Sustainable Energy Partners, LLC ("TSA");
7. Right of Use and Servitude Agreement by and between the Board of Supervisors of the University of Louisiana System acting on behalf of the University of New Orleans and Orleans Sustainable Energy Partners, LLC;
8. Non-Disturbance and Attornment Agreement by and between the Board of Supervisors of the University of Louisiana System acting on behalf of the University of New Orleans, Orleans Sustainable Energy Partners, LLC and Hancock Whitney Bank;
9. Facilitation Agreement by and between the Board of Supervisors of the University of Louisiana System acting on behalf of the University of New Orleans, the University of New Orleans Research and Technology Foundation, LA Energy Partners, LLC and Orleans Sustainable Energy Partners, LLC;
10. Exhibit A to the Facilitation Agreement;
11. Exhibit D to the Facilitation Agreement
12. Financial Advisor's Review of Cooperative Endeavor Agreement Opt-In Requirements; Sisung Securities Corporation
13. Technical Advisor's Review Proposed Scope of Work, Operational Savings and Reasonableness of the Measurement and Verification; M&E Consulting

The Commissioner of Administration has reviewed the project parameters and determined the above agreements to be sufficiently far enough along in negotiations that the essential elements of the proposed agreement have been worked out by the parties, such that the enclosed agreements and documents may be submitted to the Committee pursuant to La. R.S. 39:366.11.

The enclosed documents outline, in general terms, the roles and responsibilities to be performed by the Board, UNO, the Foundation, LAEP and Orleans Sustainable Energy Partners, LLC ("OSEP") over the transaction's 25-year term. Among other legal bases for the agreements, the parties are relying on the University Leasing Statute, La. R.S. 17:3361 *et seq.* As summarized Board will enter into a Lease with the Foundation, granting leasehold interests in certain UNO central utility plant assets to the Foundation and directing the Foundation to cause modernization improvements to that system, as discussed below. The Foundation will concurrently enter into the Sublease, granting sub leasehold interests to OSEP in those same utility plant assets and directing OSEP to construct and implement the modernization improvements, and to operate and maintain the subleased utility plant assets.

Pursuant to the FOSA and TSA, UNO will pay a monthly utility fee, in consideration for these construction, operation and maintenance services. The expected amount and breakdown of the utility fee payments can be found in the enclosed materials. This payment obligation will be funded through UNO's operating budget since, as noted below and in the enclosed materials, UNO expects to experience net savings each year of the project's term when compared to UNO's

anticipated annual expenditures should the project not move forward.

The proposed agreements provide for OESP to finance improvements to modernize UNO's central plants. As part of the agreements, OESP will operate and maintain UNO's utility plants, meeting certain key performance indicators and performance standards to ensure that UNO achieves the energy savings it has projected.

Finally, prior to their execution, UNO will ensure that at least one non-public party to the transaction is required to prepare and submit the annual reports to the Commissioner of Administration required under La. R.S. 39:366.11(B), for the Commissioner's further use in reporting annually to the Committee regarding the project's status. The project agreements will also require each non-public party to maintain books and records and allow for inspection and audit rights consistent with La. R.S. 39:366.11(C) and other applicable Louisiana public records laws.

The draft agreements are in nearly final form, though some technical provisions and schedules are still being confected as part of the engineering design process, and some non-material changes may be required to meet requirements imposed by lenders. The fundamental financial and operational terms, including the guaranteed maximum price for the construction, are fully complete and will not change. Thus, as determined by the Commissioner of Administration, the enclosed agreements are in sufficient form for submission to the Committee for a hearing in accordance with La. R.S. 39:366.11, and Board on behalf of UNO respectfully requests that the referenced project be placed on the Committee's agenda for its October 21, 2022 meeting.

Office of the Commissioner
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

October 13, 2022

Dr. Jim Henderson
President and CEO
University of Louisiana System
Claiborne Building
1201 North Third Street – Suite 7-300
Baton Rouge, Louisiana 70802

Re: University of Louisiana System Utilities Modernization Initiative
Cooperative Endeavor Agreement and Project Lease Documents

Dr. Henderson:

The Board of Supervisors for the University of Louisiana System's (the "*Board*") on behalf of the University of New Orleans ("*UNO*") proposed CEA, Facility Leases, (the "*Leases*") and Ancillary Agreements with LA Energy Partners, LLC, a joint venture between Bernhard Energy, LLC ("*Bernhard*") and Johnson Controls, Inc. (JCI") and Orleans Sustainable Energy Partners, LLC, to make capital improvements to the UNO's utility plants and distribution system were recently submitted to my office for review. According to your summary, the project will reduce UNO's energy consumption and lower its annual operating and maintenance costs. The agreements also provide for the potential for future energy and cost savings projects within UNO's utility plants, distribution systems and building mechanical systems. The CEA, Leases and Ancillary Agreements appear to result in a non-public party generating or expending revenue of one million dollars or more per year from the operation, management, or control of a state resource.

Accordingly, La. R.S. 39:366.5 requires that the CEA, Leases and Ancillary Agreements be reported to the Joint Legislative Committee on the Budget (the "*JLCB*") after, pursuant to La. R.S. 39:366.11, I have determined that the parties to the agreement are sufficiently far enough along in negotiations such that the essential elements of the proposed agreement have been worked out by the parties and can be explained to JLCB.

I have made such a determination and therefore you are hereby authorized to submit the proposed CEA, Leases and Ancillary Agreements and accompanying documents not less than thirty (30) calendar days prior to the next regular meeting of the JLCB.

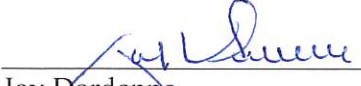
The following information should be provided with your submission:

- 1) The public purpose sought to be accomplished by the cooperative endeavor;
- 2) The reason a cooperative endeavor with the non-public person is the preferred means by which to accomplish the public purpose as opposed to competitively bid or competitively negotiated contract; and
- 3) The nature and amount of all state resources being obligated, the nature of the obligation, and the expected duration of the obligation.

It is my understanding that the Board of Supervisors will meet on October 27, 2022, to consider approval of the CEA and Leases. Please note that this letter does not constitute approval of this project, as it does not appear that such approval by me is required.

Thank you for your assistance.

Sincerely,


Jay Dardenne
Commissioner of Administration

ADOPTION AGREEMENT

This **ADOPTION AGREEMENT** (this “**Adoption Agreement**”) dated effective [●], 2022 (the “**Effective Date**”), by **THE STATE OF LOUISIANA** (the “**State**”), appearing herein through Jay Dardenne, the Commissioner of Administration, Division of Administration, duly authorized and empowered by the State; **THE BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM**, a public constitutional corporation organized and existing under the laws of the State (the “**Board**”), acting on behalf of and for the benefit of the University of New Orleans (“**UNO**”); **LA ENERGY PARTNERS, LLC**, a Delaware limited liability company (“**LAEP**”); and **ORLEANS SUSTAINABLE ENERGY PARTNERS, LLC**, a Delaware limited liability company (“**OSEP**”). Each of State, the Board, LAEP and OSEP is sometimes individually or collectively referred to as a “**Party**” or the “**Parties**”.

RECITALS

WHEREAS, the State and LAEP have entered into a Cooperative Endeavor Agreement dated September 27, 2019 (the “**CEA**”), which establishes a framework pursuant to which the State and LAEP may collaborate on the lease or concession of facilities owned or controlled by the State or State Entities for conservation measures for facilities owned or controlled by the State or State Entities through the provision of Work and Services by LAEP, directly or indirectly through Affiliates of LAEP;

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State and constituting a State Entity as such term is used and defined in the CEA, and UNO is a higher education institution under the supervision and control of the Board;

WHEREAS, the University of New Orleans Research and Technology Foundation, is a Louisiana nonprofit corporation formed exclusively to promote, assist and benefit the mission of UNO, and whose mission includes, but is not limited to, holding and conveying real estate or other property necessary for or in furtherance of UNO’s instruction, research and public service missions;

WHEREAS, [●] (“**Foundation**”) is a Louisiana [●] and wholly-owned subsidiary of the University of New Orleans Research and Technology Foundation formed solely to effect the Project;

WHEREAS, pursuant to ARTICLE 6 of the CEA, the Parties desire to enter into the Project described in Section 2 below; and

WHEREAS, pursuant to the Project, OSEP will provide certain Work and Services to the Board and UNO under the terms and conditions of the CEA and the UNO Ancillary Agreements described in Section 3 below.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth below, the Parties, each intending to be legally bound, hereby agree as follows:

1. Defined Terms. Capitalized terms used but not otherwise defined in this Adoption Agreement have the meanings ascribed to them in **Exhibit “A”** to the Facilitation Agreement (attached hereto as **Appendix 1**) or **Exhibit “A”** to the CEA. Defined terms will be given their common and ordinary meanings when they appear uncapitalized in the text. Undefined terms will be given their common and ordinary meanings pursuant to custom and industry parlance. Notwithstanding the foregoing, any terms defined in this Adoption Agreement or **Exhibit “A”** to the Facilitation Agreement that conflict with the definition provided in **Exhibit “A”** of the CEA shall have the meanings provided herein or **Exhibit “A”** to the Facilitation Agreement.

2. **Project.** The Board, on behalf of UNO, will grant the Foundation a thirty (30) year lease of the central energy plants and certain assets located therein at the Campus, and the Foundation will simultaneously sublease those assets to OSEP so that OSEP may utilize the subleased property to provide Thermal Energy to the Campus and potential Third Party Off-takers (the “**Project**”). OSEP will further provide certain energy optimization services to specified buildings located on the Campus.

3. **Project Ancillary Agreements.** The Board’s, the Foundation’s and OSEP’s rights and obligations relating to the Project are set forth in this Adoption Agreement, and the following Ancillary Agreements (together with this Adoption Agreement, the “**UNO Ancillary Agreements**”, attached as Appendices hereof):

- (a) **Appendix 1** – Facilitation Agreement;
- (b) **Appendix 2** – Lease Agreement;
- (c) **Appendix 3** – Sublease Agreement;
- (d) **Appendix 4** – Thermal Services Agreement;
- (e) **Appendix 5** – Facility Optimization Services Agreement;
- (f) **Appendix 6** – Right of Use and Servitude Agreement; and
- (g) **Appendix 7** - Non-Disturbance and Attornment Agreement.

4. **Exhibits.** The Exhibits attached hereto are hereby included and made part of this Adoption Agreement, subject to the terms and conditions of the CEA (the “**Exhibits**”):

- (a) **Exhibit “A”** – UNO Net Public Benefit Assurance Provisions;
- (b) **Exhibit “B”** – UNO’s Review of Net Public Benefit; and
- (c) **Exhibit “C”** – Continuing Financial Disclosures.

5. **Project SPE.** OSEP is an Affiliate of LAEP and has been formed as the Project SPE solely for the purpose of entering into the UNO Ancillary Agreements and performing the Work and Services thereunder.

6. **Reserved.**

7. **Adoption of the CEA.** The terms and conditions of the CEA are adopted as if otherwise set forth herein. Further, each of the Board, on behalf of UNO, and OSEP hereby acknowledges and agrees to be bound by the terms and conditions thereof as if each were a party thereto, it being understood that the Board, on behalf of UNO, shall abide by and be subject to the terms and conditions of the CEA applicable to the State, and OSEP shall abide by and be subject to the terms and conditions of the CEA applicable to LAEP. Notwithstanding the foregoing, each of the State and LAEP acknowledges and agrees that any breach or default by the Board or OSEP hereunder or under any UNO Ancillary Agreement shall not constitute or be deemed to constitute a breach or default by the State or LAEP under the CEA, respectively.

8. **Continuing Disclosure Obligations.** During the Term of the Project, the Board, on behalf of UNO, shall deliver or cause to be delivered to OSEP within two hundred ten (210) days of the Board’s fiscal year end, comprehensive annual financial reports with supplemental information schedules with

respect to the Board and UNO, prepared in accordance with generally accepted accounting principles (“GAAP”) as prescribed by the Governmental Accounting Standards Board and audited by an independent certified public accountant or the Louisiana Legislative Auditor. In addition, the Board, on behalf of UNO, shall cause to be delivered the information described in **Exhibit “C.”**

9. **Net Public Benefit.** Prior to entering into this Adoption Agreement and the UNO Ancillary Agreements, the Board, on behalf of UNO, has performed the independent review described in Section 6.6 of the CEA. Specifically, the Board has caused to be performed an independent review of the anticipated Project Benefits and UNO Investment for the Project to confirm that (a) the UNO Investment for the Project will be for a public purpose that comports with the governmental purpose for which the Board has the legal authority to pursue, (b) the anticipated value of the benefits of the Project to the State and its citizens will exceed the value of the UNO Investment undertaken for the Project so that all expenditures by the Board, on behalf of UNO, will not be gratuitous donations and (c) the Board has a demonstrable, objective and reasonable expectation of receiving at least equivalent value in exchange for the UNO Investment for the Project. A copy of such review is attached hereto as **Exhibit “B”**.

10. **Reserved.**

11. **Reserved.**

12. **Representations and Warranties.**

(a) **State’s Representations.** As a material inducement to the Board, LAEP and OSEP to enter into the UNO Ancillary Agreements, without which neither the Board, LAEP nor OSEP would have entered into the UNO Ancillary Agreements, the State represents and warrants to the Board, LAEP and OSEP as of the Effective Date:

i. The State’s obligations under this Agreement will be made for the public purpose of supporting the State’s current obligations and are part of a bargained for exchange with LAEP and OSEP.

ii. The State has the requisite power and authority to enter into this Agreement and to carry out the terms hereof. The Commissioner has the authority to execute this Agreement as the authorized representative of the State, and to bind the State to all the terms hereof as such may be applicable to the State.

iii. This Agreement has been duly authorized, executed and delivered by the State and constitutes or will constitute, as applicable, a legal, valid and binding obligation of the State, enforceable in accordance with its terms.

iv. The State has obtained with respect to this Agreement all approvals required by the State, consistent with the applicable law of the State.

v. The State has taken or will take all necessary and proper action to authorize the execution, issuance and delivery of this Agreement and the performance of the State’s obligations hereunder.

vi. The execution by the State of this Agreement, and the performance by the State of its obligations hereunder, are within the powers of the State, and will not violate any provisions of law applicable to the State.

vii. As of the Effective Date, the State is in full compliance with all terms and conditions of this Agreement and the CEA, and no event that would constitute an event of default by the State (as described herein or therein) with respect thereto has occurred or will occur as of the Effective Date.

viii. To the State's Knowledge, this Agreement contains no untrue or misleading statement of any material fact. The State has no Knowledge of any material fact or circumstance that adversely affects or, so far as the State can now reasonably foresee, will adversely affect the financial condition of the State or its ability to perform its obligations under this Agreement or the CEA, that the State has not disclosed in writing to LAEP and OSEP.

ix. The State agrees and acknowledges that (i) LAEP, OSEP and any Permitted LAEP Transferees will rely upon this Adoption Agreement when arranging financing for the Project and (ii) OSEP's Financier will rely upon this Adoption Agreement in agreeing to finance all or any portion of the Project.

(b) Board's Representations. As a material inducement to the State, LAEP and OSEP to enter into the UNO Ancillary Agreements, without which neither the State, LAEP nor OSEP would have entered into the UNO Ancillary Agreements, the Board represents and warrants to the State, LAEP and OSEP as of the Effective Date:

i. The Board has performed with respect to the Project an analysis of the Project Benefits expected to be derived from the Project and such analysis projects a Net Public Benefit to the Board pursuant to Section 2.3 of the CEA. Notwithstanding the foregoing representation in this Section 12(b)i., the Board will be entitled to reasonably rely upon any information and data provided by LAEP or OSEP in support of the Board's analysis.

ii. The Board's obligations under the UNO Ancillary Agreements to which it is a party will be made for the public purpose of supporting the Board's current obligations and are part of a bargained for exchange with LAEP and OSEP.

iii. The Board, on behalf of UNO, has the requisite power and authority to enter into the UNO Ancillary Agreements to which it is a party and to carry out the terms hereof and thereof. The person(s) executing the UNO Ancillary Agreements to which the Board is a party as the authorized representative of the Board has the authority to undertake such actions, and to bind the Board, on behalf of UNO, to all the terms of such UNO Ancillary Agreements as such may be applicable to the Board.

iv. Each UNO Ancillary Agreement to which the Board is a party has been duly authorized, executed and delivered by the Board, on behalf of UNO, and constitutes or will constitute, as applicable, a legal, valid and binding obligation of the Board, on behalf of UNO, enforceable in accordance with its terms.

v. The Board has obtained with respect to the UNO Ancillary Agreements all approvals required by the Board, consistent with the applicable law of the State.

vi. The Board, on behalf of UNO, has taken or will take all necessary and proper action to authorize the execution, issuance and delivery of each UNO Ancillary Agreement to which it is a party, and the performance of the Board's obligations hereunder and thereunder.

vii. The execution by the Board of the UNO Ancillary Agreements to which it is a party, and the performance by the Board, on behalf of UNO, of its obligations hereunder and thereunder, are within the powers of the Board, and will not violate any provisions of law applicable to the Board.

viii. As of the Effective Date, the Board is in full compliance with all terms and conditions of the UNO Ancillary Agreements and the CEA, and no event that would constitute an event of default by the Board (as described herein or therein) with respect thereto has occurred or will occur as of the Effective Date.

ix. To the Board's Knowledge, none of the UNO Ancillary Agreements contain an untrue or misleading statement of any material fact. The Board has no Knowledge of any material fact or circumstance that adversely affects or, so far as the Board can now reasonably foresee, will adversely affect the financial condition of the Board or UNO or its ability to perform its obligations under the UNO Ancillary Agreements to which it is a party or the CEA, that Board has not disclosed in writing to the State, LAEP and OSEP. All representations made herein by the Board, on behalf of UNO, are true and accurate and remain in full force and effect.

x. The Board agrees and acknowledges that (i) LAEP, OSEP and any Permitted LAEP Transferees will rely upon the UNO Ancillary Agreements when arranging financing for the Project; and (ii) OSEP's Financier will rely upon the UNO Ancillary Agreements in agreeing to finance all or any portion of the Project.

(c) LAEP and OSEP Representations. As a material inducement to the State and the Board to enter into the UNO Ancillary Agreements, without which neither the State nor the Board would have entered into the UNO Ancillary Agreements, LAEP and OSEP jointly and severally represent and warrant to the State and the Board as of the Effective Date:

i. Each of LAEP and OSEP is a duly and legally organized Delaware limited liability company, in good standing under the laws of the state of Delaware and is qualified to do business and is in good standing in the State, and has all the requisite power and authority to enter into each UNO Ancillary Agreement to which it is a party and to carry out the terms hereof and thereof, with all powers and governmental licenses, authorization, qualifications, consents and approvals required to carry on its business in the State as now conducted or will acquire and possess all such required authority to carry on the business contemplated in the UNO Ancillary Agreements to which it is a party, and the officer or agent signing each UNO Ancillary Agreement to which it is a party has the authority to execute such UNO Ancillary Agreements as the authorized representative of LAEP and OSEP and to bind LAEP and OSEP, respectively, to all the terms hereof and thereof.

ii. Each UNO Ancillary Agreement to which LAEP or OSEP is a party has been duly authorized, executed and delivered by LAEP or OSEP, as applicable, and constitutes legal, valid and binding obligations of LAEP or OSEP, as applicable, enforceable in accordance with its terms.

iii. Each of LAEP and OSEP has taken all necessary and proper action to authorize the execution, issuance and delivery of each UNO Ancillary Agreement to which it is a party and any other documents required hereby or thereby, and the performance of their obligations hereunder and thereunder.

iv. The execution of each UNO Ancillary Agreement to which LAEP or OSEP is a party and any other documents required hereby or thereby, and the performance by LAEP or OSEP of its obligations hereunder and thereunder, are within the powers of LAEP or OSEP, as applicable, and will not violate any provisions of any law, regulation, decree or governmental authorization applicable

to LAEP or OSEP, as applicable, or any agreements of LAEP or OSEP, as applicable, with any of its creditors.

v. At the time of execution by LAEP or OSEP of a UNO Ancillary Agreement, LAEP or OSEP, as applicable, is in full compliance with all currently applicable terms and conditions hereof or thereof, and no event that would constitute an event of default by LAEP or OSEP (as described in such UNO Ancillary Agreement) with respect thereto has occurred or will occur as of such time.

vi. Except as may be otherwise disclosed in writing, there is no action, suit, investigation or proceeding pending, or to LAEP's or OSEP's Knowledge threatened, against LAEP or OSEP before any court, arbitrator, or administrative or governmental body which could reasonably be expected to result in a material adverse change in LAEP's or OSEP's financial condition or operations, or in LAEP's or OSEP's ability to comply with its obligations under each UNO Ancillary Agreement to which it is a party or to participate in the transactions contemplated hereby or thereby.

vii. To LAEP's Knowledge, this Agreement contains no untrue or misleading statement of any material fact. There is no material fact or circumstance known to LAEP that adversely affects or, so far as LAEP can now reasonably foresee, will adversely affect the financial condition of LAEP or its ability to perform its obligations under this Agreement or the CEA, that LAEP has not disclosed in writing to the State or the Board.

viii. To OSEP's Knowledge, none of the UNO Ancillary Agreements contain an untrue or misleading statement of any material fact. There is no material fact or circumstance known to OSEP that adversely affects or, so far as OSEP can now reasonably foresee, will adversely affect the financial condition of OSEP or its ability to perform its obligations under the UNO Ancillary Agreements to which it is a party or the CEA, that LAEP has not disclosed in writing to the State or the Board.

ix. All representations made herein by LAEP and OSEP are true and accurate and remain in full force and effect.

x. Each of LAEP and OSEP certifies that it has no outstanding audit issues or findings.

13. Reserved.

14. Notices. Any Notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be delivered by: (i) hand-delivered by courier, with signed receipt; (ii) mailed through the United States Postal Service, postage prepaid, first-class, with return receipt requested; or (iii) delivered by private, commercial carrier, such as Federal Express, with signature for delivery. All such communications shall be delivered to the officer, agent or representative (or their respective successor) identified in ARTICLE 16 of the CEA with respect to the State and LAEP and this Section with respect to the other Parties at the address set forth below, or to such other Person and address as may be subsequently designated by such Party upon five (5) days written Notice to the other Parties.

To the Board or UNO: Board of Supervisors
University of Louisiana System
1201 N. Third Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Vice President for Business and Finance
Telephone: (225) 342-6950

and: University of New Orleans
Office of the President
2000 Lakeshore Drive
New Orleans, Louisiana 70148
Attention: President
Telephone: [●]

with a copy to: DeCuir, Clark & Adams, L.L.P.
732 North Blvd.
Baton Rouge, Louisiana 70802
Attention: Brandon DeCuir
Telephone: (225) 346-8716

and: Jones Walker, LLP
445 North Blvd., Suite 800
Baton Rouge, Louisiana 70802
Attention: Matt Kern
Telephone: (225) 248-2000

To OSEP: Orleans Sustainable Energy Partners, LLC
8555 United Plaza Boulevard, Suite 201
Baton Rouge, Louisiana 70809
Attention: Melissa Samuel
Telephone: (225) 706-2207

with a copy to: Fishman Haygood LLP
100 North Street, Suite 800
Baton Rouge, Louisiana 70802
Attention: Scott D. Chenevert
Telephone: (225) 706-4040

To OSEP's Financier: Hancock Whitney Bank – Corporate Trust
445 North Boulevard, Suite 201
Baton Rouge, LA 70802
Attention: John C. Shiroda
Telephone: (225) 248-7407
Facsimile: (225) 248-7469

15. Assignment. No Party will assign or otherwise transfer its rights or obligations under this Adoption Agreement except in accordance with the provisions of ARTICLE 9 of the CEA.

16. Governing Law; Dispute Resolution. This Adoption Agreement, and all matters arising out of or relating to it shall be construed in accordance with and governed by the laws of the State of

Louisiana. Any Dispute arising under or related to this Adoption Agreement or the Project will be resolved pursuant to the dispute resolution provisions contained in Article 14 of the CEA.

17. Counterparts. This Adoption Agreement may be executed in counterparts, each of which will be deemed an original and all of which will constitute one agreement. The signatures of any Party to a counterpart will be deemed to be a signature to, and may be appended to, any other counterpart. Digital signatures and other electronic signatures and copies of manual signatures transmitted by facsimile, e-mail or other electronic means will be binding and considered fully effective as if they were authentic original signatures.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the Parties have executed this Adoption Agreement as of the day and year first above written.

STATE OF LOUISIANA

By: _____
Name: _____
Title: _____

**THE BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

By: _____
Name: _____
Title: _____

[•]

By: _____
Name: _____
Title: _____

LA ENERGY PARTNERS, LLC

By: _____
Name: _____
Title: _____

**ORLEANS SUSTAINABLE ENERGY
PARTNERS, LLC**

By: _____
Name: _____
Title: _____

FACILITATION AGREEMENT

This **FACILITATION AGREEMENT** (this “**Facilitation Agreement**”) dated effective [●], 2022 (the “**Effective Date**”), by **THE BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM**, a public constitutional corporation organized and existing under the laws of the State (the “**Board**”), acting on behalf of and for the benefit of the University of New Orleans (“**UNO**”); [●], a Louisiana [●] and wholly-owned subsidiary of the University of New Orleans Research and Technology Foundation (“**Foundation**”); **LA ENERGY PARTNERS, LLC**, a Delaware limited liability company (“**LAEP**”); and **ORLEANS SUSTAINABLE ENERGY PARTNERS, LLC**, a Delaware limited liability company (“**OSEP**”). Each of the Board, Foundation, LAEP and OSEP is sometimes individually or collectively referred to as a “**Party**” or the “**Parties**”.

RECITALS

WHEREAS, the State of Louisiana (the “**State**”) and LAEP have entered into a Cooperative Endeavor Agreement dated September 27, 2019 (the “**CEA**”), which establishes a framework pursuant to which the State and LAEP may collaborate on the lease or concession of facilities owned or controlled by the State or State Entities for conservation measures for facilities owned or controlled by the State or State Entities through the provision of Work and Services by LAEP, directly or indirectly through Affiliates of LAEP;

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State and constituting a State Entity as such term is used and defined in the CEA, and UNO is a higher education institution under the supervision and control of the Board ;

WHEREAS, pursuant to ARTICLE 6 of the CEA and that certain Adoption Agreement dated as of the Effective Date by and among the State, the Board, Foundation, LAEP and OSEP, the State and the Parties desire to enter into the Project described in Section 2 below; and

WHEREAS, pursuant to the Project, OSEP will provide certain Work and Services to the Board and UNO under the terms and conditions of the CEA and the UNO Ancillary Agreements described in Section 3 below.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth below, the Parties, each intending to be legally bound, hereby agree as follows:

1. Defined Terms; Adoption and Conflicts.

(a) Capitalized terms used but not otherwise defined in this Facilitation Agreement have the meanings ascribed to them in **Exhibit “A”** hereto or **Exhibit “A”** to the CEA. Defined terms will be given their common and ordinary meanings when they appear uncanceled in the text. Undefined terms will be given their common and ordinary meanings pursuant to custom and industry parlance. Notwithstanding the foregoing, any terms defined in this Facilitation Agreement or **Exhibit “A”** hereto that conflict with the definition provided in **Exhibit “A”** of the CEA shall have the meanings provided herein or **Exhibit “A”** hereto.

(b) The terms and conditions of the CEA, the Adoption Agreement and the Facilitation Agreement are adopted as if otherwise set forth herein. To the extent any part of this Agreement and the CEA, the Adoption Agreement or the Facilitation Agreement conflict this Agreement shall govern.

2. **Exhibits.** The Exhibits attached hereto are hereby included and made part of this Facilitation Agreement, subject to the terms and conditions of the CEA (the “**Exhibits**”):

- (a) **Exhibit “A”** – Defined Terms;
- (b) **Exhibit “B”** – Payment Terms;
- (c) **Exhibit “C”** – Termination Fee;
- (d) **Exhibit “D”** – Term and Termination Events;
- (e) **Exhibit “E”** – Tax Allocation; and
- (f) **Exhibit “F”** – Component Parts of Improvements and Related Costs.

3. **Foundation.** Foundation’s parent, the University of New Orleans Research and Technology Foundation, is a Louisiana nonprofit corporation formed exclusively to promote, assist and benefit the mission of UNO, and whose mission includes, but is not limited to, holding and conveying real estate or other property necessary for or in furtherance of UNO’s instruction, research and public service missions. Foundation was formed by the University of New Orleans Research and Technology Foundation solely to effect the Project.

4. **Budget Allocation; Appropriation.**

(a) The Board covenants and agrees that during the Term it will allocate to the UNO Investment an amount at least equal to the sum of the Annual Utility Savings and the Annual Operation and Maintenance Savings.

(b) The continuation of the Project is contingent upon the appropriation of funds by the Legislature to fulfill the Board’s obligations hereunder. If, as determined by the Board, the Legislature fails to appropriate sufficient monies to provide for the continuation of the Project, the Board may terminate the Project and the UNO Ancillary Agreements on the last day of the fiscal year for which funds have been appropriated pursuant to the Facilitation Agreement. Such termination shall be without penalty or expense to the Board, except for payment of the Board’s portion of the Termination Fee pursuant to **Exhibit “C”**. The Board agrees that each budget proposed by the Board to the Legislature (made through the Louisiana Board of Regents) during the Term will include funds necessary for the UNO Investment for the Project, and to use its best efforts to effect the necessary appropriations for funds necessary for the UNO Investment, but makes no representations, warranties or covenants, express or implied, that the Legislature will make such appropriations.

5. **Rating Cooperation.** The Board, on behalf of UNO, agrees to take such actions and otherwise cooperate with any request by OSEP to assist OSEP’s attempt to obtain and maintain an Acceptable Rating from an Acceptable Rating Agency for the financing from OSEP’s Financier.

6. **Tax Benefits.** The Board, on behalf of UNO, agrees to allocate to OSEP the energy efficient commercial buildings tax deduction codified in 26 U.S.C. § 179D, as amended from time to time, including, but not limited to the Inflation Reduction Act of 2022 amendments. Upon OSEP’s submission of a tax deduction allocation letter to the Board in accordance with applicable Internal Revenue Service rules, the Board, on behalf of UNO, shall execute such allocation letter and return the same to OSEP. The Parties agree to use commercially reasonable efforts to give effect to this provision.

7. Improvement Contingencies and Savings.

(a) **Exhibit “F”** hereto identifies the component parts comprising the Plant Improvements and the Facility Optimization Services, and classifies them as either “Variable/Reimbursable” or “Fixed/Stipulated,” and includes a joint contingency for all such Improvements. To the extent any costs classified as “Variable/Reimbursable” are less than the amounts set forth on **Exhibit “F”**, such savings shall be included in, and utilized per, the joint contingency amount. To the extent any costs classified as “Variable/Reimbursable” are greater than the amounts set forth on **Exhibit “F”**, such deficits shall reduce the joint contingency amount. The joint contingency shall be available to cover those costs of the Plant Improvements and the Facility Optimization Services considered “Variable/Reimbursable” and pay for any other additional and unexpected costs related thereto, and cannot be used to pay or reimburse Lessee or OSEP for costs classified as “Fixed/Stipulated.”

(b) Within thirty (30) days of Substantial Completion of the later of Plant Improvements and the Facility Optimization Services, UNO Representatives and OSEP Representatives will meet to review the completed Work and costs for all “Variable/Reimbursable” items thereof. If the aggregate costs for the “Variable/Reimbursable” items incurred to complete the Plant Improvements and the Facility Optimization Services are less than the aggregate costs for those items identified in **Exhibit “F”** hereto, including the joint contingency amount, such difference shall be deemed “savings” and shall be shared between the Board and OSEP as follows: (i) the first \$100,000 shall be allocated to the Board for the benefit of UNO; and (ii) any amounts in excess of \$100,000 shall be allocated equally between the Board for the benefit of UNO and OSEP; provided, that all “savings” allocated to the Board on behalf of UNO shall be held by OSEP and made solely available for reinvestment at the Campus into additional energy conservation and efficiency or infrastructure improvements at the Board’s discretion.

8. Tax Allocation. As described in **Exhibit “E”**, it is the intention of the Parties that for Federal income tax purposes only, possession and all of the benefits of ownership with respect to all of the Leased Property is hereby conveyed by the Board, on behalf of UNO, to the Foundation, and then by the Foundation to OSEP for the Term, and the Parties agree to cooperate and sign additional documents to affect this intent; provided, however, that neither Board nor Foundation makes any representation or warranty regarding the Federal income tax treatment for the Project, and in no event will the Board or Foundation have any liability to OSEP with respect to any Federal income taxes payable by OSEP arising from the Project. For property, ad valorem and any other similar taxes, title to the Leased Property will remain with the Board.

9. Representations and Warranties.

(a) **Board’s Representations.** As a material inducement to Foundation, LAEP and OSEP to enter into the UNO Ancillary Agreements, without which neither Foundation, LAEP nor OSEP would have entered into the UNO Ancillary Agreements, the Board represents and warrants to Foundation, LAEP and OSEP as of the Effective Date:

i. The Board has performed with respect to the Project an analysis of the Project Benefits expected to be derived from the Project and such analysis projects a Net Public Benefit to the Board pursuant to Section 2.3 of the CEA. Notwithstanding the foregoing representation in this Section 12(b)i., the Board will be entitled to reasonably rely upon any information and data provided by LAEP or OSEP in support of the Board’s analysis.

ii. The Board's obligations under the UNO Ancillary Agreements to which it is a party will be made for the public purpose of supporting the Board's current obligations and are part of a bargained for exchange with LAEP and OSEP.

iii. The Board, on behalf of UNO, has the requisite power and authority to enter into the UNO Ancillary Agreements to which it is a party and to carry out the terms hereof and thereof. The person(s) executing the UNO Ancillary Agreements to which the Board is a party as the authorized representative of the Board has the authority to undertake such actions, and to bind the Board, on behalf of UNO, to all the terms of such UNO Ancillary Agreements as such may be applicable to the Board.

iv. Each UNO Ancillary Agreement to which the Board is a party has been duly authorized, executed and delivered by the Board, on behalf of UNO, and constitutes or will constitute, as applicable, a legal, valid and binding obligation of the Board, on behalf of UNO, enforceable in accordance with its terms.

v. The Board has obtained with respect to the UNO Ancillary Agreements all approvals required by the Board, consistent with the applicable law of the State.

vi. The Board, on behalf of UNO, has taken or will take all necessary and proper action to authorize the execution, issuance and delivery of each UNO Ancillary Agreement to which it is a party, and the performance of the Board's obligations hereunder and thereunder.

vii. The execution by the Board of the UNO Ancillary Agreements to which it is a party, and the performance by the Board, on behalf of UNO, of its obligations hereunder and thereunder, are within the powers of the Board, and will not violate any provisions of law applicable to the Board.

viii. As of the Effective Date, the Board is in full compliance with all terms and conditions of the UNO Ancillary Agreements and the CEA, and no event that would constitute an event of default by the Board (as described herein or therein) with respect thereto has occurred or will occur as of the Effective Date.

ix. To the Board's Knowledge, none of the UNO Ancillary Agreements contain an untrue or misleading statement of any material fact. The Board has no Knowledge of any material fact or circumstance that adversely affects or, so far as the Board can now reasonably foresee, will adversely affect the financial condition of the Board or UNO or its ability to perform its obligations under the UNO Ancillary Agreements to which it is a party or the CEA, that Board has not disclosed in writing to Foundation, LAEP and OSEP. All representations made herein by the Board, on behalf of UNO, are true and accurate and remain in full force and effect.

x. The Board agrees and acknowledges that (i) LAEP, OSEP and any Permitted LAEP Transferees will rely upon the UNO Ancillary Agreements when arranging financing for the Project; and (ii) OSEP's Financier will rely upon the UNO Ancillary Agreements in agreeing to finance all or any portion of the Project.

(b) LAEP and OSEP Representations. As a material inducement to the Board and the Foundation to enter into the UNO Ancillary Agreements, without which neither the Board nor the Foundation would have entered into the UNO Ancillary Agreements, LAEP and OSEP jointly and severally represent and warrant to the Board and the Foundation as of the Effective Date:

i. Each of LAEP and OSEP is a duly and legally organized Delaware limited liability company, in good standing under the laws of the state of Delaware and is qualified to do business and is in good standing in the State, and has all the requisite power and authority to enter into each UNO Ancillary Agreement to which it is a party and to carry out the terms hereof and thereof, with all powers and governmental licenses, authorization, qualifications, consents and approvals required to carry on its business in the State as now conducted or will acquire and possess all such required authority to carry on the business contemplated in the UNO Ancillary Agreements to which it is a party, and the officer or agent signing each UNO Ancillary Agreement to which it is a party has the authority to execute such UNO Ancillary Agreements as the authorized representative of LAEP and OSEP and to bind LAEP and OSEP, respectively, to all the terms hereof and thereof.

ii. Each UNO Ancillary Agreement to which LAEP or OSEP is a party has been duly authorized, executed and delivered by LAEP or OSEP, as applicable, and constitutes legal, valid and binding obligations of LAEP or OSEP, as applicable, enforceable in accordance with its terms.

iii. Each of LAEP and OSEP has taken all necessary and proper action to authorize the execution, issuance and delivery of each UNO Ancillary Agreement to which it is a party and any other documents required hereby or thereby, and the performance of their obligations hereunder and thereunder.

iv. The execution of each UNO Ancillary Agreement to which LAEP or OSEP is a party and any other documents required hereby or thereby, and the performance by LAEP or OSEP of its obligations hereunder and thereunder, are within the powers of LAEP or OSEP, as applicable, and will not violate any provisions of any law, regulation, decree or governmental authorization applicable to LAEP or OSEP, as applicable, or any agreements of LAEP or OSEP, as applicable, with any of its creditors.

v. At the time of execution by LAEP or OSEP of a UNO Ancillary Agreement, LAEP or OSEP, as applicable, is in full compliance with all currently applicable terms and conditions hereof or thereof, and no event that would constitute an event of default by LAEP or OSEP (as described in such UNO Ancillary Agreement) with respect thereto has occurred or will occur as of such time.

vi. Except as may be otherwise disclosed in writing, there is no action, suit, investigation or proceeding pending, or to LAEP's or OSEP's Knowledge threatened, against LAEP or OSEP before any court, arbitrator, or administrative or governmental body which could reasonably be expected to result in a material adverse change in LAEP's or OSEP's financial condition or operations, or in LAEP's or OSEP's ability to comply with its obligations under each UNO Ancillary Agreement to which it is a party or to participate in the transactions contemplated hereby or thereby.

vii. To LAEP's Knowledge, this Agreement contains no untrue or misleading statement of any material fact. There is no material fact or circumstance known to LAEP that adversely affects or, so far as LAEP can now reasonably foresee, will adversely affect the financial condition of LAEP or its ability to perform its obligations under this Agreement or the CEA, that LAEP has not disclosed in writing to the Board or the Foundation.

viii. To OSEP's Knowledge, none of the UNO Ancillary Agreements contain an untrue or misleading statement of any material fact. There is no material fact or circumstance known to OSEP that adversely affects or, so far as OSEP can now reasonably foresee, will adversely affect the

financial condition of OSEP or its ability to perform its obligations under the UNO Ancillary Agreements to which it is a party or the CEA, that LAEP has not disclosed in writing to the Board, or the Foundation.

ix. All representations made herein by LAEP and OSEP are true and accurate and remain in full force and effect.

x. Each of LAEP and OSEP certifies that it has no outstanding audit issues or findings.

(c) **Foundation Representations.** As a material inducement to the Board, LAEP and OSEP to enter into the UNO Ancillary Agreements, without which neither the Board, LAEP nor OSEP would have entered into the UNO Ancillary Agreements, Foundation represents and warrants to the Board, LAEP and OSEP as of the Effective Date:

i. Foundation is a duly and legally organized Louisiana [●], in good standing under the laws of the State, and has all the requisite power and authority to enter into each UNO Ancillary Agreement to which it is a party and to carry out the terms hereof and thereof, with all powers and governmental licenses, authorization, qualifications, consents and approvals required to carry on its business in the State as now conducted or will acquire and possess all such required authority to carry on the business contemplated in the UNO Ancillary Agreements to which it is a party, and the officer or agent signing each UNO Ancillary Agreement to which it is a party has the authority to execute such UNO Ancillary Agreements as the authorized representative of Foundation and to bind Foundation to all the terms hereof and thereof. Foundation is permitted to lease the Leased Property from the Board pursuant to La.R.S. 17:3361.

ii. Each UNO Ancillary Agreement to which Foundation is a party has been duly authorized, executed and delivered by Foundation and constitutes legal, valid and binding obligations of Foundation, enforceable in accordance with its terms.

iii. Foundation has taken all necessary and proper action to authorize the execution, issuance and delivery of each UNO Ancillary Agreement to which it is a party and any other documents required hereby or thereby, and the performance of their obligations hereunder and thereunder.

iv. The execution of each UNO Ancillary Agreement to which Foundation is a party and any other documents required hereby or thereby, and the performance by Foundation of its obligations hereunder and thereunder, are within the powers of Foundation and will not violate any provisions of any law, regulation, decree or governmental authorization applicable to Foundation or any agreements of Foundation with any of its creditors.

v. At the time of execution by Foundation of a UNO Ancillary Agreement, Foundation is in full compliance with all currently applicable terms and conditions hereof or thereof, and no event that would constitute an event of default by Foundation (as described in such UNO Ancillary Agreement) with respect thereto has occurred or will occur as of such time.

vi. Except as may be otherwise disclosed in writing, there is no action, suit, investigation or proceeding pending, or to Foundation's Knowledge threatened, against Foundation before any court, arbitrator, or administrative or governmental body which could reasonably be expected to result in a material adverse change in Foundation's financial condition or operations, or in Foundation's ability to comply with its obligations under each UNO Ancillary Agreement to which it is a party or to participate in the transactions contemplated hereby or thereby.

vii. To Foundation's Knowledge, none of the UNO Ancillary Agreements contain an untrue or misleading statement of any material fact. There is no material fact or circumstance known to Foundation that adversely affects or, so far as Foundation can now reasonably foresee, will adversely affect the financial condition of Foundation or its ability to perform its obligations under the UNO Ancillary Agreements to which it is a party or the CEA, that Foundation has not disclosed in writing to the Board, LAEP or OSEP. All representations made herein by Foundation are true and accurate and remain in full force and effect.

viii. Foundation certifies that it has no outstanding audit issues or findings.

10. Indemnification. In addition to the indemnification obligations of LAEP set forth in Section 13.3 of the CEA, each of the Board, the Foundation and OSEP agree to indemnify the OSEP Indemnitees, the Foundation Indemnitees and the UNO Indemnitees, respectively, as follows:

(a) Indemnification by the Board. To the extent permitted by law, the Board will indemnify, defend and hold harmless the Foundation Indemnitees and the OSEP Indemnitees from and against any and all Losses, to the extent arising, directly or indirectly, from or in connection with (i) any breach by the Board of its obligations, covenants, representations or warranties contained in any UNO Ancillary Agreement; (ii) any negligent actions or negligent omissions by the Board or a Board Person in connection with the Board's performance of the UNO Ancillary Agreements; (iii) any Hazardous Materials introduced onto, or Environmental Condition created at, a Covered Facility other than Hazardous Materials introduced or Environmental Conditions created by OSEP or a OSEP Person, including the Excluded Environmental Conditions; or (iv) any claims arising from or based on the violation by the Board or a Board Person of Applicable Legal Requirements in connection with the performance of the Board's obligations under the UNO Ancillary Agreements. Notwithstanding any provision to the contrary, if there is joint, concurrent or contributing fault, negligence, gross negligence or intentional misconduct by Foundation, any Foundation Indemnitee, OSEP or any OSEP Indemnitee, as determined through a final adjudication, including any appeals, then the Board's indemnity obligations hereunder will be limited to the proportionate fault of the Board or any Board Persons.

(b) Indemnification by Foundation. Foundation will indemnify, defend and hold harmless the UNO Indemnitees and the OSEP Indemnitees from and against any and all Losses, to the extent arising, directly or indirectly, from or in connection with (i) any breach by Foundation of its obligations, covenants, representations or warranties contained in any UNO Ancillary Agreement; (ii) any negligent actions or negligent omissions by Foundation or a Foundation Person in connection with Foundation's performance of the UNO Ancillary Agreements; or (iii) any claims arising from or based on the violation by Foundation or a Foundation Person of Applicable Legal Requirements in connection with the performance of Foundation's obligations under the UNO Ancillary Agreements. Notwithstanding any provision to the contrary, if there is joint, concurrent or contributing fault, negligence, gross negligence or intentional misconduct by the Board, UNO, any UNO Indemnitee, OSEP or any OSEP Indemnitee, as determined through a final adjudication, including any appeals, then Foundation's indemnity obligations hereunder will be limited to the proportionate fault of Foundation or any Foundation Persons.

(c) Indemnification by OSEP. OSEP will indemnify, defend and hold harmless the UNO Indemnitees and the Foundation Indemnitees from and against any and all Losses to the extent arising, directly or indirectly, from or in connection with (i) any breach by OSEP of its obligations, covenants, representations or warranties contained in any UNO Ancillary Agreement; (ii) any negligent actions or negligent omissions by OSEP or a OSEP Person in connection with OSEP's performance of the UNO Ancillary Agreements; (iii) any Hazardous Materials introduced onto, or Environmental Condition created at, the Campus by OSEP or a OSEP Person; or (iv) any claims arising from or based on the violation by

OSEP or a OSEP Person of Applicable Legal Requirements in connection with the performance of OSEP's obligations under the UNO Ancillary Agreements. Notwithstanding any provision to the contrary, if there is joint, concurrent or contributing fault, negligence, gross negligence or intentional misconduct by the Board, UNO, any UNO Indemnatee, Foundation or any Foundation Indemnatee, as determined through a final adjudication, including any appeals, then OSEP's indemnity obligations hereunder will be limited to the proportionate fault of OSEP or any OSEP Persons.

11. Notices. Any Notice required or permitted to be given under or in connection with this Facilitation Agreement shall be in writing and shall be delivered by: (i) hand-delivered by courier, with signed receipt; (ii) mailed through the United States Postal Service, postage prepaid, first-class, with return receipt requested; or (iii) delivered by private, commercial carrier, such as Federal Express, with signature for delivery. All such communications shall be delivered to the officer, agent or representative (or their respective successor) identified in ARTICLE 16 of the CEA with respect to the State and LAEP and this Section with respect to the other Parties at the address set forth below, or to such other Person and address as may be subsequently designated by such Party upon five (5) days written Notice to the other Parties.

To the Board or UNO: Board of Supervisors
University of Louisiana System
1201 N. Third Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: Vice President for Business and Finance
Telephone: (225) 342-6950

and: University of New Orleans
Office of the President
2000 Lakeshore Drive
New Orleans, Louisiana 70148
Attention: President
Telephone: [●]

with a copy to: DeCuir, Clark & Adams, L.L.P.
732 North Blvd.
Baton Rouge, Louisiana 70802
Attention: Brandon DeCuir
Telephone: (225) 346-8716

and: Jones Walker, LLP
445 North Blvd., Suite 800
Baton Rouge, Louisiana 70802
Attention: Matt Kern
Telephone: (225) 248-2000

To Foundation: [●]
[●]
[●]
[●]
Attention: [●]
Telephone: [●]

with a copy to: Baker Donelson
201 St. Charles Avenue, Suite 3600
New Orleans, Louisiana 70170
Attention: Chip Leyens
Telephone: (504) 566-8628

and: Jones Walker, LLP
445 North Blvd., Suite 800
Baton Rouge, Louisiana 70802
Attention: Matt Kern
Telephone: (225) 248-2000

To OSEP: Orleans Sustainable Energy Partners, LLC
8555 United Plaza Boulevard, Suite 201
Baton Rouge, Louisiana 70809
Attention: Melissa Samuel
Telephone: (225) 706-2207

with a copy to: Fishman Haygood LLP
100 North Street, Suite 800
Baton Rouge, Louisiana 70802
Attention: Scott D. Chenevert
Telephone: (225) 706-4040

12. Assignment. No Party will assign or otherwise transfer its rights or obligations under this Facilitation Agreement except in accordance with the provisions of ARTICLE 9 of the CEA.

13. Governing Law; Dispute Resolution. This Facilitation Agreement, and all matters arising out of or relating to it shall be construed in accordance with and governed by the laws of the State of Louisiana. Any Dispute arising under or related to this Facilitation Agreement or the Project will be resolved pursuant to the dispute resolution provisions contained in Article 14 of the CEA.

14. Counterparts. This Facilitation Agreement may be executed in counterparts, each of which will be deemed an original and all of which will constitute one agreement. The signatures of any Party to a counterpart will be deemed to be a signature to, and may be appended to, any other counterpart. Digital signatures and other electronic signatures and copies of manual signatures transmitted by facsimile, e-mail or other electronic means will be binding and considered fully effective as if they were authentic original signatures.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the Parties have executed this Facilitation Agreement as of the day and year first above written.

**THE BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

By: _____
Name: _____
Title: _____

[•]

By: _____
Name: _____
Title: _____

LA ENERGY PARTNERS, LLC

By: _____
Name: _____
Title: _____

**ORLEANS SUSTAINABLE ENERGY
PARTNERS, LLC**

By: _____
Name: _____
Title: _____

EXHIBIT “A”

DEFINED TERMS

“Acceptable Rating” means a rating equivalent to ____ or better from Moody’s or a rating of ____ or better from S&P.

“Acceptable Rating Agency” means a nationally recognized statistical rating organization that is also an Acceptable Rating Organization as recognized by the National Association of Insurance Commissioners for rating transactions of the type evidenced by the loan documents evidencing such financing.

“Adoption Agreement” means, for the UNO Project, the Adoption Agreement entered into by and among the State, the Board on behalf of UNO, the Foundation, LAEP, and OSEP.

“Annual Costs” means the costs computed pursuant to Section 8 of Exhibit “C” to the Adoption Agreement.

“Annual FOSA Charges” means the aggregate amount of FOSA Charges paid by the Board, on behalf of UNO, during a Service Year.

“Annual FOSA Infrastructure Savings” means the amount shown as the “FOSA Infrastructure Savings” for the applicable Service Year in **Figure 3 of Exhibit “B”** to the Adoption Agreement.

“Annual FOSA Operation and Maintenance Savings” means the amount shown as the “FOSA Operation and Maintenance Savings” for the applicable Service Year in **Figure 2 of Exhibit “B”** to the Adoption Agreement.

“Annual Infrastructure Savings” means the sum of the Annual FOSA Infrastructure Savings and Annual Lease Infrastructure Savings for the applicable Service Year set forth in **Figure 3 to Exhibit “B”** to the Adoption Agreement.

“Annual Lease Infrastructure Savings” means the amount shown as the “Lease Infrastructure Savings” for the applicable Service Year in **Figure 3 of Exhibit “B”** to the Adoption Agreement.

“Annual Lease Operation and Maintenance Savings” means the amount shown as the “Lease Operation and Maintenance Savings” for the applicable Service Year in **Figure 2 of Exhibit “B”** to the Adoption Agreement.

“Annual Net Public Benefit Deficit” means the greater of (i) the shortfall amount with respect to the absence of a Net Public Benefit pursuant to Section 10 of **Exhibit “B”** to the Adoption Agreement or (ii) the shortfall amount with respect to Annual Utility Savings when such Annual Utility Savings is less than the amount of the applicable Guaranteed Annual Utility Savings set forth in **Figure 5 to Exhibit “B”** to the Adoption Agreement.

“Annual Operation and Maintenance Savings” means the sum of the Annual FOSA Operation and Maintenance Savings and Annual Lease Operation and Maintenance Savings amounts for the applicable Service Year set forth in **Figure 2 to Exhibit “B”** to the Adoption Agreement.

“Annual Savings” means the savings computed pursuant to Section 2 of **Exhibit “B”** to the Adoption Agreement.

“Annual Thermal Services Charges” means the aggregate amount of Thermal Services Charges paid by the Board, on behalf of UNO, during a Service Year.

“Annual Utility Savings” means the amount of savings measured and verified by OSEP for the applicable Service Year in accordance with the UNO Measurement and Verification Plan.

“Annual Value of Earned Prepaid Rent” means the amount for the applicable Service Year set forth in **Figure 4 to Exhibit “B”** to the Adoption Agreement.

“Assigned Service Contract” means that certain [Maintenance Contract] dated [●] by and between UNO and [ABM Industries].

“Bernhard Connect” means the proprietary software developed and owned by an Affiliate of OSEP, and sublicensed by OSEP to the Board, on behalf of UNO, pursuant to the terms and conditions of the Thermal Services Agreement.

“BMCC” means Bernhard MCC, LLC, a Delaware limited liability company and Affiliate of OSEP.

“Board” means the Board of Supervisors for the University of Louisiana System, a Louisiana public constitutional corporation, and its successors and assigns, acting on behalf of the University.

“Board Representative” means an individual appointed by the Board to serve as its representative under a Contract Document. The Board Representative shall be the President of the Board, or his or her designee or any other representative designated by the Board. There shall only be one (1) Board Representative with respect to all of the UNO Ancillary Agreements. The Board Representative shall be separate and distinct from the UNO Representatives who shall have authority and responsibility with respect to the oversight and delivery of the Work and Services by OSEP.

“Business Day” means a day other than a Saturday, Sunday or day on which Federal Reserve member banks in Louisiana are authorized to close.

“Campus” means, collectively, the Main Campus and the East Campus.

“Campus Buildings” means all Existing Campus Buildings and Future Campus Buildings, and specifically does not include any other buildings and improvements wherever located that will not receive Thermal Energy from the Plants.

“CEA” means the Cooperative Endeavor Agreement by and between LAEP and the State dated September 27, 2019, as may be amended from time to time in accordance therewith.

“Central Utilities Plant” means the improvements located on the Campus identified as such on **Exhibit “A”** to the Lease.

“Claimant” means any Party having a Dispute with another Party.

“Commercial Operations Date” means [●], 2022, which is the date that OSEP will become obligated to provide the Campus Buildings with Thermal Services pursuant to the Thermal Services Agreement.

“Commissioner” means the State Commissioner of Administration.

“Covered Assets” means collectively Covered Energy Assets and Covered Non-Energy Assets.

“Covered Energy Assets” means those assets located within the Plants that are necessary to produce Thermal Energy, including any renewals and replacements thereof regardless of the Party responsible for such renewal or replacement. The Covered Energy Assets existing as of the Effective Date are set forth and identified as such on **Exhibit “E”** to the Lease. For avoidance of doubt, OSEP has only the following obligations and responsibilities with respect to Covered Energy Assets: (i) Operation and Maintenance Services; (ii) Maintenance Repairs; (iii) Renewal/Replacement Work for Defective Covered Energy Assets; (iv) maintain property insurance as provided in **Exhibit “E”** to the CEA; and (v) risk of loss due to a Casualty Event.

“Covered Facilities” means the Plants and those Campus Buildings in which either Operation and Maintenance Services will be performed or Facility Optimization Services will be made, as further identified in **Exhibit “E”** to the Lease and **Schedule 2** to the FOSA, respectively.

“Covered Non-Energy Assets” means those assets located within or outside the Plants that are not necessary to produce Thermal Energy, including any renewals and replacements thereof regardless of the Party responsible for such renewal or replacement. The Covered Non-Energy Assets existing as of the Effective Date are set forth and identified as such on **Exhibit “E”** to the Lease. For avoidance of doubt, OSEP has only the following obligations and responsibilities with respect to Covered Non-Energy Assets: (i) Operation and Maintenance Services; and (ii) Maintenance Repairs.

“Dispute” means any dispute arising out of or relating to any Contract Document.

“East Campus” means the improvements owned or operated by the Board, on behalf of UNO, in New Orleans, Louisiana, that receive Thermal Services from the Plants, and will include any future improvements that the Board may acquire, construct or install after the Commercial Operations Date (either by acquisition, donation, leasehold or other possessory right) that will receive Thermal Services from the Plants if the Board elects to cause such future improvements to be connected to the Plants.

“East Campus Central Plant” means the improvements located on the Campus containing Covered Assets as identified as such on **Exhibit “A”** to the Lease.

“End of Useful Life” means, with respect to (i) a Covered Energy Asset existing as of the Effective Date, the date occurring on the anniversary of the Effective Date in the year specified in the column titled “End of Useful Life (Year)” specified for such Covered Energy Asset on **Exhibit “E”** to the Lease, which period has been extended beyond its standard median service life as provided in **Exhibit “G”** (by way of example, if a Covered Energy Asset is identified as having an “End of Useful Life (Year)” in 2030, then the End of Useful Life of such Covered Energy Asset shall be [●], 2030), and (ii) a Covered Energy Asset

acquired during the Term (either pursuant to the Facility Optimization Services, Renewal Work, Replacement Work or Additional Work), the expiration of the median service life of that Covered Energy Asset or component thereof as set forth in the 2015 ASHRAE Handbook, HVAC Applications, and if such Covered Energy Asset is not addressed therein, the manufacturer's suggested median service life, in either case commencing on the date such Covered Energy Asset or component thereof was commissioned.

"Excluded Asset" means equipment, asset or other property located anywhere at the Campus, including at or within the Plants, that is not a Covered Asset, and for which neither Foundation nor OSEP have any obligation whatsoever.

"Excused Covered Asset Malfunction" means the malfunction of any Covered Asset that is caused by a breach of the Board's obligations under Section 8.7 of the Lease or otherwise due to the fault or negligence of the Board, UNO or a UNO Person.

"Excused Excluded Asset Malfunction" means the malfunction of an Excluded Asset that causes a Loss of Availability, unless such malfunction is caused by the fault of negligence of OSEP or an OSEP Person.

"Existing Campus Buildings" means those buildings and improvements which are in existence and receive Thermal Energy from the Plants as of the Effective Date.

"Facilitation Agreement" means that certain Facilitation Agreement entered into by and among the Board, on behalf of UNO, the Foundation, LAEP and OSEP in the form of **Appendix 1** to the Adoption Agreement, as it may be amended, supplemented or modified from time to time in accordance with the provisions of the UNO Ancillary Agreements.

"Facility Optimization Services" means the Work to be performed in the Covered Facilities by OSEP as described in **Schedule 1-A** to the FOSA.

"Force Majeure" means any cause not within the reasonable control of the affected Party which precludes that Party from carrying out, in whole or in part, its obligations under any Contract Document, including Acts of God; hurricanes; tornadoes; fires; epidemics; landslides; earthquakes; floods; acts of public enemies; acts, failures to act or orders of any kind of any governmental authority acting in its regulatory or judicial capacity (but a violation by a Party of Applicable Legal Requirements shall not be an event of Force Majeure); changes in laws; insurrections; military action; war, whether or not declared; acts of terrorism; acts of sabotage; strikes, labor stoppages, or slowdowns or other industrial disturbances; or a shortage or unavailability of equipment, parts, materials, electricity, natural gas, water, communications, fuel or sanitary sewage capacity, whether or not caused by a supplier of such commodities. Nothing in this provision is intended to excuse either Party from performing due to any governmental act, failure to act, or order, where it was reasonably within such Party's power to prevent such act, failure to act, or order. Notwithstanding anything in the Contract Documents to the contrary, Force Majeure will not mean any nonpayment under a Contract Document or any third-party agreement.

"FOSA" means that certain Facility Optimization Services Agreement between the Board, on behalf of UNO, and OSEP pursuant to which OSEP will design, construct and install the Facility Optimization Services to the Covered Facilities, in the form of **Appendix 5** to the Adoption Agreement, as

it may be amended, supplemented or modified from time to time in accordance with the provisions of the UNO Ancillary Agreements.

“Foundation” means [●] a Louisiana [●] and wholly-owned subsidiary of the University of New Orleans Research and Technology Foundation.

“Foundation Indemnites” means Foundation, its Affiliated entities (but specifically excluding UNO and the Board), and its and their respective officers, employees and agents, and any other Foundation Persons that are indemnified by the Board, UNO or OSEP pursuant to any UNO Ancillary Agreement.

“Foundation Person” means any of the following:

- a. employees of Foundation;
- b. any member of Foundation and any of their or Foundation’s respective directors, officers, employees or agents in each case acting as such;
- c. any consultant or contractor engaged by Foundation and any representative, advisor of Foundation, in any such person’s capacity as a provider of services, work or materials directly or indirectly to Foundation in connection with the Project, and any of their respective directors, officers, employees or agents; or
- d. any invitee of Foundation or any Foundation Person referred to in clause a, b, or c above who enters upon a Project Site.

“Foundation Representative” means an individual appointed by Foundation to serve as its representative under a Contract Document. A Foundation Representative with respect to a specific UNO Ancillary Agreement shall not be deemed a Foundation Representative with respect to any other UNO Ancillary Agreements unless Foundation states so in writing.

“Future Campus Buildings” means any buildings or improvements that may be constructed or acquired by the Board and will receive Thermal Energy from the Plants after the Effective Date.

“GAAP” means generally accepted accounting principles in the United States of America.

“Guaranteed Annual Utility Savings” means the amount of annual utility savings OSEP guarantees that UNO will realize set forth in **Figure 5 of Exhibit “B”** to the Adoption Agreement.

“Improvements” means collectively the Plant Improvements and the Facility Optimization Services.

“Independent Engineer” means an individual who:

- a. has not had a professional employment relationship during the five (5) years preceding, and at the time of, his or her engagement, with any Party or any Party’s Affiliates, or a professional consulting relationship during the three (3) years preceding, and at the time of, his or her engagement, with any Party or any Party’s Affiliates;

b. is a certified professional recognized by the American Society of Heating, Refrigeration and Air-Conditioning Engineers (ASHRAE) and registered Professional Engineer with a minimum of five (5) years' experience in the design, construction, maintenance, and operation of chilled water and heating water systems serving public buildings/multi-purpose buildings;

c. has sufficient educational and professional experience to opine as an expert on any Dispute submitted to him or her; and

d. is a registered professional engineer by the State.

“Insolvency Event” means with respect to a Person any of the following events:

a. a receiver, receiver manager, liquidator or other encumbrance holder taking possession of or being appointed over, or any distress, execution or other process being levied or enforced upon, the whole or any material part of the assets of such Person;

b. the filing of a bankruptcy petition by such Person;

c. the filing of an involuntary bankruptcy petition against such Person by any Person other than such Person which proceeding is not dismissed within ninety (90) days of its filing;

d. an involuntary assignment for the benefit of all the creditors of such Person, or the liquidation of such Person; or

e. such Person admitting in writing its inability to pay its debts generally as they become due, becoming insolvent, or ceasing to carry on business.

“Lease” means that certain Lease Agreement granted by the Board, on behalf of UNO, to Foundation in the form of **Appendix 2** to the Adoption Agreement, as it may be amended, supplemented or modified from time to time in accordance with the provisions of the UNO Ancillary Agreements.

“Lessee” means Foundation as used in the Lease.

“Lessor” means the Board, on behalf of UNO, as used in the Lease.

“Lockbox” means the account designated by OSEP’s Financier for receipt of all payments owed by the Board, on behalf of UNO, to OSEP under any Contract Documents, which may be changed from time to time only upon prior written approval of the applicable OSEP’s Financier.

“Maintenance Repairs” means any repair or maintenance work (but not Renewal Work or Replacement Work) on any Covered Assets for which OSEP is responsible pursuant to, and subject to the terms and conditions of, an Ancillary Agreement, including all necessary work to keep the applicable Covered Assets in good and safe working order in conformity with Applicable Legal Requirements and Applicable Standards in effect as of the Effective Date.

“Main Campus” means the improvements owned or operated by the Board, on behalf of UNO, in New Orleans, Louisiana, that receive Thermal Services from the Plants, and will include any future improvements that the Board may acquire, construct or install after the Commercial Operations Date (either

by acquisition, donation, leasehold or other possessory right) that will receive Thermal Services from the Plants if the Board elects to cause such future improvements to be connected to the Plants.

“Major Casualty Event” means a Covered Asset Loss under the Sublease that in the reasonable judgment of OSEP constitutes fifty percent or greater (\Rightarrow 50%) of the aggregate Thermal Services Capacity at the Plants that was in place immediately prior to such Covered Asset Loss.

“NDA” means that certain Non-Disturbance and Attornment Agreement among the Board, on behalf of UNO, Foundation, OSEP and OSEP’s Financier the form of **Appendix 7** to the Adoption Agreement, as it may be amended, supplemented or modified from time to time in accordance with the provisions of the UNO Ancillary Agreements.

“Non-Appropriation Event” means the failure by the Legislature to timely appropriate funds to UNO or the Board, on behalf of UNO, to fulfill the entire UNO Investment with respect to the Project, a veto of appropriated funding, or a reduction of such an appropriation required by law. Determination of a Non-Appropriation Event with respect to the Project shall not affect any other projects under the CEA, and a non-appropriation event with respect to any such other projects shall not affect this Project.

“North Campus Central Plant” means the improvements located on the Campus containing the Covered Assets as identified as such on **Exhibit “A”** to the Lease.

“Operation and Maintenance Services” means (i) operation and monitoring and (ii) regular or scheduled maintenance as recommended by a manufacturer or otherwise consistent with Applicable Standards, in all instances to be performed by OSEP on Covered Energy Assets and/or Covered Non-Energy Assets pursuant to a UNO Ancillary Agreement.

“OSEP” means [OSEP affiliate LA Energy Partners, LLC], a Delaware limited liability company, and its permitted successors and assigns, which is the Project OSEP for the UNO Project.

“OSEP Event of Major Default” means an event of default by OSEP as specified and designated as such in a UNO Ancillary Agreement.

“OSEP Indemnitees” means OSEP, OSEP’s Financiers, their parent, subsidiaries, and Affiliated entities, and its and their respective members, directors, officers, employees, and agents, and any other OSEP Persons that are indemnified by the Board or Foundation pursuant to the terms of any UNO Ancillary Agreement.

“OSEP Person” means any of the following:

- a. employees of OSEP;
- b. any member of OSEP and any of their or OSEP’s respective directors, officers, employees or agents in each case acting as such;
- c. any consultant or contractor engaged by OSEP and any representative, advisor of OSEP, in any such person’s capacity as a provider of services, work or materials directly or indirectly to

OSEP in connection with the UNO Project, and any of their respective directors, officers, employees or agents; or

d. any invitee of OSEP or any OSEP Person referred to in clause a, b, or c above who enters upon a Project Site.

“OSEP Representative” means an individual appointed by OSEP to serve as its representative under a Contract Document. An OSEP Representative with respect to a specific UNO Ancillary Agreement shall not be deemed an OSEP Representative with respect to any other UNO Ancillary Agreements unless OSEP states so in writing.

“OSEP’s Financier” means any lenders or third parties, and successors thereto, providing financing to OSEP relating to the performance of OSEP’s obligations under the UNO Ancillary Agreements. OSEP’s Financier may be comprised of a consortium of lenders, each providing financing to OSEP for specific UNO Ancillary Agreements and/or the entire Project.

“OSEP’s Plan of Correction” means a reasonably detailed plan formulated by OSEP setting forth the actions OSEP intends to undertake to resolve a Loss of Availability after the Board has exercised its Step-In Rights.

“OSEP’s Trustee” means any collateral agent or third party, and successors thereto, designated by OSEP or OSEP’s Financier to hold legal title to any Future Equipment acquired by or on behalf of OSEP during the term of a UNO Ancillary Agreement.

“UNO Ancillary Agreements” means the Adoption Agreement, the Lease, the Sublease, the Thermal Services Agreement, the FOSA, the Servitude and the NDA.

“UNO Measurement and Verification Plan” means the measurement and verification plan developed and approved pursuant to Section 4 of **Exhibit “B”** to the Adoption Agreement.

“Plant Premises” means the immovable property that contains a Plant that is a Covered Facility, as more fully described in **Exhibit “A”** to the Lease, but specifically excludes the land upon which a Plant is situated.

“Plants” means, collectively, the Center for Resource Management Building Plant, Central Utilities Plant, East Campus Central Plant and North Campus Central Plant.

“Prohibited Third Party Off-taker” means any Person engaged in any of the following businesses: (i) adult-type bookstore or other establishment primarily selling, displaying or exhibiting pornographic materials or providing adult-type entertainment; (ii) gambling facility or operation; (iii) sale of paraphernalia or other equipment or apparatus which is used primarily in connection with the taking or use of illegal drugs; (iv) vape or smoke shop; and (v) massage parlor (but not including health club or spa facility or health facility offering professional, therapeutic massage services).

“Relief Event” means the failure of UNO to perform Ordinary Renewal Work that it has elected to perform or cause to be performed by a Person other than OSEP pursuant to Section 8.7.d of the Lease, and the result of such failure is to either (i) adversely impact OSEP’s ability to perform or comply with its

obligations under a UNO Ancillary Agreement or (ii) cause OSEP to incur additional expenses in the performance or compliance with its obligations under a UNO Ancillary Agreement.

“Respondent” means a Party with whom a Claimant has a Dispute.

“Servitude” means that certain Right of Use and Servitude Agreement granted by UNO to OSEP in the form of **Appendix 6** to the Adoption Agreement, as it may be amended, supplemented or modified from time to time in accordance with the provisions of the UNO Ancillary Agreements.

“Sublease” means that certain Sublease Agreement granted by Foundation to OSEP in the form of **Appendix 3** to the Adoption Agreement, as it may be amended, supplemented or modified from time to time in accordance with the provisions of the UNO Ancillary Agreements.

“Successor Nonprofit” means a third-party charitable organization exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

“Termination Fee” means the aggregate amount payable by the Board, on behalf of UNO, in the event of the termination of the UNO Ancillary Agreements or the CEA prior to the Expiry Date, without regard to any amounts OSEP may be obligated to pay to or reimburse the Board or Foundation as provided in any UNO Ancillary Agreement or the CEA, which amount is set forth on **Exhibit “D”** to the Adoption Agreement.

“Thermal Energy” means chilled water.

“Thermal Services Agreement” means that certain Thermal Services Agreement between the Board, on behalf of UNO, and OSEP pursuant to which OSEP will provide Thermal Services to the Campus Buildings, in the form of **Appendix 4** to the Adoption Agreement, as it may be amended, supplemented or modified from time to time in accordance with the provisions of the UNO Ancillary Agreements.

“UNO” means The University of New Orleans, an institution under the management and supervision of the Board.

“UNO Event of Major Default” means an event of default by the Board as specified and designated as such in a UNO Ancillary Agreement.

“UNO Indemnitees” means the Board, UNO, its Affiliated entities (but specifically excluding Foundation), and its and their respective officers, employees and agents, and any other Board Persons or UNO Persons that are indemnified by Foundation or OSEP pursuant to any UNO Ancillary Agreement.

“UNO Investment” means the aggregate amount of payments owed by the Board, on behalf of UNO, to OSEP during the term of the Project pursuant to the UNO Ancillary Agreements; provided, however, that in no event may (i) any Termination Fee paid, payable or owed by the Board, (ii) any amounts owed by Board for Renewal/Replacement Work pursuant to Section 8.7 of the Lease or (iii) any amounts owed by Board for Additional Work pursuant to Section 7.4 of the Lease, constitute or be considered a UNO Investment for any purpose whatsoever or be considered a Non-Appropriation Event.

“UNO Person” means any of the following:

- a. employees of the Board;
- b. any directors, officers, employees or agents of the Board or UNO, in each case acting as such;
- c. any consultant or contractor engaged by the Board on behalf of UNO and any representative, advisor of the Board or UNO, in any such person's capacity as a provider of services, work or materials directly or indirectly to the Board on behalf of UNO or UNO directly in connection with the UNO Project, and any of their respective directors, officers, employees or agents; or
- d. any invitee of the Board or UNO or any UNO Person referred to in clause a, b, or c above who enters upon a Project Site.

For avoidance of doubt, in no event may a UNO Person include Foundation, any Foundation Person, OSEP or any OSEP Persons.

"UNO Representative" means an individual appointed by the Board to serve as UNO's representative under a Contract Document. A UNO Representative with respect to a specific UNO Ancillary Agreement shall not be deemed a UNO Representative with respect to any other UNO Ancillary Agreements unless UNO states so in writing.

"UNO's Plan of Correction" means a reasonably detailed plan formulated by the Board, on behalf of UNO, setting forth the actions the Board and UNO intend to undertake, and anticipated timing therefor, to resolve a Loss of Availability of Thermal Services under the Thermal Services Agreement.

The following terms are defined in the UNO Ancillary Agreements (but excluding the NDA) as indicated below:

TERM	SECTION	ANCILLARY AGREEMENT
ACM.....	13	FOSA
Covered Facilities.....	Recitals	FOSA
Defective Covered Energy Asset.....	8.7.b	Lease
Exclusive Servitude Property	2.2	Servitude
Exclusive Servitudes	2.2	Servitude
Excused Loss of Availability.....	8.2.1	Thermal Services Agreement
Existing Plant Assets	2.2.a/2.2.a	Lease/Sublease
Expiry Date.....	Exhibit "D"/3.1	Facilitation Agreement/Servitude
Facility Optimization Services	Recitals	FOSA
Feedback.....	2.4.2	TSA
FOSA Charge	2©	FOSA
FOSA Scheduled Value.....	6(a)	FOSA
Future Equipment	5(a)	FOSA
Hazardous Materials	13	FOSA
JCI	8.3	Thermal Services Agreement

Leased Property	2.1.a	Lease
Lighting Equipment.....	10	FOSA
Material Change	5.2.1	Thermal Services Agreement
Mortgage	9.1.a	Servitude
Net Public Benefit	1	Exhibit “A” to Adoption Agreement
Non-Exclusive Servitude Property	2.3	Servitude
Non-Exclusive Servitudes	2.3	Servitude
Non-Leased Assets	2.1 a	Lease
Non-OSEP Hazardous Materials	13	FOSA
Ordinary Renewal Work.....	8.7.b	Lease
Ordinary Renewal Work Notice	8.7.b	Lease
Parking Lot and Access Improvements	2.3.d	Servitude
Plant Assets	2.1.a	Lease
Prepaid Rent	4.1.	Sublease
Prepaid Rent Account.....	Exhibit “C”	Sublease
Renewal/Replacement Work	8.7.a	Lease
Reserved Servitude Corridors.....	2.3.b	Servitude
Services	2(b)	FOSA
Servitude Corridors	2.3.a	Servitude
Servitude Property	2.3	Servitude
Servitudes	2.3	Servitude
OSEP Hazardous Materials	13	FOSA
Substantial Completion	4	FOSA
Targeted Annual Utility Savings	11	Exhibit “A” to Adoption Agreement
Term	Exhibit “D”	Facilitation Agreement
Thermal Services Capacity	5.1	Thermal Services Agreement
Thermal Services Requirements	5.1	Thermal Services Agreement
Unexcused Loss of Availability	8.2.1	Thermal Services Agreement
UNO Alternative Thermal Energy Source	5.2.4	Thermal Services Agreement

EXHIBIT “D”

TERM AND TERMINATION EVENTS

Section 1.1 **Term.** The terms of this Agreement and the other UNO Ancillary Agreements are intended to be coterminous (the “**Term**”) and will commence on the Effective Date and will continue in full force and effect until the thirtieth (30th) anniversary of the Effective Date (the “**Expiry Date**”) or the sooner termination of (i) this Agreement as provided in Section 1.2 of this **Exhibit “D”** or (ii) the CEA, in all cases in accordance with the terms and conditions hereof and thereof. For avoidance of doubt, in no event may the Board, on behalf of UNO, terminate this Agreement or any other UNO Ancillary Agreement (even pursuant to an attempted termination of all of the UNO Ancillary Agreements pursuant to a Non-Appropriation Event with respect to the Project (Termination by UNO for Non-Appropriation Event)) unless and until the Board, on behalf of UNO, and Foundation timely and fully pay their portion of the Termination Fee due pursuant to **Exhibit “C”** to this Agreement.

Section 1.2 **Grounds for Termination.**

a. **By Board.** The Board, on behalf of UNO, may terminate this Agreement (and correspondingly and automatically all of the other UNO Ancillary Agreements) prior to the Expiry Date only upon:

(1) a OSEP Event of Major Default related to any UNO Ancillary Agreement (Termination by Board for Cause), in such case to be exercised within sixty (60) days after the expiration of any applicable cure period for such OSEP Event of Major Default;

(2) for convenience (Termination by Board for Convenience);

(3) a Major Casualty Event affecting any Plant (as determined by OSEP pursuant to the Sublease) or total cessation of operations and use of all Campus Buildings through casualty (Termination by Board for Necessity), in either case to be exercised within sixty (60) days of the event giving rise to such termination right;

(4) a Change in Law that substantially prevents the Board from continuing its performance of substantially all of its obligations under a UNO Ancillary Agreement (Termination by Board for Necessity);

(5) upon an Extended Force Majeure Event that substantially prevents the Board, on behalf of UNO, or OSEP from continuing its performance of substantially all of its obligations under the UNO Ancillary Agreements (Termination by Board for Necessity), in such case to be exercised within ninety (90) days after the occurrence of such Extended Force Majeure Event;

(6) an Insolvency Event occurs with respect to OSEP;

(7) a Non-Appropriation Event with respect to the UNO Project (Termination by Board for Non-Appropriation); or

(8) the occurrence of Unexcused Losses of Availability resulting in Liquidated Damages (i.e., for a duration of at least four (4) hours) in the following frequencies: (i) at least six (6) times during any Service Year; or (ii) at least twenty-five (25) times during the Term; provided, that in the case of a termination by the Board pursuant to clause (i), such termination right must be exercised by the Board within one hundred twenty (120) days after the end of the sixth (6th) or subsequent Unexcused Loss of Availability for such Service Year, or such termination right will be waived until the next Unexcused Loss of Availability during such Service Year, and in the case of a termination pursuant to clause (ii), such termination right must be exercised by the Board within one hundred twenty (120) days after the end of the twenty-fifth (25th) or subsequent Unexcused Loss of Availability, or such termination right will be waived until the next Unexcused Loss of Availability during the Term (Termination by Board for Cause).

b. By OSEP. OSEP may terminate this Agreement (and correspondingly and automatically all of the UNO Ancillary Agreements) prior to the Expiry Date only upon:

(1) a UNO Event of Major Default related to any UNO Ancillary Agreement (Termination by OSEP for Cause), in such case to be exercised within sixty (60) days after the expiration of any applicable cure period for such UNO Event of Major Default;

(2) a Major Casualty Event affecting any Plant (as determined by OSEP pursuant to the Sublease) or total cessation of operations and use of all Campus Buildings through casualty (Termination by OSEP for Necessity), in either case to be exercised within sixty (60) days of the event giving rise to such termination right;

(3) an Insolvency Event occurs with respect to Foundation; or

(4) upon an Extended Force Majeure Event that substantially prevents the Board or OSEP from continuing its performance of substantially all of its obligations under the UNO Ancillary Agreements (Termination by OSEP for Necessity), in such case to be exercised within ninety (90) days after the occurrence of such Extended Force Majeure Event.

c. By Foundation. Foundation may not terminate this Agreement or any other UNO Ancillary Agreement under any circumstances.

d. By State or LAEP. Neither the State nor LAEP may terminate this Agreement or any other UNO Ancillary Agreement, except pursuant to a termination of the CEA in accordance with and pursuant to the terms and conditions thereof, in which case all of the Projects under the CEA and their related Ancillary Agreements shall terminate.

Section 1.3 Procedures for Termination.

a. By OSEP for Cause. Should OSEP seek to terminate this Agreement pursuant to Section 1.2.b(1) hereof, after OSEP has delivered any requisite Notices pursuant to the UNO Ancillary Agreements and all appropriate cure periods have expired in accordance therewith, OSEP shall provide an additional Notice to the Board electing to terminate this Agreement (and correspondingly and automatically all of the UNO Ancillary Agreements). OSEP shall specify the Termination Date in its Notice; which Termination Date shall not be less than sixty (60) days from the date such Notice is received by the Board.

b. By OSEP for Necessity. Should OSEP seek to terminate this Agreement due to a Major Casualty Event or an Extended Force Majeure Event, OSEP will provide Notice to the Board at least ninety (90) days prior to the proposed Termination Date.

c. By Board for Cause. Should the Board seek to terminate this Agreement pursuant to Section 1.2.a(1) hereof, after the Board has delivered any requisite Notices pursuant to the UNO Ancillary Agreements and all appropriate cure periods have expired in accordance therewith, the Board shall provide an additional Notice to OSEP and OSEP's Financier, and OSEP will have sixty (60) days from the receipt of such additional Notice to cure the OSEP Event of Major Default. If OSEP fails to cure the noticed OSEP Event of Major Default during such sixty (60) day period, the Board may terminate this Agreement (and correspondingly and automatically all of the UNO Ancillary Agreements) by providing a final Notice of termination to OSEP and OSEP's Financier setting forth the Termination Date, which may be no earlier than sixty (60) days after OSEP's receipt of such final Notice.

d. By Board for Convenience. Should the Board seek to terminate this Agreement (and correspondingly and automatically all of the UNO Ancillary Agreements) pursuant to Section 1.2.a(2) hereof, the Board shall provide Notice to OSEP and OSEP's Financier at least ninety (90) days prior to the proposed Termination Date.

e. By Board for Necessity.

(1) **Major Casualty Event or Extended Force Majeure Event.** Should the Board seek to terminate this Agreement (and correspondingly and automatically all of the UNO Ancillary Agreements) due to a Major Casualty Event or an Extended Force Majeure Event, the Board will provide Notice to OSEP and OSEP's Financier at least ninety (90) days prior to the proposed Termination Date.

(2) **Change in Law.** Should the Board seek to terminate this Agreement (and correspondingly and automatically all of the UNO Ancillary Agreements) due to a Change in Law, the Board will provide Notice to OSEP and OSEP's Financier at least ninety (90) days prior to the proposed Termination Date of the Change in Law and describe in reasonable detail, including a written opinion of the Board's legal counsel, how such Change in Law substantially prevents the Board, on behalf of UNO, from continuing its performance of substantially all of its obligations under a UNO Ancillary Agreement.

f. By Board for Non-Appropriation Event. Upon the occurrence of a Non-Appropriation Event with respect to the Project, if the Board desires to terminate this Agreement (and correspondingly and automatically all of the UNO Ancillary Agreements) pursuant to the terms hereof, the Board shall provide Notice of the Non-Appropriation Event to OSEP and OSEP's Financier as soon as reasonably practicable after the Board's determination that the Non-Appropriation Event has occurred, but in any event within ninety (90) days thereof. The Board shall specify the Termination Date in its Notice; which Termination Date shall not be less than ninety (90) days from the date such Notice is received by OSEP and OSEP's Financier. Notice of a Non-Appropriation Event shall include reasonable support establishing the occurrence of the Non-Appropriation Event. The Board acknowledges and agrees that OSEP may directly dispute whether a Non-Appropriation Event has occurred with respect to the Project.

Section 1.4 Termination Fee.

a. Upon termination of this Agreement (and correspondingly and automatically all of the other UNO Ancillary Agreements) by either Party prior to the Expiry Date as permitted herein, the Board and Foundation shall owe their respective portions of the Termination Fee to OSEP determined in accordance with **Exhibit "C"** to this Agreement. The Parties acknowledge that the Termination Fees described therein are reasonable estimates, and not penalties, of the presumed actual losses that OSEP would suffer due to termination of the UNO Ancillary Agreements prior to the Expiry Date, and that the calculation of any such reasonably estimated Termination Fees includes consideration of OSEP's Work-related costs (direct and indirect), equity commitments and any debt repayment and costs relating to any Termination hereof and thereof.

b. If the Board elects to terminate this Agreement (and correspondingly and automatically all of the other UNO Ancillary Agreements) in accordance with the terms hereof, and in such event if the Board and Foundation fail to timely and fully pay their respective portions of the Termination Fee as determined pursuant to **Exhibit "C"** to this Agreement at or prior to such proposed Termination Date, OSEP may elect in its sole and absolute discretion to (i) terminate all of the UNO Ancillary Agreements and exercise its remedies to repossess all or any Future Equipment as provided therein, or (ii) have the Lease, the Sublease and the Servitude remain in full force and effect and have Foundation assign its rights under the Lease and Sublease to a Successor Nonprofit for a term to last until the Expiry Date, by providing Notice to the Board and Foundation within twenty (20) days of OSEP's receipt of the Board's Notice of termination, and in such event the Lease, the Sublease and the Servitude (and only the Lease, the Sublease and the Servitude from the UNO Ancillary Agreements) shall remain in full force and effect until the Expiry Date, except that from and after such date of election by OSEP, OSEP shall have no further obligations to (i) pay or perform the consideration obligations set forth in the Lease or (ii) comply with the terms and conditions of the CEA or the other UNO Ancillary Agreements (including no obligation to provide Thermal Services to the Campus Buildings).

c. EACH OF THE BOARD AND FOUNDATION AGREES THAT IT IS NOT ENTITLED TO WITHHOLD, OFFSET, ABATE, OR REDUCE THE AMOUNT OF PAYMENT OF ANY TERMINATION FEE DUE HEREUNDER FOR ANY REASON WHATSOEVER. EACH OF THE BOARD AND FOUNDATION OSEPCIFICALLY WAIVES ANY RIGHT OF WITHHOLDING, SET-OFF, ABATEMENT OR REDUCTION OR ANY OTHER DEFENSE AT LAW OR EQUITY TO ALL TERMINATION FEES DUE HEREUNDER, AND AGREES IT MUST PURSUE ANY AVAILABLE REMEDIES AGAINST OSEP WITHOUT WITHHOLDING, SET-OFF, ABATEMENT, OR REDUCTION IN AN AMOUNT LESS THAN THE ENTIRE TERMINATION FEES. IT IS THE INTENTION OF THE PARTIES THAT THE TERMINATION FEES WILL CONTINUE TO BE PAYABLE IN ALL EVENTS IN THE MANNER AND AT THE TIMES SET FORTH HEREIN.

Section 1.5 Substitution of Foundation. During the Term of the Lease, if a Foundation Event of Default shall occur and be continuing, OSEP may identify and propose to the Board a Successor Nonprofit to assume the Lease and the Sublease from Foundation. In such event, OSEP shall promptly notify the Board and provide it with such information about the proposed Successor Nonprofit as the Board may reasonably request and which OSEP is able to obtain without unreasonable effort or expense. Within thirty (30) days of the Board's receipt of OSEP's Notice and requested information, the Board shall give Notice to OSEP approving or rejecting the proposed Successor Nonprofit, and if rejecting such proposed Successor Nonprofit the basis therefor; provided, however, that the Board's approval may not be unreasonably withheld, delayed or conditioned. If the Board approves the proposed Successor Nonprofit, (i) the Board and

Foundation will cooperate and execute and deliver all such agreements and documentation that OSEP or such Successor Nonprofit may reasonably request in order to consummate the assignment and assumption of the Lease and the Sublease from Foundation, (ii) Foundation shall transfer the Unearned Prepaid Rent remaining as of the effectiveness of such substitution to the Successor Nonprofit, and (iii) OSEP or such Successor Nonprofit will cure all Foundation Events of Default; provided, that neither OSEP nor a Successor Nonprofit shall have any obligation or liability with respect to any damages relating to such Foundation Events of Default. If the Board rejects OSEP's proposed Successor Nonprofit, OSEP may identify and propose to the Board an alternative Successor Nonprofit subject to the foregoing conditions and procedures.

FACILITY OPTIMIZATION SERVICES AGREEMENT

This Facility Optimization Services Agreement (this “**Agreement**”) is made this [•] day of [•], 2022 (the “**Effective Date**”) between:

PARTIES

ORLEANS SUSTAINABLE ENERGY PARTNERS, LLC (“OSEP”)
8555 United Plaza Boulevard, Suite 201
Baton Rouge, Louisiana 70809

and

THE BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM, acting on behalf of the University of New Orleans (the “Board”)
1201 North Third Street Suite 7-300
Baton Rouge, Louisiana 70802

(OSEP and the Board are collectively referred to as the “**Parties**” and singularly referred to as a “**Party**”).

RECITALS

WHEREAS, the State and LA Energy Partners, LLC, a Delaware limited liability company (“**LAEP**”), have entered into a Cooperative Endeavor Agreement dated September 27, 2019 (the “**CEA**”), which establishes a framework pursuant to which the State and other State Entities, on the one hand, and LAEP, on the other hand, may collaborate on conservation measures for facilities owned or controlled by the State or State Entities for the provision of work and services by LAEP, directly or indirectly through Project SPEs;

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State and constituting a State Entity as such term is used and defined in the CEA, and the University of New Orleans (“**UNO**”) is a higher education institution under the supervision and control of the Board;;

WHEREAS, pursuant to the Adoption Agreement and ARTICLE 6 of the CEA, the Board, on behalf of UNO, has determined to opt-in to the CEA;

WHEREAS, OSEP is a wholly-owned subsidiary of LAEP formed solely for the purpose of serving as the Project SPE for the Project;

WHEREAS, the Board, on behalf of UNO, desires to retain OSEP to perform the Work specified in Schedule 1-A hereto (the “**Facility Optimization Services**”) at the Campus Buildings identified on Schedule 2 (such Campus Buildings, “**Covered Facilities**”); and

WHEREAS, the Board, on behalf of UNO, is authorized and empowered under Applicable Legal Requirements to enter into this Agreement and has taken all necessary action under Applicable Legal Requirements to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the Parties agree as follows:

AGREEMENT

1. **DEFINED TERMS**. Capitalized terms used in this Agreement that are not otherwise defined in this Agreement shall have the meanings ascribed to them in **Exhibits “A”** to the Facilitation Agreement and the CEA; provided, that any terms defined in **Exhibit “A”** to the Facilitation Agreement that conflict with the definition provided in

Exhibit “A” of the CEA shall have the meanings provided in **Exhibit “A”** of the Facilitation Agreement. Defined terms will be given their common and ordinary meanings when they appear uncapitalized in the text. Undefined terms will be given their common and ordinary meanings pursuant to custom and industry parlance. Notwithstanding the foregoing, any terms defined in this Agreement that conflict with the definition provided in **Exhibit “A”** of the Facilitation Agreement shall have the meanings provided herein.

2. SCOPE OF THE AGREEMENT.

- (a) OSEP shall perform the Work set forth in Schedule 1-A.
- (b) After the Work is Substantially Complete (as defined below) and the Certificate of Substantial Completion is executed by the Board, on behalf of UNO, and OSEP, OSEP shall provide the M & V Services set forth in **Exhibit “A”** to the Adoption Agreement with respect to the Work performed under this Agreement (the “**Services**”).
- (c) The Board, on behalf of UNO, shall make payments to OSEP for the Work and the Services in accordance with Schedule 3 (the “**FOSA Charge**”). SUBJECT TO SECTION 25 AND EXCEPT AS SET FORTH IN SUBSECTION (D), THE BOARD AGREES THAT FOR ALL PERIODS IT WILL PAY THE ENTIRE FOSA CHARGE, WHICH OBLIGATION WILL CONTINUE WITHOUT INTERRUPTION FOR THE TERM WITHOUT EXCEPTION AND THAT IT HAS AN ABSOLUTE AND UNCONDITIONAL OBLIGATION TO PAY THE ENTIRE FOSA CHARGE FOR EACH PERIOD IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT. THE BOARD AGREES THAT IT IS NOT ENTITLED TO WITHHOLD, OFFSET, ABATE OR REDUCE ANY PAYMENT FOR SERVICES UNDER THIS AGREEMENT IN AN AMOUNT LESS THAN THE FOSA CHARGE. THE BOARD FURTHER AGREES THAT IT CONTINUES TO BE OBLIGATED TO PAY THE ENTIRE FOSA CHARGE NOTWITHSTANDING THAT, DURING THE TERM, THE BOARD ELECTS NOT TO HAVE OSEP PROVIDE ANY WORK OR SERVICES UNDER THIS AGREEMENT, THE BOARD REDUCES OR CEASES SOME OR ALL OF ITS OPERATIONS AT A COVERED FACILITY, A COVERED FACILITY SUFFERS OR INCURS DAMAGE OR CASUALTY OR DESTRUCTION OF ALL OR ANY PORTION THEREOF OR SUFFERS OR INCURS ANY OTHER MATTER OR INCIDENT OR TAKES ANY ACTION AFFECTING SOME OR ALL OF ITS OPERATIONS. PAYMENTS OF THE FOSA CHARGE IN THE AFOREMENTIONED CIRCUMSTANCES SHALL NOT BE DEEMED AN OVERPAYMENT FOR THE PURPOSES OF LA. R.S. 39:72(B). THE BOARD SPECIFICALLY WAIVES ANY RIGHT OF WITHHOLDING, SET-OFF, ABATEMENT OR REDUCTION (IN AN AMOUNT LESS THAN THE FOSA CHARGE) OR ANY OTHER DEFENSE AT LAW OR EQUITY TO ANY FOSA CHARGE DUE HEREUNDER, AND AGREES IT MUST PURSUE ITS REMEDIES AGAINST OSEP WITHOUT WITHHOLDING, SET-OFF, ABATEMENT OR REDUCTION IN AN AMOUNT LESS THAN THE FOSA CHARGE. IT IS THE INTENTION OF THE PARTIES THAT AT LEAST THE FOSA CHARGE WILL CONTINUE TO BE PAYABLE IN ALL EVENTS IN THE MANNER AND AT THE TIMES SET FORTH IN THIS AGREEMENT.
- (d) NOTWITHSTANDING SUBSECTION (C), IN THE EVENT THE BOARD PAYS TO OSEP AN AMOUNT IN EXCESS OF THE FOSA CHARGE IN ANY MONTH OF A SERVICE YEAR, THE BOARD SHALL HAVE THE RIGHT TO OFFSET SUCH OVERPAYMENT AMOUNT, AND ONLY SUCH OVERPAYMENT AMOUNT, FROM A FOSA CHARGE IN A SUBSEQUENT MONTH PURSUANT TO LOUISIANA REVISED STATUTE 39:72(B).

- 3. AGREEMENT DOCUMENTS.** The terms and conditions of the CEA, the Adoption Agreement and the Facilitation Agreement are adopted as if otherwise set forth herein. To the extent any part of this Agreement and the CEA conflict, this Agreement shall govern. In addition to the terms and conditions of this Agreement, the following Schedules are incorporated into and shall be deemed an integral part of this Agreement:

Schedule 1-A – Scope of Work
Schedule 1-B – UNO and Board Responsibilities
Schedule 1-C – Design and Construction Standards

4. **SUBSTANTIAL COMPLETION; SERVICES.** OSEP shall achieve Substantial Completion of the Work by the Substantial Completion Date, which shall be the earlier of:

- (a) the date on which the Board executes a Certificate of Substantial Completion substantially in the form attached hereto as Attachment 1; or
- (b) twenty four (24) months after the GMP Determination Date, subject to adjustments set forth in Sections 7, 8 and 14 below.

For purposes of this Agreement, “**Substantial Completion**” means that OSEP has provided sufficient materials and services to permit UNO to operate the Facility Optimization Services located within the Covered Facilities. The Services shall commence on the first day of the month following the month in which the Board, on behalf of UNO, executes the Certificate of Substantial Completion and shall continue throughout the Term (as defined below), subject to earlier termination of this Agreement as provided herein.

5. **OWNERSHIP AND TITLE.**

- (a) All equipment purchases made during the Term as a part of the Facility Optimization Services (the “**Future Equipment**”) will be made in the name of OSEP or OSEP’s Trustee.
- (b) Throughout the Term, OSEP or OSEP’s Trustee will retain legal title to all Future Equipment, notwithstanding the installation of the Future Equipment into the Covered Facilities in connection with the Facility Optimization Services. Title to all other assets and properties constituting part of the Facility Optimization Services, including any buildings and structures, will vest in the Board.
- (c) Pursuant to Louisiana Revised Statute 10:9-334, the Board hereby (i) acknowledges the Future Equipment will be installed in Covered Facilities and classified as “fixtures” as defined by Louisiana Revised Statute 10:9-334, (ii) disclaims any interest in the Future Equipment, (iii) acknowledges OSEP or OSEP’s Trustee shall be the owner of the Future Equipment, (iv) consents to OSEP granting security interests in the Future Equipment to third parties, including OSEP’s Financier, and (v) acknowledges that prior to the installation of any Future Equipment in a Covered Facility, OSEP will perfect a fixture filing and UCC-1 in the mortgage records of Orleans Parish evidencing any security interests granted by OSEP or OSEP’s Trustee in the Future Equipment.
- (d) Upon the expiration or earlier termination of this Agreement in accordance with the terms hereof, and subject to payment by the Board of the Termination Fee for termination prior to expiration in accordance with Section 23 and **Exhibit “C”** to the Facilitation Agreement, title to and ownership of the Future Equipment shall vest in the Board, and OSEP or OSEP’s Trustee, as applicable, will execute and deliver to the Board any reasonable documentation to effectuate this.

6. **VALUE OF WORK; NOTICE TO PROCEED.**

- (a) The Parties acknowledge and agree that the value of the Facility Optimization Services is \$[●] (“FOSA Scheduled Value”), as described on Schedule 3.
- (b) The Parties shall implement a mutually acceptable design development and procurement process for the Facility Optimization Services, subject to additions and deductions for changes as provided herein. As part of the process, OSEP will deliver to the applicable UNO Representative design documents sufficient to establish the size, quality, and character of the Facility Optimization Services consistent with the Scope of Work set forth in Schedule 1-A. It is the intent of the Parties that the final design documents will reflect collaboration between the Parties, but the Board acknowledges and agrees that OSEP will have ultimate responsibility for the Facility Optimization Services to be performed in accordance therewith due to the fact that such Work will be critical to OSEP’s obligation to achieve an annual Net Public Benefit and an Annual Operating Budget Savings; provided, however, that the Board shall have the right to reject any aspect of the proposed final design

documents that would reasonably be expected to have a material adverse effect on any portion of the Campus (other than the Plants) and in such event OSEP shall propose alternate final design documents.

- (c) Any dispute related to the design development and procurement process, or OSEP's costs therefor, shall be resolved in accordance with Article 14 of the CEA; provided, that OSEP may commence the Facility Optimization Services pending resolution of the disputes at its sole risk subject to such final resolution.
- (e) The Commercial Operations Date shall also serve as OSEP's Notice to Proceed to commence the Facility Optimization Services.

7. **DELAYS AND IMPACTS.** If OSEP is delayed in the commencement, performance, or completion of the Work and/or Services by causes beyond its control and without its fault, including but not limited to inability to access property, Hazardous Materials or Environmental Conditions present at a Project Site, Concealed Conditions or unknown conditions encountered at a Project Site differing from the conditions represented by UNO and the Board or otherwise disclosed by UNO and the Board to OSEP prior to the commencement of the Work, a Force Majeure condition pursuant to Section 11.5 of the CEA, failure by the Board to perform its obligations under this Agreement, or failure by UNO or the Board to cooperate with OSEP in the timely completion of the Work, OSEP shall provide written notice to the Board of the existence, extent of, and reason for such delays and impacts. Under such circumstances, an equitable adjustment in the time for performance, price (including the GMP) and payment terms shall be made. If the Parties cannot reach agreement regarding an equitable adjustment under this Section 7, OSEP will proceed with the Work and/or Services to the extent reasonably practicable, and the dispute shall be resolved by the Parties pursuant to Article 14 of the CEA.
8. **ACCESS.** UNO and the Board, on behalf of UNO, shall provide OSEP, its subcontractors, and its agents reasonable and safe access to all Covered Facilities pursuant to the Servitude. The Board, on behalf of UNO, further agrees to assist OSEP, its subcontractors, and its agents to gain access to facilities and properties that are not controlled by the Board, on behalf of UNO, but are necessary for OSEP to complete the Work and provide the Services, if any. An equitable adjustment in the time for performance, price and payment terms shall be made as a result of any failure or delay to grant such access. If the Parties cannot reach agreement regarding an equitable adjustment under this Section 8, the dispute shall be resolved by the Parties pursuant to Article 14 of the CEA. Notwithstanding the foregoing, OSEP will not employ, nor permit its Affiliates to employ, an individual to perform any of the Work or Services who the Board identifies as having been previously terminated by the Board for "cause" or is otherwise prohibited by the Board from entering the Campus. In the event the Board does not identify such an individual before OSEP or an Affiliate employs such individual, OSEP will, or will cause its Affiliate to, terminate the employment of such individual within ten (10) days of notice by the Board.
9. **PERMITS, TAXES, AND FEES.** Unless otherwise specified in Schedule 1-B, OSEP shall be responsible for obtaining all federal, state and local licenses and permits required for it to perform the Work; provided, however, that the Board shall reasonably cooperate with OSEP's efforts to secure such licenses and permits. Unless otherwise specified in Schedule 1-A, the Board, on behalf of UNO, shall be responsible for obtaining all other permits, licenses, approvals, permissions and certifications, including but not limited to all zoning and land use changes or exceptions required for the provision of the Work or the ownership and use of the Facility Optimization Services. OSEP shall not be obligated to provide any changes to or improvement of the facilities or any portion thereof required under any applicable building, fire, safety, sprinkler or other applicable code, standard, law, regulation, ordinance or other requirement unless the same expressly regulates the installation of the Facility Optimization Services. Without limiting the foregoing, OSEP's obligations with respect to the Work are not intended to encompass any changes or improvements that relate to any compliance matters (whether known or unknown) that are not directly related to the installation of the Facility Optimization Services or which have been imposed or enforced because of the occasion or opportunity of review by any governmental authority. OSEP shall not be responsible for and shall not pay any assessments, charges and sales, use, property, excise, or other taxes now or hereafter imposed by any governmental body or agency upon the provision of the Work or the Services or payments due to OSEP under this Agreement, other than taxes upon the net income of OSEP. Each Party shall be responsible for real or personal property taxes relating to equipment or material owned by

such Party. Any fees, taxes, or other lawful charges paid by a Party on account of the other Party shall become immediately due from such responsible Party.

- 10. WARRANTY.** OSEP will perform the Work in a professional, workman-like manner. OSEP will promptly re-perform any non-conforming Work for no charge, as long as the Board provides written notice to OSEP within one (1) year following Substantial Completion or such other period identified in Schedule 1-A. If OSEP installs or furnishes goods or equipment under this Agreement (other than Lighting Equipment), and such goods or equipment are covered by an end-user warranty from their manufacturer, OSEP will transfer the benefits of such warranty to the Board. Notwithstanding the previous sentence, OSEP will provide a ten (10) year manufacturer project warranty for materials only with respect to any LED fixtures, components and occupancy and lighting controls installed as part of the Work ("**Lighting Equipment**"). The foregoing warranty for Lighting Equipment will commence at Substantial Completion of the lighting Work described under the heading [●] in Schedule 1-A. Further with respect to the warranty for Lighting Equipment, OSEP shall provide a warranty stock equal to at least two percent (2%) of lamps and one percent (1%) of LED replaceable drives installed as part of the Work. The foregoing remedy with respect to the Work, together with any remedy provided by goods or equipment manufacturers (other than Lighting Equipment), shall be the Board's sole and exclusive remedies for warranty claims. The Board agrees that the one (1) year period following Substantial Completion (ten (10) years with respect to Lighting Equipment), or such other period identified in Schedule 1-A, shall be a reasonable time for purposes of submitting valid warranty claims with respect to the Work. These exclusive remedies shall not have failed of their essential purpose so long as OSEP transfers the benefits of any goods or equipment end-user warranty to the Board and remains willing to re-perform any non-conforming Work for no charge within the one (1) year period (ten (10) years with respect to Lighting Equipment) described above or such other period identified in Schedule 1-A. NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE PROVIDED BY OSEP. This warranty does not extend to any Work that has been abused, altered, or misused, or repaired by the Board or third parties without the supervision or prior written approval of OSEP. Except with respect to goods or equipment manufactured by OSEP and furnished to the Board hereunder, for which OSEP shall provide its express written manufacturer's warranty, OSEP shall not be considered a merchant or vendor of goods or equipment.
- 11. CLEANUP.** OSEP shall keep the premises and the surrounding area free from accumulation of waste materials or rubbish caused by the Work and, upon completion of the Work, OSEP shall remove all waste materials, rubbish, tools, construction equipment, machinery, and surplus materials.
- 12. SAFETY; COMPLIANCE WITH LAWS.** OSEP shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Work and Services. Each of OSEP and the Board shall comply with Applicable Legal Requirements and Applicable Standards in connection with its performance hereunder.
- 13. ASBESTOS-CONTAINING MATERIALS AND OTHER HAZARDOUS MATERIALS.**

- (a) Asbestos-Containing Materials: Neither Party desires to or is licensed to undertake direct obligations relating to the identification, abatement, cleanup, control, removal or disposal of asbestos-containing materials ("**ACM**"). Consistent with Applicable Legal Requirements, UNO or the Board, on behalf of UNO, shall supply OSEP with any information in its possession relating to the presence of ACM in areas where OSEP undertakes any Work or Services that may result in the disturbance of ACM; provided, that the Board shall not be deemed to make any representation or warranty with respect to such information. It is OSEP's policy to seek certification for facilities constructed prior to 1982 that no ACM is present, and the Board, on behalf of UNO, shall provide such certification for all Covered Facilities, as applicable. If either UNO, the Board or OSEP becomes aware of or suspects the presence of ACM that may be disturbed by OSEP's Work or Services, it shall promptly stop the Work or Services in the affected area and notify the other. As between the Board and OSEP, the Board, on behalf of UNO, shall be responsible at its sole expense for addressing the potential for or the presence of ACM in conformance with all Applicable Legal Requirements and addressing the impact of its disturbance before OSEP continues with its Work or Services, unless OSEP had actual Knowledge that ACM was present and acted with intentional disregard of that Knowledge, in which

case (i) OSEP shall be responsible at its sole expense for remediating areas impacted by the disturbance of the ACM, and (ii) the Board shall resume its responsibilities for the ACM after OSEP's remediation has been completed.

- (b) Other Hazardous Materials: OSEP shall be responsible for removing or disposing of any Hazardous Materials brought to a Project Site or used by OSEP in performing the Work or Services ("**OSEP Hazardous Materials**"), and for the remediation of any areas impacted by the release of OSEP Hazardous Materials. For all other Hazardous Materials ("**Non-OSEP Hazardous Materials**"), UNO or the Board, on behalf of UNO, shall supply OSEP with any information in its possession relating to the presence of such materials if their presence may affect OSEP's performance of the Work or Services; provided, that the Board shall not be deemed to make any representation or warranty with respect to such information. If either UNO, the Board or OSEP becomes aware of or suspects the presence of Non-OSEP Hazardous Materials that may interfere with OSEP's Work or Services, it shall promptly stop the Work or Services in the affected area and notify the other. As between the Board and OSEP, the Board, on behalf of UNO, shall be responsible at its sole expense for removing and disposing of Non-OSEP Hazardous Materials from its facilities and the remediation of any areas impacted by the release of Non-OSEP Hazardous Materials, unless OSEP had actual Knowledge that Non-OSEP Hazardous Materials were present and acted with intentional disregard of that Knowledge, in which case (i) OSEP shall be responsible at its sole expense for the remediation of any areas impacted by its release of such Non-OSEP Hazardous Materials, and (ii) the Board, on behalf of UNO, shall remain responsible at its sole expense for the removal of Non-OSEP Hazardous Materials that have not been released and for releases not resulting from OSEP's performance of the Work or Services. For purposes of this Agreement, "**Hazardous Materials**" specifically includes mold and lead-based paint and specifically excludes ACM. OSEP shall have no obligations relating to the identification, abatement, cleanup, control, removal, or disposal of mold, regardless of the cause of the mold.

14. CHANGE ORDERS. The Parties, without invalidating this Agreement, may request changes in the Work to be performed under this Agreement, consisting of additions, deletions, or other revisions to the Work by written Change Orders. The price and payment terms, time for performance (including extension of the Substantial Completion Date) and, if necessary, other terms and conditions, shall be equitably adjusted in accordance with the Change Order. Such adjustments shall be determined by mutual agreement of the Parties; provided, that the Board, on behalf of UNO, shall certify in writing that it has sufficient funds appropriated to pay any additional amounts that may be owed by the Board arising from such Change Order; provided, further, that if the Parties cannot reach agreement regarding an equitable adjustment, OSEP may proceed with the Work described in the Change Order to the extent reasonably practicable, and the dispute shall be resolved by the Parties pursuant to Article 14 of the CEA. Any Change Order must be signed by the authorized representative of each Party pursuant to Section 32. If Concealed Conditions or other unknown conditions are encountered at a Project Site differing from the conditions represented by the Board, on behalf of UNO, in the bid documents or otherwise disclosed by UNO or the Board, on behalf of UNO, to OSEP prior to the commencement of the Work, price and payment terms, time for performance and, if necessary, other terms and conditions, shall be equitably adjusted. Claims for equitable adjustment may be asserted in writing within a reasonable time from the date a Party becomes aware of a change to the Work by written notification. Such adjustments shall be determined by mutual agreement of the Parties; provided, that if the Parties cannot reach agreement regarding an equitable adjustment, OSEP will proceed with the Work in a manner that addresses the issues raised as a result of the Concealed Condition or other unknown condition to the extent reasonably practicable, and the dispute shall be resolved by the Parties pursuant to Article 14 of the CEA. Failure to promptly assert a request for equitable adjustment, however, shall not constitute a waiver of any rights to seek any equitable adjustment with respect to such change.

15. TREATMENT; TAXES. The Parties acknowledge and agree that OSEP is not making any representation or warranty to the Board with respect to matters not expressly addressed in this Agreement, including, but not limited to:

- (a) The Board's proper legal, tax, accounting, or credit rating agency treatment relating to this Agreement; and

- (b) the necessity of the Board to seek additional funding for any purpose.

The Board, on behalf of UNO, is solely responsible for its obligations and determinations with respect to the foregoing matters. In addition, the Parties acknowledge and agree that the Board, on behalf of UNO, shall be responsible to comply, at its cost and expense, with all Applicable Legal Requirements relating to contracting, including, without limitation, any requirements relating to the procurement of goods and/or services and any legal, accounting, or engineering opinions or reviews required or obtained in connection with this Agreement.

- 16. INSURANCE.** OSEP shall maintain insurance in the amounts set forth below and consistent with the applicable terms and conditions of **Exhibit "E"** to the CEA with respect to the insurance set forth below, in full force and effect at all times until the Work and Services have been completed, and shall provide a certificate evidencing such coverage promptly following the Board's request therefor.

COVERAGES	LIMITS OF LIABILITY
Workmen's Compensation Insurance or self-insurance, including Employer's Liability	Statutory
Commercial General Liability Insurance	\$5,000,000 Per Occurrence \$5,000,000 Aggregate
Comprehensive Automobile Liability Insurance	\$5,000,000 Combined Single Limit

The above limits may be obtained through primary and excess policies, and may be subject to self-insured retentions.

OSEP shall be responsible for obtaining builder's risk insurance coverage for the Facility Optimization Services and shall be responsible for any loss or casualty to the Facility Optimization Services that occurs prior to the Substantial Completion Date, and the Board shall be named as an additional insured thereunder. The Board shall maintain insurance coverage, of the types and in the amounts customary for the conduct of its business, throughout the Term.

17. INDEMNIFICATION.

- (a) Indemnification by the Board. To the extent permitted by law, the Board will indemnify and hold harmless the OSEP Indemnitees from and against any and all Losses, to the extent arising, directly or indirectly, from or in connection with (i) any breach by the Board of its obligations, covenants, representations or warranties contained in this Agreement; (ii) any negligent actions or negligent omissions by UNO, the Board, on behalf of UNO, or a UNO Person in connection with the Board's performance of this Agreement or otherwise in the conduct and operation of the Covered Facilities; (iii) any Hazardous Materials or ACM existing at or introduced onto, or Environmental Condition created at, a Covered Facility by the Board or a UNO Person; or (iv) any claims arising from or based on the violation by the Board or a UNO Person of Applicable Legal Requirements in connection with the performance of the Board's obligations under this Agreement. Notwithstanding any provision to the contrary, if there is joint, concurrent or contributing fault, negligence, gross negligence or intentional misconduct by OSEP or any OSEP Indemnitee, as determined through a final adjudication, including any appeals, then the Board's indemnity obligations hereunder will be limited to the proportionate fault of the Board or any UNO Persons.
- (b) Indemnification by OSEP. OSEP will indemnify and hold harmless the UNO Indemnitees from and against any and all Losses to the extent arising, directly or indirectly, from or in connection with (i) any breach by OSEP of its obligations, covenants, representations or warranties contained in this Agreement; (ii) any negligent actions or negligent omissions by OSEP or a OSEP Person in connection with OSEP's performance of this Agreement; (iii) any Hazardous Materials introduced

onto, or Environmental Condition created at, any Covered Facility by OSEP or a OSEP Person; or (iv) any claims arising from or based on the violation by OSEP or a OSEP Person of Applicable Legal Requirements in connection with the performance of OSEP's obligations under this Agreement. Notwithstanding any provision to the contrary, if there is joint, concurrent or contributing fault, negligence, gross negligence or intentional misconduct by the Board, UNO or any UNO Indemnitee, as determined through a final adjudication, including any appeals, then OSEP's indemnity obligations hereunder will be limited to the proportionate fault of OSEP or any OSEP Persons.

18. LIMITATION OF LIABILITY. OSEP'S LIABILITY UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION, AFTER DEDUCTION OF ALL INSURANCE PROCEEDS AVAILABLE TO OSEP, SHALL IN NO EVENT EXCEED THE AMOUNT OF THE PAYMENTS ACTUALLY RECEIVED BY OSEP UNDER SCHEDULE 3. In no event will either Party be liable for or with respect to any claims for consequential, indirect, punitive, exemplary, special or incidental damages, lost profits or lost revenues arising out of or related to this Agreement except to the extent such consequential, indirect, punitive, exemplary, special or incidental damages, lost profits or revenues are payable to a third party in connection with an indemnification covered by Section 17. The foregoing waivers and limitations are fundamental elements of the basis for this Agreement between OSEP and the Board, and each Party acknowledges that OSEP would not be able to provide the Work and Services contemplated by this Agreement on an economic basis in the absence of such waivers and limitations, and would not have entered into this Agreement without such waivers and limitations.

19. TERM. The term of this Agreement will commence on the Effective Date and will continue in full force and effect until the expiration or termination of the Adoption Agreement, in all cases in accordance with the terms and conditions thereof (the "**Term**").

20. EVENTS OF DEFAULT.

- (a) By the Board. Subject to Force Majeure as provided in Section 27, the occurrence of any of the following events shall constitute a UNO Event of Default:
 - i. The Board fails to cure its breach of a non-monetary obligation under this Agreement within thirty (30) days after the Board receives notice from OSEP of the breach; provided, that if such breach cannot reasonably be cured during such 30-day period, the Board will be entitled to an additional thirty (30)-day period within which to cure its breach, so long as it will have begun to cure such breach within the initial thirty (30)-day period and is diligently pursuing such cure; or
 - ii. The Board fails to make any monetary payment due OSEP under this Agreement within thirty (30) days after the Board receives notice from OSEP of such payment being past due.

For purposes of this Agreement, a UNO Event of Default described in Section 20.a.ii will be deemed to constitute an "**UNO Event of Major Default.**"

- (b) By OSEP. Subject to Force Majeure as provided in Section 27, the occurrence of any of the following events shall constitute a OSEP Event of Default:
 - i. OSEP fails to cure its breach of a non-monetary obligation under this Agreement within thirty (30) days after OSEP receives notice from the Board of the breach; provided, that if such breach cannot reasonably be cured during such 30-day period, OSEP will be entitled to an additional thirty (30)-day period within which to cure its breach, so long as it will have begun to cure such breach within the initial thirty (30)-day period and is diligently pursuing such cure;
 - ii. OSEP fails to make any monetary payment due the Board under this Agreement within thirty (30) days after OSEP receives notice from the Board of such payment being past due.

For purposes of this Agreement, a OSEP Event of Default described in Section 20.b.ii will be deemed to constitute a “**OSEP Event of Major Default.**”

21. RESERVED.

22. RESERVED.

23. RESERVED.

24. EFFECT OF TERMINATION. At the end of the Term, upon payment of the Termination Fee, if applicable, possession and use of all of Covered Facilities, and title to all Facility Optimization Services constructed and Future Equipment installed in Covered Facilities pursuant hereto during the Term, will revert to the Board, free and clear of any interest of OSEP, OSEP's Trustee or OSEP's Financier or any other claim or lien arising by or through OSEP, and OSEP agrees to execute, or cause OSEP's Trustee or OSEP's Financier to execute, such title transfer documents as may be reasonably acceptable to the Board to effect the title transfer described herein; provided, however, that if the Termination Fee is owed and the Board fails to timely and fully pay the Termination Fee, the Board, on behalf of UNO, and UNO will cooperate with OSEP and grant OSEP or OSEP's Trustee reasonable access (which may be outside normal business hours and include non-Business Days) to the Covered Facilities for the purpose of repossessing and removing the Future Equipment, and the Board acknowledges and agrees that neither OSEP nor OSEP's Trustee shall have any obligation to replace any Future Equipment so removed, but OSEP will repair any damage caused by OSEP or OSEP's Trustee in the process of such removal. No termination of this Agreement excuses either Party from any liability arising out of any default as provided in this Agreement that occurred prior to such termination.

25. NON-APPROPRIATION. The continuation of this Agreement is contingent upon the appropriation of funds by the Legislature to fulfill the Board's obligations hereunder. If, as determined by the Board consistent with Section 10 of the Adoption Agreement, the Legislature fails to appropriate sufficient monies to provide for the continuation of this Agreement, the Board may terminate this Agreement on the last day of the fiscal year for which funds have been appropriated pursuant to **Exhibit “D”** of the Facilitation Agreement. Such termination shall be without penalty or expense to the Board, except for payment of the Termination Fee pursuant to **Exhibit “C”** of the Facilitation Agreement. The Board agrees that each budget proposed by the Board to the Louisiana Board of Regents during the Term will include funds necessary for the UNO Investment for the Project, and to use its best efforts to effect the necessary appropriations for funds necessary for the UNO Investment, but makes no representations, warranties or covenants, express or implied, that the Legislature will make such appropriations.

26. PLEDGE. The Board consents to OSEP's grant of a mortgage, security interest, pledge or assignment in, to and under (i) all rights of OSEP arising under this Agreement, including OSEP's right to receive payments for the Work and the Services hereunder and the Termination Fee and (ii) the Future Equipment, provided that any such mortgage shall not be for a term longer than the Term.

27. FORCE MAJEURE. The respective rights and obligations of the Parties on the occurrence of, and during, an event of Force Majeure will be governed by the provisions Section 11.5 of the CEA.

28. OSEP'S PROPERTY. All materials furnished or used by OSEP and/or OSEP subcontractors or agents at the installation site, including documentation, schematics, test equipment, software and associated media remain the exclusive property of OSEP or such other third party. The Board agrees not to use such materials for any purpose at any time without the express authorization of OSEP. The Board agrees to allow OSEP and/or OSEP subcontractors or agents to retrieve and to remove all such materials remaining after installation or maintenance operations have been completed. The Board acknowledges that any software furnished in connection with the Work and/or Services is proprietary and subject to the provisions of any software license agreement associated with such software.

29. RESERVED.

30. **DISPUTES.** Disputes between the Parties, including any dispute regarding the Final GMP, shall be governed by the dispute resolution procedures in Article 14 of the CEA.
31. **GOVERNING LAW.** This Agreement and all Schedules and Attachments to this Agreement, and all matters arising out of or relating to them (whether in law or in equity), are governed by and construed in accordance with, the internal laws of the State of Louisiana, without regard to the conflict of laws provisions thereof to the extent those principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of Louisiana.
32. **REPRESENTATIVES.** Within five (5) days of the Effective Date, OSEP shall appoint the OSEP Services Period Representatives and the Board shall appoint the UNO Services Period Representatives, each of whom will be authorized to act as a designated contact person for matters concerning this Agreement; provided, however, that throughout the Term, there may be different individuals acting as representatives with different levels of authority to act on behalf of a Party. A Party will be bound by the written communications from its representative to the other Party. In addition, in cooperation with OSEP, the Board will designate certain UNO Services Period Representatives who will be available twenty-four (24) hours per day, seven (7) days per week and the means by which each of them may be contacted at all times. These particular UNO Services Period Representatives are to be notified by OSEP at any time that OSEP has Knowledge of an Emergency. A Party may replace a representative upon providing the other Party with Notice. The Parties will be entitled to rely on the genuineness of such Notice from the other Party.
33. **CONSENTS; APPROVALS; COOPERATION.** Whenever the Board's consent, approval, satisfaction or determination shall be required or permitted under this Agreement, and this Agreement does not expressly state that the Board may act in its sole discretion, such consent, approval, satisfaction or determination shall not be unreasonably withheld, qualified, conditioned or delayed, whether or not such a "reasonableness" standard is expressly stated in this Agreement. Whenever the Board's cooperation is required by OSEP in order to carry out OSEP's obligations hereunder, the Board agrees that it shall act in good faith and reasonably in so cooperating with OSEP and/or OSEP's designated representatives or assignees or subcontractors. The Board shall furnish decisions, information, and approvals required by this Agreement in a timely manner so as not to delay the performance of the Work or Services.
34. **FURTHER ASSURANCES; ESTOPPEL CERTIFICATION.**
- (a) From time to time, and at any time, at and after the Effective Date, each Party will execute, acknowledge and deliver such documents and assurances, reasonably requested by any other Party (in such form reasonably acceptable to the requested Party) and will take any other action consistent with the terms of this Agreement that may be reasonably requested by a Party for the purpose of effecting or confirming any of the transactions contemplated hereby.
 - (b) Any Party shall, without charge, at any time and from time to time hereafter within sixty (60) days after written request of another Party (such request to specify this Agreement and Section), certify by written instrument duly executed and acknowledged to any Person or entity specified in such request: (i) as to whether this Agreement has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (ii) as to the validity and force and effect of this Agreement, in accordance with its tenor as then constituted; (iii) as to the existence of any default thereunder by such Party or, to such Party's Knowledge, the other Party; (iv) as to the existence of any offsets, counterclaims or defenses thereto on the part of such other Party for which such Party has Knowledge; (v) as to the commencement and expiration dates of the Term; and (vi) as to any other matters as may reasonably be so requested. Any such certificate may be relied upon by the requesting Party and any other Person, firm or corporation to whom the same may be exhibited or delivered, and the contents of such certificate shall be binding on the Party executing same. Any estoppel certification delivered pursuant to this Section 34.b shall only speak as to the facts contained in such certification and shall not be deemed to constitute an amendment or modification to this Agreement.

- 35. INDEPENDENT CONTRACTOR.** Nothing in this Agreement will be deemed to constitute any Party a partner, agent or legal representative of any other Party or to create a joint venture, partnership, agency or any relationship between the Parties, and OSEP is an independent contractor of the Board.
- 36. POWER AND AUTHORITY.** Each Party represents and warrants to the other that (i) it has all requisite power and authority to execute and deliver this Agreement and perform its obligations hereunder, (ii) all corporate, board, body politic, or other approvals necessary for its execution, delivery, and performance of this Agreement have been or will be obtained, and (iii) this Agreement constitutes its legal, valid, and binding obligation.
- 37. SEVERABILITY.** To the fullest extent possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under law, but if any provisions of this Agreement shall be prohibited or invalid under any law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.
- 38. COMPLETE AGREEMENT.** This Agreement, together with the CEA and the other UNO Ancillary Agreements, constitute the Parties' entire agreement with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings between the Parties relating to the subject matter hereof. Except as otherwise provided in this Agreement, no amendment, supplement or modification of this Agreement will be binding upon any Party unless executed in writing by such Party. Each Party hereto is relying exclusively on the terms of this Agreement, the CEA and the other UNO Ancillary Agreements, its own judgment, and the advice of its own legal counsel and/or other advisors in entering into this Agreement. The Board acknowledges and agrees that any purchase order issued by the Board associated with this Agreement is intended only to establish payment authority for the Board's internal accounting purposes. No purchase order shall be considered a counteroffer, amendment, modification, or other revision to the terms of this Agreement.
- 39. ASSIGNMENT.** OSEP will not assign or otherwise transfer its rights or obligations under this Agreement except in accordance with the provisions of ARTICLE 9 of the CEA. The Board shall not assign or otherwise transfer its rights or obligations under this Agreement under any circumstances.
- 40. HEADINGS.** The captions and titles in this Agreement are for convenience only and shall not affect the interpretation or meaning of this Agreement.
- 41. COUNTERPARTS.** This Agreement may be executed in counterparts, each of which will be deemed an original and all of which will constitute one agreement. The signatures of any Party to a counterpart will be deemed to be a signature to, and may be appended to, any other counterpart. Digital signatures and other electronic signatures and copies of manual signatures transmitted by facsimile, e-mail or other electronic means will be binding and considered fully effective as if they were authentic original signatures.
- 42. NOTICES.** All notices or communications related to this Agreement shall be provided pursuant to Section 10 of the Facilitation Agreement; provided, however, that delivery of invoices for the Board payments due hereunder will be in writing and e-mailed to the Board at the following address (or such other e-mail address as the Board may request in accordance with the provisions of Section 10 of the Facilitation Agreement): [●].

[SIGNATURE PAGE FOLLOWS.]

[SIGNATURE PAGE TO FACILITIES OPTIMIZATION SERVICES AGREEMENT]

**THE BOARD OF SUPERVISORS FOR
THE UNIVERSITY OF LOUISIANA SYSTEM**

Signature:_____

Printed Name:_____

Title:_____

Date:_____

**ORLEAS SUSTAINABLE ENERGY PARTNERS,
LLC**

Signature:_____

Printed Name:_____

Title:_____

Date:_____

NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS NON-DISTURBANCE AND ATTORNMENT AGREEMENT (“**NDA**”) is made as of the [●] day of [●], 2022 (the “**Date**”) by:

THE BOARD OF SUPERVISORS FOR UNIVERSITY OF LOUISIANA SYSTEM,
ACTING ON BEHALF OF THE UNIVERSITY OF NEW ORLEANS
(“**Board**”),

[●],
a Louisiana [●] (“**Foundation**”),

ORLEANS SUSTAINABLE ENERGY PARTNERS, LLC,
a Delaware limited liability company (“**OSEP**”),

and

HANCOCK WHITNEY BANK,
a Mississippi state banking corporation,
as collateral agent for the Secured Parties (“**Collateral Agent**”).

RECITALS

WHEREAS, the State and LA Energy Partners, LLC, a Delaware limited liability company, (“**LAEP**”) have entered into a Cooperative Endeavor Agreement dated September 27, 2019 (the “**CEA**”), which establishes a framework pursuant to which the State and other State Entities, on the one hand, and LAEP, on the other hand, may collaborate on the lease or concession of facilities owned or controlled by the State or State Entities for the provision of work and services by LAEP, directly or indirectly through Project SPEs;

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State and constituting a State Entity as such term is used and defined in the CEA, and the University of New Orleans (“**UNO**”) is a higher education institution under the supervision and control of the Board;

WHEREAS, Foundation is a wholly owned subsidiary of UNO Research and Technology Foundation;

WHEREAS, UNO Research and Technology Foundation is a nonprofit corporation whose mission is to serve UNO, its campus, students and faculty primarily through financial resources raised and distributed by that foundation;

WHEREAS, the Board owns and operates the Campus;

WHEREAS, pursuant to ARTICLE 6 of the CEA, the Adoption Agreement dated as of the Date by and among the State, LAEP, the Board on behalf of UNO, and OSEP, and the Facilitation Agreement dated as of the Date (as amended, restated, modified or otherwise supplemented from time to time in accordance with the terms thereof, the “**Facilitation Agreement**”) by and among the State, LAEP, the Board on behalf of UNO, Foundation and OSEP, the Board has determined to opt-in to the CEA with respect to the Plants and the Campus Buildings for the purpose of the Project;

WHEREAS, pursuant to the Project, the Board and Foundation have entered into a Lease Agreement dated as of the Date (as amended, restated, modified or otherwise supplemented from time to time in accordance with the terms thereof, the “**Lease**”), pursuant to which the Board has granted Foundation an exclusive thirty (30) year lease over the Plants and certain assets and properties located therein;

WHEREAS, pursuant to the Project, Foundation and OSEP have entered into a Sublease Agreement dated as of the Date (as amended, restated, modified or otherwise supplemented from time to time in accordance with the terms thereof, the “**Sublease**”), pursuant to which Foundation has granted OSEP an exclusive thirty (30) year sublease over the Plants and certain assets and properties located therein;

WHEREAS, in consideration of the Sublease, OSEP will (i) pay to Foundation a one time, lump sum rent payment in the amount of \$[●] (the “**Prepaid Rent**”), (ii) fund certain enhancements and improvements to the Plants (the “**Plant Improvements**”), (iii) fund certain enhancements and improvements to the Campus Buildings (the “**Facility Optimization Services**”), and (iv) supply all of the Campus Buildings’ requirements for chilled water as well as undertaking other obligations set forth in the Thermal Services Agreement by and between the Board and OSEP dated as of the Date (as amended, restated, modified or otherwise supplemented from time to time in accordance with the terms thereof, the “**Thermal Services Agreement**”);

WHEREAS, OSEP and certain institutional investors party thereto (the “**Note Purchasers**,” such term to include holders from time to time of the Notes (as defined below)) have entered into a Note Purchase Agreement, as of the Date (as amended, restated, modified or otherwise supplemented from time to time in accordance with the terms thereof, the “**Note Purchase Agreement**”), pursuant to which OSEP issued (or will issue concurrently with the execution of the Note Purchase Agreement) its senior secured notes in an aggregate principal amount of \$[●] (the “**Notes**”) and the Note Purchasers have purchased (or will purchase concurrently with the execution of the OSEP Financing Documents) the Notes;

WHEREAS, the proceeds of the issuance and sale of the Notes will be used in part to fund the Prepaid Rent, the Plant Improvements and the Facility Optimization Services;

WHEREAS, OSEP has entered into, or will concurrently with the execution of the Note Purchase Agreement enter into, a Collateral Security and Account Agreement dated as of the Date (as amended, restated, modified or otherwise supplemented from time to time in accordance with the terms thereof, the “**Collateral Security Agreement**”), in favor of the Collateral Agent, for the benefit of the Secured Parties (as defined therein), pursuant to which OSEP will, with the Board’s acknowledgment and consent, (i) vest in the Collateral Agent title to all equipment purchased by or on behalf of OSEP and installed in the Plants and the Campus Buildings as part of the Plant Improvements and Facility Optimization Services (the “**Equipment**”) and (ii) grant security interests in the Collateral (as defined therein) other than the Equipment;

WHEREAS, OSEP has entered into, or will concurrently with the execution of the Note Purchase Agreement enter into, a Multiple Indebtedness Mortgage, dated as of the Date (as amended, restated, modified or otherwise supplemented from time to time in accordance with the terms thereof, the “**Mortgage**”), granting to Collateral Agent for the benefit of the Secured Parties a mortgage lien in and to all of OSEP’s rights under the Sublease;

WHEREAS, OSEP’s sole member has pledged 100% of its equity interest in OSEP (the “**OSEP Equity**”) to the Collateral Agent pursuant to that certain Pledge Agreement between such sole member and

the Collateral Agent dated as of the Date (as amended, restated, modified or otherwise supplemented from time to time in accordance with the terms thereof, the “**Pledge Agreement**”); and

WHEREAS, it is a condition precedent to the closing under the Note Purchase Agreement and OSEP entering into the UNO Ancillary Agreements, that the Board, Foundation, OSEP and Collateral Agent execute and deliver this NDA.

AGREEMENT

Accordingly, the Board, Foundation, OSEP and the Collateral Agent agree that:

1. DEFINITIONS.

(a) “**Acceptable Operator**” means (1) a licensed operator (i) of, one or more facilities similar to the Plants, or (ii) who currently operates one or more facilities that, in the aggregate, has/have the capacity to deliver Thermal Energy at least equal to the aggregate capacity of the Plants, or (iii) who does not currently operate one or more facilities, but has entered into arrangements satisfactory to the Required Holders with an operator that has significant experience in operating facilities similar to the Plants; or (2) an operator that is satisfactory to the Required Holders and the Board.

(b) “**Board Parties**”: means the Board and Foundation.

(c) “**Contract Document(s)**”: means each of and collectively, as the context may require, the CEA and the UNO Ancillary Agreements.

(d) “**Contract Rights**”: means any and all rights granted by the Board and Foundation to OSEP under, and subject to the terms of, the Contract Documents, including, but not limited to, the exclusive right to occupy the Plants and use and enjoy the leased/subleased assets located therein and thereon, and provide Thermal Services to the Campus Buildings, all under, pursuant to and in accordance with the applicable terms and conditions of the CEA and the UNO Ancillary Agreements.

(e) “**Enforcement Transfer**”: means any transfer of OSEP’s interest in any OSEP Property or the OSEP Equity pursuant to a Foreclosure Proceeding, by sale or assignment in an Insolvency Proceeding or by a Transfer in Lieu.

(f) “**Foreclosure Proceeding**”: means any proceeding to foreclose or otherwise enforce the Mortgage, the Collateral Security Agreement or the Pledge Agreement.

(g) “**Insolvency Proceeding**”: means any action or proceeding involving OSEP in connection with:

(i) a receiver, receiver manager, liquidator or other encumbrance holder taking possession of or being appointed over, or any distress, execution or other process being levied or enforced upon, the whole or any material part of the assets of OSEP,

(ii) the filing of a bankruptcy petition by OSEP,

(iii) the filing of an involuntary bankruptcy petition against OSEP by any Person other than OSEP which proceeding is not dismissed within ninety (90) days of its filing,

(iv) an involuntary assignment for the benefit of all the creditors of OSEP, or the liquidation of OSEP, or

(v) OSEP admitting in writing its inability to pay its debts generally as they become due, becoming insolvent, or ceasing to carry on business.

(h) **“Keeper”**: means a keeper, receiver or similar party designated by Collateral Agent to act as such in connection with a Foreclosure Proceeding, pursuant to applicable provisions of Louisiana law.

(i) **“OSEP Financing Documents”**: means:

- (i) the Note Purchase Agreement,
- (ii) the Notes,
- (iii) the Collateral Security Agreement,
- (iv) the Mortgage, and
- (v) the Pledge Agreement.

(j) **“OSEP Financing Security”**: means:

- (i) the Mortgage,
- (ii) title to the Equipment,
- (iii) the collateral assignment of the Contract Documents pursuant to the Collateral Security Agreement, and
- (iv) the Pledge Agreement,

individually and collectively, and such other collateral as granted by OSEP to Collateral Agent in the Collateral Security Agreement.

(k) **“OSEP Group”**: means OSEP, OSEP’s agents, subcontractors, employees, managers, directors, employees, and any OSEP Successor Party, individually and collectively.

(l) **“OSEP Group Documents”**: means the Contract Documents and/or the OSEP Financing Documents, individually and collectively.

(m) **“OSEP Property”**: means the Contract Rights and the other rights of OSEP under the CEA and the UNO Ancillary Agreements.

(n) **“OSEP Successor Party”**: means (i) Collateral Agent, or (ii) any other Person who acquires the OSEP Property or the OSEP Equity by way of an Enforcement Transfer, and as a result thereof succeeds to (w) the Contract Rights of OSEP, and (x) the rights and obligations of OSEP under the Contract Documents (collectively, **“OSEP Rights and Obligations”**); provided, however, that with respect to an OSEP Successor Party (including the Collateral Agent or a Keeper) of the OSEP Rights and Obligations, such OSEP Successor Party (including the Collateral Agent and a Keeper) (y) must be the sole successor

to OSEP of the OSEP Rights and Obligations; and (z) must be or must engage an Acceptable Operator to operate and undertake the OSEP Rights and Obligations.

(o) **“Person”**: means any individual (including, the heirs, beneficiaries, executors, legal representatives or administrators thereof), corporation, partnership, joint venture, trust, limited liability company, limited partnership, joint stock company, unincorporated association or other entity or a governmental authority.

(p) **“Representative”**: means, with respect to any Person, any director, officer, employee, official, lender (or any agent or trustee acting on its behalf), partner, member, owner, agent, lawyer, accountant, auditor, professional advisor, consultant, engineer, contractor, other Person for whom such Person is responsible at law or other representative of such Person and any professional advisor, consultant or engineer designated by such Person as its **“Representative.”**

(q) **“Required Holders”**: means those Persons holding at least a majority in principal amount of the Notes outstanding at the time of such determination.

(r) **“Termination Fee”**: has the meaning given that term in the Facilitation Agreement. For avoidance of doubt, any reference to the payment of the Termination Fee in this NDA means the payment in full by the Board and Foundation of each component of the Termination Fee that is due and payable in accordance with the provisions **Exhibit “C”** to the Facilitation Agreement.

(s) **“Thermal Services Charge”**: has the meaning given that term in **Exhibit “A”** to the CEA.

(t) **“Transfer in Lieu”**: means any *dation en paiement*, deed in lieu of foreclosure or any other sale, assignment or other transfer in satisfaction of the Collateral Security Agreement, the Mortgage or the Pledge Agreement in connection with a Foreclosure Proceeding or Insolvency Proceeding.

Initially capitalized terms used in this NDA but not otherwise defined herein have the meaning ascribed to them in the Facilitation Agreement.

2. CONSENT AND ACKNOWLEDGEMENT.

(a) Each Board Party acknowledges and agrees that OSEP is entitled to the possession, use, enjoyment and occupancy of the Contract Rights as provided in, and subject to the terms and conditions of, the Contract Documents.

(b) Each Board Party acknowledges and consents to the OSEP Financing Security and recognizes and consents to the security thereof. To the extent its consent is required under a Contract Document, a Board Party shall not consent to an assignment by OSEP of, or a grant by OSEP of any mortgage, lien, pledge or security interest encumbering, any of the OSEP Property to any Person other than Collateral Agent. Each Board Party acknowledges and agrees that Collateral Agent, in its capacity as collateral agent for the Note Purchasers, constitutes “Project SPE’s Financier” for the Project as defined and used in the CEA and constitutes “OSEP’s Financier” for the Project as defined and used in the UNO Ancillary Agreement, and that Collateral Agent shall have the rights, privileges, benefits and protections granted to a Project SPE’s Financier or OSEP’s Financier under the Contract Documents. Except as otherwise set forth in this NDA, Collateral Agent shall have no liability or obligation under any Contract Document as a result of the collateral assignment thereof nor shall Collateral Agent be obligated or required to perform any of OSEP’s obligations under any Contract Document or to take any action to collect or enforce any claim for payment assigned under the OSEP Financing Documents, as a result of the collateral assignment thereof. Each Board Party further acknowledges the right of Collateral Agent, subject to the UNO

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terms of this NDA, to exercise certain rights and remedies in respect of the OSEP Financing Documents in its capacity as Collateral Agent thereunder during the period while an “**Event of Default**” (as defined under the OSEP Financing Documents) shall have occurred and be continuing (a “**Default Period**”), and to make all demands, give all notices, take all actions and exercise all rights of OSEP under the Contract Documents during a Default Period. From and after notice from Collateral Agent to a Board Party that an Event of Default has occurred under the OSEP Financing Documents and that Collateral Agent has elected to do so, the Board Party will accept performance by Collateral Agent of the obligations of OSEP under the Contract Documents during a Default Period. OSEP consents to the foregoing and directs the Board Parties to accept such performance by Collateral Agent.

(c) Except as otherwise expressly provided herein, each Board Party further agrees that during the occurrence and continuance of an OSEP Event of Default, from and after notice from the Collateral Agent to that Board Party that a Default Period then exists, such Board Party shall render to Collateral Agent all performance due by such Board Party to OSEP under the Contract Documents during a Default Period, and shall not (i) suspend its performance under any Contract Document unless the grounds for suspension of performance are the failure of Collateral Agent to perform OSEP’s obligations under the Contract Documents following notice to Collateral Agent of such failure and Collateral Agent’s failure to cure such failure within any time periods provided for cure in the applicable Contract Document (provided the Board shall not suspend payment of the Thermal Services Charge and no Board Party shall suspend payment of its obligation to pay any portion of the Termination Fee), or (ii) take or support any Insolvency Proceeding in relation to OSEP or any part of the OSEP Property (but a Board Party may file claims and otherwise participate in any such Insolvency Proceeding; provided, however, that such claims and participation shall not seek any clawback or claim against Thermal Services Charges or any portion of the Termination Fee in any respect previously paid by a Board Party, subject to OSEP’s Financier’s timely satisfaction of its obligation to release its lien against the Collateral and convey title to the Equipment to the Board following full payment of the Termination Fee).

(d) Except as permitted by the Contract Documents, each Board Party agrees not to sell, assign, or otherwise dispose of or alienate (by operation of law or otherwise) all or any part of its right, title and interest in the Contract Documents without causing any successor, assignee or acquirer of any of such Board Party’s right, title or interest in the Contract Documents to be bound by this NDA. Likewise, Collateral Agent agrees not to sell, assign, or otherwise dispose of or alienate (by operation of law or otherwise) all or any part of its right, title and interest in the OSEP Financing Documents without causing any successor, assignee or acquirer of any of Collateral Agent’s right, title or interest in the OSEP Financing Documents to be bound by this NDA.

(e) Each Board Party acknowledges and agrees that none of the following shall constitute a default or event of default by OSEP under the Contract Documents: (i) the vesting of title to the Equipment in the Collateral Agent; (ii) the grant of the OSEP Financing Security; (iii) subject to compliance with the Contract Documents and this NDA, the acquisition by an OSEP Successor Party of the rights of OSEP under the Contract Documents by an Enforcement Transfer; (iv) subject to compliance with the Contract Documents and this NDA, the acquisition of control or management rights over, ownership of, or any other rights with respect to any OSEP Property by any OSEP Successor Party; or (v) subject to compliance with the Contract Documents and this NDA, the acquisition by the Collateral Agent or any other OSEP Successor Party of the OSEP Equity.

(f) Commencing on the Date and so long as the OSEP Financing Documents remain in effect, each Board Party agrees to make all payments required to be made by it to OSEP under the Contract Documents in U.S. dollars in immediately available funds, directly to Collateral Agent as provided in writing to such Board Party, or to such other Person and/or at such other address or account as Collateral

Agent may from time to time specify in writing to a Board Party. OSEP hereby instructs the Board Parties, and the Board Parties hereby accept such instructions, to make all payments due and payable to OSEP under the Contract Documents as set forth in the immediately preceding sentence.

(g) No Board Party is a party to the Mortgage, and the Mortgage shall not subject to the lien thereof any property other than OSEP's rights under the UNO Ancillary Agreements. Without limiting the generality of the foregoing, the Mortgage is not intended to encumber: (a) any fee title to or leasehold interest of a Board Party in the Plants, or (b) any of the Board Parties' rights under the Contract Documents. OSEP shall not have the right to encumber or grant a security interest in and to any property owned by a Board Party, except for the Collateral.

3. NONDISTURBANCE.

(a) Each Board Party hereby agrees that in the event Collateral Agent exercises any of its rights under the Mortgage or any other OSEP Financing Documents and, as a result thereof, an OSEP Successor Party acquires control or management rights over, ownership of, or any other rights with respect to any of the OSEP Property, whether pursuant to an Enforcement Transfer or otherwise, (i) the Contract Documents and Contract Rights shall not terminate or be terminated as a result of such occurrence and the rights of the OSEP Successor Party thereunder shall continue in full force and effect, subject to the terms and conditions of the Contract Documents, (ii) such Board Party shall not disturb any of the OSEP Successor Party's rights under any of the OSEP Property, except as specifically permitted by the terms and conditions of the Contract Documents, and (iii) such Board Party shall recognize the OSEP Successor Party's rights to continue to enjoy the rights and benefits of the OSEP Property as provided in the Contract Documents, but subject to the terms and conditions of the Contract Documents.

(b) Collateral Agent agrees that in the event Collateral Agent exercises any of its rights under the OSEP Financing Documents and, as a result thereof, an OSEP Successor Party acquires or seeks to acquire control or management rights over, ownership of, or any other rights with respect to any of the OSEP Group Documents or OSEP Property, whether pursuant to an Enforcement Transfer or otherwise: (i) none of the Contract Documents shall terminate or be terminated and the rights of the Board Parties thereunder and with respect to the Collateral shall continue in full force and effect, subject to the terms of the Contract Documents (including, without limitation, termination rights); and (ii) without limiting the generality of the foregoing, Collateral Agent may not take any action to enforce the security interest in the Collateral, whether by seizure, writ of sequestration, public or private sale or otherwise.

(c) Collateral Agent further agrees not to name or join a Board Party as a defendant in any exercise of Collateral Agent's rights and remedies arising upon a default under the OSEP Financing Documents unless applicable law requires a Board Party to be made a party thereto as a condition to proceeding against OSEP solely for prosecuting such rights and remedies.

4. ATTORNMEN AND ASSUMPTION.

(a) If an OSEP Successor Party succeeds to OSEP's interest in the OSEP Property, the Board Parties will be bound to such OSEP Successor Party and such OSEP Successor Party will be bound to the Board Parties according to the Contract Documents and Contract Rights in force at the time of the Enforcement Transfer and for the balance of the term of the Contract Documents and any extensions of the Contract Documents, as if the OSEP Successor Party were an original party to the Contract Documents. Upon an Enforcement Transfer to an OSEP Successor Party, the OSEP Successor Party shall assume all of OSEP's obligations under the Contract Documents from and after the date of the Enforcement Transfer, and (i) the Contract Documents shall continue in full force and effect, (ii) the rights and obligations of

OSEP Group and the Board Parties will be the same as they would have been if the OSEP Successor Party had been in OSEP's position under the Contract Documents, and (iii) all references in the Contract Documents to OSEP shall be deemed to include such OSEP Successor Party. The provisions of this Section shall be effective and self-operative without any need for a Board Party or an OSEP Successor Party to execute any further documents. The OSEP Successor Party and the Board Parties shall, however, confirm the provisions of this Section in writing upon request by either of them.

(b) The date of an Enforcement Transfer to an OSEP Successor Party shall be referred to as the "date of attornment", with respect to the applicable parties to which the attornment applies.

5. PROTECTION OF OSEP SUCCESSOR. Notwithstanding anything to the contrary in the Contract Documents, neither Collateral Agent nor any OSEP Successor Party shall be liable for or bound by any of the following matters:

(a) Any right that a Board Party may have against OSEP or its successors and assigns as to any event or occurrence before the date of attornment, including any claim for damages of any kind whatsoever as the result of any breach by OSEP or its successors and assigns that occurred before the date of attornment. The foregoing, however, shall not limit the OSEP Successor Party's obligation to correct any conditions which violated OSEP's obligations under the Contract Documents that existed as of the date of attornment, and which after the date of attornment continue to violate OSEP's obligations under the Contract Documents.

(b) Any act, omission, default, misrepresentation, or breach of warranty, of OSEP or its successors and assigns or obligations accruing prior to the date of attornment, except for any act, omission, default, misrepresentation or breach of warranty of OSEP or its successors and assigns for which a Board Party has provided written notice to Collateral Agent prior to the date of attornment.

(c) Any obligation to credit payment under the Contract Documents that a Board Party may have made to OSEP or its successors and assigns more than thirty (30) days before the date such payment was first due and payable under the Contract Documents with respect to any period after the date of attornment, except for any payment(s) expressly required by Contract Documents or any such payment(s) actually received by Collateral Agent.

(d) Any amendment, modification, cancellation, termination, extension or reduction of the Contract Documents made without Collateral Agent's prior written consent (which shall not be unreasonably withheld, except that Collateral Agent may refuse to consent in its sole discretion to any amendment, modification, cancellation, termination, extension or reduction that changes the Term of a Contract Document or could reasonably be expected to affect repayment of the Notes (including anything related to the Thermal Services Charge or the FOSA Charge, security therefor, title to the Equipment or the Termination Fee)), excluding, however, any termination or cancellation of a Contract Document pursuant to the express terms of the Contract Document not requiring the consent of OSEP or Collateral Agent (subject further to Collateral Agent's rights under Section 7(b) of this NDA with respect to a cancellation or termination of a Contract Document), and further provided that OSEP, not a Board Party, shall be responsible for any costs associated with obtaining Collateral Agent's prior written consent to any such matters.

6. BOARD PARTIES' RIGHT TO CURE.

(a) Collateral Agent shall give the Board Parties written notice (each such notice being referred to herein as a "**OSEP Default Notice**") promptly upon becoming aware of the occurrence of any default or

breach by OSEP under the OSEP Financing Documents, or upon becoming aware of the occurrence or non-occurrence of any event or condition under the OSEP Financing Documents which would immediately or with the passage of any applicable grace period or the giving of notice, or both, enable Collateral Agent to foreclose the lien of the Mortgage or otherwise exercise any remedies thereunder or under the OSEP Financing Documents (a “**OSEP Default**”). Any OSEP Default Notice shall specify the nature of the OSEP Default in detail sufficient to enable the Board Parties to assess the scope and amount of any liability of OSEP resulting from the OSEP Default. Collateral Agent shall give the Board Parties an OSEP Default Notice at the same time it gives OSEP notice of such OSEP Default. The failure of Collateral Agent to give an OSEP Default Notice to a Board Party shall not invalidate or otherwise impact the underlying OSEP Default or impair any rights granted or derived by Collateral Agent under the OSEP Financing Documents. In no event, however, shall Collateral Agent exercise any foreclosure or dispossession remedies against OSEP (all of which remedies shall be subject to the non-disturbance provisions set forth in Section 3(b) above), or take any action to perform any of OSEP’s obligations under the Contract Documents as a result of an OSEP Default, unless Collateral Agent has provided the Board Parties with an OSEP Default Notice with respect thereto and afforded the Board Parties the same opportunity to cure such OSEP Default as provided to OSEP in the OSEP Financing Documents; provided, however, that in no event shall a Board Party be obligated to remedy or cure any such OSEP Default. Unless a Board Party otherwise agrees in writing, OSEP shall remain solely liable to perform OSEP’s obligations under the OSEP Financing Documents both before and after the exercise of any right or remedy under this NDA. Without limiting the foregoing, if a Board Party, in its discretion, elects to fully cure an OSEP Default, Collateral Agent will accept such cure to the extent all of OSEP Defaults are cured.

(b) Collateral Agent and/or the Required Holders shall give the Board Parties notice of any change in the Collateral Agent, replacement of the Collateral Agent or substitution of the Collateral Agent, within a reasonable time of the change, replacement or substitution.

7. COLLATERAL AGENT’S RIGHT TO CURE.

(a) Each Board Party shall deliver to Collateral Agent copies of (1) all notices delivered by such Board Party to OSEP with respect to (i) any “default” or “event of default” (howsoever defined) by OSEP under any Contract Document, or (ii) the occurrence of any other event giving rise to the suspension of performance by such Board Party of its obligations under the Contract Documents, or (iii) the occurrence of any other event which gives such Board Party the right to terminate any Contract Document, and (2) any information reasonably requested by Collateral Agent relating to any of the foregoing.

(b) No Board Party shall terminate the Contract Documents with respect to an event giving rise to such Board Party’s right to terminate the Contract Documents unless each of the Board Parties pays OSEP’s Financier their respective portions of the Termination Fee due with respect to such termination. In addition, no Board Party shall terminate the Contract Documents without first affording Collateral Agent any rights OSEP may have under Section 10.3 of the CEA or that OSEP may have under **Exhibit “D”** to the Facilitation Agreement. In furtherance of the foregoing, the Board Parties shall permit the Collateral Agent and its Representatives (including a Keeper) the same access to the Contract Rights as is permitted to OSEP under the Contract Documents, subject to the same terms and conditions, and provided that the Collateral Agent, or its applicable Representative (including a Keeper), satisfies the criteria for an Acceptable Operator. In addition, if a Board Party is an additional obligee under a payment bond and/or performance bond, or is a transferee beneficiary under any letter of credit, or is a guaranteed party, then such Board Party shall forbear from exercising remedies as additional obligee or transferee beneficiary or guaranteed party, as applicable, as against any bond, letter of credit or guaranty against or under which the Collateral Agent is pursuing remedies, in each case, only so long as (i) OSEP or the Collateral Agent as provided herein commences the good faith, diligent exercise of remedies pursuant to the terms, and subject

to the conditions, hereunder and (ii) OSEP or the Collateral Agent thereafter continues such good faith, diligent exercise of remedies until the relevant default is cured. The Board Parties shall cooperate with the Collateral Agent to endorse any checks issued by a surety under the payment bond or performance bond or any letter of credit or guaranty for the benefit of the Collateral Agent so long as the Collateral Agent is exercising in good faith and with diligence its remedies to cure such default. The Board Parties shall accept any such performance by Collateral Agent or any OSEP Successor Party as though the same had been done or performed by OSEP. Any exercise of Collateral Agent's rights to cure hereunder shall not, by itself, result in the assumption by Collateral Agent of OSEP's obligations under the Contract Documents unless and until an Enforcement Transfer occurs or Collateral Agent otherwise gains management rights or control over the Contract Documents. Notwithstanding the foregoing, in the event a Board Party seeks to terminate all or any Contract Document in contravention of this Section 7(b) and both of the Board Parties do not at that time pay collectively the entirety of the Termination Fee, the Board shall grant or cause to be granted to Collateral Agent and/or OSEP's Financier reasonable access to the Plants and the Covered Facilities in order for Collateral Agent and/or OSEP's Financier to remove and take possession of all Equipment located therein.

(c) Except as provided in Section 7(b), unless and until Collateral Agent (i) forecloses or has otherwise taken ownership of the OSEP Property or (ii) has taken possession or control of the OSEP Property, whether directly or by a Keeper, and the Keeper has taken possession or control of the OSEP Property by reference to the Mortgage or the Collateral Security Agreement, the Collateral Agent shall not be responsible for any of OSEP's obligations under the Contract Documents or be entitled to any of OSEP's rights and benefits contained in the Contract Documents, except by way of security. If Collateral Agent itself or by a Keeper is the owner, or is in control or possession of, the OSEP Property, it shall be bound by and agrees to thereafter perform all obligations of OSEP under the Contract Documents. Once the Collateral Agent goes out of possession or control of the OSEP Property or transfers the OSEP Property to another OSEP Successor Party, the Collateral Agent shall cease to be responsible for performing any of OSEP's obligations under the Contract Documents accruing thereafter and shall cease to be entitled to any of OSEP's rights and benefits contained in the Contract Documents, except, if the OSEP Financing Security remains outstanding, by way of security. Notwithstanding anything to the contrary contained in this NDA or the Contract Documents, failure of any OSEP Successor Party to exercise any right to cure or to cure any default under the Contract Documents shall not in any way affect the Board's obligation to pay the Thermal Services Charge, the FOSA Charge or the Board Parties' obligations to pay their respective portion of the Termination Fee, provided that the Board Parties shall retain all other rights and remedies available to them under the Contract Documents, including, subject to the provisions of Section 7(b) above, the right to terminate the Contract Documents in accordance with the terms thereof.

(d) Notwithstanding anything to the contrary contained in this NDA, any Keeper in possession or control of any of the OSEP Property must be an Acceptable Operator, or must have engaged and at all times be acting through an Acceptable Operator to perform the work and provide the services required of OSEP under the Contract Documents.

(e) Notwithstanding anything to the contrary contained in this NDA or any Contract Document, none of the Contract Documents shall terminate prior to the expiration of their scheduled terms without the payment of the Termination Fee to OSEP's Financier.

(f) Notwithstanding anything to the contrary contained in this NDA, the liability of any OSEP Successor Party shall be limited to its interest in the OSEP Property, the Collateral and, subject to the limitations on offset set forth in the Contract Documents, any revenues or proceeds derived by the OSEP Successor Party by virtue of the OSEP Property or the OSEP Group Documents (for ease of reference, collectively, the "**OSEP Successor Party Assets**"); provided, however, that in no event shall the OSEP

Successor Party Assets include (x) the Termination Fee or (y) prior to OSEP's Financier having received all amounts owed to it by OSEP and such OSEP Successor Party, if any, the Thermal Services Charges and the FOSA Charges. Any judgment in favor of a Board Party or any party claiming by, through or under a Board Party against any OSEP Successor Party shall be collectible only out of such OSEP Successor Party Assets, and in no event shall any judgment for damages be entered against such OSEP Successor Party which is in excess of the value of such interest.

8. REPLACEMENT CONTRACT DOCUMENTS; AMENDMENT OR TERMINATION OF CONTRACT DOCUMENTS.

(a) If (i) during a Default Period, Collateral Agent shall have exercised remedies under any Finance Document and any OSEP Successor Party shall have succeeded to OSEP's interest under any Contract Document (whether by Enforcement Transfer or otherwise) in compliance with the terms and conditions of this NDA, or (ii) any Contract Document shall have been rejected or terminated in whole or in part as a result of an Insolvency Proceeding, the Board Parties will, at the request of the OSEP Successor Party, enter into a new agreement with the OSEP Successor Party, having identical terms as such Contract Document (subject to conforming changes necessitated by the substitution of the parties and other changes as the parties may mutually agree), provided that the term under such new agreement shall be no longer than the remaining balance of the term specified in the applicable Contract Document, provided the request is made by the OSEP Successor Party within seventy-five (75) days of the event described in clause (i) or (ii) above, and provided that the OSEP Successor Party has cured any defaults by OSEP under the Contract Documents that are reasonably susceptible to cure by the OSEP Successor Party. References in this NDA to any such Contract Document shall be deemed also to refer to such new agreement.

(b) No Board Party shall, without the prior written consent of Collateral Agent, (i) cancel, terminate or surrender any Contract Document, or (ii) consent to or accept any cancellation, surrender or termination of any Contract Document by OSEP, provided that this Section 8(b) will not preclude any termination of the Contract Documents by the Board in accordance with its rights under the Contract Documents (subject to the provisions of Section 7(b) and Section 7(e) of this NDA), or in connection with an Insolvency Proceeding of OSEP, that the Board did not commence or support. Foundation acknowledges that it does not have the right to terminate any Contract Document as expressly provided in **Exhibit "D"** to the Facilitation Agreement.

9. AMENDMENTS AND BINDING EFFECT.

(a) This NDA may be modified only by an agreement in writing signed by the Board, Foundation, OSEP and Collateral Agent. This NDA will inure to the benefit of and will be binding upon the Board, Foundation, OSEP and Collateral Agent, together with their respective successors and assigns (including, without limitation, any Keeper and all other OSEP Successor Parties). The parties hereto shall give notice of this NDA to their successors and assigns and cause them to be bound hereby.

(b) the Board agrees that any transferee of any part of the Plants will be bound by the terms of this NDA.

10. COUNTERPARTS. This NDA may be executed in counterparts, and, when executed by the Board, Foundation, OSEP, and Collateral Agent, will constitute one agreement, binding upon them, even though they are not signatories to the original or the same counterpart.

11. NOTICES. All notices, demands, requests, consents or other communications required or permitted to be given or made under this NDA will be in writing and addressed to the following:

To the Board:

Board of Supervisors
University of Louisiana System
University of Louisiana System
1201 N. Third Street, Suite 7-300
Baton Rouge, Louisiana 70802
Attention: [●]
Telephone: [●]

and:

University of New Orleans
Office of the President
2000 Lakeshore Drive
New Orleans, Louisiana 70148
Attention: President
Telephone: [●]

with a copy to:

DeCuir, Clark & Adams, L.L.P.
732 North Blvd.
Baton Rouge, Louisiana 70802
Attention: Brandon DeCuir
Telephone: (225) 346-8716

and:

Jones Walker, LLP
445 North Blvd., Suite 800
Baton Rouge, Louisiana 70802
Attention: Matt Kern
Telephone: (225) 248-2000

To Foundation:

[●]
[●]
[●]
Telephone: [●]
E-mail: [●]

with a copy to:

Baker Donelson
201 St. Charles Avenue, Suite 3600
New Orleans, Louisiana 70170
Attention: Chip Leyens
Telephone: (504) 566-8628

and:

Jones Walker, LLP
445 North Blvd., Suite 800
Baton Rouge, Louisiana 70802
Attention: Matt Kern
Telephone: (225) 248-2000

To OSEP: Melissa Samuel
Orleans Sustainable Energy Partners, LLC
8555 United Plaza Boulevard, Suite 201
Baton Rouge, Louisiana 70809
Telephone: (225) 706-2207

with copy to: Scott D. Chenevert
Fishman Haygood, LLP
100 North Street, Suite 800
Baton Rouge, Louisiana 70802
Telephone: (225) 706-4040

To Collateral Agent: Hancock Whitney Bank – Corporate Trust
445 North Boulevard, Suite 201
Baton Rouge, LA 70802
Attention: John C. Shiroda
Telephone: (225) 248-7407
Facsimile: (225) 248-7469

Notices hereunder will be deemed properly served if sent by: (a) hand delivery, on the day and at the time on which delivered to the intended recipient at the address set forth in this NDA; (b) mail, on the third Business Day after the day on which deposited in the United States certified or registered mail, postage prepaid, return receipt requested, addressed to the intended recipient at its address set forth in this NDA; or (c) Federal Express or other reputable express mail service, on the next Business Day after delivery to such express mail service, addressed to the intended recipient at its address set forth in this NDA. On the same day notice is sent, a copy will be sent by electronic mail to the same Persons to whom the original notice is being sent, at the e-mail addresses shown above, but such delivery will not itself constitute valid delivery of notice hereunder. Any party may change its address and contact person for the purposes of this Section 11 by giving notice thereof in the manner required herein. Attorneys for a party may give notices on behalf of such party.

12. MISCELLANEOUS.

(a) If any term or provision of this NDA shall to any extent be held invalid or unenforceable, the remaining terms and provisions hereof shall not be affected thereby, but each term and provision hereof shall be valid and enforceable to the fullest extent permitted by law.

(b) Except as expressly provided herein, the provisions of this NDA shall be self-operative and effective without the execution of any further instruments on the part of either party hereto.

(c) This NDA shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns.

(d) All remedies which any party to this NDA may have against any other party to this NDA, if any, are cumulative and shall be in addition to any and all other rights and remedies provided by law and by other agreements between the parties. If any party consists of multiple individuals or entities, each of same shall be jointly and severally liable for the obligations of such party hereunder.

13. HEADINGS. All title or headings to sections or other divisions of this NDA are only for the convenience of the parties and shall not be construed to have any effect or meaning with respect to the other content of such sections or other divisions, such other content being controlling as to the agreement among the parties hereto.

14. GOVERNING LAW. THIS NDA WILL BE GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF LOUISIANA.

15. RECORDATION. This NDA may be recorded with the Clerk and Recorder of Orleans Parish, Louisiana.

16. JURISDICTION. Collateral Agent and each OSEP Successor Party irrevocably submits to the non-exclusive jurisdiction of the Nineteenth Judicial District Court in Baton Rouge, Louisiana, and or any federal court sitting in the City of New Orleans, Louisiana, over any suit, action or proceeding arising out of or relating to this NDA. To the fullest extent permitted by applicable law, the Collateral Agent and each OSEP Successor Party irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such courts, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such courts and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

[Signature page follows.]

IN WITNESS WHEREOF, the Board has executed this Non-Disturbance and Attornment Agreement on the Date (as defined in Section 1 hereof).

THE BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM

By: _____
Name:
Title:

IN WITNESS WHEREOF, Foundation has executed this Non-Disturbance and Attornment Agreement on the Date (as defined in Section 1 hereof).

[•]

By: _____
Name:
Title:

IN WITNESS WHEREOF, OSEP has executed this Non-Disturbance and Attornment Agreement on the Date (as defined in Section 1 hereof).

ORLEANS SUSTAINABLE ENERGY
PARTNERS, LLC

By: _____
Name:
Title:

IN WITNESS WHEREOF, Collateral Agent has executed this Non-Disturbance and Attornment Agreement on the Date (as defined in Section 1 hereof).

HANCOCK WHITNEY BANK

By: _____
Name:
Title:

RIGHT OF USE AND SERVITUDE AGREEMENT

BY AND BETWEEN

**THE BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM,
ACTING ON BEHALF OF THE UNIVERSITY OF NEW ORLEANS**

AND

ORLEANS SUSTAINABLE ENERGY PARTNERS, LLC

[•], 2022

RIGHT OF USE AND SERVITUDE AGREEMENT

This Right of Use and Servitude Agreement (this “**Agreement**”) is entered into and effective the [●] day of [●], 2022 (the “**Effective Date**”) between:

THE BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM (the “**Board**”), a public constitutional corporation organized and existing under the laws of the State of Louisiana, appearing herein through Dr. John Nicklow, the President of the University of New Orleans (“**UNO**”), duly authorized and empowered by the Board, acting on behalf of and for the benefit of UNO; and
and

ORLEANS SUSTAINABLE ENERGY PARTNERS, LLC (“**OSEP**”), a Delaware limited liability company appearing herein through Melissa Samuel, the Secretary, duly authorized and empowered by OSEP;

(individually “**Party**” and collectively “**Parties**”) who did declare before the undersigned witnesses and notaries public as follows:

RECITALS

WHEREAS, the State and LA Energy Partners, LLC, a Delaware limited liability company (“**LAEP**”), have entered into a Cooperative Endeavor Agreement dated September 27, 2019 (the “**CEA**”), which establishes a framework pursuant to which the State and other State Entities, on the one hand, and LAEP, on the other hand, may collaborate on the lease or concession of facilities owned or controlled by the State or State Entities for the provision of Work and Services by LAEP, directly or indirectly through Project SPEs;

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State and constituting a State Entity as such term is used and defined in the CEA, and UNO is a higher education institution under the supervision and control of the Board;

WHEREAS, the Board owns the Plants from which it currently supplies thermal services to the Campus Buildings;

WHEREAS, pursuant to the Adoption Agreement and ARTICLE 6 of the CEA, the Board has determined to opt-in to the CEA with respect to the Plants and the Campus Buildings for the purpose of the Project;

WHEREAS, OSEP is a wholly-owned subsidiary of LAEP formed for the sole purpose of serving as the Project OSEP for the Project;

WHEREAS, [●] (“**Foundation**”) is a Louisiana [●] and wholly owned subsidiary of UNO Research and Technology Foundation;

WHEREAS, UNO Research and Technology Foundation is a nonprofit corporation whose mission is to serve UNO, its campuses, students and faculty primarily through financial resources raised and distributed by Foundation;

WHEREAS, pursuant to the Project, the Board is leasing the Plants to Foundation, and Foundation is subleasing the Plants to OSEP, and OSEP will utilize the Plants and the assets located therein to provide the Campus Buildings with thermal services and will provide certain enhancements and improvements to the Plants and certain of the Campus Buildings; and

WHEREAS, the Parties are entering into this Agreement to grant OSEP reasonable access to the Campus in order to perform the Work and Services described in the UNO Ancillary Agreements.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual premises, representations, warranties, covenants, conditions herein contained, and the Exhibits and Appendices attached hereto, the Parties agree as follows:

ARTICLE 1 **DEFINITIONS**

Capitalized terms used in this Agreement that are not otherwise defined in this Agreement shall have the meanings ascribed to them in **Exhibits “A”** of the Facilitation Agreement and the CEA; provided, that any terms defined in **Exhibit “A”** of the Facilitation Agreement that conflict with the definition provided in **Exhibit “A”** of the CEA shall have the meanings provided in **Exhibit “A”** of the Facilitation Agreement. Defined terms will be given their common and ordinary meanings when they appear uncapitalized in the text. Undefined terms will be given their common and ordinary meanings pursuant to custom and industry parlance. Notwithstanding the foregoing, any terms defined in this Agreement that conflict with the definition provided in **Exhibit “A”** of the Facilitation Agreement or the CEA shall have the meanings provided herein.

ARTICLE 2 **GRANT OF SERVITUDES**

Section 2.1 Servitude Grant Generally. In consideration of the undertakings by OSEP under the UNO Ancillary Agreements and the obligations of the Parties set forth therein, the Board grants to OSEP the Servitudes as defined and described in this ARTICLE 2.

Section 2.2 Exclusive Grant of Servitudes. The Board grants unto OSEP exclusive rights of use and servitudes on, over and under all land on the Campus upon which the Plants are directly located which is identified and described on **Exhibit “A”** (the “**Exclusive Servitude Property**”), for the uses and purposes of allowing OSEP to operate, maintain and test the Covered Assets located in the Plants and supply Thermal Services to the Campus and Third Party Off-Takers, in accordance with the UNO Ancillary Agreements. The rights of use and servitudes granted pursuant to the provisions of this Section 2.2 are referred to herein as the “**Exclusive Servitudes**”.

Section 2.3 Non-Exclusive Grant of Servitudes. The Board grants unto OSEP non-exclusive rights of use and servitudes on, over and under all of the following (collectively, the “**Non-Exclusive Servitude Property**”), for the following uses and purposes:

- a. the corridors described on **Exhibits “B-1”** (“**Existing Thermal Services Distribution System Corridors**”) and “**B-2**” (“**Reserved Servitude Corridors**”) for the purpose of designing, installing, repairing and replacing Third Party Distribution Systems to reach Third Party Off-takers located within the Reserved Servitude Corridors;
- b. the Campus Buildings identified on **Exhibit “C”** (“**Covered Facilities**”), for purposes of OSEP performing (i) Foundation’s obligations under the Lease (which have been fully

assumed by OSEP pursuant to the Sublease), including the Operation and Maintenance Services for Covered Assets located in the Covered Facilities (other than the Plants), and (ii) its obligations under the FOSA, including the design and construction of any Facility Optimization Services located within the Covered Facilities (other than the Plants), and the operation, maintenance and testing of the Facility Optimization Services (or any components thereof) located within the Covered Facilities (other than the Plants); and

- c. those portions of the Campus from time-to-time containing parking lots, drive aisles, sidewalks and similar improvements (for ease of reference, the “**Parking and Access Improvements**”) so as to permit vehicular and pedestrian access to and from the Plants and the other Covered Facilities by OSEP and OSEP Persons.

The rights of use and servitudes granted pursuant to the provisions of this Section 2.3 are referred to as the “**Non-Exclusive Servitudes**”; the Exclusive Servitudes and the Non-Exclusive Servitudes are collectively referred to as the “**Servitudes**”; and the Exclusive Servitude Property and the Non-Exclusive Servitude Property are sometimes collectively referred to as the “**Servitude Property**”. OSEP recognizes and acknowledges that: (i) the Parking and Access Improvements will change from time-to-time as additions, expansions, renovations and other improvements are made to the Campus that result in changes in the Parking and Access Improvements, and the applicable Servitudes will automatically be modified as the Parking and Access Improvements are changed, all of which may occur without OSEP’s consent; and (ii) in using the Parking and Access Improvements, OSEP and OSEP Persons shall be subject to the rules and regulations therefor established by the Board from time-to-time generally for the use of the Parking and Access Improvements.

Section 2.4 Nature of Grant. The Parties agree that the Servitudes granted by this Agreement shall constitute personal servitudes of right of use pursuant to Louisiana Civil Code article 639 *et seq.*, burdening those portions of the Campus described in this Agreement as the Servitude Property, as the servient estate, and benefitting OSEP, and its permitted successors and assigns. The Servitudes granted herein are fully susceptible of mortgage and encumbrance, including pursuant to Louisiana Civil Code article 3286(3). The Servitudes can be used by OSEP and OSEP Persons as reasonably required to satisfy OSEP’s obligations under the UNO Ancillary Agreements.

Section 2.5 Modifications to Servitudes. The Parties recognize that, throughout the Term, OSEP may request that the Board grant OSEP additional Servitudes, or any Party may request that the other Party modify or relocate a then-existing Servitude, to accommodate additional construction in or about the Campus or to effectuate the provisions of the UNO Ancillary Agreements, including as a result of any changes, modifications or additions to the Campus or the Campus Buildings, the relocation of any Covered Assets or the Thermal Services Distribution System or the requirements of a Third Party Off-taker as permitted under the Thermal Services Agreement. The Parties will cooperate with one another, in good faith and using Commercially Reasonable Efforts, to take such actions and enter into such documents, including amendments hereto, as one another may reasonably request, to effectuate and evidence of record the granting of new Servitudes or the modification or relocation of any existing Servitude as contemplated by this Section 2.5.

Section 2.6 Reserved Rights. The Board shall retain, reserve and continue to enjoy the use of the Servitude Property for any and all purposes that do not unreasonably interfere with or preclude the exercise by OSEP of its Servitude rights granted in this Agreement.

Section 2.7 No Public Dedication. Nothing in this Agreement shall be deemed to constitute a dedication to the public or for public use of any of the Servitude rights granted hereunder.

ARTICLE 3

TERM OF SERVITUDE

Section 3.1 Term. The term of this Agreement (“**Term**”) will commence on the [●], 2022 and will continue in full force and effect until [●], 2052 (“**Expiry Date**”), and all Servitudes granted hereby shall automatically terminate upon the expiration or sooner termination of the Adoption Agreement and all of the other UNO Ancillary Agreements, including the Lease, according to the terms and conditions of the Facilitation Agreement, including Section 1.4 of **Exhibit “D”** to the Facilitation Agreement. Notwithstanding the foregoing, in the event the Adoption Agreement is terminated prior to the Expiry Date and the Board and Foundation fail to pay the entire Termination Fee, if any, due under the Facilitation Agreement or any amounts specified in **Exhibit “C”** thereto, and OSEP exercises its remedy to maintain the Lease in full force and effect pursuant to Section 1.4.b of **Exhibit “D”** to the Facilitation Agreement, the Term shall automatically extend past the termination of the Adoption Agreement for the remainder of the term of the Lease.

Section 3.2 Termination of Record. On the expiration or sooner termination of this Agreement, the Parties will execute such documents, including in recordable form, and take such actions as are reasonably necessary to cancel this Agreement of record.

ARTICLE 4

ACCESS; RETURN

Section 4.1 Access. Each of the Board and OSEP shall be entitled to have access to the Servitude Property, including in the event of an Emergency, in accordance with the provisions of the UNO Ancillary Agreements.

Section 4.2 Return of Servitude Property. OSEP agrees to return the Servitude Property to the Board, and release the Servitudes by executing a release in recordable form and on terms reasonably satisfactory in form and substance to the Board upon expiration or sooner termination of this Agreement.

ARTICLE 5

ASSIGNMENT AND TRANSFER

A Party may assign its rights under this Agreement, whether in whole or in part, only in compliance with the requirements of the CEA, and a Party’s rights under this Agreement may be assigned only in connection with such Party’s assignment of the UNO Ancillary Agreements to which it is party. Nothing in this ARTICLE 5, however, will preclude or prevent OSEP from mortgaging its rights under this Agreement pursuant to the provisions of ARTICLE 9 or the exercise by OSEP’s Financier of its rights and remedies under and pursuant to a Mortgage (as defined below) granted under the provisions of ARTICLE 9, to succeed to the rights and obligations of OSEP under this Agreement on the terms and conditions set forth in ARTICLE 9.

ARTICLE 6

INSURANCE AND INDEMNITY

Section 6.1 Insurance. Throughout the Term, OSEP shall be obligated, pursuant to the terms of the Sublease, to maintain in effect the insurance coverages required pursuant to the Sublease and the FOSA.

Section 6.2 Indemnity. Section 9 of the Facilitation Agreement sets forth the respective rights and obligations of the Parties with regard to indemnification under all of the UNO Ancillary Agreements, including this Agreement.

ARTICLE 7
DEFAULT; FORCE MAJEURE

Section 7.1 Default and Remedies. A default by either Party of its obligations under this Agreement, and the remedies of the non-defaulting Party with respect thereto, shall be governed by the provisions of the CEA, the Adoption Agreement and the Facilitation Agreement. Notwithstanding the rights and remedies of the non-defaulting Party to the contrary, this Agreement may not be terminated upon a default by any Party except on termination of the Adoption Agreement and all of the other UNO Ancillary Agreements, including the Lease, according to the terms and conditions thereof, including Section 1.4.b of Exhibit “D” to the Facilitation Agreement.

Section 7.2 Force Majeure. A Party may be excused from the performance of its obligations under this Agreement during the existence of an event of Force Majeure on the terms and to the extent provided in the Section 11.5 of the CEA.

ARTICLE 8
DISPUTE RESOLUTION

Any dispute arising out of or relating to this Agreement shall be subject to resolution in accordance with the provisions of Article 14 of the CEA.

ARTICLE 9
MORTGAGES; ATTORNMENT

Section 9.1 Mortgages; Attornment.

a. Mortgages of the Servitudes Only. At any time and from time to time during the Term, OSEP may mortgage, hypothecate, pledge or grant security interests in its interest in the Servitudes by one or more mortgages or other security devices encumbering OSEP’s rights under this Agreement (including the Servitudes granted hereby) in favor of OSEP’s Financier (a “**Mortgage**”). Mortgages in favor of OSEP’s Financier shall contain such terms and provisions as OSEP may deem fit and proper; provided that: (i) such Mortgage shall be subject to the provisions of the CEA and the UNO Ancillary Agreements, including the NDA; and (ii) any such Mortgage shall not remain in effect for a period beyond the Term of this Agreement. OSEP will provide OSEP’s Financier with copies of the CEA and the UNO Ancillary Agreements. OSEP, OSEP’s Financier or The Board may record the NDA in the Office of the Clerk of Court for Orleans Parish. All rights and obligations of OSEP, OSEP’s Financier and the Board (including all of their respective, permitted successors and assigns) under this Agreement shall be subject to the terms and conditions of the NDA.

b. Obligations Relative to Mortgage. During the existence of any such Mortgage:

(1) Defaults. Upon occurrence of an Event of Default of OSEP under any UNO Ancillary Agreement, OSEP’s Financier shall have the right to cure the Event of Default during the time periods and to the extent provided for in the applicable UNO Ancillary Agreement and the NDA.

(2) Foreclosure. In the event OSEP’s Financier acquires rights in the Servitudes pursuant to any proceedings for foreclosure of a Mortgage, or by a voluntary assignment or transfer in lieu of foreclosure or otherwise, OSEP’s Financier shall be deemed an assignee of all the rights and obligations of OSEP under this Agreement, including all rights and obligations of OSEP under the UNO Ancillary Agreements that are applicable to this Agreement.

(3) **Bankruptcy.** If this Agreement shall be rejected or disaffirmed or otherwise terminated pursuant to bankruptcy law or other law affecting creditors' rights, within thirty (30) days of request by OSEP's Financier, the Board will enter into a new agreement with OSEP's Financier for the remainder of the Term of this Agreement effective as of the date of such rejection or disaffirmance or termination, upon all the terms and provisions contained in this Agreement; provided, that (i) OSEP's Financier makes a written request to the Board for such new agreement within seventy-five (75) days after the effective date of such rejection or disaffirmance or termination, and such written request is accompanied by a copy of such proposed new agreement, duly executed and acknowledged by OSEP's Financier; (ii) upon taking possession of the Servitude Property, OSEP's Financier cures any then outstanding Events of Default of OSEP within the periods of time and on the terms and conditions required under the CEA, the UNO Ancillary Agreements and the NDA; and (iii) the new agreement is entered into as part of an assumption by OSEP's Financier of the UNO Ancillary Agreements, on the terms and conditions set forth therein and the NDA. The provisions of this paragraph shall survive the rejection or disaffirmance or termination of this Agreement and shall continue in full force and effect thereafter to the same extent as if this paragraph were a separate and independent Agreement made by the Board and OSEP's Financier.

(4) **Modifications.** So long as a Mortgage is in effect (i) the Board will not accept a voluntary surrender of this Agreement by OSEP, except on a termination of the UNO Ancillary Agreements in accordance with their terms, including payment of the Termination Fee by the Board and Foundation to OSEP pursuant to **Exhibit "C"** to the Facilitation Agreement, and (ii) OSEP's Financier shall not be bound by any material modification of this Agreement made without the prior written consent of OSEP's Financier. Any voluntary surrender of this Agreement in violation of this paragraph shall be void.

(5) **Reliance.** The provisions of this Section are for the benefit of OSEP's Financier and may be relied upon and shall be enforceable by OSEP's Financier. Unless OSEP's Financier succeeds to OSEP's rights in this Agreement, OSEP's Financier shall not be liable upon the covenants, agreements or obligations of OSEP contained in this Agreement, except as expressly provided in this Agreement or the NDA.

ARTICLE 10

MISCELLANEOUS

Section 10.1 Quiet Enjoyment. Upon observing and keeping all covenants, warranties, agreements and conditions of this Agreement on its part to be kept, OSEP shall quietly have and enjoy the Servitudes during the Term, without hindrance or molestation by anyone claiming by, through or under the Board; provided, that notwithstanding the provisions of this Section 10.1 or any other implied warranties that may otherwise apply to the Board under this Agreement or as a matter of applicable law, the obligations of the Board hereunder are subject to all instruments recorded in the conveyance and mortgage records of the Clerk of Court of Orleans Parish prior to the date of recordation of this Agreement applicable to or affecting the Campus or any of the Covered Facilities.

Section 10.2 Relationship of Parties. Nothing contained herein shall be deemed or construed by the Parties, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the Parties. It is understood and agreed that no provision contained herein nor any acts of the Parties hereto creates a relationship other than the relationship between the Board and OSEP created under this Agreement.

Section 10.3 Waiver. The Board and OSEP agree that any Party's failure to insist on strict performance of any term or condition of this Agreement shall not constitute a waiver of that term or condition, even if the Party accepting or acquiescing in the non-conforming performance knows of the nature of the

performance and fails to object to it. No waiver or breach shall affect or alter this Agreement, but each of the terms of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. No waiver of any default hereunder by any Party shall be implied from any omission by any other Party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver for the time and to the extent therein stated. One or more waivers shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition.

Section 10.4 Severability. The provisions of this Agreement are severable. Any terms and/or conditions that are deemed illegal, invalid or unenforceable shall not affect any other term or condition of the Agreement.

Section 10.5 Recordation of Servitude. Upon execution of this Agreement, OSEP may record this Agreement in the Office of the Clerk of Court of Orleans Parish. Third parties examining the records of such Clerk of Court are hereby put on notice that by reference to the CEA and the UNO Ancillary Agreements in this Agreement, (i) the existence of the CEA and the UNO Ancillary Agreements, and (ii) the incorporation of certain terms, definitions and provisions of the CEA and the UNO Ancillary Agreements into this Agreement, notwithstanding the fact that the CEA and the UNO Ancillary Agreements may not be on file and of record with such Clerk of Court.

Section 10.6 Successors and Assigns. Subject to the limitations on assignment set forth in this Agreement, the CEA and the UNO Ancillary Agreements, this Agreement shall be binding on and will inure to the benefit of the Parties and their respective successors and assigns.

Section 10.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute only one agreement.

Section 10.8 Entire Agreement. This Agreement, together with the CEA and the UNO Ancillary Agreements and all exhibits and appendices attached hereto and thereto, and terms and conditions agreed upon between the Parties are contained herein and in the CEA and the UNO Ancillary Agreements, and no verbal commitments, except those reduced to writing in this Agreement and the CEA and the UNO Ancillary Agreements, have any binding effect. Any amendments to this Agreement must be reduced to writing.

Section 10.9 No Third-Party Beneficiary. Except as specifically provided in ARTICLE 9, there are no third-party beneficiaries to this Agreement. Except as expressly stated herein, no Person not a party to this Agreement, including other tenants of the Campus or the Covered Facilities and any lenders to any Party, shall be entitled to rely on or enforce any provision of this Agreement.

Section 10.10 No Personal Liability. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, officer, agent or employee of any Party in his or her individual capacity, and neither the officers of any Party nor any official or agent executing this Agreement shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason of the execution and delivery of this Agreement, or for the obligations of any Party under this Agreement.

Section 10.11 Choice of Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Louisiana.

Section 10.12 Certificates. The Board and OSEP shall, without charge, at any time and from time to time hereafter within sixty (60) days after written request of another Party (such request to specify this Agreement and Section), certify by written instrument duly executed and acknowledged to any Person or entity specified in such request: (a) as to whether this Agreement has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (b) as to the validity and force and effect of this Agreement, in accordance with its tenor as then constituted; (c) as to the existence of any default thereunder by such Party or, to such Party's Knowledge, the other Party; (d) as to the existence of any offsets, counterclaims or defenses thereto on the part of such other Party for which such Party has Knowledge; (e) as to the commencement and expiration dates of the Term of this Agreement; and (f) as to any other matters as may reasonably be so requested. Any such certificate may be relied upon by the requesting Party and any other Person, firm or corporation to whom the same may be exhibited or delivered, and the contents of such certificate shall be binding on the Party executing same. Any estoppel certification delivered pursuant to this Section 10.12 shall only speak as to the facts contained in such certification and shall not be deemed to constitute an amendment or modification to this Agreement.

Section 10.13 No Authorship Presumption. Each Party has had an opportunity to obtain legal advice and negotiate the language of this Agreement. No presumption shall arise or adverse inference be drawn by virtue of authorship, and each Party hereby waives the benefit of any rule of law that might otherwise be applicable in connection with the interpretation of this Agreement, including any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the Party whose counsel drafted that provision.

Section 10.14 Interpretation. Unless the context in this Agreement, the CEA or the UNO Ancillary Agreements otherwise clearly requires:

a. The definitions of terms herein will apply equally to the singular and plural forms of the terms defined.

b. Whenever the context may require, any pronoun will include the corresponding masculine, feminine and neuter forms.

c. The words "include", "includes" and "including" will be deemed to be followed by the phrase "without limitation".

d. The verb "will" shall be construed to have the same meaning and effect as the verb "shall".

e. Any definition of or reference to any agreement, document, standard, principle or other instrument herein will be construed as referring to such agreement, document, standard, principle or other instrument as from time to time amended, supplemented, substituted, novated, assigned or otherwise modified (subject to any restrictions on such amendments, supplements, substitutions, novations, assignments or modifications set forth herein or therein).

f. Any reference herein to any Person, or to any Person in a specified capacity, will be construed to include such Person's successors and assigns or such Person's successors in such capacity, as the case may be.

g. The words "herein", "hereof" and "hereunder", and words of similar import, will be construed to refer to this Agreement in its entirety and not to any particular provision thereof.

h. All references herein to ARTICLES, Sections, Exhibits and Appendices will be construed to refer to ARTICLES, Sections, Exhibits and Appendices to this Agreement. The Exhibits to this UNO

Right of Use and Servitude Agreement

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Agreement are an integral part of this Agreement. Notwithstanding, the provisions of this Agreement will prevail over the provisions of the Exhibits and Appendices to this Agreement to the extent of any inconsistency.

i. The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

j. Any reference to time of day is a reference to Central Standard Time or Central Daylight Saving Time, as the case may be.

k. Any consent or approval contemplated to be provided under this Agreement must be in writing and, unless otherwise expressly stated, may not be unreasonably withheld, conditioned or delayed.

l. If the time for doing an act falls or expires on a day that is not a Business Day, the time for doing such act will be extended to the next Business Day.

m. By this reference, each “Whereas” clause contained in the Recitals of this Agreement is hereby made part of this Agreement.

Section 10.15 Time of the Essence. Time is of the essence of this Agreement.

[Signature pages follow.]

IN WITNESS WHEREOF, this Right of Use and Servitude Agreement has been executed by a duly authorized agent of The Board of Supervisors for the University of Louisiana System on this [●] day of [●], 2022, in the presence of the undersigned competent witnesses and Notary Public:

WITNESSES

**THE BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

Print Name: _____

By: _____

Name: _____

Title: _____

Print Name: _____

NOTARY PUBLIC

Print Name: _____

Bar Roll No. or Notary ID No. _____

My Commission Expires: _____

(SIGNATURE PAGE OF THE BOARD TO RIGHT OF USE AND SERVITUDE AGREEMENT)

IN WITNESS WHEREOF, this Right of Use and Servitude Agreement has been executed by a duly authorized agent of OSEP on this [●] day of [●], 2022, in the presence of the undersigned competent witnesses and Notary Public:

WITNESSES

**ORLEANS SUSTAINABLE ENERGY
PARTNERS, LLC**

Print Name: _____

By: _____

Name: _____

Title: _____

Print Name: _____

NOTARY PUBLIC

Print Name: _____

Bar Roll No. or Notary ID No. _____

My Commission Expires: _____

(SIGNATURE PAGE OF OSEP TO RIGHT OF USE AND SERVITUDE AGREEMENT)

SUBLEASE AGREEMENT

by and between

[•]

and

ORLEANS SUSTAINABLE ENERGY PARTNERS, LLC

and

Acknowledged and Consented to by

**THE BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM,
ACTING ON BEHALF OF THE UNIVERSITY OF NEW ORLEANS**

[•], 2022

SUBLEASE AGREEMENT

STATE OF LOUISIANA

PARISH OF ORLEANS

This Sublease Agreement (“**Sublease**”) is made and entered into on this [●] day of [●], 2022 (the “**Effective Date**”), by and between:

[●] (“**Foundation**”), a Louisiana [●] and wholly-owned subsidiary of the University of New Orleans Research and Technology Foundation, appearing herein through [●], its [●], duly authorized and empowered by Foundation,

and

ORLEANS SUSTAINABLE ENERGY PARTNERS, LLC (“OSEP”), a Delaware limited liability company, appearing herein through [●], its [●], duly authorized and empowered by OSEP.

(Foundation and OSEP are collectively referred to as the “**Parties**” and singularly referred to as a “**Party**”).

THE BOARD OF SUPERVISORS FOR THE UNIVERISTY OF LOUISIANA SYSTEM (the “**Board**”), appearing herein through Dr. John Nicklow, duly authorized and empowered by the Board, on behalf of the University of New Orleans (“**UNO**”), countersigns this Sublease solely for the purpose of acknowledging and consenting to the matters described herein, and agreeing to be bound by the terms of Section 2.2 and ARTICLES 7 and 14.

RECITALS

WHEREAS, the State and LA Energy Partners, LLC, a Delaware limited liability company (“**LAEP**”), have entered into a Cooperative Endeavor Agreement dated September 27, 2019 (the “**CEA**”), which establishes a framework pursuant to which the State and other State Entities, on the one hand, and LAEP, on the other hand, may collaborate on the lease or concession of facilities owned or controlled by the State or State Entities for the provision of Work and Services by LAEP, directly or indirectly through Project SPEs;

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State and constituting a State Entity as such term is used and defined in the CEA, and UNO is a higher education institution under the supervision and control of the Board;;

WHEREAS, pursuant to the Adoption Agreement and ARTICLE 6 of the CEA, the Board, on behalf of UNO, has determined to opt-in to the CEA with respect to the Plants and the Campus Buildings for the purpose of the Project;

WHEREAS, OSEP is an Affiliate of LAEP and was formed for the sole purpose of serving as the Project SPE for the Project;

WHEREAS, in furtherance of the Project, Foundation and the Board, on behalf of UNO, entered into a Lease Agreement dated as of the Effective Date, a copy of which is attached as **Exhibit “A”** (the “**Lease**”), whereby Foundation has leased from the Board the Leased Property, including the Plants, that provides Thermal Energy to the Campus Buildings; and

WHEREAS, Foundation desires to sublease the Leased Property to OSEP, and OSEP desires to obtain a subleasehold interest in the Leased Property, to among other things provide Thermal Energy to the Campus Buildings pursuant to the Thermal Services Agreement.

NOW THEREFORE, in consideration of the mutual covenants and conditions set forth below, Foundation and OSEP, each intending to be legally bound, hereby agree as follows, and the Board hereby consents thereto:

ARTICLE 1 DEFINITIONS

Section 1.1 Defined Terms. Capitalized terms used in this Sublease but not otherwise defined herein have the meanings ascribed to them in **Exhibit “A”** to the Facilitation Agreement and the CEA; provided, that any terms defined in **Exhibit “A”** to the Facilitation Agreement that conflict with the definition provided in **Exhibit “A”** to the CEA shall have the meanings provided in **Exhibit “A”** to the Facilitation Agreement. Defined terms will be given their common and ordinary meanings when they appear uncapitalized in the text. Undefined terms will be given their common and ordinary meanings pursuant to custom and industry parlance. Notwithstanding the foregoing, any terms defined in this Sublease that conflict with the definition provided in **Exhibit “A”** to the Facilitation Agreement or the CEA shall have the meanings provided herein.

Section 1.2 Adoption and Conflicts. The terms and conditions of the CEA, the Adoption Agreement, the Facilitation Agreement and the Lease are adopted as if otherwise set forth herein. To the extent any part of this Sublease and the CEA, Lease, Adoption Agreement or Facilitation Agreement conflict, the terms of this Sublease shall govern.

Section 1.3 Exhibits. The Exhibits attached hereto are hereby included and made part of this Sublease.

ARTICLE 2 LEASE AGREEMENT

Section 2.1 Sublease. Subject to the terms, obligations and conditions of the UNO Ancillary Agreements and in exchange for consideration described in Section 4.1, Foundation hereby subleases to OSEP, commencing on the Effective Date and continuing for the remainder of the Term, the Leased Property (as such term is defined in Section 2.1.a of the Lease). OSEP shall have the exclusive right during the Term of this Sublease to (a) occupy, use, operate, manage, administer and maintain the Leased Property; (b) design, construct, install and finance the Plant Improvements and any Future Plant Improvements that OSEP deems necessary or beneficial in furtherance of providing Thermal Services to the Campus Buildings or Third Party Off-takers; (c) provide Thermal Services to the Campus Buildings pursuant to the terms and conditions of the Thermal Services Agreement (but only for the term of the Thermal Services Agreement); and (d) utilize the Plant Assets to provide Thermal Services to any Third Party Off-takers.

Section 2.2 Ownership and Title.

- a.** Subject to the terms and conditions of this Sublease, the UNO Ancillary Agreements and the CEA, throughout the Term of this Sublease: (i) the Board will have legal title to all of the Existing Covered Assets located on or within the Plants (“**Existing Plant Assets**”); (ii) pursuant to this Sublease, OSEP or OSEP’s Trustee will have legal title to any Future Equipment installed or located on or within the Plants (as part of the Plant Improvements or any other Work performed by OSEP under this Sublease); and (iii) OSEP will have the sole and exclusive use of all Plant Assets

during the Term of this Sublease. All Future Equipment purchases made by OSEP during the Term of this Sublease will be made in the name of OSEP or OSEP's Trustee.

- b. In furtherance of Section 2.2.a(ii), pursuant to Louisiana Revised Statute 10:9-334, the Board and Foundation hereby (i) acknowledges the Future Equipment will be installed in the Plants and classified as "fixtures" as defined and provided by Louisiana Revised Statutes 10:9-102(a)(41) and 10:9-334, (ii) disclaims any interest in the Future Equipment, (iii) acknowledges OSEP or OSEP's Trustee shall be the owner of the Future Equipment, (iv) consents to OSEP or OSEP's Trustee granting security interests in the Future Equipment, including to OSEP's Financier, and (v) acknowledges that prior to the installation of any Future Equipment in the Plants, OSEP will perfect a fixture filing and UCC-1 in the mortgage records of Orleans Parish evidencing any security interests granted by OSEP or OSEP's Trustee in the Future Equipment.
- c. At the end of the Term of this Sublease, upon payment of the Termination Fee by the Board, on behalf of UNO, and Foundation, if applicable, possession and use of the Plants, and title to all Future Equipment installed in the Plants pursuant hereto during the Term, will revert to the Board, free and clear of any interest of OSEP, OSEP's Trustee or OSEP's Financier or any other claim or lien arising by or through OSEP, and OSEP agrees to execute, or cause OSEP's Trustee or OSEP's Financier to execute, such title transfer documents as may be reasonably acceptable to the Board to effect the title transfer described herein.; provided, however, that if the Termination Fee is owed and the Board and Foundation fail to timely and fully pay the Termination Fee, OSEP may continue to access the Plants pursuant to the Servitude for the purpose of repossessing and removing the Future Equipment, and neither OSEP nor OSEP's Trustee shall have any obligation to replace any Future Equipment so removed, but OSEP will repair any damage caused by OSEP or OSEP's Trustee in the process of such removal.
- d. Notwithstanding the foregoing, as described in **Exhibit "E"** to the Facilitation Agreement, it is the intention of the Parties that for Federal income tax purposes only, possession and all of the benefits of ownership with respect to all Leased Property is hereby conveyed to OSEP for the Term of this Sublease, and the Parties agree to cooperate and sign additional documents to affect this intent; provided, however, that Foundation makes no representation or warranty regarding the Federal income tax treatment for the Project, and in no event will Foundation have any liability to OSEP with respect to any Federal income taxes payable by OSEP arising from the Project. For property, ad valorem and any other similar taxes, title to the Leased Property will remain with the Board.

Section 2.3 "AS IS" Condition. OSEP accepts the Leased Property "AS IS, WHERE IS", without representation or warranty, expressed or in writing, in fact or in law, oral or written, by Foundation. OSEP, to the extent allowed by law, hereby assumes and agrees to accept all risk and responsibility for any and all defects, infirmities, and conditions in the Leased Property.

ARTICLE 3 TERM AND TERMINATION

The term of this Sublease (the "**Term**") will commence on the Effective Date and will continue in full force and effect until the expiration or sooner termination of the Lease, in all cases in accordance with the terms and conditions thereof. In the event the Board terminates the UNO Ancillary Agreements, and the Board and Foundation fail to timely and fully pay the Termination Fee due as a result thereof pursuant to **Exhibit "C"** to the Facilitation Agreement, then notwithstanding such termination, if OSEP elects to maintain the Lease pursuant to Section 1.4 of **Exhibit "D"** to the Facilitation Agreement (and the Servitude pursuant to the terms thereof), then the Term of this Sublease shall continue and this Sublease shall remain

in full force and effect until the Expiry Date but OSEP shall have no further obligation to provide Thermal Services to the Campus Buildings under the Thermal Services Agreement or otherwise; provided, that if OSEP elects pursuant to Section 1.4.b of **Exhibit “D”** to the Facilitation Agreement to cause Foundation to assign the Lease to a Successor Nonprofit so that such Successor Nonprofit shall become the “Lessee” thereunder, Foundation shall simultaneously assign this Sublease to the Successor Nonprofit and shall execute and deliver to OSEP and the Successor Nonprofit all such agreements and documents as may reasonably be requested by OSEP or the Successor Nonprofit to effectuate such assignments. No termination of this Sublease excuses either Party from any liability arising out of any default as provided in this Sublease that occurred prior to such termination.

ARTICLE 4 CONSIDERATION

Section 4.1 Prepaid Rent. In consideration of the grant of the subleasehold interest in the Leased Property and the other rights, preferences and privileges granted to OSEP herein, OSEP shall pay to Foundation a one time, lump sum rent payment in the amount of \$[●] (“**Prepaid Rent**”). The Prepaid Rent shall be paid by OSEP to Foundation on the Effective Date by wire transfer of immediately available funds pursuant to written instructions previously provided by Foundation to OSEP.

Section 4.2 Assumption of Foundation Lease Obligations. Notwithstanding anything contained in this Sublease to the contrary, additional consideration by OSEP to Foundation for this Sublease is OSEP’s full and timely payment and performance of Foundation’s obligations owed to the Board pursuant to the Lease; provided, however, that in no event shall OSEP have any obligation with respect to the payment or performance of Foundation’s obligations owed to UNO pursuant to Section 4.1a of the Lease. Foundation hereby covenants and agrees not to take any actions or otherwise occupy, use, operate, manage, administer or maintain any of the Leased Property so long as this Sublease remains in effect. With respect to the performance of the Plant Improvements and all Future Plant Improvements and Additional Works to be performed by OSEP, all such Work will be designed, constructed, completed and implemented in compliance with **Exhibit “D”** attached hereto, Applicable Legal Requirements and Applicable Standards.

Section 4.3 Assumption of Assigned Service Contract. On the Effective Date, Foundation will convey and assign to OSEP all of Foundation’s right, title and interest in and to the Assigned Service Contract. OSEP will assume the rights and obligations of Foundation relating to the Assigned Service Contract as of the Effective Date and indemnify Foundation (and UNO pursuant to the Lease) for any liabilities arising thereunder from and after the Effective Date; provided, that the Parties acknowledge and agree that pursuant to the Lease, the Board will remain liable for and indemnify Foundation and OSEP for any liabilities arising under the Assigned Service Contract prior to the Effective Date.

Section 4.4 Right of Access. The parties acknowledge and agree that ten percent (10.0%) of the Prepaid Rent and the costs borne by OSEP to perform the Plant Improvements under this Sublease and the Facility Optimization Services under the FOSA are being paid and performed by OSEP in consideration of OSEP gaining access to the Covered Assets during the Term to perform the Work and Services, and to provide Thermal Services to Third Party Off-takers.

ARTICLE 5 USE OF LEASED PROPERTY

Leased Property shall be used by OSEP to provide Thermal Services to Campus Buildings and Third Party Off-takers; provided, however, that if the Board attempts to terminate the UNO Ancillary Agreements pursuant to **Exhibit “D”** to the Facilitation Agreement but the Board and Foundation do not timely and

fully pay the Termination Fee due and payable therefrom and if OSEP elects to keep the Lease in full force and effect pursuant to **Exhibit “D”** to the Facilitation Agreement (and cause assignment of the Lease and this Sublease to a Successor Nonprofit and maintain this Sublease in full force and effect), OSEP may use the Leased Property for any lawful purpose whatsoever in its sole discretion.

ARTICLE 6 RIGHTS AND OBLIGATIONS UNDER THE LEASE

The Foundation hereby assigns and transfers, and OSEP hereby accepts and assumes, the rights, preferences, privileges, obligations, duties, and responsibilities of the Foundation under the Lease. OSEP, at OSEP’s sole cost and expense shall be responsible for enforcing the rights, preferences and privileges and for performing the obligations, duties and responsibilities under the Lease as authorized under Section 18.15 of the Lease, except those obligations (i) required to be performed by the Foundation under Section 4.1.a. of the Lease or (ii) arising from a breach or default by Foundation of any of its obligations under the Lease. Notwithstanding the foregoing, the Foundation agrees to take Commercially Reasonable Efforts to assist OSEP in enforcing any rights or fulfilling any obligations under the Lease, upon written request from OSEP.

ARTICLE 7 THIRD PARTY OFF-TAKERS

Section 7.1 Obligations with Regard to Third Party Off-Takers.

- a.** Foundation acknowledges that OSEP anticipates utilizing the Plant Assets to provide Thermal Services to Third Party Off-takers for compensation payable to OSEP. Accordingly, OSEP may enter into Third Party Agreements with Third Party Off-takers on such commercial and other terms and conditions as OSEP may deem appropriate with any Person other than a Prohibited Third Party Off-taker, but subject to the terms and conditions of this Section 7.1. All Third Party Agreements with Third Party Off-takers will expressly state (i) that the provision of Thermal Services to such Third Party Off-taker is subordinate to OSEP’s obligation to provide Thermal Services to the Campus Buildings, (ii) that the Third Party Agreement may be terminated by OSEP upon termination of the Lease and shall automatically terminate at the end of the Term, (iii) the rates payable for such Thermal Services shall be equal to the cost to provide such Thermal Services and market rates in any event, and (iv) that such Third Party Off-taker releases the Board, Foundation and their Affiliates from any claims arising thereunder (unless the Board later assumes such Third Party Agreement pursuant to Section 9.2 of the Lease).
- b.** OSEP shall provide a copy of all proposed Third Party Agreements with Third Party Off-takers to the Board at least thirty (30) days prior to execution of such Third Party Agreement in order for the Board to review and confirm such Third Party Agreement complies with this Section 7.1. Simultaneous with OSEP’s submission to the Board of the Third Party Agreement OSEP will also deliver to the Board, at OSEP’s cost, (i) a comparison of the rates OSEP is offering to the Third Party Off-taker (which rate will be subject to the Board’s approval) and the rates being charged to the Board pursuant to the “Most Favored Nations Clause” of **Exhibit “C”** to the CEA, and (ii) a report from the independent engineer specified in the CEA or a third party reasonably acceptable to the Board evaluating whether the provision of Thermal Energy contemplated under the proposed Third Party Agreement reasonably would be expected to have a material and adverse effect on OSEP’s ability to meet UNO’s Thermal Services Requirements taking into account the then-existing spare capacity at the Plants and UNO’s announced expansions plans for the Campus. If the report concludes that there could be a material and adverse effect, OSEP, at its sole cost and

expense, will make all Plant Improvements that may be necessary to avoid any such material and adverse impact, with all such Work being completed prior to the commencement of services to the applicable Third Party Off-Taker.

- c. The Board may object to a proposed Third Party Agreement with a Third Party Off-taker if any terms of such Third Party Agreement do not conform to the requirements of this Section 7.1 or if it objects to the rates proposed by OSEP for such Third Party Off-taker by providing OSEP written notice within fifteen (15) days of the Board's receipt of such proposed Third Party Agreement, specifying the non-conformance or objection to rates in reasonable detail (such objection not to be unreasonably conditioned). If the Board timely and properly objects to a proposed Third Party Agreement with a Third Party Off-taker, OSEP may amend the terms thereof to comply with the provisions of this Section 7.1 or decline to enter into such Third Party Agreement. Failure of the Board to object to a proposed Third Party Agreement with a Third Party Off-taker within fifteen (15) days of its receipt of such proposed Third Party Agreement shall constitute the Board's objection thereof. Any disputes between OSEP and the Board regarding a proposed Third Party Agreement with a Third Party Off-taker will be resolved pursuant to the dispute resolution provisions of Article 14 of the CEA. The foregoing approval by the Board may not be unreasonably withheld, delayed, or conditioned.
- d. OSEP shall be responsible for designing and constructing any Third Party Distribution Systems necessary to supply Third Party Off-takers with Thermal Services. Title to all Third Party Distribution Systems shall be vested in OSEP or OSEP's Trustee.

Section 7.2 Conveyance of Third Party Agreements and Third Party Distribution Systems. Upon termination or expiration of the Lease, and following timely and full payment of any applicable Termination Fee, OSEP shall offer to convey any Third Party Distribution Systems and shall offer to assign all related Third Party Agreements to the Board without any further consideration. At least ninety (90) days prior to the termination or expiration of the Lease, OSEP will give the Board Notice of the terms and conditions of all such Third Party Agreements. The transfer and conveyance of the Third Party Distribution Systems and assignment of the Third Party Agreements with Third Party Off-takers pursuant to this Section 7.2 will be "AS IS, WHERE IS," with no representations or warranties from OSEP other than such assets will be free and clear of any third party liens created by OSEP.

ARTICLE 8 REPRESENTATIVES

Within five (5) Business Days of the Effective Date, Foundation shall appoint at least one (1) Foundation Representative (who shall be the same individuals appointed by Foundation as such under the Lease) and OSEP shall appoint three (3) OSEP Representatives, each of whom will be authorized to act as a designated contact person(s) for matters concerning this Sublease; provided, however, that throughout the Term of this Sublease, the Party's representatives may have different levels of authority to act on behalf of the appointing Party. In addition to the responsibilities defined in this ARTICLE 8, the OSEP Representative shall have the authority and responsibility described in **Exhibit "B"**. A Party will be bound by the written communications from its representative to the other Party. A party may remove and replace a representative upon providing the other parties with Notice. The parties will be entitled to rely on the genuineness of such Notice from another party.

ARTICLE 9 COVERED ENERGY ASSET LOSS

Section 9.1 Casualty Events.

- a. In the event of a Casualty Event at any Plant that in the reasonable judgment of OSEP does not constitute a Major Casualty Event, this Sublease will remain in full force and effect, OSEP will repair or replace the Covered Energy Assets located therein as quickly as practicable, and OSEP will be obligated to apply any proceeds of insurance with respect to such Casualty Event maintained by OSEP, but excluding business interruption proceeds, as necessary to complete such repair and replacement. To the extent that OSEP will not be fully compensated by the insurance proceeds for the cost of repairing and/or replacing the damaged Covered Energy Assets following such Casualty Event, OSEP will be responsible for the entire amount of any such shortfall (including any deductible amount and any uninsured loss).
- b. In the event of a Casualty Event at any Plant that in the reasonable judgment of OSEP constitutes a Major Casualty Event, the Parties will meet with the Board, on behalf of UNO,, within thirty (30) days following the occurrence of such Major Casualty Event, and determine whether OSEP will repair or replace the Covered Energy Assets located therein and damaged by such Casualty Event. In the event OSEP elects to terminate this Sublease (and all of the other UNO Ancillary Agreements) pursuant to the provisions of **Exhibit “D”** to the Facilitation Agreement, following payment of the applicable Termination Fee determined pursuant to **Exhibit “C”** to the Facilitation Agreement, the Board will be entitled to all proceeds of insurance with respect to such Major Casualty Event (but excluding business interruption proceeds) free and clear of any interest of Foundation, OSEP or OSEP’s Financier or any other claim or lien arising by or through Foundation, OSEP or OSEP’s Financier, and OSEP will have no obligation for any shortfall. If OSEP and the Board agree to repair or replace the damaged Covered Assets (or if neither OSEP nor the Board elects to terminate this Sublease (and all of the other UNO Ancillary Agreements) pursuant to the provisions of **Exhibit “D”** to the Facilitation Agreement): (i) OSEP will cause the repair or replacement of the applicable Covered Energy Assets to be undertaken and completed as quickly as practicable, and (ii) OSEP will apply any proceeds of insurance with respect to such Casualty Event maintained by OSEP, but excluding business interruption proceeds, as necessary to complete such repair and replacement. To the extent that OSEP will not be fully compensated by the insurance proceeds for the cost of repairing and/or replacing the damaged Covered Energy Assets following such Casualty Event, OSEP will be responsible for the entire amount of any such shortfall (including any deductible amount and any uninsured loss). For the avoidance of doubt, in the event of a Casualty Event at any Plant that in the reasonable judgment of OSEP constitutes a Major Casualty Event, the Board may terminate the UNO Ancillary Agreements pursuant to Section 1.2.a(3) of **Exhibit “D”** to the Facilitation Agreement.
- c. OSEP shall have no obligation or responsibility to repair or replace any Covered Asset located outside of a Plant or any Covered Non-Energy Asset or Excluded Asset located in a Plant that is damaged or destroyed as a result of a Casualty Event, unless such Casualty Event was directly caused by the fault or negligence of OSEP or an OSEP Person.

ARTICLE 10 INSURANCE

Section 10.1 Insurance. Throughout the Term and in accordance with Section 4.2, OSEP shall assume Foundation’s obligation to maintain insurance of the kinds and in the amounts specified in **Exhibit “C”**

hereto and **Exhibit “E”** to the CEA pursuant to Section 13.1 of the Lease, and further certifies that all such insurance is in place as of the Effective Date; provided, however, that Foundation, and upon assuming Foundation’s obligations, OSEP, shall have no obligation to maintain property insurance on any Board assets, properties or equipment other than the Covered Energy Assets. The Parties acknowledge that OSEP’s obligation with respect to such insurance is consistent with Foundation’s obligation to maintain insurance in accordance with **Exhibit “F”** to the Lease.

Section 10.2 Additional Insured. The Board, Foundation and OSEP’s Financier will be named as additional insureds in each general liability policy obtained by OSEP and as additional insureds and loss payees in each property insurance and boiler and machinery policy obtained by OSEP.

ARTICLE 11 ASSIGNMENT

OSEP will not assign or otherwise transfer its rights or obligations under this Sublease except in accordance with the provisions of ARTICLE 9 of the CEA. Foundation will not assign or otherwise transfer its rights or obligations under this Sublease without OSEP’s prior written consent, which consent may be withheld or conditioned in OSEP’s sole discretion.

ARTICLE 12 DEFAULT AND REMEDIES

Section 12.1 Events of Default.

- a. By Foundation.** The occurrence of any of the following events shall constitute a Foundation Event of Default:
 - (1) Foundation fails to cure its breach of a non-monetary obligation under this Sublease within thirty (30) days after Foundation receives notice from OSEP of the breach; provided, that if such breach cannot reasonably be cured during such 30-day period, Foundation will be entitled to an additional 45-day period within which to cure its breach, so long as it will have begun to cure such breach within the initial 30-day period and is diligently pursuing such cure; or
 - (2) Foundation fails to make any monetary payment due OSEP under this Sublease within thirty (30) days after Foundation receives notice from OSEP of such payment being past due.
- b. By OSEP.** The occurrence of any of the following events shall constitute a OSEP Event of Default:
 - (1) OSEP fails to cure its breach of a non-monetary obligation under this Sublease within thirty (30) days after OSEP receives notice from Foundation of the breach; provided, that if such breach cannot reasonably be cured during such 30-day period, OSEP will be entitled to an additional 45-day period within which to cure its breach, so long as it will have begun to cure such breach within the initial 30-day period and is diligently pursuing such cure; or
 - (2) OSEP fails to make any monetary payment due Foundation under this Sublease within thirty (30) days after OSEP receives notice from Foundation of such payment being past due.

For purposes of this Sublease, a OSEP Event of Default described in Section 12.1.b(2) will be deemed to constitute a “**OSEP Event of Major Default.**”

Section 12.2 Remedies.

- a. For Foundation. Upon the occurrence of a OSEP Event of Default, Foundation may: (i) seek specific performance of OSEP’s obligations under this Sublease; and/or (ii) seek any other remedy available to Foundation in law, including claims for damages, but excluding termination.
- b. For OSEP. Upon the occurrence of a Foundation Event of Default, OSEP may: (i) seek specific performance of Foundation’s obligations under this Sublease; and/or (ii) seek any other remedy available to OSEP in law, including claims for damages, but excluding termination.
- c. No Termination Right. For the avoidance of doubt, neither Party may terminate this Sublease due to an event of default by the other Party pursuant to the terms hereof, and the only right to terminate this Sublease is as provided in **Exhibit “D”** to the Facilitation Agreement.

Section 12.3 Delay or Omission; Waiver. No delay or omission in the exercise of any right or remedy accruing to any Party upon any breach of this Sublease by the other Party shall impair such right or remedy or be construed as a waiver of any breach theretofore or thereafter occurring. No provision of this Sublease will be considered waived unless the waiver is in writing and signed by an authorized representative of the Party granting the waiver. The waiver of any condition or the breach of any term, covenant, or condition herein or therein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or any other term, covenant or condition herein or therein contained.

Section 12.4 Force Majeure.

- a. Subject to the provisions of Section 12.4.b, to the extent a Party is prevented by an event of Force Majeure from carrying out any of its obligations under this Sublease and such Party gives notice and details of the event of Force Majeure and the obligations it is prevented from performing to the other Party as soon as practicable (and in any event within five (5) days after such event of Force Majeure first prevents performance by that Party), then the Party seeking relief will be temporarily excused during the continuance of the Force Majeure event from the performance of such of its obligations under this Sublease as are affected by the event of Force Majeure; provided, however, that no event of Force Majeure will excuse the monetary obligations of the Parties.
- b. The Party affected by the event of Force Majeure will use Commercially Reasonable Efforts to eliminate or avoid the effects thereof and resume performing those obligations for which it was excused pursuant to Section 12.4a.

ARTICLE 13 TAXES, FEES AND LICENSES

Section 13.1 Payment of Taxes. Pursuant to the ownership and tax status of the Parties as described in Section 2.2, each Party shall pay to the appropriate collecting authorities all federal, state and local taxes, fees and assessments becoming due and payable with respect to the assets, properties and equipment owned by such Party. A Party shall have the right to contest the validity or the amount of any taxes through any appropriate proceedings. Each Party may institute proceedings with respect to the assessed valuation of any asset, property or equipment owned by such Party for the purpose of securing a tax reduction.

Section 13.2 Licenses.

- a. OSEP shall maintain in effect all federal, state and local licenses and permits required for the operation of the business conducted by OSEP on the Leased Property.
- b. OSEP must apply for, obtain, renew, replace, extend the validity of and arrange necessary amendments to, all Permits legally required in connection with its performance under this Sublease. Foundation will cooperate with OSEP and use Commercially Reasonable Efforts to assist OSEP to obtain, renew or transfer any construction or operational permits necessary for OSEP to accomplish its obligations under this Sublease, and any disputes between the Parties regarding such operational permits will be resolved pursuant to the dispute resolution provisions of Article 14 of the CEA.

ARTICLE 14 SECURITY INTERESTS

Section 14.1 Mortgage of the Sublease. At any time and from time to time during the Term of this Sublease, OSEP may grant one or more Mortgages over its interests in this Sublease and any Plant Improvements or Future Plant Improvements made to the Leased Property, to the extent they constitute “fixtures” as defined by La. R.S. 10:9-102(a)(41) and provided for by La. R.S. 10:9-334, in favor of a Mortgagee, containing such terms and provisions as OSEP may deem fit and proper; provided, that any such Mortgage shall not be for a period beyond the Term of this Sublease. In furtherance thereof, the Board and Foundation have entered into the NDA as of the Effective Date.

Section 14.2 Obligations Relative to the Subleasehold Mortgage. During the existence of any leasehold Mortgage:

- a. Defaults. Upon occurrence of a OSEP Event of Default under a UNO Ancillary Agreement, if prior to the expiration of the applicable grace period provided for in such UNO Ancillary Agreement, a Mortgagee gives the Board and Foundation Notice that it intends to undertake a curing of all such OSEP Events of Default, and the Mortgagee commences curing within such grace period and thereafter pursues to conclusion the curing of all such OSEP Events of Default continuously and diligently in good faith, then neither the Board nor Foundation will take action to reenter or take possession of the Leased Property as a consequence of such OSEP Events of Default. However, if (i) a OSEP Event of Default is of such a nature that the curing thereof cannot be effected by the Mortgagee until it shall have obtained possession of the Leased Property, and (ii) prior to the Board or Foundation reentering or taking possession of the Leased Property, the Mortgagee shall give Notice to the Board and Foundation that it intends to institute foreclosure or other legal proceedings or to exercise any of its remedies under the Mortgage concerned in order to gain possession of OSEP’s interest in the Leased Property and within such grace period takes action to institute such remedies, then neither the Board nor Foundation will take any action to reenter or take possession of the Leased Property as a consequence of such OSEP Events of Default so long as such Mortgagee shall continue to prosecute its remedies under the Mortgage (except during any such time it may be stayed or otherwise legally prevented from doing so) and cure all other OSEP Events of Default (if any) which may occur from time to time and which are susceptible of being cured by the Mortgagee without its obtaining possession of the Leased Property and such Mortgagee shall upon taking possession of the Leased Property, cure such OSEP Events of Default within the period reasonably required to cure the same.
- b. Foreclosure. In the event a Mortgagee acquires rights in this Sublease or any Plant Improvements or Future Plant Improvements made to the Leased Property pursuant to any proceedings for

foreclosure of a Mortgage, or by a voluntary assignment or transfer in lieu of foreclosure or otherwise, the Mortgagee shall be deemed an assignee of all the rights and obligations of the mortgagor (or its successor or assign, as applicable) under this Sublease, and each of the Board and Foundation consent thereto.

- c. Bankruptcy. If this Sublease shall be rejected or disaffirmed pursuant to bankruptcy law or other law affecting creditors' rights or if this Sublease is terminated for any other reason whatsoever, within thirty (30) days of request by the Mortgagee, Foundation will enter into a new sublease with OSEP's Mortgagee for the remainder of the Term of this Sublease effective as of the date of such rejection or disaffirmance or termination, upon all the terms and provisions contained in this Sublease; provided, that (i) such Mortgagee makes a written request to the Board and Foundation for such new lease within ninety (90) days after the effective date of such rejection or disaffirmance or termination, and such written request is accompanied by a copy of such proposed new sublease, duly executed and acknowledged by the Mortgagee and (ii) upon taking possession of the Leased Property such Mortgagee cures any outstanding OSEP Events of Default within the period reasonably required to cure the same. Any new sublease made pursuant to this paragraph shall have the same priority with respect to other interests in the Leased Property as this Sublease. The provisions of this Section 14.2.c shall survive the rejection or disaffirmance or termination of this Sublease and shall continue in full force and effect thereafter to the same extent as if this paragraph were a separate and independent lease made by Foundation and the Mortgagee.
- d. Modifications. So long as a Mortgage is in effect (i) Foundation will not accept a voluntary surrender of this Sublease and (ii) this Sublease shall not be modified in any material respect without, in each case, the prior written consent of each Mortgagee. Any act in violation of this paragraph shall be void.
- e. Reliance. The provisions of this Section 14.2 are for the benefit of any Mortgagee and may be relied upon and shall be enforceable by any Mortgagee. No Mortgagee shall be liable upon the covenants, agreements or obligations of OSEP contained in this Sublease except as expressly provided herein or in the NDA.

Section 14.3 Remedies. Following the entry of an award pursuant to Article 14 of the CEA by a court of competent jurisdiction that this Sublease has been terminated and the failure of the Board and Foundation to timely and fully pay their portion of the applicable Termination Fee pursuant to **Exhibit "D"** to the Facilitation Agreement, OSEP and OSEP's Financier (either by way of assignment or as titled owner) may exercise any and all remedies granted to a creditor under the Louisiana Commercial Laws (La. R.S. 10:9-101, et seq.), as amended, to enforce the security interests, mortgages or other liens granted by the Board and Foundation to OSEP (and by way of assignment to OSEP's Financier) hereunder in and to the Plant Assets, including, but not limited to, seizure thereof.

ARTICLE 15 NOTICES

All notices or communications related to this Sublease will be provided pursuant to Section 10 of the Facilitation Agreement.

ARTICLE 16 MISCELLANEOUS

Section 16.1 UNO's Right to Enter Leased Property. Subject to the terms and conditions of the Contract Documents, during the Term, OSEP will grant authorized personnel and contractors of the Board and UNO Persons reasonable access to the Plants for purposes of verifying compliance with the UNO Ancillary Agreements.

Section 16.2 Quiet Enjoyment. OSEP, upon observing and keeping all covenants, warranties, agreements and conditions of this Sublease on its part to be kept, shall quietly have and enjoy the Leased Property during the Term of this Sublease and any renewal or extension thereof, without hindrance or molestation by anyone claiming through the Foundation.

Section 16.3 Relationship of Parties. Nothing in this Sublease will be deemed to constitute any Party a partner, agent or legal representative of any other Party or to create a joint venture, partnership, agency or any relationship between the Parties. The Parties' respective obligations are individual and not collective in nature.

Section 16.4 Severability. To the fullest extent possible, each provision of this Sublease shall be interpreted in such manner as to be effective and valid under law, but if any provisions of this Sublease shall be prohibited or invalid under any law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Sublease.

Section 16.5 Recordation of Sublease. Upon execution of this Sublease, it shall be the responsibility of OSEP to have this Sublease, or a memorandum of this Sublease, recorded in the Office of the Mortgage Records for the Parish of Orleans. If a memorandum of this Sublease is recorded, it shall be in a form approved by the Parties. OSEP shall provide the Board, UNO and Foundation with a certified copy of the recorded Sublease or memorandum thereof. Recordation of the Sublease or a memorandum thereof shall be at OSEP's expense.

Section 16.6 Successors and Assigns. This Sublease shall be binding on and will inure to the benefit of the Parties to this Sublease and their respective successors and assigns.

Section 16.7 Counterparts. This Sublease may be executed in counterparts, each of which will be deemed an original and all of which will constitute one agreement. The signatures of any Party to a counterpart will be deemed to be a signature to, and may be appended to, any other counterpart. Digital signatures and other electronic signatures and copies of manual signatures transmitted by facsimile, e-mail or other electronic means will be binding and considered fully effective as if they were authentic original signatures.

Section 16.8 Entire Agreement. This Sublease, together with the CEA and the other UNO Ancillary Agreements (to the extent such other UNO Ancillary Agreements remain in full force and effect during the Term of this Sublease), constitute the Parties' entire agreement with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings between the Parties relating to the subject matter hereof. Except as otherwise provided in this Sublease, no amendment, supplement or modification of this Sublease will be binding upon any Party unless executed in writing by such Party.

Section 16.9 No Personal Liability. Except to the extent provided by law, no covenant or agreement contained in this Sublease shall be deemed to be the covenant or agreement of any official, officer, agent

or employee of any Party hereto in his individual capacity, and neither the officers of any Party hereto nor any official or agent executing this Sublease shall be liable personally with respect to this Sublease or be subject to any personal liability or accountability by reason of the execution and delivery of this Sublease. However, any Person may be held personally liable for such Person's individual fraudulent acts.

Section 16.10 Governing Law. This Sublease shall be construed in accordance with and governed by the laws of the State of Louisiana. Any action for injunctive relief, damages, or any other purpose other than those set forth in Article 14 of the CEA shall be brought in the Nineteenth Judicial District Court in Baton Rouge, Louisiana.

Section 16.11 Estoppel Certification. Any Party shall, without charge, at any time and from time to time hereafter within sixty (60) days after written request of another Party (such request to specify this Agreement and Section), certify by written instrument duly executed and acknowledged to any Person or entity specified in such request: (a) as to whether this Sublease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (b) as to the validity and force and effect of this Sublease, in accordance with its tenor as then constituted; (c) as to the existence of any default thereunder by such Party or, to such Party's Knowledge, the other Party; (d) as to the existence of any offsets, counterclaims or defenses thereto on the part of such other Party for which such Party has Knowledge; (e) as to the commencement and expiration dates of the Term of this Sublease; and (f) as to any other matters as may reasonably be so requested. Any such certificate may be relied upon by the requesting Party and any other Person, firm or corporation to whom the same may be exhibited or delivered, and the contents of such certificate shall be binding on the Party executing same. Any estoppel certification delivered pursuant to this Section 16.11 shall only speak as to the facts contained in such certification and shall not be deemed to constitute an amendment or modification to this Sublease.

Section 16.12 No Authorship Presumption. Each of the Parties has had an opportunity to obtain legal advice and negotiate the language of this Sublease. No presumption shall arise or adverse inference be drawn by virtue of authorship, and each Party hereby waives the benefit of any rule of law that might otherwise be applicable in connection with the interpretation of this Sublease, including but not limited to any rule of law to the effect that any provision of this Sublease shall be interpreted or construed against the Party whose counsel drafted that provision.

Section 16.13 Further Assurances. From time to time, and at any time, at and after the Effective Date, each Party will execute, acknowledge and deliver such documents and assurances, reasonably requested by any other Party (in such form reasonably acceptable to the requested Party) and will take any other action consistent with the terms of any Contract Document that may be reasonably requested by a Party for the purpose of effecting or confirming any of the transactions contemplated hereby or thereby.

Section 16.14 Third Party Beneficiaries. Except as otherwise expressly stated herein, the Parties do not confer any rights or remedies upon any Person other than the parties to this Sublease and their respective successors, permitted assigns, and Affiliates. Notwithstanding the forgoing, the Parties hereby designate UNO, as a third-party beneficiary of this Sublease, having the right to enforce directly against all Parties and on its own behalf all of the provisions hereof as if UNO was a party hereto.

Section 16.15 Time of the Essence. Time is of the essence of this Sublease.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, this Sublease Agreement has been signed in four originals by the undersigned duly authorized representative, in the presence of the undersigned competent witnesses, on the dates indicated below.

WITNESSES:

[●]

Signature

Printed Name

By: _____

Name: _____

Title: _____

Dated: [●], 2022

Signature

Printed Name

IN WITNESS WHEREOF, this Sublease Agreement has been signed in four originals by the undersigned duly authorized representative, in the presence of the undersigned competent witnesses, on the dates indicated below.

WITNESSES:

**ORLEANS SUSTAINABLE ENERGY PARTNERS,
LLC**

Signature

Printed Name

Signature

Printed Name

By: _____

Name: _____

Title: _____

Dated: [●], 2022

IN WITNESS WHEREOF, this Sublease Agreement has been signed in four originals by the undersigned duly authorized representative, in the presence of the undersigned competent witnesses, on the dates indicated below, solely for the purpose of acknowledging and consenting to the matters described herein, and agreeing to be bound by the terms of Section 2.2 and ARTICLES 7 and 14.

WITNESSES:

**THE BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

Signature

Printed Name

By: _____

Name: _____

Title: _____

Signature

Dated: [●], 2022

Printed Name

(SIGNATURE PAGE OF BOARD TO SUBLEASE AGREEMENT)

THERMAL SERVICES AGREEMENT

BY AND BETWEEN

**THE BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM,
ACTING ON BEHALF OF THE UNIVERSITY OF NEW ORLEANS**

AND

ORLEANS SUSTAINABLE ENERGY PARTNERS, LLC

[•], 2022

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- Exhibit “B” – Performance Standards
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- Exhibit “D” – Thermal Services Rate Design
- Exhibit “E” – Sample Calculation of Thermal Services Charges
- Exhibit “F” – Material Change Obligations

THERMAL SERVICES AGREEMENT

THIS THERMAL SERVICES AGREEMENT (this “**Agreement**”) is entered into effective as of [●], 2022 by and between:

THE BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM (the “**Board**”), a public constitutional corporation organized and existing under the laws of the State of Louisiana, appearing herein through Dr. John Nicklow, the President of the University of New Orleans (“**UNO**”), duly authorized and empowered by the Board, acting on behalf of and for the benefit of UNO; and

ORLEANS SUSTAINABLE ENERGY PARTNERS, LLC (“**OSEP**”), a Delaware limited liability company, appearing herein through Melissa Samuel, its Secretary, duly authorized and empowered by OSEP;

(The Board and OSEP are collectively referred to as the “**Parties**” and singularly referred to as a “**Party**”).

RECITALS:

WHEREAS, the State and LA Energy Partners, LLC, a Delaware limited liability company (“**LAEP**”), have entered into a Cooperative Endeavor Agreement dated September 27, 2019 (the “**CEA**”), which establishes a framework pursuant to which the State and other State Entities, on the one hand, and LAEP, on the other hand, may collaborate on the lease or concession of facilities owned or controlled by the State or State Entities for the provision of work and services by LAEP, directly or indirectly through Project SPEs;

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State and constituting a State Entity as such term is used and defined in the CEA, and UNO is a higher education institution under the supervision and control of the Board ;

WHEREAS, pursuant to the Adoption Agreement and ARTICLE 6 of the CEA, the Board, on behalf of UNO, has determined to opt-in to the CEA with respect to the Plants and the Campus Buildings for the purpose of the Project;

WHEREAS, OSEP is an Affiliate of LAEP formed solely for the purpose of serving as the Project SPE for the Project;

WHEREAS, the Board owns the Plants from which it currently supplies thermal services to the Campus Buildings;

WHEREAS, pursuant to the Lease, the Board has exclusively leased to [●], a Louisiana [●] and wholly-owned subsidiary of the University of New Orleans Research and Technology Foundation, Inc. (the “**Foundation**”), and pursuant to the Sublease, Foundation has simultaneously subleased to OSEP, the Plants and all of the Plant Assets (as defined in the Lease) for a term of thirty (30) years; and

WHEREAS, as the exclusive subleaseholder of the Plants and all of the Plant Assets, OSEP hereby agrees to utilize during the Term those assets, properties and equipment to provide Thermal Services to the Campus Buildings and relieve the Board of that obligation and burden.

NOW THEREFORE, in consideration of the mutual covenants and conditions set forth below, the Board, on behalf of UNO, and OSEP, each intending to be legally bound, hereby agree as follows:

ARTICLE 1 DEFINED TERMS

Section 1.1 Defined Terms. Capitalized terms used but not otherwise defined in this Agreement have the meanings ascribed to them in **Exhibits “A”** of the Facilitation Agreement and the CEA; provided, that any terms defined in **Exhibit “A”** of the Facilitation Agreement that conflict with the definition provided in **Exhibit “A”** of the CEA shall have the meanings provided in **Exhibit “A”** of the Facilitation Agreement. Defined terms will be given their common and ordinary meanings when they appear uncapitalized in the text. Undefined terms will be given their common and ordinary meanings pursuant to custom and industry parlance. Notwithstanding the foregoing, any terms defined in this Agreement that conflict with the definition provided in **Exhibit “A”** of the Facilitation Agreement or the CEA shall have the meanings provided herein.

Section 1.2 Adoption and Conflicts. The terms and conditions of the CEA, the Adoption Agreement and the Facilitation Agreement are adopted as if otherwise set forth herein. To the extent any part of this Agreement and the CEA, the Adoption Agreement or the Facilitation Agreement conflict this Agreement shall govern.

Section 1.3 Exhibits. The Exhibits attached hereto are hereby included and made part of this Agreement.

ARTICLE 2 THERMAL SERVICES; M&V SERVICES; BERNHARD CONNECT

Section 2.1 Performance of Thermal Services. Commencing on the Commercial Operations Date and continuing throughout the Term, except as otherwise provided in a UNO Ancillary Agreement, OSEP will exclusively provide all of the Thermal Services for the Existing Campus Buildings and, if elected by the Board pursuant to Section 5.2 [Material Changes], Future Campus Buildings to satisfy the Thermal Services Requirements. In the event this Agreement is terminated pursuant to **Exhibit “D”** to the Facilitation Agreement and the Board fails to pay the entire Termination Fee pursuant to **Exhibit “C”** to the Facilitation Agreement, if OSEP elects to maintain the Lease and the Sublease in full force and effect or direct that Foundation assign the Lease to a Successor Nonprofit in accordance with **Exhibit “D”** to the Facilitation Agreement, the Board acknowledges that OSEP shall have no further obligation or responsibility to provide Thermal Services for the Campus Buildings from and after such termination.

Section 2.2 Provision of Thermal Services to Third Party Off-Takers. Throughout the Term, to the extent OSEP is providing the Campus Buildings with Thermal Services in accordance with the applicable Thermal Services Requirements and the applicable Performance Standards, OSEP will have the right to utilize the Plant Assets to provide Thermal Services to Third Party Off-takers, in all instances subject to and in accordance with the requirements set forth in the Lease and Sublease.

Section 2.3 M&V Services. OSEP will perform the M&V Services described in **Exhibit “A”** to the Adoption Agreement. The M&V Services will rely upon data indicated on the Public Services Invoices and measurements recorded by the Meters. OSEP’s records derived from the M&V Services will be relied upon by OSEP and the Board for the purpose of determining the amount of any Off-taker Purchased Utility Reimbursement (as defined in **Exhibit “D”**) owed by OSEP to the Board pursuant hereto.

Section 2.4 Bernhard Connect.

2.4.1 Subject to and conditioned on the Board's compliance with the terms and conditions of the Contract Documents, including payment of Thermal Services Charges, OSEP hereby grants UNO a non-exclusive, non-sublicensable, and non-transferable license during the Term to use Bernhard Connect solely for UNO's internal business purposes to one (1) employee of UNO; provided, that OSEP shall provide on a read-only basis limited access to certain utility savings information to all employees and students of UNO. Except for the limited rights and licenses expressly granted under this Section 2.4, nothing in this Agreement grants, by implication, waiver, estoppel, or otherwise, to the Board, UNO or any third party any intellectual property rights or other right, title, or interest in or to Bernhard Connect.

2.4.2 The Board, on behalf of UNO, acknowledges that, as between OSEP and the Board, OSEP owns all right, title, and interest, including all intellectual property rights, in and to Bernhard Connect. If the Board, UNO or any of their employees or contractors sends or transmits any communications or materials to OSEP by mail, email, telephone, or otherwise, suggesting or recommending changes to Bernhard Connect, including without limitation, new features or functionality relating thereto, or any comments, questions, suggestions, or the like ("**Feedback**"), OSEP is free to use such Feedback irrespective of any other obligation or limitation between the Parties governing such Feedback. The Board hereby assigns to OSEP on UNO's behalf, and on behalf of its employees, contractors and/or agents, all right, title, and interest in, and OSEP is free to use, without any attribution or compensation to any party, any ideas, know-how, concepts, techniques, or other intellectual property rights contained in the Feedback, for any purpose whatsoever.

ARTICLE 3 PERFORMANCE STANDARDS

Section 3.1 Performance Standards.

3.1.1 OSEP will cause the Thermal Services to meet the Thermal Services Requirements and satisfy the applicable Performance Standards; provided, however, that in the event the Board elects not to undertake or cause to be undertaken Ordinary Renewal Work pursuant to Section 8.7.b(iii) of the Lease, then OSEP shall be relieved of its obligations to meet the Thermal Services Requirements and satisfy the applicable Performance Standards to the extent that failure to undertake the Ordinary Renewal Work adversely affects OSEP's ability to meet the Thermal Services Requirements and satisfy the applicable Performance Standards. Whenever the applicable Thermal Services provided to the Campus Buildings do not satisfy the applicable Performance Standards, OSEP will take affirmative steps on an expedited basis to remedy that circumstance so that the applicable Performance Standard is satisfied. Failure to meet a Performance Standard with respect to Thermal Services will not in and of itself constitute a Loss of Availability.

3.1.2 So long as OSEP complies with its obligations under this Agreement and the Sublease, OSEP will have no responsibility within the Campus Buildings for temperature comfort levels. The Board will promptly notify OSEP, but in any event within three (3) days after obtaining Knowledge, of any unusual, non-standard operating conditions relating to the use of any Thermal Services within the Campus Buildings, including any leakage or escape of Thermal Energy within the Interior Distribution System of the Campus Buildings.

Section 3.2 Applicable Standards.

3.2.1 Notwithstanding anything in this Agreement, the Lease or the Sublease to the contrary, the Board, on behalf of UNO, will not, without the prior consent of OSEP (or other than in the event of an Emergency), take any of the following actions with respect to chilled water:

3.2.1.1 override chilled water control valve positions;

3.2.1.2 adjust a chilled water coil leaving air temperature setpoint to a level below the rated leaving air temperature of the coil;

3.2.1.3 install chilled water coils selected for less than 42 deg. F chilled water supply temperature;

3.2.1.4 install chilled water coils selected for more than 7 psig water pressure drop;

3.2.1.5 install chilled water coils selected for less than a 12 deg. F chilled water temperature difference;

3.2.1.6 install 3-way chilled water control valves;

3.2.1.7 install 2-position (open or closed) chilled water control valves;

3.2.1.8 fail to promptly repair or replace faulty chilled water coils;

3.2.1.9 allow chilled water to drain from the Thermal Services Distribution System;

3.2.1.10 use chilled water for purposes other than cooling; or

3.2.1.11 interfere with, obstruct or introduce any Hazardous Materials or other foreign substance into the Thermal Services Distribution System.

ARTICLE 4 DELIVERY AND RETURN OF THERMAL SERVICES AND THERMAL ENERGY; TITLE AND RISK OF LOSS

Section 4.1 Delivery and Return of Thermal Services and Thermal Energy. Thermal Services will be made available by OSEP to the Campus Buildings at the Points of Demarcation shown on **Exhibit “A”**. The Thermal Energy that was used to deliver Thermal Services will be returned from the Campus Buildings to the Plants at the Points of Demarcation.

Section 4.2 Possession and Risk of Loss. Title to any Utilities used to produce Thermal Services from the Plants (including for any Third Party Off-takers) will remain with the Board at all times after such Utilities are delivered to the Board by the applicable utility providers, but risk of loss with respect to the Thermal Services and the chilled water and heating water used to deliver the Thermal Services will be allocated between OSEP and the Board at the Points of Demarcation shown on **Exhibit “A”** attached hereto, with risk of loss residing with OSEP for so long as the Thermal Energy is within the Thermal Services Distribution Systems up to Points of Demarcation, and risk of loss residing with the Board for so long as the Thermal Energy reaches those Points of Demarcation and travels through the Thermal Services

UNO

Thermal Services Agreement

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Distribution System until again reaching Points of Demarcation. Risk of loss with respect to the Thermal Services and the chilled water and heating water used to deliver the Thermal Services will be allocated entirely to OSEP with respect to Third Party Off-takers.

ARTICLE 5

THERMAL SERVICES REQUIREMENTS

Section 5.1 Thermal Services Requirements. The Thermal Services requirements and the Thermal Services capacity for the Campus Buildings are as set forth in **Exhibit “C”** attached hereto (“**Thermal Services Requirements**” and “**Thermal Services Capacity**”, respectively). These amounts represent the Parties’ best estimate as to the amount of Thermal Services anticipated to be required by UNO during the Term based on the Existing Campus Buildings and any proposed modifications thereto and Future Campus Buildings as of the Effective Date. OSEP may fulfill its obligation to provide Thermal Services to the Campus Buildings from the Plants or any other capacity which OSEP may acquire elsewhere in order to serve third parties from time to time as appropriate; provided, that the foregoing will in no way limit or excuse OSEP’s obligation to provide Thermal Services to the Campus Buildings as required herein.

Section 5.2 Material Changes.

5.2.1 Material Change. A “**Material Change**” is:

5.2.1.1 any change in the physical or structural conditions of the Campus or the Campus Buildings that causes Thermal Services Requirements to exceed the then existing Thermal Services Capacity;

5.2.1.2 any change in the physical or structural conditions of the Campus or the Campus Buildings that requires addition to or modification of a Thermal Services Distribution System;

5.2.1.3 any change in the function or type of services delivered at the Campus or the Campus Buildings that causes the Thermal Services Requirements to exceed the then existing Thermal Services Capacity, with Thermal Services Capacity allocated and determined as provided in Section 5.2.1.1; and

5.2.1.4 any Change in Law/Standard that:

5.2.1.4.1 increases the Thermal Services Requirements beyond the then existing Thermal Services Capacity (such as, by way of example, a future Change in Law/Standard that lowers relative humidity requirements for the Campus Buildings), or

5.2.1.4.2 requires Thermal Services Capacity in excess of the then existing Thermal Services Capacity (such as, by way of example, a future Change in Law/Standard that requires additional redundancy), or

5.2.1.4.3 diminishes the then existing Thermal Services Capacity (such as, by way of example, a future Change in Law/Standard that affects the chemical treatments that may be used in the thermal energy equipment within the Plants); or

5.2.1.5 any other change caused by the use of the Campus or the Campus Buildings that diminishes Thermal Services Capacity or materially increases the Thermal Services Requirements (but specifically excluding any reduction in Thermal Services Capacity due to a breach by OSEP of any of its obligations under this Agreement or the Sublease or the negligence of OSEP or a OSEP Person).

5.2.2 Material Change Notice. Within thirty (30) days of a Party becoming aware of any facts or circumstances (proposed or actual) that are reasonably likely to constitute a Material Change, such Party will notify the other Party thereof and the basis and supporting details relating thereto. Notwithstanding the foregoing, the Board will give OSEP reasonable advance notice (but in any event at least ninety (90) days for any changes to the Campus Buildings, including construction or acquisition of new Campus Buildings) of any action it intends to take that may reasonably be expected to result in a Material Change. Within thirty (30) days of OSEP's receipt of a notice of Material Change (if provided by the Board), or simultaneous with such notice of a Material Change (if provided by OSEP), OSEP will provide the Board with a Material Change Notice setting forth: (i) a description of the Material Change and the circumstances giving rise to the Material Change; (ii) any Additional Works resulting therefrom; (iii) the costs anticipated to be incurred for such Additional Works; (iv) the information required by **Exhibit "F"** attached hereto; and (v) whether the Material Change would result in a Material Change Adjustment and/or a Baseline Adjustment pursuant to Section 5.3 and, if so, the basis on which the Material Change Adjustment and/or the Baseline Adjustment is to be made.

5.2.3 Additional Works. Within fifteen (15) days of delivery of a Material Change Notice, the Board Services Period Representatives and the OSEP Services Period Representatives will meet to review the information set forth in the Material Change Notice. In the event that the Material Change requires Additional Works, the costs of such work shall be the responsibility of the Board; provided, however, that if the Board does not receive appropriation of adequate funds by the Legislature to pay such costs, OSEP shall have no obligation to perform the Additional Work and the Thermal Services Requirements shall not be adjusted. All Additional Works will be performed in accordance with ARTICLE 7 of the Lease, which obligations have been assumed by OSEP pursuant to the Sublease.

5.2.4 Alternative Source. Notwithstanding anything contained in this Agreement to the contrary, the Board may, at its option and in its sole discretion, elect to use methods other than the Covered Energy Assets (including proposed additions thereto) to cool Future Campus Buildings and other UNO properties acquired or leased after the Effective Date (e.g., packaged rooftop HVAC units or a thermal production facility other than a Plant; provided, however, that such thermal production facility shall be owned by the Board) ("UNO Alternative Thermal Energy Source"); provided, that the foregoing will not in any way reduce the amount of, or delay the timing of, the Monthly Services Charge or the Termination Fee. In the event the Board elects to implement a UNO Alternative Thermal Energy Source, the Board will be fully responsible for the design, construction, installation and maintenance of the UNO Alternative Thermal Energy Source, and, in such event, the Board will not be required to give OSEP notice of a Material Change or, if a Material Change Notice has been received by the Board, the Board will not be obligated to proceed with the Work outlined in the Material Change Notice, unless, the Board, in its sole discretion, elects to use OSEP to complete such Work. In no event shall the Board utilize any UNO Alternative Thermal Energy Source to provide Thermal Energy to third parties.

5.2.5 Disputes. Any disputes between the Parties regarding a Material Change or the consequences thereof, including the scope or cost of any Additional Work, will be resolved pursuant to Article 14 of the CEA.

Section 5.3 Consequences of Material Changes Not Requiring Additional Works.

5.3.1 Material Change Adjustments. Regardless of whether a Material Change will require Additional Works, if OSEP determines that a Material Change is likely to result in greater or lower costs with respect to the performance of the Services, or if the Board notifies OSEP that it has determined the same, OSEP will attempt to quantify such cost changes and will notify the Board of its estimate and how OSEP proposes to pass along such cost increases or savings to the Board by way of a Material Change Adjustment within thirty (30) days after OSEP becomes aware of such Material Change.

5.3.2 Resolution of Proposed Adjustments. During the thirty (30) days after OSEP delivers its analysis of any Material Change Adjustment and any Baseline Adjustments in connection with a Material Change, the Parties will meet to attempt to arrive at an agreement as to the proposed Material Change Adjustment or Baseline Adjustment pursuant to the provisions of Section 5.2.4. Any disputes regarding a proposed Material Change Adjustment or Baseline Adjustment will be resolved pursuant to Article 14 of the CEA.

ARTICLE 6 THERMAL SERVICES CHARGES

From and after the Effective Date and throughout the Term, the Board will pay to OSEP monthly all Thermal Services Charges in accordance with the Thermal Services Rate Design attached as **Exhibit “D”**. The Board acknowledges that the Off-taker Purchased Utility Cost Reimbursement will not reduce the monthly amount of the Thermal Services Charge, and instead will be due and payable from OSEP as set forth in a Thermal Services Invoice, calculated in accordance with **Exhibit “D”**. An illustrative calculation of Thermal Services Charges for a hypothetical Billing Month is attached as **Exhibit “E”**.

ARTICLE 7 BILLING

Section 7.1 Thermal Services Invoice.

7.1.1 The Thermal Services performed by OSEP will be billed in advance, and the Thermal Services Invoice will be delivered no later than the first (1st) day of each Billing Month to the e-mail address for notice set forth in ARTICLE 14.

7.1.2 The Parties acknowledge and agree that the Thermal Services Charges during each Service Year will be at least the aggregate amounts specified as such in **Exhibit “D”**, and may not be reduced or offset in any way during such Service Year, and will be prorated for any partial month periods. The Parties further acknowledge and agree that the Thermal Services Charges may only be increased from the aggregate amounts specified as such in **Exhibit “D”** based on a Material Change.

Section 7.2 Payment.

7.2.1 The Board, on behalf of UNO, will pay or cause to be paid the Thermal Services Charge no later than the tenth (10th) day following the first day of each calendar month by delivering immediately available funds to the Lockbox. Payment of the Thermal Services Charge will not be conditioned upon the Board's receipt of a Thermal Services Invoice or any other notice by OSEP, and the Board's obligation to timely and fully pay the Thermal Services Charge will not be excused or affected as a result of OSEP's failure to timely send the Board such invoices or notices.

7.2.2 Within thirty (30) days of receipt or delivery of each Thermal Services Invoice, each of the Board, on behalf of UNO, and OSEP will pay or cause to be paid to the other Party any amounts in addition to the Thermal Services Charge specified in the applicable Thermal Services Invoice by delivering immediately available funds to the Lockbox (for amounts due OSEP) or to the Board, on behalf of UNO, (for amounts due the Board for Off-taker Purchased Utility Cost Reimbursement and any other amounts that may be owed by OSEP to the Board under this Agreement). Any such other payments not timely paid will be deemed delinquent and subject to Section 7.6.

Section 7.3 Appropriation. The continuation of this Agreement is contingent upon the appropriation of funds by the Legislature to fulfill the Board's obligations hereunder. If, as determined by the Board, the Legislature fails to appropriate sufficient monies to provide for the continuation of this Agreement, the Board may terminate this Agreement on the last day of the fiscal year for which funds have been appropriated pursuant to **Exhibit "D"** of the Facilitation Agreement. Such termination shall be without penalty or expense to the Board, except for payment of the Termination Fee pursuant to **Exhibit "C"** of the Facilitation Agreement. The Board agrees that each budget proposed by the Board to the Louisiana Board of Regents during the Term will include funds necessary for the UNO Investment for the Project, and to use its best efforts to affect the necessary appropriations for funds necessary for the UNO Investment, but makes no representations, warranties or covenants, express or implied, that the Legislature will make such appropriations.

Section 7.4 Lockbox. Regardless of any inconsistent or contradictory payment instructions set forth in a Thermal Services Invoice or any other invoice or reimbursement request submitted by OSEP to the Board, payment of all Thermal Services Charges and such invoices and requests will be made by wire or ACH transfer of immediately available funds directly to the Lockbox, unless otherwise directed in writing by OSEP's Financier. The initial Lockbox instructions as of the Effective Date are set forth in the sample Thermal Services Invoice set forth on **Exhibit "E"** attached hereto. Without limiting the generality of the foregoing, for each Billing Month, the Thermal Services Charge shall be paid by the Board, on behalf of UNO, on its due date, without offset or deduction, and regardless of whether a Thermal Services Invoice has been received by the Board, by wire or ACH transfer of immediately available funds directly to the Lockbox, or as otherwise directed in writing by OSEP's Financier.

Section 7.5 No Set-Off or Cessation of Payment.

7.5.1 SUBJECT TO SECTION 7.3 AND EXCEPT AS SET FORTH IN SECTION 7.5.2, THE BOARD AGREES THAT FOR ALL PERIODS IT WILL PAY THE ENTIRE THERMAL SERVICES CHARGE, WHICH OBLIGATION WILL CONTINUE WITHOUT INTERRUPTION FOR THE TERM WITHOUT EXCEPTION AND THAT IT HAS AN ABSOLUTE AND UNCONDITIONAL OBLIGATION TO PAY THE ENTIRE THERMAL SERVICES CHARGE FOR EACH PERIOD IN ACCORDANCE WITH THE PROVISIONS OF

THIS AGREEMENT. THE BOARD AGREES THAT IT IS NOT ENTITLED TO WITHHOLD, OFFSET, ABATE OR REDUCE ANY PAYMENT FOR THERMAL SERVICES IN AN AMOUNT LESS THAN THE THERMAL SERVICES CHARGE. THE BOARD FURTHER AGREES THAT IT CONTINUES TO BE OBLIGATED TO PAY THE ENTIRE THERMAL SERVICES CHARGE NOTWITHSTANDING THAT, DURING THE TERM, THE BOARD ELECTS NOT TO HAVE OSEP PROVIDE ANY THERMAL SERVICES, REDUCES OR CEASES SOME OR ALL OF ITS OPERATIONS AT THE CAMPUS, THE CAMPUS SUFFERS OR INCURS DAMAGE OR CASUALTY OR DESTRUCTION OF ALL OR ANY PORTION OF THE CAMPUS BUILDINGS OR SUFFERS OR INCURS ANY OTHER MATTER OR INCIDENT, INCLUDING A LOSS OF AVAILABILITY, OR TAKES ANY ACTION AFFECTING SOME OR ALL OF ITS OPERATIONS. PAYMENTS OF THE THERMAL SERVICES CHARGE IN THE AFOREMENTIONED CIRCUMSTANCES SHALL NOT BE DEEMED AN OVERPAYMENT FOR THE PURPOSES OF LA. R.S. 39:72(B). THE BOARD SPECIFICALLY WAIVES ANY RIGHT OF WITHHOLDING, SET-OFF, ABATEMENT OR REDUCTION (IN AN AMOUNT LESS THAN THE THERMAL SERVICES CHARGE) OR ANY OTHER DEFENSE AT LAW OR EQUITY TO ANY THERMAL SERVICES CHARGE DUE HEREUNDER, AND AGREES IT MUST PURSUE ITS REMEDIES AGAINST OSEP WITHOUT WITHHOLDING, SET-OFF, ABATEMENT OR REDUCTION IN AN AMOUNT LESS THAN THE THERMAL SERVICES CHARGE, INCLUDING ANY PURSUIT OF ANY REMEDIES FOR OSEP'S FAILURE TO PAY ANY DAMAGES OWED THE BOARD PURSUANT TO SECTION 8.5. IT IS THE INTENTION OF THE PARTIES THAT AT LEAST THE THERMAL SERVICES CHARGE WILL CONTINUE TO BE PAYABLE IN ALL EVENTS IN THE MANNER AND AT THE TIMES SET FORTH IN THIS AGREEMENT.

7.5.2 NOTWITHSTANDING SECTION 7.5.1, IN THE EVENT THE BOARD PAYS TO OSEP AN AMOUNT IN EXCESS OF THE THERMAL SERVICES CHARGE IN ANY MONTH OF A SERVICE YEAR, THE BOARD SHALL HAVE THE RIGHT TO OFFSET SUCH OVERPAYMENT AMOUNT, AND ONLY SUCH OVERPAYMENT AMOUNT, FROM A THERMAL SERVICES CHARGE IN A SUBSEQUENT MONTH PURSUANT TO LOUISIANA REVISED STATUTE 39:72(B).

Section 7.6 Late Payments. Late or delinquent Thermal Services Payments will accrue interest at the applicable rate of judicial interest, from the date on which they are deemed delinquent until fully paid.

ARTICLE 8

LOSS OF AVAILABILITY; STEP-IN RIGHTS; DAMAGES

Section 8.1 Adjustment. Except during and to the extent of a Loss of Availability, OSEP will provide Thermal Services on a continuous basis, consistent with the then-current Thermal Services Requirements regularly and without interruption twenty-four (24) hour per day, seven (7) days per week, 365 (or 366) days per year, on the terms set forth in this Agreement.

Section 8.2 Loss of Availability.

8.2.1 An "Excused Loss of Availability" is a Loss of Availability that is directly caused by: (i) a UNO Event of Default under a UNO Ancillary Agreement or any act or omission of the Board, UNO or a UNO Person that would constitute a UNO Event of Default with the passage of time and/or giving of notice; (ii) a Relief Event (such causation to be determined by OSEP in its good faith judgment); (iii) the fault or negligence of the Board, UNO or a UNO Person;

(iv) Thermal Services Requirements greater than Spare Capacity at N+1 Redundancy as indicated on **Exhibit “C”**; (v) a loss of or interruption in the provision of Utilities to the extent the Utilities not so provided cause or contribute to such Loss of Availability; (vi) an event of Force Majeure (and then subject to the provisions of Section 11.4); (vii) an Excused Pipe Malfunction; (viii) an Excused Interior Distribution System Malfunction with respect to a Campus Building; (ix) an Excused Covered Asset Malfunction; (xi) an Excused Excluded Asset Malfunction; or (xi) a routine Maintenance Event. Any other Loss of Availability will be deemed an **“Unexcused Loss of Availability”**.

8.2.2 In the event of any Loss of Availability, OSEP will (i) provide immediate notice to the Board (unless the Board informs OSEP of such Loss of Availability) upon OSEP obtaining Knowledge thereof, and (ii) meet with a UNO Services Period Representative as soon as practicable, but in no event later than twenty-four (24) hours after the first occurrence of the Loss of Availability. In the event of any Loss of Availability, OSEP will be obligated to undertake the steps provided in this Section 8.2, and in the event of an Excused Loss of Availability the Board shall be responsible for reimbursing OSEP for costs incurred pursuant to Section 8.2.3. In the event of an Unexcused Loss of Availability, the Board may be entitled to Liquidated Damages and Step-In Damages as provided in Section 8.5.

8.2.3 In the event of any Loss of Availability, OSEP will use Commercially Reasonable Efforts to cure such Loss of Availability (through temporary or alternative means of supplying Thermal Services) within twenty-four (24) hours of obtaining Knowledge thereof; provided, however, that, in the case of an Excused Loss of Availability, OSEP will not be obligated to undertake such efforts if: (i) after it has exercised Commercially Reasonable Efforts to obtain the necessary equipment to be able to provide Thermal Services through temporary or alternative means, OSEP determines it is impossible to continue to undertake such efforts; (ii) if it is unsafe to provide Thermal Services; or (iii) an event of Force Majeure renders it impractical to provide Thermal Services during such Loss of Availability. The Board will additionally be liable to reimburse OSEP for costs for any direct expenses incurred to third parties by OSEP to supply Thermal Services temporarily or alternatively under this Section 8.2.3 associated with an Excused Loss of Availability (such as, by way of example, rental fees and expenses for equipment, and delivery fees and transportation costs charged by third parties). The Board will reimburse OSEP for such additional costs within thirty (30) days of the Board’s receipt of the invoice related thereto, together with reasonable supporting documentation.

Section 8.3 Step-In Rights. The Board, on behalf of UNO, will have the right to exercise Step-In Rights under this Agreement at any time there is an Unexcused Loss of Availability at any Campus Building that has continued for at least four (4) hours; provided, that in no event may the Board exercise Step-In Rights at any time during an Excused Loss of Availability. Before exercising Step-In Rights, the Board will provide Notice to OSEP and OSEP’s Financier specifying that the Board is exercising the Step-In Rights, which will include (i) the specific Plant and Covered Assets that are the cause of the Loss of Availability at which the Board intends to exercise its rights hereunder, (ii) to the extent of the Board’s Knowledge, an explanation of the underlying cause of the Loss of Availability, (iii) any actions that the Board reasonably determines (based on the Knowledge then available to the Board) that OSEP should have taken but did not to resolve the Loss of Availability prior to the Board exercising the Step-In Rights, (iv) whether the Board has been able to determine if it is an Excused Loss of Availability or Unexcused Loss of Availability and (v) the Board’s Plan of Correction. Such Notice may also specify that the Board directs OSEP to cause Johnson Controls, Inc. (“JCI”) to fulfill its Step-In Rights, including creating the Board’s Plan of Correction; provided, further, that the Board may at any time thereafter give notice to OSEP to remove JCI from fulfilling its Step-In Rights and the Board may exercise the Step-In Rights itself. As

expeditiously as is feasible after provision of the Board's Plan of Correction to OSEP and OSEP's Financier (either by the Board or by JCI), taking into consideration the nature and extent of the Loss of Availability and whether an Emergency then exists, the Board and OSEP (and JCI if applicable) will use Commercially Reasonable Efforts to agree on the Board's Plan of Correction and will keep OSEP's Financier reasonably apprised of their efforts; provided, that it will not be a condition precedent to the Board's or JCI's exercise of the Step-In Rights that either OSEP or OSEP's Financier will have agreed to the Board's Plan of Correction. For so long as it is exercising Step-In Rights, the Board will (or so long as JCI is exercising the Board's Step-In Rights as provided herein, the Board will cause JCI to) use Commercially Reasonable Efforts to keep OSEP and OSEP's Financier reasonably apprised of efforts implementing the Board's Plan of Correction and status of resolution of the Loss of Availability.

Section 8.4 Termination of Step-In Rights.

8.4.1 By OSEP. In the event the Board has exercised Step-In Rights and such Loss of Availability has continued beyond forty-eight (48) hours after the Board's commencement of the Board's Step-In Rights (either directly or through JCI), OSEP may seek to end Step-In Rights by delivering OSEP's Plan of Correction. As expeditiously as is feasible after receipt of OSEP's Plan of Correction by the Board, taking into consideration the nature and extent of Loss of Availability, the Parties will use Commercially Reasonable Efforts to agree on OSEP's Plan of Correction; provided, that OSEP may not terminate Step-In Rights and regain control of the specific Covered Assets unless and until the Board, in the exercise of its Commercially Reasonable Efforts, has approved OSEP's Plan of Correction, which will be granted or withheld as soon as practicable by the Board, and if withheld will be accompanied by a reasonably detailed explanation for the reasons the Board's approval is being withheld. Thereafter, for so long as OSEP is diligently providing the Services described in the approved OSEP's Plan of Correction, Step-In Rights will terminate with respect to the Loss of Availability that triggered the exercise of such Step-In Rights. For so long as it is pursuing a OSEP's Plan of Correction pursuant to this Section 8.4.1, OSEP will keep the Board reasonably apprised of its efforts in implementing the OSEP's Plan of Correction and status of resolution of the Loss of Availability.

8.4.2 By Resolution of Unexcused Loss of Availability. Within one (1) Business Day following resolution of a Loss of Availability by whatever means, the Parties will meet to discuss what caused and ultimately resolved such Loss of Availability. At such meeting the Parties will further discuss termination of Step-In Rights for such Loss of Availability and transition of control over the Covered Assets subject to the terminated Step-In Rights back to OSEP, which will occur as soon as reasonably practicable; provided, that Liquidated Damages with respect to the subject Loss of Availability shall stop accruing from and after resolution of the Loss of Availability.

Section 8.5 Damages.

8.5.1 In the event of an Unexcused Loss of Availability that exceeds four (4) hours, OSEP shall be liable to the Board, on behalf of UNO, for Liquidated Damages for such Unexcused Loss of Availability as follows: (i) longer than four (4) hours but less than or equal to twenty-four (24) hours, Liquidated Damages of \$300 per hour; and (ii) longer than twenty-four (24) hours, Liquidated Damages of \$500 per hour; provided, however, that in no event may Liquidated Damages for a single (A) Unexcused Loss of Availability exceed \$30,000 and (B) Service Year exceed \$90,000.

8.5.2 In addition to any Liquidated Damages that may be payable, in the event the Board exercises Step-In Right for an Unexcused Loss of Availability in accordance with the terms and conditions hereof, OSEP will be responsible for all Step-In Damages.

8.5.3 OSEP will reimburse the Board for all Step-In Damages owed within thirty (30) days of OSEP's receipt of the invoices related thereto. OSEP will pay to the Board all Liquidated Damages owed within thirty (30) days of the cessation of the applicable Unexcused Loss of Availability.

ARTICLE 9 MORTGAGES

The Board consents to OSEP's grant of a mortgage, security interest, pledge or assignment to OSEP's Financier in, to and under all rights of OSEP arising under the UNO Ancillary Agreements, including OSEP's right to receive Thermal Services Payments hereunder and the Termination Fee under the UNO Ancillary Agreements, as well as the exclusive right during the Term to provide Thermal Services to the Campus Buildings pursuant to this Agreement.

ARTICLE 10 TERM AND TERMINATION

Section 10.1 Term. The term of this Agreement (the "**Term**") will commence on the Effective Date and will continue in full force and effect until the expiration or sooner termination of the Adoption Agreement, in all cases in accordance with the terms and conditions thereof. Notwithstanding the foregoing, termination of this Agreement prior to the Expiry Date will not in and of itself terminate the Lease or otherwise affect OSEP's rights thereunder following OSEP's assumption thereof from Foundation.

Section 10.2 Reserved.

Section 10.3 Reserved.

Section 10.4 Reserved.

Section 10.5 Effect of Termination. No termination of this Agreement excuses either Party from any liability arising out of any default as provided in this Agreement that occurred prior to such termination.

ARTICLE 11 DEFAULT AND REMEDIES

Section 11.1 Events of Default.

11.1.1 By the Board. Subject to Force Majeure as provided in Section 11.4, the occurrence of any of the following events shall constitute a UNO Event of Default:

11.1.1.1 The Board fails to cure its breach of a non-monetary obligation under this Agreement within thirty (30) days after the Board receives notice from OSEP of the breach; provided, that if such breach cannot reasonably be cured during such 30-day period, the Board will be entitled to an additional 30-day period within which to cure its breach, so long as it will have begun to cure such breach within the initial 30-day period and is diligently pursuing such cure;

11.1.1.2 The Board fails to make any monetary payment due OSEP under this Agreement within thirty (30) days after the Board receives notice from OSEP of such payment being past due.

For purposes of this Agreement, a UNO Event of Default described in Section 11.1.1.2 will be deemed to constitute an **“UNO Event of Major Default.”**

11.1.2 By OSEP. Subject to Force Majeure as provided in Section 11.4, the occurrence of any of the following events shall constitute a OSEP Event of Default:

11.1.2.1 OSEP fails to cure its breach of a non-monetary obligation under this Agreement (other than an Unexcused Loss of Availability that lasts for more than forty eight (48) hours during a Service Year) within thirty (30) days after OSEP receives notice from the Board of the breach; provided, that if such breach cannot reasonably be cured during such 30-day period, OSEP will be entitled to an additional 30-day period within which to cure its breach, so long as it will have begun to cure such breach within the initial 30-day period and is diligently pursuing such cure;

11.1.2.2 OSEP fails to make any monetary payment due the Board under this Agreement within thirty (30) days after OSEP receives notice from the Board of such payment being past due; or

11.1.2.3 there shall occur more than five (5) Unexcused Losses of Availability, each of a duration greater than greater than four (4) hours, during any single Service Year.

For purposes of this Agreement, a OSEP Event of Default described in Sections 11.1.2.2 and 11.1.2.3 will be deemed to constitute a **“OSEP Event of Major Default.”**

Section 11.2 Remedies.

11.2.1 For the Board. Upon the occurrence of a OSEP Event of Default, the Board, on behalf of UNO, may: (i) seek specific performance of OSEP’s obligations under this Agreement; and/or (ii) seek any other remedy available to the Board in law, including injunctive relief, but excluding termination. Upon the occurrence of a OSEP Event of Major Default, the Board may terminate all of the UNO Ancillary Agreements in accordance with the Facilitation Agreement.

11.2.2 For OSEP. Upon the occurrence of a UNO Event of Default, OSEP may pursue any remedy at law, equity or as provided for under this Agreement, including claims for damages, but excluding termination. In addition to the foregoing, upon the occurrence and continuation of a UNO Event of Major Default, OSEP may terminate all of the UNO Ancillary Agreements in accordance with the Facilitation Agreement.

Section 11.3 Delay or Omission; Waiver. No delay or omission in the exercise of any right or remedy accruing to any Party upon any breach of this Agreement by the other Party shall impair such right or remedy or be construed as a waiver of any breach theretofore or thereafter occurring. No provision of this Agreement will be considered waived unless the waiver is in writing and signed by an authorized representative of the Party granting the waiver. The waiver of any condition or the breach of any term, covenant, or condition herein or therein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or any other term, covenant or condition herein or therein contained.

Section 11.4 Force Majeure.

11.4.1 Subject to the provisions of Section 11.4.2, to the extent a Party is prevented by an event of Force Majeure from carrying out any of its obligations under this Agreement and such Party gives notice and details of the event of Force Majeure and the obligations it is prevented from performing to the other Party as soon as practicable (and in any event within five (5) days after such event of Force Majeure first prevents performance by that Party), then the Party seeking relief will be temporarily excused during the continuance of the Force Majeure event from the performance of such of its obligations under this Agreement as are affected by the event of Force Majeure; provided, however, that no event of Force Majeure will excuse the monetary obligations of the Parties.

11.4.2 The Party affected by the event of Force Majeure will use Commercially Reasonable Efforts to eliminate or avoid the effects thereof and resume performing those obligations for which it was excused pursuant to Section 11.4.1.

ARTICLE 12 REPRESENTATIVES

Within five (5) Business Days of the Effective Date, OSEP shall appoint three (3) OSEP Services Period Representatives and the Board shall appoint three (3) UNO Services Period Representatives (who shall be the same individuals selected as Lessor Services Period Representatives pursuant to the Lease), each of whom will be authorized to act as a designated contact person for matters concerning this Agreement; provided, however, that throughout the Term, the Party's representatives may have different levels of authority to act on behalf of the appointing Party. A Party will be bound by the written communications from its representative to the other Party. In addition, in cooperation with OSEP, the Board will designate which UNO Representatives (but in any event at least one (1)) will be available twenty-four (24) hours per day, seven (7) days per week and the means by which such representatives may be contacted at all times. These particular UNO Services Representatives are to be notified by OSEP at any time that OSEP has Knowledge of an Emergency. A Party may remove and replace a representative upon providing the other Party with Notice. The Parties will be entitled to rely on the genuineness of such Notice from the other Party.

ARTICLE 13 ASSIGNMENT

OSEP will not assign or otherwise transfer its rights or obligations under this Agreement except in accordance with the provisions of ARTICLE 9 of the CEA. the Board shall not assign or otherwise transfer its rights or obligations under this Agreement under any circumstances.

ARTICLE 14 NOTICES

All notices or communications related to this Agreement will be provided pursuant to Section 10 of the Facilitation Agreement; provided, however, that delivery of the Thermal Services Invoice will be in writing and e-mailed to the Board at the following address (or such other e-mail address as the Board may request in accordance with the provisions of Section 10 of the Facilitation Agreement): [●].

ARTICLE 15 MISCELLANEOUS

Section 15.1 Entire Agreement, Amendments; Binding Effect. This Agreement, together with the CEA and the other UNO Ancillary Agreements, constitute the Parties' entire agreement with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings between the Parties relating to the subject matter hereof and supersedes all prior oral or written agreements and understandings between the Parties relating to the subject matter hereof. Except as otherwise provided in this Agreement, no amendment, supplement or modification of this Agreement will be binding upon any Party unless executed in writing by such Party.

Section 15.2 Governing Law. This Agreement and all Exhibits to this Agreement, and all matters arising out of or relating to them shall be construed in accordance with and governed by the laws of the State of Louisiana. Any action for injunctive relief, damages, or any other purpose other than those set forth in Article 14 of the CEA shall be brought in the Nineteenth Judicial District Court in Baton Rouge, Louisiana.

Section 15.3 Inurement. This Agreement will be binding upon and inure to the benefit of the Parties and their respective heirs, successors and permitted assigns.

Section 15.4 Relationship of Parties. Nothing in this Agreement will be deemed to constitute any Party a partner, agent or legal representative of any other Party or to create a joint venture, partnership, agency or any relationship between the Parties. The Parties' respective obligations are individual and not collective in nature.

Section 15.5 Severability. Upon a determination that any term of this Agreement is invalid, illegal or unenforceable, the Parties will negotiate in good faith to modify this Agreement to affect the original intent of the Parties as closely as possible in order that the transactions contemplated by the UNO Ancillary Agreements are consummated as originally contemplated to the greatest extent possible.

Section 15.6 Survival. Expiration or termination of this Agreement for any reason will not relieve the Parties of any obligation accrued or accruing prior to such expiration or termination, all of which will survive the expiration or termination of the Agreement.

Section 15.7 Successors and Assigns. This Agreement shall be binding on and will inure to the benefit of the Parties to this Agreement and their respective successors and assigns.

Section 15.8 Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original and all of which will constitute one agreement. The signatures of any Party to a counterpart will be deemed to be a signature to, and may be appended to, any other counterpart. Digital signatures and other electronic signatures and copies of manual signatures transmitted by facsimile, e-mail or other electronic means will be binding and considered fully effective as if they were authentic original signatures.

Section 15.9 No Personal Liability. Except to the extent provided by law, no covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, officer, agent or employee of any Party hereto in his individual capacity, and neither the officers of any Party hereto nor any official or agent executing this Agreement shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason of the execution and

delivery of this Agreement. However, any Person may be held personally liable for such Person's individual fraudulent acts.

Section 15.10 Estoppel Certification. Any Party shall, without charge, at any time and from time to time hereafter within sixty (60) days after written request of another Party (such request to specify this Agreement and Section), certify by written instrument duly executed and acknowledged to any Person or entity specified in such request: (a) as to whether this Agreement has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (b) as to the validity and force and effect of this Agreement, in accordance with its tenor as then constituted; (c) as to the existence of any default thereunder by such Party or, to such Party's Knowledge, the other Party; (d) as to the existence of any offsets, counterclaims or defenses thereto on the part of such other Party for which such Party has Knowledge; (e) as to the commencement and expiration dates of the Term; and (f) as to any other matters as may reasonably be so requested. Any such certificate may be relied upon by the requesting Party and any other Person, firm or corporation to whom the same may be exhibited or delivered, and the contents of such certificate shall be binding on the Party executing same. Any estoppel certification delivered pursuant to this Section 15.10 shall only speak as to the facts contained in such certification and shall not be deemed to constitute an amendment or modification to this Agreement.

Section 15.11 Confidential Proprietary or Trade Secret Information. All records containing proprietary or trade secret information which OSEP intends to be maintained by the Board and/or UNO as confidential pursuant to La. R.S. 44:3.2 shall be submitted with a cover sheet that provides in bold type "DOCUMENT CONTAINS CONFIDENTIAL PROPRIETARY OR TRADE SECRET INFORMATION", and with each instance of information which OSEP believes to be proprietary or trade secret information clearly marked.

Section 15.12 No Authorship Presumption. Each of the Parties has had an opportunity to obtain legal advice and negotiate the language of this Agreement. No presumption shall arise or adverse inference be drawn by virtue of authorship, and each Party hereby waives the benefit of any rule of law that might otherwise be applicable in connection with the interpretation of this Agreement, including but not limited to any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the Party whose counsel drafted that provision.

Section 15.13 Further Assurances. From time to time, and at any time, at and after the Effective Date, each Party will execute, acknowledge and deliver such documents and assurances, reasonably requested by any other Party (in such form reasonably acceptable to the requested Party) and will take any other action consistent with the terms of any Contract Document that may be reasonably requested by a Party for the purpose of effecting or confirming any of the transactions contemplated hereby or thereby.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, this Thermal Services Agreement has been signed in four originals by the undersigned duly authorized representative, in the presence of the undersigned competent witnesses, on the dates indicated below.

WITNESSES:

**THE BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

Signature

By: _____

Printed Name

Name: _____

Signature

Title: _____

Printed Name

Dated: [●], 2022

IN WITNESS WHEREOF, this Thermal Services Agreement has been signed in four originals by the undersigned duly authorized representative, in the presence of the undersigned competent witnesses, on the dates indicated below.

WITNESSES:

**ORLEANS SUSTAINABLE ENERGY PARTNERS,
LLC**

Signature

By: _____

Printed Name

Name: Melissa Samuel

Signature

Title: Secretary

Printed Name

Dated: [●], 2022

(SIGNATURE PAGE OF OSEP TO THERMAL SERVICES AGREEMENT)

LEASE AGREEMENT

BY AND BETWEEN

**THE BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM,
ACTING ON BEHALF OF THE UNIVERSITY OF NEW ORLEANS**

AND

[•]

[•], 2022

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LEASE AGREEMENT

STATE OF LOUISIANA

PARISH OF ORLEANS

This Lease Agreement (“**Lease**”) is made and entered into on this [●] day of [●], 2022 (the “**Effective Date**”), by and between:

THE BOARD OF SUPERVISORS FOR THE UNIVERSITY OF LOUISIANA SYSTEM, a public constitutional corporation organized and existing under the laws of the State of Louisiana, acting on behalf of the University of New Orleans (“**Lessor**”), appearing herein through Dr. John Nicklow, the President of The University of New Orleans, duly authorized and empowered Board Representative of the Lessor;

and

[●] (“**Lessee**”), a Louisiana [●] and wholly-owned subsidiary of the University of New Orleans Research and Technology Foundation, appearing herein through [●], its [●], duly authorized and empowered by Lessee;

(Lessor and Lessee are collectively referred to as the “**Parties**” and singularly referred to as a “**Party**”).

RECITALS

WHEREAS, the State and LA Energy Partners, LLC, a Delaware limited liability company (“**LAEP**”), have entered into a Cooperative Endeavor Agreement dated September 27, 2019 (the “**CEA**”), which establishes a framework pursuant to which the State and other State Entities, on the one hand, and LAEP, on the other hand, may collaborate on the lease or concession of facilities owned or controlled by the State or State Entities for the provision of Work and Services by LAEP, directly or indirectly through Project SPEs;

WHEREAS, the Lessor is a public constitutional corporation organized and existing under the laws of the State and constituting a State Entity as such term is used and defined in the CEA, and the University of New Orleans (“**UNO**”) is a higher education institution under the supervision and control of the Lessor;;

WHEREAS, Lessor owns the Plants from which it currently supplies chilled water, steam and/or heating water for cooling, conditioning and heating to the Campus Buildings;

WHEREAS, pursuant to the Adoption Agreement and ARTICLE 6 of the CEA, Lessor has determined to opt-in to the CEA with respect to the Plants and the Campus Buildings for the purpose of the Project;

WHEREAS, Orleans Sustainable Energy Partners, LLC, a Delaware limited liability company (“**OSEP**”), is an Affiliate of LAEP formed for the sole purpose of serving as the Project SPE for the Project;

WHEREAS, Lessee is a Louisiana [●] and wholly-owned subsidiary of the University of New Orleans Research and Technology Foundation, which such parent entity was formed exclusively to UNO

Lease Agreement

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promote, assist and benefit the mission of UNO, and whose mission includes, but is not limited to, holding and conveying real estate or other property necessary for or in furtherance of UNO's instruction, research and public service missions;

WHEREAS, in furtherance of the Project, Lessor will lease to Lessee, for a term of thirty (30) years from the Effective Date, the Plants and, subject to Section 2.1.c. of this Lease, portions of the Thermal Services Distribution System, and Lessor will grant to Lessee the exclusive right to utilize those assets and properties pursuant hereto;

WHEREAS, simultaneously herewith, Lessee will sublease to OSEP, on a back-to-back basis with this Lease, the Leased Property so that OSEP will assume all of Lessee's obligations hereunder and utilize the Leased Property to provide Thermal Services to the Campus Buildings and Third Party Off-takers pursuant to the Thermal Services Agreement;

WHEREAS, the terms and conditions of this Lease have been negotiated between the Parties and Lessor is authorized to enter into this Lease pursuant to the CEA and applicable State law; and

WHEREAS, the Parties have determined that the UNO Ancillary Agreements will result in increased revenue, direct budget savings and improved operations and efficiencies for Lessor by, among other things, lowering Lessor's cost to provide Utilities to the Plants and the Campus Buildings.

NOW THEREFORE, in consideration of the mutual covenants and conditions set forth below, the Parties, each intending to be legally bound, hereby agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.1 Defined Terms. Capitalized terms used in this Lease but not otherwise defined herein have the meanings ascribed to them in **Exhibits "A"** of the Facilitation Agreement and the CEA; provided, that any terms defined in **Exhibit "A"** of the Facilitation Agreement that conflict with the definition provided in **Exhibit "A"** of the CEA shall have the meanings provided in **Exhibit "A"** of the Facilitation Agreement. Defined terms will be given their common and ordinary meanings when they appear uncapitalized in the text. Undefined terms will be given their common and ordinary meanings pursuant to custom and industry parlance. Notwithstanding the foregoing, any terms defined in this Lease that conflict with the definition provided in **Exhibit "A"** of the Facilitation Agreement or the CEA shall have the meanings provided herein.

Section 1.2 Adoption and Conflicts. The terms and conditions of the CEA, the Adoption Agreement and the Facilitation Agreement are adopted as if otherwise set forth herein. To the extent any part of this Lease and the CEA, the Adoption Agreement or the Facilitation Agreement conflict, the terms of this Lease shall govern.

Section 1.3 Exhibits. The Exhibits attached hereto are hereby included and made part of this Lease.

ARTICLE 2 LEASE

Section 2.1 Lease.

a. Subject to the terms, obligations and conditions of this Lease, the CEA, the Adoption Agreement and the Facilitation Agreement and in exchange for the consideration described in Section 4.1 of this Lease and other good and valuable consideration, Lessor hereby leases to Lessee, commencing on the Effective Date and continuing for the remainder of the Term of this Lease, (i) the Plants and all rights belonging or appertaining to the applicable Plant Premises (the Plants and the Plant Premises are described on **Exhibit “A”** attached hereto, and specifically excludes the land upon which the Plants sit to which Lessee’s rights shall be governed by the Servitude), and (ii) all assets, properties and equipment located at, on or within the Plant Premises (including the Thermal Services Distribution Systems up to the Points of Demarcation, but excluding the Non-Leased Assets) (the “**Plant Assets**”) (clauses (i) and (ii) collectively, the “**Leased Property**”). The “**Non-Leased Assets**” are those assets, properties and equipment located within the Plants specifically listed and identified on **Exhibit “A.”**

b. Lessee shall have the exclusive right during the Term of this Lease to: (i) occupy, use, operate, manage, administer and, solely with respect to Leased Property that are Covered Assets, maintain the Leased Property; (ii) subject to Article 7, design, construct, install and finance any Future Plant Improvements that Lessee deems necessary or beneficial in furtherance of providing Thermal Services to the Campus Buildings or Third Party Off-takers (in which event such Future Plant Improvements will constitute either Covered Energy Assets or Covered Non-Energy Assets upon installation); (iii) provide Thermal Services to the Campus Buildings pursuant to the terms and conditions of the Thermal Services Agreement; and (iv) utilize the Covered Energy Assets to provide Thermal Services to any Third Party Off-takers; provided, however, that Lessor acknowledges and agrees that Lessee shall sublease and assign all such rights to OSEP, and OSEP shall assume from Lessee all such obligations (other than Lessee’s obligations under Section 4.1.a. hereof), pursuant to the Sublease.

c. The Thermal Services Distribution Systems that constitute Leased Property will be the portion thereof from the Plants to the Points of Demarcation. Responsibility for any repairs, rebuild or replacement of the Thermal Services Distribution Systems shall be allocated between the Parties as follows: (i) Lessee shall be responsible for all such costs to that portion of the Thermal Services Distribution Systems constituting Leased Property; and (ii) Lessor shall be responsible for all such other costs. As of the Effective Date, the Points of Demarcation are located five feet (5’) from the exterior walls of the Plants, as illustrated on **Exhibit “A”** to the Thermal Services Agreement. In the event pursuant to the Sublease OSEP desires to construct and install a Third Party Distribution System from any Plant and elects to install and connect such Third Party Distribution System into the Thermal Services Distribution System at a point before the Thermal Services Distribution System first enters a Campus Building, (i) the point at which the Third Party Distribution System ties into the Thermal Services Distribution System will be deemed the new Point of Demarcation for that piping, and **Exhibit “A”** to the Thermal Services Agreement will automatically be amended and modified accordingly without any further action by the Parties or OSEP, and (ii) the portion of the Thermal Services Distribution System comprising the Leased Property will be extended to such new Point of Demarcation.

Section 2.2 Ownership and Title.

a. Subject to the terms and conditions of this Lease, the other UNO Ancillary Agreements and the CEA, throughout the Term of this Lease: (i) Lessor will have legal title to all of the

Existing Covered Assets located on or within the Plants (“**Existing Plant Assets**”); (ii) pursuant to the Sublease, OSEP or OSEP’s Trustee will have legal title to any Future Equipment installed or located on or within the Plants (as part of the Plant Improvements or Future Plant Improvements); and (iii) Lessee will have (and pursuant to the Sublease will assign to OSEP) the sole and exclusive use of all Plant Assets during the Term of this Lease.

b. In furtherance of Section 2.2.a.(ii), pursuant to Louisiana Revised Statute 10:9-334, Lessor hereby (i) acknowledges the Future Equipment will be installed in the Plants and classified as “fixtures” as defined and provided by Louisiana Revised Statutes 10:9-102(a)(41) and 10:9-334, (ii) disclaims any interest in the Future Equipment (subject to reversionary rights at expiration or earlier termination (and then subject to Lessor’s and Lessee’s payment of the Termination Fee pursuant to **Exhibit “C”** of the Facilitation Agreement) of the Term), (iii) acknowledges OSEP or OSEP’s Trustee shall be the owner of the Future Equipment, (iv) consents to OSEP or OSEP’s Trustee granting security interests in the Future Equipment, including to OSEP’s Financier, and (v) acknowledges that prior to the installation of any Future Equipment in any Plant, OSEP will perfect a fixture filing and UCC-1 in the mortgage records of Orleans Parish evidencing any security interests granted by OSEP or OSEP’s Trustee in the Future Equipment.

c. Notwithstanding the foregoing, it is the intention of the Parties that for Federal income tax purposes only, possession and all of the benefits of ownership with respect to all Existing Plant Assets is hereby conveyed to Lessee (and pursuant to the Sublease will be conveyed to OSEP) for the Term of this Lease and the Sublease, respectively, and the Parties agree to cooperate and sign additional documents to affect this intent (including as may reasonably be requested by OSEP); provided, however, that neither Party makes any representation or warranty regarding the Federal income tax treatment for the Project, and in no event will a Party have any liability to the other Party or OSEP with respect to any Federal income taxes payable by a Party or OSEP arising from the Project. For property, ad valorem and any other similar taxes, title to the Existing Plant Assets will remain with Lessor.

ARTICLE 3

TERM AND TERMINATION

Section 3.1 Term. The term of this Lease (the “**Term**”) will commence on the Effective Date and will continue in full force and effect until the expiration or sooner termination of the Facilitation Agreement, in all cases in accordance with the terms and conditions thereof. In the event Lessor attempts to terminate the Facilitation Agreement but the entire Termination Fee due as a result thereof pursuant to **Exhibit “C”** to the Facilitation Agreement is not paid to OSEP, then notwithstanding such attempted termination, if OSEP elects to maintain the Lease pursuant to Section 1.4.b. of **Exhibit “D”** to the Facilitation Agreement (and the Servitude pursuant to the terms thereof), then the Term of this Lease shall continue and this Lease shall remain in full force and effect until the earlier of the Expiry Date or upon OSEP’s written notification pursuant to Section 1.4.b. of **Exhibit “D”** to the Facilitation Agreement, and for so long as this Lease shall remain in full force and effect neither Lessee nor OSEP shall have any further obligation to provide Lessor any of the consideration described in Section 4.1 (nor shall OSEP have any further obligation to provide Thermal Services to the Campus Buildings under the Thermal Services Agreement or otherwise); provided, that if OSEP elects pursuant to Section 1.4.b. of **Exhibit “D”** to the Facilitation Agreement to cause Lessee to assign this Lease and the Sublease to a Successor Nonprofit so that such Successor Nonprofit shall become the Lessee hereunder and sublessor under the Sublease, each of Lessor and Lessee shall execute and deliver to OSEP and Successor Nonprofit all such agreements and documents as may reasonably be requested by OSEP or Successor Nonprofit to effectuate such assignment.

Section 3.2 Reserved.

Section 3.3 Reserved.

Section 3.4 Reserved.

Section 3.5 Effect of Termination.

a. At the end of the Term of this Lease, upon payment of the applicable Termination Fee, if any, title, possession and use of the Plants (including the Plant Assets, the Plant Improvements and any Future Plant Improvements constructed during the Term) will revert to Lessor, free and clear of any interest of Lessee, OSEP, OSEP's Trustee or OSEP's Financier or any other claim or lien arising by or through Lessee or OSEP.

b. Notwithstanding Section 3.5.a. hereof, if this Lease is terminated along with the other UNO Ancillary Agreements (or if Lessor attempts to so terminate as described in Section 3.1 hereof), and the entire Termination Fee payable in connection therewith is not paid, Lessor will cooperate with OSEP and grant OSEP or OSEP's Trustee (as applicable) and their agents and representatives reasonable access (which may be outside normal business hours and include non-Business Days) to the Plant Premises and the Campus Buildings for the purpose of repossessing and removing the Future Equipment, and Lessor acknowledges and agrees that neither OSEP nor OSEP's Trustee shall have any obligation to replace any Future Equipment so removed, but OSEP will repair any damage caused by OSEP, OSEP's Trustee or their agents or representatives in the process of such removal.

c. No termination of this Lease excuses either Party from any liability arising out of any default as provided in this Lease that occurred prior to such termination.

ARTICLE 4 CONSIDERATION

Section 4.1 Consideration. The consideration by Lessee for this Lease is:

a. \$1.00 payable on the Commercial Operations Date and each anniversary thereof during the Term;

b. Reserved;

c. the design, construction and installation of Future Plant Improvements pursuant to ARTICLE 7 deemed necessary or beneficial in furtherance of providing Thermal Services to the Campus Buildings and Third Party Off-takers; and

d. the Operation and Maintenance Services pursuant to ARTICLE 8, as described on **Exhibit "D"** attached hereto.

The Parties acknowledge and agree that the obligations of Lessee provided in this Section 4.1 will be performed or satisfied by OSEP pursuant to the Sublease, and in consideration thereof OSEP will have all of the rights, preferences and privileges of Lessee under this Lease pursuant to the Sublease.

Section 4.2 Reserved.

ARTICLE 5 USE OF LEASED PROPERTY

The Leased Property shall be used to provide Thermal Services to the Campus Buildings and Third Party Off-takers; provided, however, that if Lessor attempts to terminate this Lease but the entire Termination Fee due and payable therefrom is not paid and if OSEP elects to keep this Lease in full force and effect pursuant to Section 1.4.b. of **Exhibit “D”** to the Facilitation Agreement, OSEP (under the Sublease) may use the Leased Property for any lawful purpose.

ARTICLE 6 ENVIRONMENTAL MATTERS

Section 6.1 Condition Reports. Lessor has delivered to Lessee all studies, reports, surveys, analysis and/or plans and specifications in its possession, custody or control related to the Plant Premises, including: (i) environmental reports; (ii) soil reports; and (iii) existing surveys, but Lessor makes no representations or warranties as to the accuracy, completeness or reliability of any of the aforementioned items or otherwise with respect to any Hazardous Materials, Environmental Conditions or other Concealed Conditions at the Plant Premises. Lessor has further disclosed to Lessee any information Lessor has Knowledge of pertaining to Hazardous Materials, Environmental Conditions or other Concealed Conditions at the Plant Premises that may reasonably be expected to affect Lessee’ or OSEP’s ability to perform the Plant Improvements or any Future Plant Improvements, provide Thermal Services to the Campus Buildings and Third Party Off-takers or otherwise operate the Plant Assets.

Section 6.2 Remediation. Lessee will promptly notify Lessor if it or OSEP discovers any Hazardous Materials, Environmental Conditions or Concealed Conditions at the Campus. In the event any Hazardous Materials, Environmental Conditions or Concealed Conditions are discovered at the Plant Premises that prevent, prohibit or adversely affect Lessee’s ability to perform any Plant Improvements or Future Plant Improvements (or OSEP’s ability to do so under the Sublease), or OSEP’s ability to provide Thermal Services to the Campus Buildings and Third Party Off-takers or otherwise operate the Plant Assets, unless Lessee is responsible therefor pursuant to Section 6.4 hereof or OSEP is responsible therefor pursuant to the Sublease, Lessor will remediate at its sole expense any conditions related to Hazardous Materials, Environmental Conditions or Concealed Conditions within sixty (60) days of Lessor obtaining Knowledge thereof, but only to the extent necessary to comply with all Applicable Legal Requirements or so that OSEP may provide Thermal Services to the Campus Buildings and Third Party Off-takers or otherwise operate the Plant Assets.

Section 6.3 Excluded Environmental Conditions. Notwithstanding anything in this Lease and/or any other UNO Ancillary Agreement, Lessor acknowledges that neither Lessee, any Foundation Person, OSEP or OSEP Person will have any responsibility, whatsoever, now and in the future for any Excluded Environmental Conditions.

Section 6.4 Lessee Responsibility. Lessee will be responsible for all Hazardous Materials Lessee or any Foundation Person introduces onto, or any Environmental Conditions it creates at, on or under the Plant Premises.

Section 6.5 Due Diligence; “AS IS” Condition. Lessor has provided Lessee with reasonable access to the Leased Property to perform due diligence and determine the condition thereof (for their operational functionality and working conditions). Lessee accepts the Leased Property “AS IS, WHERE IS”, without representation or warranty, expressed or in writing, in fact or in law, oral or written, by Lessor. Lessee, to the extent allowed by law and except as expressly provided herein, hereby assumes

and agrees to accept all risk and responsibility for any and all defects, infirmities, and conditions in the Leased Property other than any Concealed Conditions.

ARTICLE 7 IMPROVEMENTS AND ADDITIONAL WORKS

Section 7.1 Demolition. Lessee shall have the right, subject to the written approval of Lessor and Applicable Legal Requirements (including any rules and regulations of the Division of Administration), which shall not be unreasonably withheld, at Lessee's expense, to demolish and remove any and all existing improvements and other constructions within the Plants to the extent that such demolition does not disrupt the provision of Thermal Services to the Campus Buildings. Lessee shall be solely responsible for all costs associated with any such demolitions.

Section 7.2 Reserved.

Section 7.3 Plant Improvements; Future Plant Improvements.

a. Lessee will cause to be performed, and is responsible for the financing and payment of, the design, construction and installation of the Plant Improvements described in **Exhibit "B"** attached hereto, as elective tenant improvements. The Parties shall implement a mutually acceptable design development and procurement process for the Plant Improvements, subject to additions and deductions for changes as provided herein. As part of the process, Lessee will cause to be delivered to Lessor design documents sufficient to establish the size, quality, and character of the Plant Improvements consistent with the Scope of Work set forth in **Exhibit "B"**. It is the intent of the Parties that the final design documents will reflect collaboration between the Parties, but Lessor acknowledges and agrees that Lessee (and ultimately OSEP pursuant to the Sublease) will have ultimate responsibility for the Plant Improvements to be performed in accordance therewith due to the fact that such Work will be critical to OSEP's obligation to achieve an annual Net Public Benefit and an Annual Operating Budget Savings under the UNO Ancillary Agreements; provided, however, that Lessor shall have the right to reject any aspect of the proposed final design documents that would reasonably be expected to have a material adverse effect on any portion of the Campus (other than the Plants) and in such event Lessee shall cause OSEP to propose alternate final design documents. Any dispute related to the design development and procurement process, or costs therefor, shall be resolved in accordance with Article 14 of the CEA; provided, that Lessee may commence the Plant Improvements pending resolution of the disputes at its sole risk subject to such final resolution.

b. Throughout the Term of this Lease, Lessee shall have the right to develop and construct Future Plant Improvements at the Leased Property subject to the terms and conditions of this Article 7. Lessee shall provide Notice to Lessor of the desire to build Future Plant Improvements which Notice shall include (i) a detailed description of the proposed Future Plant Improvements, (ii) the estimated cost of the Future Plant Improvements, (iii) whether the Future Plant Improvements are necessary or beneficial for the provision of Thermal Services to the Campus Buildings or similar service to Third Party Off-takers, and (iv) if the Future Plant Improvements will constitute Covered Energy Assets, Covered Non-Energy Assets or Excluded Assets. Lessor shall have thirty (30) days to provide comments or make objections to the Future Plant Improvements or whether they constitute Covered Energy Assets, Covered Non-Energy Assets or Excluded Assets; provided, however, that Lessor shall have the right to request an extension of the review period if a reasonable analysis of the Future Plant Improvements by Lessor requires a longer period. Lessee will, and will cause OSEP to, take all comments and suggestions into account before undertaking the development and construction of any

Future Plant Improvement. Any Future Plant Improvements not caused by a Material Change or not constituting Ordinary Renewal Work will be at the sole cost and expense of Lessee.

Section 7.4 Additional Works. In the event a Material Change under the Thermal Services Agreement requires Additional Work, Lessee will cause to be performed, at Lessor's sole cost and expense, the design, construction and installation of all such Additional Works. The scope of work and costs for any Additional Works shall be determined in accordance with Section 5.2 of the Thermal Services Agreement. Lessor shall pay to OSEP the costs for such Additional Works within thirty (30) days of Lessor's receipt of such invoices.

Section 7.5 Design and Construction Standards. All Future Plant Improvements and Additional Works performed under this Lease will be designed, constructed, completed and implemented in compliance with **Exhibit "C"** attached hereto, Applicable Legal Requirements and Applicable Standards. Lessee will give Lessor prior Notice of the commencement of any Work relating to such Future Plant Improvements or Additional Works. Prior to the commencement of such Work, the Board Representative(s) and Foundation Representative(s) will meet, and Lessee will cause the OSEP Representative(s) to meet with them, to discuss the applicable Scope of Work and the specific manner in which such Work will be performed by OSEP.

Section 7.6 Permitting; Timing of Future Plant Improvements. No Work on any Future Plant Improvement may be commenced until Lessee (or OSEP, if applicable) has obtained and paid for all (i) insurance policies required of Lessee (or OSEP, if applicable) pursuant to **Exhibit "E"** of the CEA, and (ii) required permits and authorizations of all governmental authorities having jurisdiction with respect to such Improvement; provided, that Lessor shall use Commercially Reasonable Efforts to assist Lessee (or OSEP, if applicable) in obtaining such permits. The Parties agree that any Work relating to Future Plant Improvements will be completed using appropriate due diligence and Commercially Reasonable Efforts within a timeframe acceptable to the Parties and designed to minimize disruption and interference to the Campus Buildings.

ARTICLE 8 MAINTENANCE, REPAIRS, SERVICE UTILITIES

Section 8.1 Operation and Maintenance Obligations/Services.

a. Operation and Maintenance Services Generally; Campus Access. Lessee will perform or cause to be performed all of the Operation and Maintenance Services diligently and in compliance with this Lease, the UNO Ancillary Agreements and the CEA, Applicable Legal Requirements and Applicable Standards. The Operation and Maintenance Services to be performed by or on behalf of Lessee under this Lease will include those tasks indicated on **Exhibit "D"** attached hereto. The Parties acknowledge and agree that the Covered Assets are not exclusively contained within the Plants, and that during the Term, Lessor shall provide Lessee (and OSEP pursuant to the Sublease and Servitude) the non-exclusive right to use and access those portions of the Campus reasonably necessary for purposes of performing Operation and Maintenance Services for the Covered Assets located outside of the Plants.

b. Fault of Party. Notwithstanding anything in this ARTICLE 8 to the contrary, if any repair, replacement, renewal or upgrade to a Covered Asset or an Excluded Asset is caused by the fault or negligence of a Party or that Party's Persons (*i.e.*, Board Persons in the case of Lessor, Foundation Persons in the case of Lessee and only for purposes of this Section 8.1.b. OSEP Persons in the case of Lessee, respectively) or by a Party's breach of its obligations under this Lease, a UNO Ancillary

Agreement or the CEA, all costs associated with such repair, replacement, renewal or upgrade will be at the sole expense of such Party.

c. Covered Assets and Excluded Assets. The Covered Assets and Excluded Assets within the Plants as of the Effective Date and to be installed as part of the Plant Improvements under this Lease are described on **Exhibit “E”** attached hereto. Once a Covered Asset has been renewed or replaced (either by or on behalf of Lessor, Lessee or OSEP), such newly installed asset shall constitute a Covered Asset and such removed asset shall no longer be deemed a Covered Asset. Lessee will have no obligation to perform any Services on Excluded Assets, and if and to the extent a malfunction of an Excluded Asset causes a Loss of Availability, the Board, on behalf of UNO, will, as soon as is reasonably practicable after the Board’s discovery, diligently pursue resolution of such malfunction; provided, however, that if such malfunction was caused by the fault or negligence of OSEP or an OSEP Person, OSEP shall, at its sole cost and expense, diligently pursue resolution of such malfunction. With respect to the Thermal Services Distribution System, those portions from the Plants to the Points of Demarcation (as may be adjusted pursuant to Section 2.1.b.) will constitute Covered Assets (and further classified as Covered Energy Assets) and all other portions will constitute Excluded Assets. Further, Lessee will have the authority to specify all Covered Assets operating procedures and policies, consistent with all other provisions of this Lease, the UNO Ancillary Agreements and the CEA, Applicable Legal Requirements and Applicable Standards.

d. Electronic Document Archive. Lessee will develop, install and maintain an Electronic Document Archive of the Covered Assets during the Term of this Lease. To ensure that Lessor can access, copy, and/or download the archived materials, Lessee will provide Lessor with sufficient log-in credentials to the Electronic Document Archive. All related drawings, reports and materials prepared by or on behalf of Lessee that are not contained in the Electronic Document Archive will, upon reasonable request, be made available to Lessor in an electronic format.

Section 8.2 **Qualified Personnel; Delivery of Services.** Lessee will perform the Operation and Maintenance Services by:

a. ensuring that the Covered Assets are operated and maintained at all times by properly trained and qualified personnel, which will include at a minimum one of the OSEP Representatives pursuant to the Sublease, whose responsibilities are defined in **Exhibit “B”** to the Sublease; and

b. delivering and performing those services twenty-four (24) hours a day, seven (7) days a week, subject to the provisions of Section 15.4 [Force Majeure], except when delivery or performance is directly and adversely affected due to: (i) a UNO Event of Default, or any act or omission of Lessor or a UNO Person that would constitute a UNO Event of Default with the passage of time and/or giving of notice, that directly limits or prohibits Lessee’s ability to deliver and perform the applicable service; or (ii) a loss of or interruption in the provision of Utilities to the Plants or the Campus Buildings not caused by OSEP or an OSEP Person.

Notwithstanding the foregoing, Lessee will not, and will cause OSEP not to, employ an individual to perform any of the Operation and Maintenance Services who Lessor identifies as having been previously terminated by Lessor for “cause” or is otherwise prohibited by Lessor from entering the Campus. In the event Lessor does not identify such an individual before Lessee or OSEP employs such individual, Lessee or OSEP, as applicable, will terminate the employment of such individual within ten (10) days of notice by Lessor. Lessee will, and will cause OSEP to, further comply with any policies regarding contractors and contractors’ employees performing services at the Campus.

Section 8.3 Maintaining the Covered Assets.

a. General. Lessee will take good care of the Covered Assets so long as they are installed at the Campus, and keep them in good working and operating condition (ordinary wear and tear excepted) by conducting all required maintenance (including Maintenance Repairs) for the Term of this Lease. Lessor will allow Lessee to use any existing inventory, parts and equipment related specifically to the Covered Assets as of the Effective Date (but Lessor makes no representations or warranties with regard to the quality, quantity or fitness for use of such existing inventory, part or equipment). Notwithstanding the foregoing, if a Covered Non-Energy Asset (whether or not beyond its End of Useful Life) has been subject to repairs over a six (6) month period the aggregate costs of which equal or exceed fifty percent (50%) of its estimated replacement cost (determined by Lessee in its good faith judgment), the Parties acknowledge and agree that such Covered Non-Energy Asset shall be renewed or replaced by Lessor, and Lessee shall have no further obligation to repair that Covered Non-Energy Asset.

b. Timing. Lessee will begin to assess any Maintenance Event as soon as is reasonably practical, but no later than two (2) hours after its discovery (whether by notice received by Lessee from Lessor or other discovery by a Foundation Person); and in all instances will diligently pursue resolution of such Maintenance Event until it is completed.

c. No Right of Lessor to Perform. Except in the case of an Emergency that Lessee is not responding to, or as permitted when Lessor is exercising Step-In Rights in accordance with the Thermal Services Agreement, and then subject to the terms and conditions thereof, Lessor may not perform or cause to be performed any maintenance or repair on a Covered Asset. Lessor will be responsible for any acts or omissions of Lessor or a UNO Person that cause damages to Lessee or OSEP or any Covered Asset during any such permitted maintenance or repair.

Section 8.4 Lengthy Repairs. Routine or otherwise contemplated Maintenance Repairs will be specified in the applicable Annual Service Plan described in **Exhibit “D”** attached hereto. If Lessee anticipates or should reasonably anticipate that a Maintenance Repair will necessitate a significant interruption to delivery of Thermal Services to a Campus Building for a continuous period exceeding thirty (30) minutes, except in the event of an Emergency, Lessee will provide Lessor with sufficient advance notice as is reasonable under the circumstances (in any event, no less than twenty (20) days) before the commencement of such Work, of the nature of such Work and the likely disruption to the provision of Thermal Services to such Campus Building. Without limiting the generality of the foregoing, Lessee will coordinate any such Maintenance Repairs with the UNO Representative in advance of commencing such Work so as to mutually agree on the anticipated duration of the Work and any Excused Loss of Availability under the Thermal Services Agreement as a result thereof, and to implement reasonably acceptable procedures to minimize disruption, including backup Thermal Services in the interim. To the extent that any Covered Assets are shut down as a result of any Maintenance Repairs, such shutdowns will be deemed Excused Losses of Availability under the Thermal Services Agreement, but only for so long as previously agreed to by the Parties pursuant to the provisions of this Section 8.4 and, in any event, to the extent not due to a breach by Lessee of any of its obligations under this Lease, the other UNO Ancillary Agreements and the CEA or the negligence of Lessee, a Foundation Person, OSEP or a OSEP Person.

Section 8.5 Reserved.

Section 8.6 Provision of Utilities. Lessor will contract with all applicable Utility providers for the delivery and purchase of sufficient Utilities to the Plants in such quantities in order that Lessee and OSEP may fully perform their obligations under the UNO Ancillary Agreements. The costs of all such

Utilities shall be borne by Lessor, subject to the Off-taker Purchased Utility Reimbursement as described in **Exhibit “D”** to the Thermal Services Agreement; provided, however, that if Lessor elects to terminate the UNO Ancillary Agreements and the full Termination Fee due as a result thereof is not paid pursuant to **Exhibit “C”** to the Facilitation Agreement, and if OSEP elects to keep this Lease in full force and effect pursuant to Section 1.4.b of **Exhibit “D”** to the Facilitation Agreement as a result thereof, then Lessee shall be responsible for the costs of all such Utilities and shall reimburse Lessor therefor within thirty (30) days of Lessee’s receipt of any invoices relating thereto.

Section 8.7 Renewal Work and Replacement Work.

a. Subject to Section 8.7.b., Lessee will provide the Renewal Work and Replacement Work of Covered Energy Assets (“**Renewal/Replacement Work**”) and the cost and expense of such Work will be borne by the Parties in the manner described in this Section 8.7. With respect to any Renewal/Replacement Work performed by Lessee, Lessee will perform such Work on the same terms and conditions described in Section 7.3 hereof [Plant Improvements; Future Plant Improvements]. Following commencement of Renewal/Replacement Work by Lessee, such Work shall be diligently pursued and completed in accordance with the applicable provisions of this Lease.

b. If Renewal/Replacement Work for a Covered Energy Asset becomes necessary or prudent prior to such Covered Energy Asset’s End of Useful Life (a “**Defective Covered Energy Asset**”), in the determination of Lessee in order to keep the Covered Energy Assets in good working and operating condition, Lessee will be responsible for the cost and expense of such Renewal/Replacement Work. If a Covered Energy Asset beyond its End of Useful Life has been subject to repairs over a six (6) month period the aggregate costs of which equal or exceed fifty percent (50%) of its estimated replacement cost (determined by Lessee in its good faith judgment), the Parties acknowledge and agree that such Covered Energy Asset shall be renewed or replaced by Lessor, and Lessee shall have no further obligation to repair that Covered Energy Asset. For all other Renewal/Replacement Work and any Renewal/Replacement Work of Covered Non-Energy Assets (“**Ordinary Renewal Work**”), Lessor will be responsible for the cost and expense of such Ordinary Renewal Work. For Ordinary Renewal Work, Lessee will give Lessor at least six (6) months prior notice setting forth the basis for Lessee’s determination and the proposed scope and cost of such Ordinary Renewal Work (an “**Ordinary Renewal Work Notice**”). Lessor may either (i) instruct Lessee to undertake all or any portion of such Ordinary Renewal Work (such Ordinary Renewal Work to be performed by OSEP pursuant to the Sublease), (ii) inform Lessee that Lessor will undertake such repairs directly or through a third party for which Lessor will be responsible, or (iii) inform Lessee that it elects not to undertake, and elects not to instruct Lessee, OSEP or a third party to undertake, such Ordinary Renewal Work. The failure of Lessor to respond to an Ordinary Renewal Work Notice within three (3) months after its receipt thereof shall be deemed to be Lessor’s commitment to undertake the subject Ordinary Renewal Work on its own behalf, and Lessee shall have no further obligation with respect thereto.

c. If Lessor instructs Lessee to cause OSEP to perform Ordinary Renewal Work, Lessor will discuss with Lessee and OSEP the cost and other terms for such Ordinary Renewal Work. Prior to commencement of such Ordinary Renewal Work, Lessor will elect, in its discretion, to pay for the cost of Ordinary Renewal Work either (i) in a lump sum pursuant to invoice delivered by OSEP upon completion of the Ordinary Renewal Work or (ii) through an increase in the amount of Thermal Services Charges payable by Lessor to OSEP pursuant to the Thermal Services Agreement for the remainder of the Term or another agreed upon period of time; provided, however, that Lessor and OSEP shall agree in writing to the increased amount and duration of Thermal Services Charges before Lessee or OSEP may commence the Ordinary Renewal Work. If Lessor instructs Lessee to cause OSEP to perform Ordinary

Renewal Work, Lessee will cause OSEP to promptly commence and diligently pursue completion of such Renewal/Replacement Work using Commercially Reasonable Efforts.

d. If Lessor advises Lessee that Lessor elects to undertake Ordinary Renewal Work set forth in an Ordinary Renewal Work Notice pursuant to Section 8.7.b(ii) or elects not to cause such Ordinary Renewal Work to be performed at all pursuant to Section 8.7.b(iii), Lessee will have no further obligation with respect to that Renewal/Replacement Work. In addition, Lessor will be responsible for any adverse impact resulting from Lessor's failure to either promptly and diligently pursue completion of that Renewal/Replacement Work or direct Lessee to undertake that Renewal/Replacement Work. Any malfunction or failure of the applicable Covered Assets will constitute an Excused Covered Asset Malfunction to the extent such malfunction or failure contributes to such Loss of Availability.

Section 8.8 Operations Manual. Lessee will deliver the Operations Manual to Lessor no later than the Effective Date, and will update from time to time as provided in **Exhibit "D"** attached hereto.

Section 8.9 Covered Asset Testing.

a. The UNO Representatives may attend any tests and verifications conducted pursuant to the performance of the Operation and Maintenance Services hereunder.

b. Lessee will provide Lessor at least three (3) days' notice of any tests or verifications to be conducted on a Covered Asset; provided, that in the event of an Emergency, Lessee will only be required to provide Lessor with such notice as is practical under the circumstances.

c. Following the completion of all testing, Lessee will provide all test results and reports to Lessor within five (5) Business Days after Lessee receives the reports.

Section 8.10 Annual Service Plans. Lessee will implement, or cause to be implemented, an Annual Service Plan setting forth the annual operational and maintenance plan for the performance of the Services, as determined by Lessee after giving (and causing OSEP to give) due consideration to any advice and input from Lessor. The Annual Service Plan for the first Lease Year will be delivered to Lessor within thirty (30) days of the Effective Date. Thereafter, Lessee will submit (or cause to be submitted) to Lessor no later than one (1) month prior to commencement of each subsequent Lease Year the Annual Service Plan proposed for such Lease Year.

Section 8.11 Meetings. Throughout the Term of this Lease, the Board Representatives, Foundation Representatives and OSEP Representatives will meet at least monthly to review the performance of each Party under this Lease (and OSEP's performance under the Sublease) and to discuss and attempt to resolve any matters regarding the performance of either Party's obligations under this Lease (or the Sublease), the status or condition of the Covered Assets, and any means to improve the optimization or efficiency of the Covered Assets.

Section 8.12 Physical Security. During the Term of this Lease, Lessee will provide the necessary security and make all necessary arrangements to ensure the protection of the Plant Assets (but specifically excluding any Covered Assets not located within the Plants), and the safety and security of all individuals within the Plants. Authorized personnel of Lessor will be granted access to the Plants for permitted purposes, which shall include inspection, operation, maintenance, repair and management of the Non-Leased Assets. Lessee shall not be responsible for safety and security related to the Campus Buildings.

Section 8.13 Service Contracts.

a. Except for the Assigned Service Contract, Lessor will either terminate all service contracts with third parties that affect or relate to the Operation and Maintenance Services (or will modify and amend all such service contracts to exclude and no longer apply to the Covered Assets). On or prior to the Commercial Operations Date, Lessor shall provide notice of termination of the Assigned Service Contract to the counterparty, which termination shall be effective no later than one hundred eighty (180) days after the Commercial Operations Date. In no event will Lessee assume any rights or obligations of Lessor relating to any service contracts other than the Assigned Service Contract.

b. On the Effective Date, Lessor will convey and assign to Lessee all of Lessor's right, title and interest in and to the Assigned Service Contract. Lessee will assume (but simultaneously assign to OSEP) the rights and obligations of Lessor relating to the Assigned Service Contract as of the Effective Date and indemnify Lessor (such indemnity to be provided by OSEP) for any liabilities arising thereunder from and after the Effective Date; provided, that Lessor will remain liable for and indemnify Lessee and OSEP for any liabilities arising under the Assigned Service Contract prior to the Effective Date. To the extent a third-party consent is required to assign the Assigned Service Contract, the Parties will cooperate with one another to enter into a mutually agreeable arrangement under which OSEP (as the assignee of Lessee's interests) would obtain the benefits thereunder, and under which Lessor would enforce for the benefit of OSEP, at OSEP's expense, any and all rights of Lessor against a third party thereto.

Section 8.14 Handback Condition of Covered Assets. At the end of the Term, Lessee will deliver possession, use and title (to the extent vested in OSEP or OSEP's Trustee) of the then-existing Covered Assets back to Lessor at no charge (but subject to payment of the Termination Fee, if applicable). Notwithstanding the foregoing, with respect to any Covered Assets with an End of Useful Life of less than [●] ([●]) years, Lessee shall have no obligation under this Lease with respect to the working order or condition of the Plant Premises or those Covered Assets at the end of the Term hereof; provided, that Lessee shall have complied with its obligations contained in Article 8 hereof. With respect to any Covered Energy Assets located in a Plant that have been damaged by an event of casualty during the Term of this Lease that have not been repaired or replaced as of the termination or expiration hereof, Lessee shall have no obligation to repair or replace such Covered Energy Assets and Lessor will be entitled to receive any insurance proceeds receivable by Lessee, if any, on account of such Covered Energy Assets.

ARTICLE 9 THIRD PARTY OFF-TAKERS

Section 9.1 Obligations with Regard to Third Party Off-Takers. Lessor acknowledges and agrees that pursuant to and in accordance with the Sublease, OSEP anticipates utilizing the Plant Assets to provide Thermal Services to Third Party Off-takers for compensation payable to OSEP. Lessor shall have no responsibility for the design or construction of any Third Party Distribution Systems necessary to supply Third Party Off-takers with Thermal Services, which shall be the sole responsibility of OSEP pursuant to the Sublease. Title to all Third Party Distribution Systems shall be vested in OSEP or OSEP's Trustee.

ARTICLE 10 MORTGAGE

At no time during the Term of this Lease may Lessee mortgage, hypothecate, pledge or otherwise encumber its interests in this Lease or the Sublease, or otherwise grant any security interest, lien or other encumbrance on any Leased Property, except to OSEP (which may be assigned to OSEP's Financier) in the manner and to the extent specifically provided in the Sublease and the NDA. Notwithstanding the foregoing, each Party hereby acknowledges and agrees that the prohibition on Lessee in the preceding sentence shall not apply to OSEP as a result of OSEP's assumption of Lessee's obligations under this Lease pursuant to the Sublease, and that OSEP shall have the right to mortgage, hypothecate, pledge or otherwise encumber its interests in the Sublease and this Lease on the same terms and conditions set forth in ARTICLE 14 [Security Interests] of the Sublease and the NDA.

ARTICLE 11 RESERVED

ARTICLE 12 REPRESENTATIVES

Within ten (10) Business Days of the Effective Date, Lessor shall appoint one (1) Board Representative and three (3) UNO Representatives, and Lessee shall appoint at least one (1) Foundation Representative, each of whom will be authorized to act as a designated contact person(s) for matters concerning this Lease; provided, however, that throughout the Term of this Lease, the Party's representatives may have different levels of authority to act on behalf of the appointing Party. A Party will be bound by the written communications from its representative to the other Party. In addition, in cooperation with Lessee, Lessor will designate which Board Representatives (but in any event at least one (1)) will be available twenty-four (24) hours per day, seven (7) days per week and the means by which such representatives may be contacted at all times. These particular Board Representatives are to be notified by Lessee at any time that OSEP has Knowledge of an Emergency. A party may remove and replace a representative upon providing the other parties with Notice. The parties will be entitled to rely on the genuineness of such Notice from another party.

ARTICLE 13 INSURANCE

Section 13.1 Insurance. Lessee shall comply with the insurance obligations set forth in **Exhibit "F"** hereto and **Exhibit "E"** to the CEA; provided, however, that Lessee shall have no obligation to maintain property insurance on any Board assets, properties or equipment other than the Covered Energy Assets.

Section 13.2 Additional Insured. Lessee shall cause OSEP to name Lessor as additional insureds in each general liability policy obtained by OSEP and as additional insureds and loss payees in each property insurance and boiler and machinery policy obtained by OSEP.

ARTICLE 14 ASSIGNMENT AND TRANSFER

Section 14.1 Assignment. Neither Party will assign or otherwise transfer its rights or obligations under this Lease except in accordance with (i) the provisions of ARTICLE 9 of the CEA, (ii) Section 14.2, or (iii) pursuant to Section 3.1 hereof and Section 1.4.b. of **Exhibit "D"** to the Facilitation Agreement, and in all instances subject to OSEP's prior written consent; provided, however,

that Lessor acknowledges and consents to Lessee's assignment of its obligations, rights, preferences and privileges hereunder to OSEP pursuant to the Sublease.

Section 14.2 Substitution of Lessee. If a Foundation Event of Default shall occur and be continuing and if OSEP exercises its rights pursuant to Section 1.5 of **Exhibit "D"** to the Facilitation Agreement to substitute and replace Lessee as a party hereunder with a Successor Nonprofit, Lessor and Lessee will cooperate and execute and deliver all such agreements and documentation that OSEP or such Successor Nonprofit may reasonably request in order to consummate the assignment and assumption of this Lease from Lessee.

ARTICLE 15 EVENTS OF DEFAULT AND REMEDIES

Section 15.1 Events of Default.

a. By Lessor. Subject to Force Majeure as provided in Section 15.4, the occurrence of any of the following events shall constitute a UNO Event of Default:

(1) Lessor fails to cure its breach of a non-monetary obligation under this Lease within thirty (30) days after Lessor receives notice from Lessee of the breach; provided, that if such breach cannot reasonably be cured during such 30-day period, Lessor will be entitled to an additional 30-day period within which to cure its breach, so long as it will have begun to cure such breach within the initial 30-day period and is diligently pursuing such cure; or

(2) Lessor fails to make any monetary payment due Lessee under this Lease within thirty (30) days after Lessor receives notice from Lessee of such payment being past due.

For purposes of this Lease, a UNO Event of Default described in Section 15.1a(2) will be deemed to constitute an **"UNO Event of Major Default."**

b. By Lessee. Subject to Force Majeure as provided in Section 15.4, the occurrence of any of the following events shall constitute a Foundation Event of Default:

(1) Lessee fails to cure its breach of a non-monetary obligation under this Lease within thirty (30) days after Lessee receives notice from Lessor (which notice shall also be sent to OSEP) of the breach; provided, that if such breach cannot reasonably be cured during such 30-day period, Lessee will be entitled to an additional 30-day period within which to cure its breach, so long as it will have begun to cure such breach within the initial 30-day period and is diligently pursuing such cure; or

(2) Lessee fails to make any monetary payment due Lessor under this Lease within thirty (30) days after Lessee receives notice from Lessor (which notice shall also be sent to OSEP) of such payment being past due.

Section 15.2 Remedies.

a. For Lessor. Upon the occurrence of a Foundation Event of Default, Lessor may: (i) seek specific performance of Lessee's obligations under this Lease; and/or (ii) seek any other remedy available to Lessor in law, including claims for damages, but excluding termination unless expressly provided pursuant to **Exhibit "D"** to the Facilitation Agreement. In addition to the foregoing, upon the occurrence of a Foundation Event of Default, OSEP may (i) select an alternate 501(c)(3) nonprofit to step into Foundation's place under the Lease or (ii) assume the Lease for itself.

UNO

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b. For Lessee. Upon the occurrence of a UNO Event of Default, Lessee may: (i) seek specific performance of Lessor's obligations under this Lease; and/or (ii) seek any other remedy available to Lessee in law, including claims for damages, but excluding termination unless expressly provided pursuant to **Exhibit "D"** to the Facilitation Agreement. In addition to the foregoing, upon the occurrence and continuation of a UNO Event of Major Default, OSEP may terminate all, but not less than all, of the UNO Ancillary Agreements in accordance with Section 1.2.b of **Exhibit "D"** to the Facilitation Agreement.

Section 15.3 Delay or Omission; Waiver. No delay or omission in the exercise of any right or remedy accruing to any Party upon any breach of this Lease by the other Party shall impair such right or remedy or be construed as a waiver of any breach theretofore or thereafter occurring. No provision of this Lease will be considered waived unless the waiver is in writing and signed by an authorized representative of the Party granting the waiver; provided, further, that any waiver by Lessee shall also be signed by OSEP in order to be effective and valid. The waiver of any condition or the breach of any term, covenant, or condition herein or therein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or any other term, covenant or condition herein or therein contained.

Section 15.4 Force Majeure.

a. Subject to the provisions of Section 15.4.b., to the extent a Party is prevented by an event of Force Majeure from carrying out any of its obligations under this Lease and such Party gives notice and details of the event of Force Majeure and the obligations it is prevented from performing to the other Party as soon as practicable (and in any event within five (5) days after such event of Force Majeure first prevents performance by that Party), then the Party seeking relief will be temporarily excused during the continuance of the Force Majeure event from the performance of such of its obligations under this Lease as are affected by the event of Force Majeure; provided, however, that no event of Force Majeure will excuse the monetary obligations of the Parties.

b. The Party affected by the event of Force Majeure will use Commercially Reasonable Efforts to eliminate or avoid the effects thereof and resume performing those obligations for which it was excused pursuant to Section 15.4a.

**ARTICLE 16
TAXES**

Pursuant to the ownership and tax status of the Parties as defined in Section 2.2, each Party shall pay to the appropriate collecting authorities all federal, state and local taxes, fees and assessments becoming due and payable with respect to the Leased Property, Plant Improvements and Future Plant Improvements, and all taxes or other charges imposed during the Term of this Lease with respect to any business operations on the Leased Property. Notwithstanding anything contained herein to the contrary, Lessee shall not be responsible for and shall not pay any assessments, charges and sales, use, property, excise, or other taxes now or hereafter imposed by any governmental body or agency upon the provision of the Work or the Services by OSEP, implementation or presence of the Plant Improvements or Future Plant Improvements, the use of the Plant Improvements or Future Plant Improvements or payments due to Lessee under this Lease, other than taxes upon the net income of Lessee, if applicable. Lessor shall be responsible for real or personal property taxes relating to equipment or material included in the Plant Improvements and Future Plant Improvements. Neither Party shall be responsible for real or personal property taxes imposed upon any equipment or material owned by the other Party. A Party shall have the right to contest the validity or the amount of any taxes through any appropriate proceedings. Lessee may

institute proceedings with respect to the assessed valuation of the Leased Property and the Plant Improvements or Future Plant Improvements for the purpose of securing a tax reduction.

ARTICLE 17 NOTICES

All notices or communications related to this Lease will be provided pursuant to Section 10 of the Facilitation Agreement.

ARTICLE 18 MISCELLANEOUS

Section 18.1 Lessor's Right to Enter Leased Property. Subject to the terms and conditions of this Lease, during the Term of this Lease, Lessee will grant authorized personnel and contractors of Lessor reasonable access to the Plants (with reasonable prior notice, either by phone or e-mail, except for cases of Emergency) for purposes of verifying compliance with this Lease and the other UNO Ancillary Agreements.

Section 18.2 Quiet Enjoyment. Lessee, upon observing and keeping all covenants, warranties, agreements and conditions of this Lease on its part to be kept, shall quietly have and enjoy the Leased Property during the Term of this Lease and any renewal or extension thereof, without hindrance or molestation by anyone.

Section 18.3 Relationship of Parties. Nothing in this Lease will be deemed to constitute any Party a partner, agent or legal representative of any other Party or to create a joint venture, partnership, agency or any relationship between the Parties. The Parties' respective obligations are individual and not collective in nature.

Section 18.4 Severability. To the fullest extent possible, each provision of this Lease shall be interpreted in such manner as to be effective and valid under law, but if any provisions of this Lease shall be prohibited or invalid under any law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Lease.

Section 18.5 Recordation of Lease. Upon execution of this Lease, it shall be the responsibility of Lessee or its designee to have this Lease, or a memorandum of this Lease, recorded in the Office of the Mortgage Records for the Parish of Orleans. If a memorandum of this Lease is recorded, it shall be in a form approved by the Parties. Lessee shall provide Lessor with a certified copy of the recorded Lease or memorandum thereof. Recordation of the Lease or a memorandum thereof shall be at Lessee's or its designee's expense.

Section 18.6 Successors and Assigns. This Lease shall be binding on and will inure to the benefit of the Parties to this Lease and their respective successors and assigns.

Section 18.7 Counterparts. This Lease may be executed in counterparts, each of which will be deemed an original and all of which will constitute one agreement. The signatures of any Party to a counterpart will be deemed to be a signature to, and may be appended to, any other counterpart. Digital signatures and other electronic signatures and copies of manual signatures transmitted by facsimile, e-mail or other electronic means will be binding and considered fully effective as if they were authentic original signatures.

Section 18.8 Entire Agreement. This Lease, together with the CEA and the other UNO Ancillary Agreements (to the extent such other UNO Ancillary Agreements remain in full force and effect during the Term of this Lease), constitute the Parties' entire agreement with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings between the Parties relating to the subject matter hereof. Except as otherwise provided in this Lease, no amendment, supplement or modification of this Lease will be binding upon any Party unless executed in writing by such Party.

Section 18.9 No Personal Liability. Except to the extent provided by law, no covenant or agreement contained in this Lease shall be deemed to be the covenant or agreement of any official, officer, agent or employee of any Party hereto in his individual capacity, and neither the officers of any Party hereto nor any official or agent executing this Lease shall be liable personally with respect to this Lease or be subject to any personal liability or accountability by reason of the execution and delivery of this Lease. However, any Person may be held personally liable for such Person's individual fraudulent acts.

Section 18.10 Governing Law. This Lease shall be construed in accordance with and governed by the laws of the State of Louisiana. Any action for injunctive relief, damages, or any other purpose other than those set forth in **Exhibit "F"** of the Facilitation Agreement shall be brought in the Nineteenth Judicial District Court in Baton Rouge, Louisiana.

Section 18.11 Estoppel Certification. Any Party shall, without charge, at any time and from time to time hereafter within sixty (60) days after written request of another Party (such request to specify this Agreement and Section), certify by written instrument duly executed and acknowledged to any Person or entity specified in such request: (a) as to whether this Lease has been supplemented or amended, and if so, the substance and manner of such supplement or amendment; (b) as to the validity and force and effect of this Lease, in accordance with its tenor as then constituted; (c) as to the existence of any default thereunder by such Party or, to such Party's Knowledge, the other Party; (d) as to the existence of any offsets, counterclaims or defenses thereto on the part of such other Party for which such Party has Knowledge; (e) as to the commencement and expiration dates of the Term of this Lease; and (f) as to any other matters as may reasonably be so requested. Any such certificate may be relied upon by the requesting Party and any other Person, firm or corporation to whom the same may be exhibited or delivered, and the contents of such certificate shall be binding on the Party executing same. Any estoppel certification delivered pursuant to this Section 18.11 shall only speak as to the facts contained in such certification and shall not be deemed to constitute an amendment or modification to this Lease.

Section 18.12 Confidential Proprietary or Trade Secret Information. All records containing proprietary or trade secret information which Lessee intends to be maintained by Lessor as confidential pursuant to La. R.S. 44:3.2 shall be submitted with a cover sheet that provides in bold type "DOCUMENT CONTAINS CONFIDENTIAL PROPRIETARY OR TRADE SECRET INFORMATION", and with each instance of information which Lessee believes to be proprietary or trade secret information clearly marked.

Section 18.13 No Authorship Presumption. Each of the Parties has had an opportunity to obtain legal advice and negotiate the language of this Lease. No presumption shall arise or adverse inference be drawn by virtue of authorship, and each Party hereby waives the benefit of any rule of law that might otherwise be applicable in connection with the interpretation of this Lease, including but not limited to any rule of law to the effect that any provision of this Lease shall be interpreted or construed against the Party whose counsel drafted that provision.

Section 18.14 Further Assurances. From time to time, and at any time, at and after the Effective Date, each Party will execute, acknowledge and deliver such documents and assurances, reasonably requested by any other Party (in such form reasonably acceptable to the requested Party) and will take any other action consistent with the terms of any Contract Document that may be reasonably requested by a Party for the purpose of effecting or confirming any of the transactions contemplated hereby or thereby.

Section 18.15 Third Party Beneficiaries. Except as otherwise expressly stated herein, the Parties do not confer any rights or remedies upon any Person other than the parties to this Lease and their respective successors, permitted assigns, and Affiliates. Notwithstanding the forgoing, the Parties hereby designate OSEP as a third-party beneficiary of this Lease, having the right to enforce directly against all Parties and on its own behalf and on behalf of Lessee all of the provisions hereof as if OSEP was a party hereto.

Section 18.16 Time of the Essence. Time is of the essence of this Lease.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.]

IN WITNESS WHEREOF, this Lease Agreement has been signed in four originals by the undersigned duly authorized representative, in the presence of the undersigned competent witnesses, on the dates indicated below.

WITNESSES:

**THE BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

Signature

Printed Name

Signature

Printed Name

By: _____

Name: _____

Title: _____

Dated: [●], 2022

IN WITNESS WHEREOF, this Lease Agreement has been signed in four originals by the undersigned duly authorized representative, in the presence of the undersigned competent witnesses, on the dates indicated below.

WITNESSES:

[●]

Signature

Printed Name

Signature

Printed Name

By: _____

Name: _____

Title: _____

Dated: [●], 2022

(SIGNATURE PAGE OF LESSEE TO LEASE AGREEMENT)



1304 BERTRAND DR. STE.F7
LAFAYETTE, LA 70506
337 234 7474
fax | 337 234 7774
meconsulting.com

October 3, 2022

Mr. Jay Dardenne
Commissioner of Administration
State of Louisiana
1201 N. Third Street, Suite 7-210
Baton Rouge, LA 70802

Re: UNO LAEP Technical Review

We have attended meetings in person and online, reviewed documents received from Bernhard and submitted questions regarding the LA Energy Partners (LAEP) offer to The University of New Orleans (UNO).

1. Determine the reasonableness of the estimated capital cost of the proposed Project Scope of Work. Ensure the capital cost is aligned with the proposed Project Scope of Work.
 - a. We have reviewed the submittals to date from LA Energy Partners. The documents submitted to date meet the requirements of the "Master Cooperative Purchasing Provision" with regard to the technical requirements. The current construction cost submitted by LAEP is not the final numbers. LAEP have provided a means to reviewing their final cost to M&E. M&E will continue to review the cost during design and prior to construction. LAEP will be submitting a method for disputes in cost alignment during design and pricing.
2. Determine the reasonableness of the submitted estimated energy and operational cost savings of the proposed Project Scope of Work. Ensure the estimated energy and operational savings are aligned with the Project Scope of Work.
 - a. We have reviewed the estimated energy and operation cost savings proposed to date from LA Energy Partners. The estimated and energy and operational savings are aligned with the Project Scope of Work.
3. Verify the reasonableness of the Measurement and Verification (M&V) Plan and the approach to validate and confirm energy cost savings for the Project.
 - a. We have reviewed current M&V Plan proposed to date from LA Energy Partners. The M&V Plan is aligned with the Project Scope of Work and the accepted standard of care. The final M&V will be reviewed once complete.
4. Determine if the university's system issues and desires are taken care of within the project.
 - a. The university have been a part of this review process. Their desires have been met within the limits of the "Master Cooperative Purchasing Provisions".

In summary the proposed submitted documents reviewed meet the intent of the "Master Cooperative Purchasing Provisions" regarding technical review. We will continue to review for cost alignment with the final design proposal and construction cost.

We are available should you have any questions.

Scotty J. Baudoin, P.E.
M&E Consulting, Inc.

FINANCIAL ADVISOR'S REVIEW OF COOPERATIVE ENDEAVOR AGREEMENT OPT-IN REQUIREMENTS

UNIVERSITY OF NEW ORLEANS ENERGY SERVICES MODERNIZATION AND PRIVATIZATION TRANSACTION

October 7, 2022



October 7, 2022

Mr. Jay Dardenne
Commissioner of Administration
State of Louisiana
1201 N. Third Street, Suite 7-210
Baton Rouge, LA 70802

Re: Energy Services Modernization and Privatization Transaction Between
University of New Orleans (UNO) and Orleans Sustainable Energy Partners, LLC (OSEP)

Dear Commissioner Dardenne,

Sisung Securities Corporation (Sisung) is serving as financial advisor to the University of New Orleans (UNO) in connection with its proposed energy services modernization and privatization transaction with Orleans Sustainable Energy Partners, LLC (OSEP). The UNO transaction is to be implemented as an opt-in to the State's existing Cooperative Endeavor Agreement (CEA) dated September 27, 2019 between the State and LA Energy Partners, LLC (LAEP) in connection with the State's Shaw Center transaction.

UNO has previously submitted to you the proposed transaction documents which are presently under review by your staff. We are providing this document for use by the State for the purpose of facilitating the State's review and approval of UNO's eligibility to opt-in to the CEA and the proposed transaction's compliance with the CEA's opt-in conditions. As you are aware, we previously served as the State's financial advisor for the Shaw transaction and were thoroughly involved in the negotiation of the CEA.

In summary, and subject to the limitations described herein, we believe that (i) the proposed transaction meets the requirements of the "Master Cooperative Purchasing Provisions" contained in Exhibit C to the CEA, (ii) the transaction is structured in a manner very similar to the Shaw transaction and thus contains a very similar allocation of rewards, risks, duties, liabilities, and other commercial terms among the parties as was contained in the Shaw transaction, and (iii) the transaction is expected to deliver financial and other benefits to UNO and the State.

We are happy to answer any questions you or your staff may have.

Sisung Securities Corporation

NOTE REGARDING LIMITATIONS, SCOPE AND USE OF THIS DOCUMENT

The purpose of this document is to facilitate the State's review and approval of UNO's eligibility to opt-in to the CEA and the proposed transaction's compliance with the CEA's opt-in conditions. Accordingly, this document is very limited in its scope and purpose and does not contain a full analysis of the transaction or the factors material to UNO in its decision to pursue the transaction.

In our role as UNO's financial advisor, Sisung has reviewed and provided advice to UNO regarding the financial and business terms of the transaction. Among other things, we have examined and found reasonable (i) the transaction structure as provided in the draft transaction documents (taken at their face value but excluding any legal advice), (ii) the calculation methodologies and spreadsheet formulas contained in the workbooks provided by OSEP (workbook version 3), and (iii) certain financial and business variables and assumptions inherent in such calculations.

Our role has not included a review of and we express no opinion as to various matters outside of our expertise and scope, including in particular but not limited to (a) operationally related factors primarily within UNO's purview such as UNO's historical or future operational practices, staffing levels, asset management procedures, campus building master planning, student enrollment, or the budget impact of any such factors, (b) technically related factors primarily within the purview of UNO's technical advisor such as the cost of projects, the ability of projects to deliver the projected energy savings, the useful life of projects, or the lifecycle costs of projects, or (c) legal matters primarily within UNO's legal advisors' purview such as the interpretation of State law, the validity and enforceability of the transaction documents, or any legal advice. With respect to such matters, our analysis inherently relies upon information provided to us by UNO, its technical advisor and its legal advisor.

OSEP has provided information regarding its intended federal and state tax treatment of the transaction and its resulting tax liabilities. We are generally familiar with such tax rules and have no reason to believe that OSEP's representation of its tax position is inaccurate. However, we are not tax attorneys or accountants and we express no opinion as to tax matters concerning OSEP. For purposes of our financial analysis, we have accepted OSEP's tax liabilities as-is and note that all post transaction tax risk will fall on OSEP. In the event OSEP's actual tax position is different and it owes more or less taxes than projected, UNO's payments to OSEP will remain unchanged but OSEP may realize a higher or lower after-tax income than projected.

The descriptions herein are based upon the proposed structure of the transaction as contained in the draft transaction documents previously submitted to the State. While the final structure and the documents are not expected to materially change, we note that UNO and OSEP continue to refine the details of the project scope which may result in marginal changes to the workbooks and the figures presented herein.

We also note that the final financial terms of the transaction are highly dependent upon interest rates. The figures included in the draft transaction documents and in this document are based upon interest rates in effect in early September 2022. Financial market conditions are currently volatile and interest rates are now higher. The actual financial terms of the transaction will be established at a later date based on market interest rates at the time. The analysis contained in this document presumes that UNO will not execute the transaction under materially adverse interest rates.

**COMPLIANCE WITH MASTER COOPERATIVE PURCHASING PROVISIONS
OF COOPERATIVE ENDEAVOR AGREEMENT**

1. **Opt-In Provisions:** *Pursuant to the terms and conditions of the CEA and this Exhibit "C", any State Entity shall be able to opt into the CEA and enter into future Ancillary Agreements pursuant to ARTICLE 6 of the CEA or any other agreement necessary to facilitate a Project pursuant to the terms and conditions of the CEA.*
 - **Requirement Met:** UNO will opt-in to the CEA. The transaction will include the following Ancillary Agreements:
 - Adoption Agreement
 - Facilitation Agreement
 - Lease Agreement (Lease)
 - Sublease Agreement (Sublease)
 - Facilities Optimization Services Agreement (FOSA)
 - Thermal Services Agreement (TSA)
 - Right of Use and Servitude Agreement (Servitude)
 - Non-Disturbance and Attornment Agreement (NDA)
2. **Net Public Benefit Assurance:** *For each Project, a Project SPE shall provide the State Entity with a Net Public Benefit assurance pursuant to the requirements of Exhibit "B".*
 - **Requirement Met:** The transaction will contain Net Public Benefit assurance provisions meeting the minimum requirements of CEA Exhibit B.¹ Net Public Benefit is projected at \$42.7 million² over the life of the transaction and consists of:
 - (i) \$0.5 million of Operating Budget Savings, which is the projected impact to UNO's annual operating budget, and therefore determines the affordability of the transaction for UNO.
 - (ii) \$24.0 million of Capital Outlay Savings, which is the projected reduction in future capital outlay expenditures by the State or UNO, and therefore impacts future capital outlay capacity.
 - (iii) \$18.3 million of Pre-Paid Rent Benefit, which accounts for the benefits provided by UNO's use of Pre-Paid Rent for purposes other than the projects.

¹ Adoption Agreement Exhibit A.

² See Exhibit A for calculation. We note that the calculation of Net Public Benefit relies on many assumptions, inputs and methodologies. The actual Net Public Benefit may vary from the amount described herein. In particular, the amount of Capital Outlay Savings is based upon OSEP's subjective determination of the percentage portion of project costs which represent avoided capital outlay expenditures which UNO or the State otherwise would have made absent the transaction. We express no opinion as to such percentage nor the exact size or order of magnitude of the resulting Capital Outlay Savings. However, we do agree that Capital Outlay Savings are undoubtedly a material positive amount which contributes to Net Public Benefit.

3. **Non-Appropriation:** *All State obligations related to any Project are subject to appropriation by the Legislature of sufficient funds therefor and the availability of funds following appropriation by the Legislature, and a Project may be terminated due to non-appropriation of complete funding.*
- **Requirement Met:** All obligations of UNO will be subject to such appropriation requirements.³ In addition to other termination events, the transaction may be terminated in the event of non-appropriation.⁴
4. **Thermal Services:** *The following guidelines shall apply to any Project whereby a Project SPE provides Thermal Services pursuant to a Lease and Thermal Services Agreement:*
- a. **Lease:** *When assets are leased ("Leased Plant") as a part of a Project pursuant to a Lease, the Lease Value and Base Rent thereunder shall be calculated as follows:*
- (i) **Lease Value:** *The fair value of the lease of Covered Assets (the "Lease Value") shall be established using the Discounted Cash Flow Valuation Method based on the term of the Lease, equipment capacity, market firm and non-firm rates for Thermal Services, and an appropriate capitalization rate (overall rate of return) not exceeding eight percent (8%).*
- **Requirement Met:** The Gross Lease Value of \$228.6 million has been calculated as described using the DCF method, with an 5.44% capitalization rate over the term of the transaction, based on projected after tax cashflow to OSEP, including revenue from both UNO at firm rates and potential off-takers at non-firm rates.⁵
- (ii) **Base Rent:** *The annual Base Rent payments shall be established using the Lease Value, the term of the Lease, and an appropriate interest rate not less than four and one-half percent (4.5%).*
- **Requirement Met:** After deducting \$19.9 million to pay for certain initial capital improvements related to the Lease, OSEP will pay the remaining \$208.7 million in Net Lease Value to UNO as \$9.6 million in Pre-Paid Rent and \$199.1 million in present value of Annual Rent. Based on an accretion/interest rate of 5.0%, the Annual Rent will total \$378.0 million future value over the transaction term.⁶

³ Adoption Agreement Section 10(b), FOSA Section 25, TSA Section 7.3.

⁴ Facilitation Agreement Exhibit D.

⁵ See Exhibit B for calculation. We are not appraisers and no formal appraisal of the Lease Value has been prepared by any party. The DCF calculations and assumptions used to calculate the Lease Value for UNO is consistent with the methodology used by the State to calculate the Lease Value for the Shaw Center transaction. OSEP does not presently anticipate serving any off-takers. Off-taker revenue is included in the calculation of the Lease Value only, but is not included in other calculations or exhibits described herein. The inclusion of such hypothetical off-takers increases the Lease Value paid to UNO.

⁶ See Exhibit C for calculation.

(iii) **Utilities:** *The State Entity will be responsible for the provision and payment of all Utilities to and used by the Covered Assets.*

- **Requirement Met:** UNO will provide and pay for utilities, subject to pro-rata reimbursement in the event the Covered Assets are used to provide service to off-takers.⁷

b. **Thermal Services Agreement:** *When a Thermal Services Agreement is utilized as part of a Project, the Thermal Services Charges thereunder shall be established as follows:*

(i) **Base Thermal Services Charge:** *The Base Thermal Services Charge shall be established by using the estimated Thermal Services consumption of the Covered Facility(ies) under the applicable Thermal Services Agreement and the market firm and non-firm rates for Thermal Services used to establish the Lease Value.*

- **Requirement Met:** UNO's Base TSA Charge will be based on its estimated consumption/usage and market firm rates. Charges to off-takers are estimated based on full capacity consumption/usage and estimated market non-firm rates.⁸

(ii) **Thermal Services Charge:** *The Thermal Services Charge shall be equal to the Base Thermal Services Charge less the Rent Payment.*

- **Requirement Met:** The Net TSA Charge will equal the Base TSA Charge less the Annual Rent Credit and certain other additional credits.⁹

(iii) **Third Party Off-Taker Purchased Utility Cost Reimbursement:** *The Project SPE shall reimburse the State Entity for any additional utility costs incurred by the State Entity as a result of the SPE's use of the Covered Assets to produce Thermal Services for Third Party Off-takers.*

- **Requirement Met:** UNO will provide and pay for utilities, subject to pro-rata reimbursement in the event the Covered Assets are used to provide service to off-takers.¹⁰

(iv) **Most Favored Nations Clause:** *In the event Thermal Services are provided to a Third Party Off-taker from a Covered Asset, the Project SPE shall reduce the State Entity's Thermal Services Charges to the lowest rate for Thermal Services charged by the Project SPE to a Third-Party Off-taker provided by the same Covered Asset.*

- **Requirement Met:** The transaction will contain such a most favored nations clause.¹¹

⁷ Lease Section 8.6 and TSA Exhibit D.

⁸ See Exhibit D for calculation.

⁹ See Exhibit D for calculation.

¹⁰ Lease Section 8.6 and TSA Exhibit D.

¹¹ Sublease Section 7.1(b).

(v) Net Payment: *The net payment due from a State Entity under a Thermal Services Agreement shall be equal to the Thermal Services Charge for the applicable Covered Facility(ies) minus the Third Party Off-taker Purchased Utility Cost Reimbursement.*

- **Requirement Met:** UNO will receive a credit towards payment of its Net TSA Charge in the amount of the pro-rata utility cost reimbursement due to off-takers.¹²

5. **Project Terms and Conditions.**

a. **Transparent Pricing:** *The Project SPE shall price all Work and Services under an Ancillary Agreement in an open-book pricing manner.*

- **Requirement Met:** OSEP has provided a full set of spreadsheets and document exhibits that show the line-item detailed pricing of all Work and Services to be performed under the TSA and FOSA.¹³

b. **Termination Provisions:** *The State Entity and the Project SPE have the right to terminate Ancillary Agreements prior to the Expiry Date thereof under the terms and conditions set forth in Exhibit "D" - Master Termination Provisions.*

- **Requirement Met:** The transaction will contain such termination provisions meeting the requirements of CEA Exhibit D.¹⁴

c. **Step-In Rights:** *The State Entity has the right to step-in and operate Covered Assets in the event of an Unexcused Loss of Availability of Thermal Services after expiration of an appropriate grace period not exceeding four (4) hours.*

- **Requirement Met:** The transaction will contain such step-in rights.¹⁵

d. **Liquidated Damages:** *The State Entity has the right to assess and collect reasonable liquidated damages ("Liquidated Damages"). The Project SPE shall be liable to the State Entity for Liquidated Damages in the event of an Unexcused Loss of Availability that exceeds a five (5) hour grace period. In no event shall the Liquidated Damages within a single Service Year exceed the total Thermal Services Charge within the same Service Year.*

- **Requirement Met:** The transaction will contain such liquidated damages provisions with a four (4) hour grace period.¹⁶

¹² Lease Section 8.6 and TSA Exhibit D.

¹³ See Workbooks 1-4 in particular.

¹⁴ See Facilitation Agreement Exhibit D.

¹⁵ See TSA Article 8.

¹⁶ See TSA Article 8.

e. **Hudson Initiative Sub-Contractor Participation:** *The Project SPE shall use reasonable efforts to utilize Hudson Initiative sub-contractors in the provision of Work or Services under an Ancillary Agreement as appropriate.*

- **Requirement Met:** The transaction adopts the terms of the CEA, including such Hudson Initiative requirements.¹⁷

f. **Operation and Maintenance Costs:** *The amounts charged by the Project SPE for Operation and Maintenance Services shall be competitive in the market.*

- **Requirement Met:** UNO currently contracts with ABM Industries (ABM) for a variety of O&M services. The ABM contract was awarded through a competitive process. OSEP will take over the portion of the existing O&M contract corresponding to the O&M services to be provided by OSEP in the transaction.¹⁸ OSEP's embedded O&M charge to UNO (which will be contained in the overall TSA/FOSA charges) is expected to be approximately equal the current amount charged by ABM for that portion of the existing contract. Therefore, OSEP's O&M charges are competitive.

6. **Project Costs:** *Costs of a Project under the CEA shall be allocated to the Parties as follows:*

a. **Development Costs:** *The Project SPE shall recover its actual out of pocket development costs.*

- **Requirement Met:** OSEP will waive its development costs for UNO.¹⁹

b. **Investment Grade Audit Fees and Expenses:** *The Project SPE shall charge fees for Investment Grade Audit Services based on the Project's scale. The total Project SPE charge for Investment Grade Audit Service fees and expenses shall not exceed twenty-five cents (\$0.25) per square foot of floor space, subject to reasonable adjustments for inflation not exceeding the corresponding change in the applicable Consumer Price Index.*

- **Requirement Met:** OSEP will charge less than \$0.23 per square foot for the investment grade audit.²⁰

¹⁷ See Adoption Agreement Section 7.

¹⁸ . For O&M services currently provided under the ABM contract but not being assumed by OSEP in the transaction, UNO will begin performing certain O&M services in-house and ABM will retain the remaining portion of O&M services in its existing contract.

¹⁹ See Workbook 2 Tab 6RowRow.

²⁰ See Workbook 2 Tab 2 Cell H27. Investment grade audit cost is currently included in the "I-5 Perform Initial Service Deficiency Corrections" column, the total cost of which is \$0.23 per square foot. A future version of Workbook 2 will separately break out the investment grade audit cost.RowRow

- c. **Savings Assurances:** *The Project SPE shall charge fees for providing Savings Assurances. The total Project SPE charge for Savings Assurances shall not exceed five percent (5%) of the Assurance amount.*

➤ **Requirement Met:** OSEP will charge 3.6% of the assurance amount for savings assurance.²¹

- d. **Design Fees:** *The Project SPE shall charge fees for design services. The total charge for design services by the Project SPE shall not exceed the State of Louisiana fee scale in effect on the Effective Date of the Ancillary Agreements for the Project.*

➤ **Requirement Met:** OSEP's design fee will not exceed the State's design fee schedule.²²

- e. **Commissioning Fees and Expenses:** *The Project SPE shall charge fees for commissioning services based on the Project's scale. The total charges for commissioning fees and expenses by the Project SPE shall not exceed three percent (3%) of the total cost of the Project (inclusive of all costs and fees under this Section 6) (the "Project Costs").*

➤ **Requirement Met:** OSEP will charge 2.15% of the project cost for commissioning.²³

- f. **Retro-Commissioning Fees and Expenses:** *The Project SPE shall charge fees for retro-commissioning services based on the Project's scale. The total charge for retro-commissioning fees and expenses by the Project SPE shall not exceed fifty cents (\$0.50) per square foot of floor space of the Covered Facility, subject to reasonable adjustments for inflation not exceeding the corresponding change in the applicable Consumer Price Index.*

➤ **Requirement Met:** OSEP will charge \$0.25 per square foot for retro-commissioning.²⁴

- g. **Project Management Fees and Expenses:** *The Project SPE shall charge fees for project management services based on the Project's scale. The total charge for project management fees and expenses by the Project SPE shall not exceed five percent (5%) of the total Project Costs.*

➤ **Requirement Met:** OSEP will charge 2.75% of the project cost for project management.²⁵

²¹ See Workbook 1 Tab 3 Column R. RowRowThe cost of the guarantee is embedded in the TSA/FOSA charges payable by UNO, rather than a separate up-front project cost.

²² See Workbook 2 Tab 1 Row 7 and Workbook 2 Tab 2 Row 13. The design fee is budgeted at 6.67% in the current workbooks based upon approximately \$20 million Available Funds for Construction (AFC). UNO and OSEP continue to refine final details of the project scope and recent adjustments not yet included in the workbooks will slightly reduce the AFC. The final design fee percentage will not exceed the limits of La. Admin. Code 34:III-109 given the actual AFC, applicable modification factors as negotiated by UNO, and the Facilities Planning & Control design fee schedule in effect at the time. Such amounts will be verified by UNO's technical advisor.

²³ See Workbook 2 Tab 1 Row 11 and Workbook 2 Tab 2 Row 15.

²⁴ See Workbook 2 Tab 1 Row 12 and Workbook 2 Tab 2 Row 19.

²⁵ See Workbook 2 Tab 1 Row 13 and Workbook 2 Tab 2 Row 26.

- h. Performance and Payment Bonds: The State Entity has the right to require the Project SPE to furnish performance and payment bonds for the implementation of Improvements; provided, however, the Project SPE shall recover the costs thereof.***
- **Requirement Met:** OSEP will charge 1.4% of the bonded amount for performance and payment bonds, which is OSEP's expected cost thereof.²⁶
- i. General and Administrative Costs: The Project SPE shall recover its general and administrative costs; provided, however, the total Project SPE charge for general and administrative costs shall not exceed ten percent (10%) of the total Project Costs.***
- **Requirement Met:** OSEP will charge 1.5% of the project cost for general and administrative.²⁷
- j. General Conditions: The Project SPE shall recover its general conditions costs; provided, however, the total Project SPE charge for general conditions shall not exceed eight percent (8%) of the total Project Costs.***
- **Requirement Met:** OSEP will charge 6.75% of the project cost for general conditions.²⁸
- k. Insurance: The Project SPE shall procure insurance in accordance with the requirements set forth in Exhibit "E" - Master Insurance Requirements and the applicable Ancillary Agreements.***
- **Requirement Met:** OSEP will provide insurance in compliance with CEA Exhibit E.²⁹
- l. Prime Contractor Fee: The Project SPE shall charge a Prime Contractor Fee; provided, however, the Prime Contractor Fee shall not exceed five percent (5%) of the total Project Costs.***
- **Requirement Met:** OSEP will charge 5.0% of project cost for a prime contractor fee.³⁰
- m. Contingency: The Project SPE may include a contingency allowance in its pricing; provided, however, the contingency allowance shall not exceed seven percent (7%) of the total Project Costs.***
- **Requirement Met:** The project budget includes a 5.0% contingency.³¹

²⁶ See Workbook 2 Tab 1 Row 14 and Workbook 2 Tab 2 Row 22.

²⁷ See Workbook 2 Tab 1 Row 18 and Workbook 2 Tab 2 Row 24.

²⁸ See Workbook 2 Tab 1 Row 15 and Workbook 2 Tab 2 Row 21.

²⁹ See Lease Exhibit F, Sublease Article 10, FOSA Section 16.

³⁰ See Workbook 2 Tab 1 Row 17 and Workbook 2 Tab 2 Row 25.

³¹ See Workbook 2 Tab 1 Row 19 and Workbook 2 Tab 2 Row 26.

EXHIBIT A
NET PUBLIC BENEFIT
UNO TRANSACTION

YEAR	OPERATING BUDGET SAVINGS									CAPITAL OUTLAY SAVINGS			PRE-PAID RENT	TOTAL
Year	FOSA Charge ¹	TSA Charge ²	Annual Rent Credit ³	Total TSA/FOSA Net Charges ⁴	Utility Savings ⁵	Building O & M Savings ⁶	Plant O & M Savings ⁷	Total Cost Savings ⁸	Total Operating Budget Savings ⁹	Savings From OSEP Installation of Projects ¹⁰	Savings From OSEP Plant Maintenance ¹¹	Total Capital Outlay Savings ¹²	Portion of TSA/FOSA Charges For Pre-Paid Rent ¹³	Total Net Public Benefit ¹⁴
	Fixed	Fixed	Fixed	n/a	M & V Dependent	Stipulated	Stipulated	n/a	n/a	Stipulated	Stipulated	n/a	Fixed	n/a
1	(5,012,535)	(9,038,426)	10,712,407	(3,338,554)	483,207	51,682	2,692,903	3,227,792	(110,762)	680,676	0	680,676	517,336	1,087,250
2	(6,573,367)	(9,286,983)	11,006,999	(4,853,352)	1,928,659	53,103	2,766,958	4,748,720	(104,632)	699,395	0	699,395	531,563	1,126,326
3	(6,934,707)	(9,542,375)	11,309,691	(5,167,391)	2,171,740	54,563	2,843,049	5,069,352	(98,039)	718,628	0	718,628	546,181	1,166,770
4	(7,125,412)	(9,804,791)	11,620,708	(5,309,495)	2,241,235	56,064	2,921,233	5,218,532	(90,963)	738,391	0	738,391	561,201	1,208,629
5	(7,321,360)	(10,074,422)	11,940,277	(5,455,506)	2,312,955	57,605	3,001,567	5,372,127	(83,378)	758,696	0	758,696	576,634	1,251,952
6	(7,522,698)	(10,351,469)	12,268,635	(5,605,532)	2,386,969	59,190	3,084,110	5,530,269	(75,263)	779,561	0	779,561	592,491	1,296,788
7	(7,729,572)	(10,636,134)	12,606,022	(5,759,684)	2,463,352	60,817	3,168,923	5,693,093	(66,591)	800,999	0	800,999	608,784	1,343,192
8	(7,942,135)	(10,928,628)	12,952,688	(5,918,075)	2,542,180	62,490	3,256,068	5,860,738	(57,338)	823,026	0	823,026	625,526	1,391,214
9	(8,160,544)	(11,229,165)	13,308,887	(6,080,823)	2,623,529	64,208	3,345,610	6,033,348	(47,475)	845,659	0	845,659	642,728	1,440,913
10	(8,384,959)	(11,537,967)	13,674,881	(6,248,045)	2,707,482	65,974	3,437,615	6,211,071	(36,974)	868,915	0	868,915	660,403	1,492,344
11	(8,615,545)	(11,855,261)	14,050,940	(6,419,866)	2,794,122	67,788	3,532,149	6,394,059	(25,807)	892,810	0	892,810	678,564	1,545,567
12	(8,852,473)	(12,181,281)	14,437,341	(6,596,413)	2,883,534	69,652	3,629,283	6,582,469	(13,944)	917,362	0	917,362	697,225	1,600,643
13	(9,095,916)	(12,516,266)	14,834,368	(6,777,814)	2,975,807	71,568	3,729,088	6,776,463	(1,351)	942,590	0	942,590	716,398	1,657,637
14	(9,346,053)	(12,860,464)	15,242,313	(6,964,204)	3,071,033	73,536	3,831,638	6,976,207	12,003	968,511	0	968,511	736,099	1,716,613
15	(9,603,070)	(13,214,126)	15,661,477	(7,155,720)	3,169,306	75,558	3,937,008	7,181,872	26,153	995,145	0	995,145	756,342	1,777,640
16	(9,867,154)	(13,577,515)	16,092,167	(7,352,502)	3,270,723	77,636	4,045,276	7,393,636	41,134	1,022,511	0	1,022,511	777,141	1,840,787
17	(10,138,501)	(13,950,897)	16,534,702	(7,554,696)	3,375,387	79,771	4,156,521	7,611,679	56,983	1,050,631	0	1,050,631	798,513	1,906,126
18	(10,417,310)	(14,334,546)	16,989,406	(7,762,450)	3,483,399	81,965	4,270,826	7,836,189	73,739	1,079,523	0	1,079,523	820,472	1,973,734
19	(10,703,786)	(14,728,746)	17,456,615	(7,975,917)	3,594,868	84,219	4,388,273	8,067,360	91,442	1,109,210	0	1,109,210	843,035	2,043,687
20	(10,998,140)	(15,133,787)	17,936,672	(8,195,255)	3,709,903	86,535	4,508,951	8,305,389	110,134	1,139,713	0	1,139,713	866,218	2,116,065
21	(11,300,589)	(15,549,966)	18,429,930	(8,420,624)	3,828,620	88,914	4,632,947	8,550,482	129,857	1,171,055	0	1,171,055	890,039	2,190,952
22	(11,611,355)	(15,977,590)	18,936,753	(8,652,192)	3,951,136	91,360	4,760,353	8,802,849	150,657	1,203,259	0	1,203,259	914,515	2,268,432
23	(11,930,667)	(16,416,974)	19,457,514	(8,890,127)	4,077,573	93,872	4,891,263	9,062,707	172,580	1,236,349	0	1,236,349	939,665	2,348,594
24	(12,258,761)	(16,868,440)	19,992,596	(9,134,605)	4,208,055	96,453	5,025,772	9,330,281	195,675	1,270,348	0	1,270,348	965,505	2,431,529
25	(12,595,877)	(17,332,323)	20,542,392	(9,385,807)	4,342,713	99,106	5,163,981	9,605,800	219,993	1,305,283	0	1,305,283	992,057	2,517,332
TOTAL	(230,042,486)	(318,928,543)	377,996,381	(170,974,649)	74,597,488	1,823,628	95,021,366	171,442,482	467,833	24,018,247	0	24,018,247	18,254,634	42,740,714

Figures based on Workbooks v3 (DTD) Scenario 1

1. Per FOSA Schedule 3 and Workbook 1 Tab 10 Column J.

2. Per TSA Exhibit D and Workbook 1 Tab 10 Column F.

3. Per TSA Exhibit D and Workbook 1 Tab 8 Column C.

4. Calculated (sum of notes 1-3). Matches Workbook 1 Tab 4 Column B. This is the total annual charge payable by UNO to OSEP (payable in monthly installments). Includes capital cost and plant O & M.

5. Per Adoption Agreement Exhibit B and Workbook 1 Tab 4 Column C. Amount is subject to measurement and verification of annual utility cost savings.

6. Per Adoption Agreement Exhibit B and Workbook 1 Tab 4 Column D. Amount is stipulated and based on UNO historical vs projected costs.

7. Per Adoption Agreement Exhibit B and Workbook 1 Tab 4 Column E. Amount is stipulated and based on UNO historical vs projected costs.

8. Calculated (sum of notes 5-7).

9. Total impact to the operating budget. Calculated as total charges (note 4) plus total savings (note 8). Matches Workbook 1 Tab 4 Column F.

10. Per Workbook 1 Tab 3 Column K. Represents the amortized cost of capital outlay expenses avoided due to the installation of the projects by OSEP. Amount is stipulated based on OSEP's subjective determination of the portion of project costs which are avoided capital costs otherwise payable by UNO.

11. Per Workbook 1 Tab 3 Columns I and J. Represents the amortized cost of capital outlay expenses avoided due to future maintenance by OSEP. Amount is stipulated based on the difference in OSEP's cost of O&M vs UNO's current O&M cost. Amount TBD.

12. Calculated (sum of notes 10 and 11).

13. Per Workbook 1 Tab 3 Column O. Represents the portion of TSA/FOSA charges which are attributable to pre-paid rent. UNO realizes benefit from use of this pre-paid rent for purposes other than the projects.

14. Calculated (sum of notes 9, 12 and 13). Matches Workbook 1 Tab 3 Column P.

EXHIBIT B
CALCULATION OF LEASE VALUE
UNO TRANSACTION

YEAR	OSEP REVENUE							OSEP EXPENSE				OSEP CASHFLOW & LEASE VALUE		
Year	UNO Usage (ton-hours) ¹	UNO Rate (firm) ²	UNO Revenue (Gross TSA) ³	Off-taker Usage (ton-hours) ⁴	Off-taker Rate (non-firm) ⁵	Off-taker Revenue ⁶	Total Revenues ⁷	Operation & Maintenance Expense ⁸	Property Tax ⁹	Federal & State Income Tax ¹⁰	Total Expenses ¹¹	After-Tax Cash Flow ¹²	Present Value At 8.00% ¹³	Present Value At 5.44% ¹⁴
1	28,056,524	35.47	9,950,614	0	31.30	0	9,950,614	(1,050,080)	(1,660,879)	65,057,383	62,346,424	72,297,038	66,941,702	68,564,734
2	28,056,524	36.44	10,224,256	0	32.16	0	10,224,256	(1,078,958)	(1,660,879)	(2,068,044)	(4,807,880)	5,416,375	4,643,669	4,871,574
3	28,056,524	37.44	10,505,423	20,881,185	33.04	6,899,384	17,404,807	(1,108,629)	(1,660,879)	(4,441,878)	(7,211,386)	10,193,421	8,091,866	8,694,825
4	28,056,524	38.47	10,794,322	20,881,185	33.95	7,089,117	17,883,439	(1,139,116)	(1,660,879)	(4,615,948)	(7,415,943)	10,467,496	7,693,922	8,467,671
5	28,056,524	39.53	11,091,166	20,881,185	34.88	7,284,068	18,375,234	(1,170,442)	(1,660,879)	(4,784,678)	(7,615,999)	10,759,234	7,322,554	8,254,349
6	28,056,524	40.62	11,396,173	20,881,185	35.84	7,484,380	18,880,553	(1,202,629)	(1,660,879)	(4,934,281)	(7,797,789)	11,082,764	6,984,021	8,063,616
7	28,056,524	41.74	11,709,568	20,881,185	36.83	7,690,200	19,399,768	(1,235,701)	(1,660,879)	(5,088,029)	(7,984,610)	11,415,158	6,660,635	7,876,694
8	28,056,524	42.88	12,031,581	20,881,185	37.84	7,901,681	19,933,261	(1,269,683)	(1,660,879)	(5,274,991)	(8,205,554)	11,727,708	6,336,116	7,674,596
9	28,056,524	44.06	12,362,449	20,881,185	38.88	8,118,977	20,481,426	(1,304,600)	(1,660,879)	(5,466,332)	(8,431,810)	12,049,616	6,027,808	7,478,179
10	28,056,524	45.27	12,702,417	20,881,185	39.95	8,342,249	21,044,665	(1,340,476)	(1,660,879)	(5,633,219)	(8,634,574)	12,410,092	5,748,274	7,304,289
11	28,056,524	46.52	13,051,733	20,881,185	41.05	8,571,661	21,623,394	(1,377,339)	(1,660,879)	(5,804,730)	(8,842,948)	12,780,446	5,481,314	7,133,937
12	28,056,524	47.80	13,410,656	20,881,185	42.18	8,807,381	22,218,037	(1,415,216)	(1,660,879)	(5,980,992)	(9,057,087)	13,160,950	5,226,394	6,967,079
13	28,056,524	49.11	13,779,449	20,881,185	43.34	9,049,584	22,829,033	(1,454,134)	(1,660,879)	(6,162,138)	(9,277,152)	13,551,881	4,982,999	6,803,673
14	28,056,524	50.46	14,158,384	20,881,185	44.53	9,298,448	23,456,831	(1,494,123)	(1,660,879)	(6,348,303)	(9,503,305)	13,953,527	4,750,632	6,643,671
15	28,056,524	51.85	14,547,739	20,881,185	45.75	9,554,155	24,101,894	(1,535,211)	(1,660,879)	(6,539,624)	(9,735,714)	14,366,180	4,528,819	6,487,027
16	28,056,524	53.28	14,947,802	20,881,185	47.01	9,816,894	24,764,696	(1,577,430)	(1,660,879)	(6,736,245)	(9,974,554)	14,790,143	4,317,102	6,333,694
17	28,056,524	54.74	15,358,867	20,881,185	48.31	10,086,859	25,445,725	(1,620,809)	(1,660,879)	(6,938,312)	(10,220,000)	15,225,725	4,115,041	6,183,623
18	28,056,524	56.25	15,781,235	20,881,185	49.63	10,364,248	26,145,483	(1,665,381)	(1,660,879)	(7,145,976)	(10,472,236)	15,673,247	3,922,215	6,036,765
19	28,056,524	57.79	16,215,219	20,881,185	51.00	10,649,264	26,864,484	(1,711,179)	(1,660,879)	(7,359,392)	(10,731,450)	16,133,034	3,738,219	5,893,070
20	28,056,524	59.38	16,661,138	20,881,185	52.40	10,942,119	27,603,257	(1,758,237)	(1,660,879)	(7,578,718)	(10,997,833)	16,605,424	3,562,664	5,752,490
21	28,056,524	61.02	17,119,319	20,881,185	53.84	11,243,027	28,362,347	(1,806,588)	(1,660,879)	(7,804,118)	(11,271,585)	17,090,762	3,395,178	5,614,972
22	28,056,524	62.70	17,590,100	20,881,185	55.32	11,552,211	29,142,311	(1,856,269)	(1,660,879)	(8,035,759)	(11,552,908)	17,589,403	3,235,404	5,480,467
23	28,056,524	64.42	18,073,828	20,881,185	56.84	11,869,896	29,943,725	(1,907,317)	(1,660,879)	(8,273,816)	(11,842,011)	18,101,713	3,082,998	5,348,924
24	28,056,524	66.19	18,570,858	20,881,185	58.41	12,196,319	30,767,177	(1,959,768)	(1,660,879)	(8,518,464)	(12,139,111)	18,628,066	2,937,634	5,220,293
25	28,056,524	68.01	19,081,557	20,881,185	60.01	12,531,717	31,613,274	(114,493)	(1,660,879)	(9,389,470)	(11,164,842)	20,448,432	2,985,837	5,434,597
Total	701,413,106	n/a	351,115,853	480,267,252	n/a	217,343,839	568,459,692	(35,153,811)	(41,521,971)	(85,866,074)	(162,541,857)	405,917,835	186,713,016	228,584,809

Figures based on Workbooks v3 (DTD) Scenario 1

Figures from OSEP perspective (e.g. positive values are cash inflows to OSEP and negative values are cash outflows from OSEP).

- Based on UNO historical usage. Per Workbook 4 Tab 3 Column V.
- Market firm rate used to calculate Gross TSA. Per Workbook 4 Tab 3 Column W.
- Gross TSA payment by UNO before Lease Rent credit (note 1 times note 2). Matches Workbook 4 Tab 3 Column X.
- Projected usage based on hypothetical off-takers and available excess production capacity. Provided by OSEP. Per Workbook 4 Tab 3 Column AO.
- Market non-firm rate for hypothetical off-takers. Provided by OSEP. Per Workbook 4 Tab 3 Column AP.
- Gross payment by hypothetical off-takers (note 4 times note 5) Matches Workbook 4 Tab 3 Column AQ.
- Total revenue (note 3 plus note 6). Matches Workbook 4 Tab 3 Column C.
- Projected O&M expense. Provided by OSEP. Per Workbook 4 Tab 3 Column D.
- Projected property taxes on OSEP installed off-taker extensions. Provided by OSEP. Per Workbook 4 Tab 3 Column G.
- Projected federal and state income taxes. Includes effects of depreciation/amortization and 32.6% tax rate per OSEP tax guidance. Assumes tax years coincide with transaction years. Per Workbook 4 Tab 3 Column I.
- Total cash expenses (sum of notes 8-10).
- After tax cash flow (note 7 plus note 11). Matches Workbook 4 Tab 3 Column N.
- Value of \$186,713,016 is the minimum required Lease Value calculated at 8.00% maximum cap rate per CEA Exhibit B requirement.
- Value of \$228,584,809 is the actual Lease Value assigned to the transaction at 5.44% actual cap rate. Per Workbook 4 Tab 1 Cell N10.

EXHIBIT C
ALLOCATION OF LEASE VALUE & CALCULATION OF RENT
UNO TRANSACTION

ALLOCATION OF LEASE VALUE	
Gross Lease Value (Present Value) ¹	228,584,809
Less Amount Paid To Install Plant Upgrades ²	(8,083,375)
Less Amount Paid To Install Off-taker Extensions ³	(11,804,398)
Net Lease Value Payable To UNO As Rent ⁴	208,697,036

BREAKDOWN OF RENT PAID TO UNO	
Annual Rent (Present Value) ⁵	199,082,706
Pre-paid Rent (Cash at closing) ⁶	9,614,330
Total Rent ⁷	208,697,036

ANNUAL RENT AMORTIZATION		
Year	Annual Rent Paid To UNO ⁸	Present Value At 5.00% ⁹
1	10,712,407	10,202,293
2	11,006,999	9,983,672
3	11,309,691	9,769,736
4	11,620,708	9,560,385
5	11,940,277	9,355,519
6	12,268,635	9,155,044
7	12,606,022	8,958,865
8	12,952,688	8,766,889
9	13,308,887	8,579,027
10	13,674,881	8,395,191
11	14,050,940	8,215,294
12	14,437,341	8,039,252
13	14,834,368	7,866,982
14	15,242,313	7,698,404
15	15,661,477	7,533,438
16	16,092,167	7,372,007
17	16,534,702	7,214,036
18	16,989,406	7,059,449
19	17,456,615	6,908,175
20	17,936,672	6,760,143
21	18,429,930	6,615,283
22	18,936,753	6,473,527
23	19,457,514	6,334,808
24	19,992,596	6,199,062
25	20,542,392	6,066,225
Total	377,996,381	199,082,706

Figures based on Workbooks v3 (DTD) Scenario 1

1. Total Lease Value. Per Workbook 4 Tab 1 Cell N10.
2. Cost of plant improvements to be paid by OSEP. Per Workbook 4 Tab 2 Row 9.
3. Cost of piping extensions to serve off-takers paid by OSEP. Per Workbook 4 Tab 1 Row 17.
4. Remaining Net Lease Value (note 1 minus notes 2 and 3) payable to UNO.
Matches Workbook 4 Tab 3 Cell J10.
5. Amount paid to UNO as annual rent. Matches Workbook 1 Tab 1 Row 79.
6. Amount paid to UNO as pre-paid rent at closing. Per Workbook 1 Tab 1 Row 78.
7. Total Net Lease Value (sume of notes 5 and 6) payable to UNO as rent.
8. Annual rent payable to UNO per TSA Exhibit D Figure 1 and Workbook 1 Tab 8 Column C.
9. At 5.00% accretion/discount rate for annual rent per Workbook 1 Tab 1 Row 18.

EXHIBIT D
CALCULATION OF TSA AND FOSA NET CHARGES
UNO TRANSACTION

YEAR	TSA CHARGES										FOSA CHARGES			TOTAL
Year	UNO Usage (ton-hours) ¹	UNO Rate (firm) ²	Gross TSA Charge ³	Credit For Plant Deferred Maintenance CAPEX ⁴	Reserved ⁵	Credit For TSA Construction Period Savings Deficit ⁶	Total TSA Credits ⁷	Net TSA Charge After Credits ⁸	Annual Rent ⁹	Net TSA Charge After Credits & Annual Rent ¹⁰	Gross FOSA Charge ¹¹	Credit For FOSA Construction Period Savings Deficit ¹²	Net FOSA Charge After Credits ¹³	Total TSA & FOSA Net Charges ¹⁴
1	28,056,524	35.47	(9,950,614)	912,188	0	0	912,188	(9,038,426)	10,712,407	1,673,981	(6,568,474)	1,555,939	(5,012,535)	(3,338,554)
2	28,056,524	36.44	(10,224,256)	937,273	0	0	937,273	(9,286,983)	11,006,999	1,720,015	(6,749,107)	175,739	(6,573,367)	(4,853,352)
3	28,056,524	37.44	(10,505,423)	963,048	0	0	963,048	(9,542,375)	11,309,691	1,767,316	(6,934,707)	0	(6,934,707)	(5,167,391)
4	28,056,524	38.47	(10,794,322)	989,531	0	0	989,531	(9,804,791)	11,620,708	1,815,917	(7,125,412)	0	(7,125,412)	(5,309,495)
5	28,056,524	39.53	(11,091,166)	1,016,744	0	0	1,016,744	(10,074,422)	11,940,277	1,865,855	(7,321,360)	0	(7,321,360)	(5,455,506)
6	28,056,524	40.62	(11,396,173)	1,044,704	0	0	1,044,704	(10,351,469)	12,268,635	1,917,166	(7,522,698)	0	(7,522,698)	(5,605,532)
7	28,056,524	41.74	(11,709,568)	1,073,433	0	0	1,073,433	(10,636,134)	12,606,022	1,969,888	(7,729,572)	0	(7,729,572)	(5,759,684)
8	28,056,524	42.88	(12,031,581)	1,102,953	0	0	1,102,953	(10,928,628)	12,952,688	2,024,060	(7,942,135)	0	(7,942,135)	(5,918,075)
9	28,056,524	44.06	(12,362,449)	1,133,284	0	0	1,133,284	(11,229,165)	13,308,887	2,079,721	(8,160,544)	0	(8,160,544)	(6,080,823)
10	28,056,524	45.27	(12,702,417)	1,164,449	0	0	1,164,449	(11,537,967)	13,674,881	2,136,914	(8,384,959)	0	(8,384,959)	(6,248,045)
11	28,056,524	46.52	(13,051,733)	1,196,472	0	0	1,196,472	(11,855,261)	14,050,940	2,195,679	(8,615,545)	0	(8,615,545)	(6,419,866)
12	28,056,524	47.80	(13,410,656)	1,229,375	0	0	1,229,375	(12,181,281)	14,437,341	2,256,060	(8,852,473)	0	(8,852,473)	(6,596,413)
13	28,056,524	49.11	(13,779,449)	1,263,182	0	0	1,263,182	(12,516,266)	14,834,368	2,318,102	(9,095,916)	0	(9,095,916)	(6,777,814)
14	28,056,524	50.46	(14,158,384)	1,297,920	0	0	1,297,920	(12,860,464)	15,242,313	2,381,849	(9,346,053)	0	(9,346,053)	(6,964,204)
15	28,056,524	51.85	(14,547,739)	1,333,613	0	0	1,333,613	(13,214,126)	15,661,477	2,447,350	(9,603,070)	0	(9,603,070)	(7,155,720)
16	28,056,524	53.28	(14,947,802)	1,370,287	0	0	1,370,287	(13,577,515)	16,092,167	2,514,652	(9,867,154)	0	(9,867,154)	(7,352,502)
17	28,056,524	54.74	(15,358,867)	1,407,970	0	0	1,407,970	(13,950,897)	16,534,702	2,583,805	(10,138,501)	0	(10,138,501)	(7,554,696)
18	28,056,524	56.25	(15,781,235)	1,446,689	0	0	1,446,689	(14,334,546)	16,989,406	2,654,860	(10,417,310)	0	(10,417,310)	(7,762,450)
19	28,056,524	57.79	(16,215,219)	1,486,473	0	0	1,486,473	(14,728,746)	17,456,615	2,727,869	(10,703,786)	0	(10,703,786)	(7,975,917)
20	28,056,524	59.38	(16,661,138)	1,527,351	0	0	1,527,351	(15,133,787)	17,936,672	2,802,885	(10,998,140)	0	(10,998,140)	(8,195,255)
21	28,056,524	61.02	(17,119,319)	1,569,353	0	0	1,569,353	(15,549,966)	18,429,930	2,879,964	(11,300,589)	0	(11,300,589)	(8,420,624)
22	28,056,524	62.70	(17,590,100)	1,612,511	0	0	1,612,511	(15,977,590)	18,936,753	2,959,163	(11,611,355)	0	(11,611,355)	(8,652,192)
23	28,056,524	64.42	(18,073,828)	1,656,855	0	0	1,656,855	(16,416,974)	19,457,514	3,040,540	(11,930,667)	0	(11,930,667)	(8,890,127)
24	28,056,524	66.19	(18,570,858)	1,702,418	0	0	1,702,418	(16,868,440)	19,992,596	3,124,155	(12,258,761)	0	(12,258,761)	(9,134,605)
25	28,056,524	68.01	(19,081,557)	1,749,235	0	0	1,749,235	(17,332,323)	20,542,392	3,210,070	(12,595,877)	0	(12,595,877)	(9,385,807)
Total	n/a	n/a	(351,115,853)	32,187,310	0	0	32,187,310	(318,928,543)	377,996,381	59,067,837	(231,774,164)	1,731,678	(230,042,486)	(170,974,649)

1. Based on UNO historical usage. Per Workbook 1 Tab 10 Column B.
2. Market firm rate used to calculate Gross TSA. Per Workbook 1 Tab 10 Column C.
3. Gross TSA Charge (note 1 times note 2).
4. Credit from OSEP for a portion of the annually accrued future replacement cost of Covered Assets in the Plant. Per TSA Exhibit D and Workbook 1 Tab 10 Column E.
5. Reserved.
6. Credit from OSEP covering post implementation savings not yet realized during construction period. TSA portion only. Based on Workbook 1 Tab 11 Columns H and R.
7. Total TSA credits (sum of notes 4-6).
8. Net TSA Charge after credit but before annual rent (note 3 plus note 7). Matches TSA Exhibit D and Workbook 1 Tab 10 Column F.
9. Credit from OSEP for annual rent. See Exhibit C for calculation. Matches TSA Exhibit D and Workbook 1 Tab 8 Column C.
10. Net TSA Charge after credits and annual rent (note 8 plus note 9).
11. Gross FOSA Charge. Per Workbook 1 Tab 10 Column I.
12. Credit from OSEP covering post implementation savings not yet realized during construction period. FOSA portion only. Based on Workbook 1 Tab 10 Column H and Workbook 1 Tab 11 Column W.
13. Net FOSA Charge after credits (note 11 plus note 12). Matches Workbook 1 Tab 10 Column J.
14. Total TSA and FOSA net charges (note 10 plus note 13). Matches Workbook 1 Tab 4 Column B.

Agenda Item #11

Hotel/Motel tax collections
in Orleans and Jefferson
Parishes

In Millions

Hotel/Motel Room Occupancy Taxes Collected by LDR	FY 17	FY 18	FY 19	FY 20	FY 21	FY22
LA Stadium & Exposition District - Occupancy Tax (Orleans Only)	\$ 44.84	\$ 45.61	\$ 49.02	\$ 36.00	\$ 11.24	\$ 50.64
LA Stadium & Exposition District - Occupancy Tax (Jefferson Only)	\$ 6.47	\$ 6.83	\$ 6.82	\$ 5.81	\$ 4.50	\$ 7.97
New Orleans Exhibition Hall Authority (Orleans Only)	\$ 33.97	\$ 34.53	\$ 37.15	\$ 27.26	\$ 8.52	\$ 38.37
-Flat Room Occupancy (Orleans only)	\$ 6.12	\$ 6.02	\$ 6.09	\$ 5.17	\$ 1.87	\$ 4.37
-Food and Beverage (Orleans only)	\$ 13.51	\$ 14.75	\$ 16.18	\$ 13.79	\$ 7.11	\$ 12.59

State Hotel/Motel Sales Tax Collections - Local Dedications New Orleans	FY 17	FY 18	FY 19	FY 20	FY 21	FY22
Orleans Parish - Ernest N. Morial Convention Center Phase IV Expansion Project Fund	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Orleans Parish - New Orleans Metropolitan Convention and Visitors Bureau Fund	\$ 10.99	\$ 11.65	\$ 11.36	\$ 9.41	\$ 2.80	\$ 13.52
Orleans Parish - New Orleans Quality of Life Fund	\$ -	\$ 3.92	\$ 7.08	\$ 3.35	\$ 2.34	\$ 6.26
Orleans Parish - New Orleans Sports Franchise Fund	\$ 9.33	\$ 10.01	\$ 9.72	\$ 8.00	\$ 0.89	\$ 8.77
Total	\$ 22.32	\$ 27.58	\$ 30.16	\$ 22.76	\$ 8.03	\$ 30.55

State Hotel/Motel Sales Tax Collections - Local Dedications Jefferson	FY 17	FY 18	FY 19	FY 20	FY 21	FY22
Jefferson Parish- Gretna Tourist Commission Enterprise Account	\$ 0.13	\$ 0.14	\$ 0.15	\$ 0.12	\$ 0.09	\$ 0.16
Jefferson Parish- John Alario, Sr. Multipurpose Center West Side of Mississippi	\$ 0.35	\$ 0.43	\$ 0.41	\$ 0.35	\$ 0.29	\$ 0.64
Jefferson Parish- Kenner City Convention Center	\$ 0.46	\$ 0.57	\$ 0.52	\$ 0.44	\$ 0.31	\$ 0.50
Jefferson Parish- Lafreniere Park/LaSalle Tract, West Bank Civic Center at Bayou Segnette & Sala Avenue Restoration Project	\$ 1.04	\$ 1.04	\$ 1.08	\$ 0.90	\$ 0.71	\$ 1.43
Jefferson Parish- Municipal Center East Side of Mississippi	\$ 0.79	\$ 0.69	\$ 0.79	\$ 0.65	\$ 0.48	\$ 0.90
Jefferson Parish- Pontchartrain Center/Laketown Development & Rivertown Museum Theatre Complex	\$ 0.47	\$ 0.58	\$ 0.53	\$ 0.45	\$ 0.31	\$ 0.49
Jefferson Parish- Town of Grand Isle Tourist Commission Enterprise Account	\$ 0.03	\$ 0.08	\$ 0.08	\$ 0.07	\$ 0.10	\$ 0.06
Total	\$ 3.27	\$ 3.53	\$ 3.56	\$ 2.98	\$ 2.29	\$ 4.18

State Sales Tax Collections - Orleans Parish	FY 17	FY 18	FY 19	FY 20	FY 21	FY22
General State Sales Tax - Collected by Non-Hotel/Motels	\$ 211.17	\$ 220.79	\$ 203.96	\$ 184.42	\$ 167.25	\$ 230.12
General State Sales Tax Collected by Hotel/Motels	\$ 52.16	\$ 51.02	\$ 47.97	\$ 35.53	\$ 10.54	\$ 52.64
Total	\$ 263.33	\$ 271.81	\$ 251.93	\$ 219.95	\$ 177.79	\$ 282.76

Before dedications and fees

State Sales Tax Collections - Jefferson Parish	FY 17	FY 18	FY 19	FY 20	FY 21	FY22
General State Sales Tax - Collected by Non-Hotel/Motels	\$ 395.75	\$ 383.29	\$ 312.12	\$ 283.62	\$ 308.02	\$ 397.06
General State Sales Tax Collected by Hotel/Motels	\$ 5.74	\$ 6.00	\$ 5.03	\$ 4.36	\$ 3.29	\$ 5.51
Total	\$ 401.49	\$ 389.29	\$ 317.15	\$ 287.98	\$ 311.31	\$ 402.57

Before dedications and fees

Agenda Item #12

FY 22-23 Budget for
Tobacco Settlement
Financing Corp.

Tobacco Settlement Financing Corporation

Post Office Box 94095
Baton Rouge, Louisiana 70802-9095
Telephone: 225-342-7000
Fax: 225-342-1057

Board Proposed
2022-2023 Budget

Legal Representation (DOJ)	\$15,000
Investment Management Services (STO)	\$15,000
Financial Statement Compilation (P&N)	\$19,000
Legislative Auditor	\$34,000
Omnicap	\$7,500
Rating Services Fee- S&P	\$25,000
Bank Charges	
Bank of New York Mellon (Trust Accounts)	\$ 2,000
Other Expenses*	\$ 7,500
TOTAL	\$125,000

***Other is to pay any unexpected bills or expenses.**