

1 Introduced April 9, 2013, by Councilman Hicks,
2 seconded by Councilman Cusimano, (by
3 request of Administration)

4 **Item No. 13-04-2983**

5 **ORDINANCE NO. 3685**

6
7 AN ORDINANCE AUTHORIZING THE EXECUTION OF A COOPERATIVE
8 ENDEAVOR AGREEMENT BY AND AMONG THE CITY OF SLIDELL,
9 STATE OF LOUISIANA, THE CAMELLIA SQUARE ECONOMIC
10 DEVELOPMENT DISTRICT, STATE OF LOUISIANA, AND SIKI
11 INVESTMENTS, LLC, RELATING TO THE COLLECTION, USE AND
12 EXPENDITURE OF A ONE PERCENT (1%) SALES AND USE TAX AND A
13 TWO PERCENT (2%) HOTEL OCCUPANCY TAX TO BE LEVIED IN SAID
14 DISTRICT, AND PROVIDING FOR OTHER MATTERS IN CONNECTION
15 THEREWITH.

16 WHEREAS, Part II, Chapter 27, Title 33 of the Louisiana Revised Statutes of
17 1950, as amended (La. R.S. 33:9038.31, *et seq.*) (the "Act") authorizes municipalities,
18 parishes and certain other local governmental subdivisions to create economic
19 development districts to carry out the purposes of the Act, which economic development
20 districts are political subdivisions of the State of Louisiana and possess such power and
21 authority and have such duties as provided by the Act and other law; and

22 WHEREAS, pursuant to the Act, the City of Slidell, State of Louisiana (the
23 "City"), acting through this City Council as its governing authority, adopted Ordinance No.
24 3663 on September 12, 2012, creating the "Camellia Square Economic Development
25 District, State of Louisiana" (the "District"), in accordance with La. R.S. 33:9038.32, from
26 which District local and State sales tax increments are expected to be determined and
27 used to fund the Camellia Square Economic Development District Trust Fund; and

28 WHEREAS, La. R.S. 33:9038.39 further permits such economic development
29 districts to levy sales and use taxes at a rate up to two percent (2%) and hotel occupancy
30 taxes at a rate up to two percent (2%) for authorized purposes; and

31 WHEREAS, Article VI, Section 20 of the Louisiana Constitution of 1974
32 provides that a political subdivision may exercise and perform any authorized power and
33 function, including financing, jointly or in cooperation with one or more political
34 subdivisions, either within or without the state, or with the United States or its agencies;
35 and

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

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4 WHEREAS, Sub-Part A, Part VII, Chapter 2 of Title 33 of the Louisiana
5 Revised Statutes of 1950, as amended (La. R.S. 33:1321, *et seq.*) (the "The Local
6 Services Law"), provides that political subdivisions may engage jointly in the construction,
7 acquisition or improvement of any public project or improvement, the promotion and
8 maintenance of any undertaking or the exercise of any power, provided at least one of the
9 participants is authorized under a provision of general or special law to perform such
10 activity or exercise such power as may be necessary for completion of the undertaking;
11 and

12 WHEREAS, under The Local Services Law such arrangements may provide
13 for the joint use of funds, facilities, personnel or property or any combination thereof
14 necessary to accomplish the purposes of the agreement, and such agreements may
15 include but are not limited to activities concerning the construction or acquisition or
16 improvement, and operation, repair and maintenance of public projects or improvements;
17 and

18 WHEREAS, Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950,
19 as amended (La. R.S. 33:9020, *et seq.*) (the "Cooperative Economic Development Law"),
20 provides that local governmental subdivisions (including municipalities) may cooperate or
21 engage in cooperative endeavors providing for cooperative financing of economic
22 development projects with other local governmental subdivisions or with any other private
23 or public entity or person, for the purpose of aiding in cooperative development, all as
24 defined in the Cooperative Economic Development Law; and

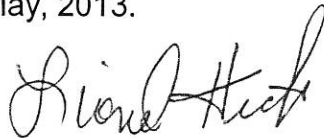
25 NOW THEREFORE, BE IT HEREBY ORDAINED by the City Council of the
26 City of Slidell, State of Louisiana, acting as the governing authority of the City, that the
27 Mayor of the City is hereby authorized, empowered, and directed to execute, for and on
28 behalf of the City a Cooperative Endeavor Agreement by and among the City, the District
29 and SIKA Investments, L.L.C. or its designee (the "CEA"), the CEA to be substantially in
30 the form and to contain substantially the terms and provisions set forth in the CEA
31 attached hereto as Exhibit A, with such changes as may be approved by said officer upon
32 the advice of counsel.

33 BE IT FURTHER ORDAINED by the City Council of the City of Slidell, State of
34 Louisiana, acting as the governing authority of the District, that the Mayor of the City and
35 President of this Council are hereby authorized, empowered, and directed to execute the
36 CEA, for and on behalf of the District, the CEA to be substantially in the form and to
37 contain substantially the terms and provisions set forth in the CEA attached hereto as
38 Exhibit A, with such changes as may be approved by said officers upon the advice of
39 counsel.

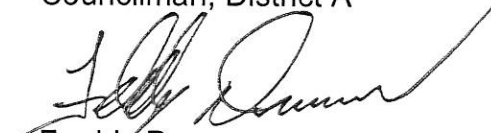
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4 BE IT FURTHER ORDAINED that if any provision of item of this ordinance or
5 the application thereof is held invalid, such invalidity shall not affect other provisions, items
6 or applications of this ordinance which can be given effect without the invalid provisions,
7 items or applications and to this end the provisions of this ordinance are hereby declared
8 severable.

9 **ADOPTED** this 14th day of May, 2013.

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11 

12 Lionel Hicks
13 President of the Council
14 Councilman, District A

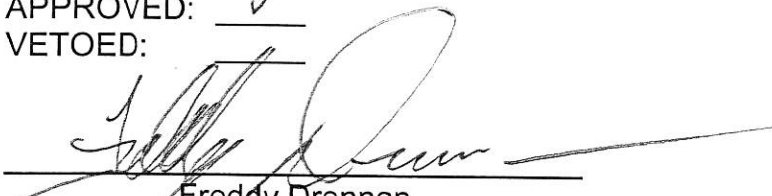
15
16 
17 Freddy Drennan
18 Mayor

19 

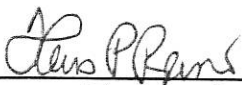
20 Thomas P. Reeves
21 Council Administrator

22
23 Delivered to the Mayor on May 17, 2013, at 12:00 p.m.

24 APPROVED:
25 VETOED:

26
27 
28 _____
29 Freddy Drennan
30 Mayor

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32
33 Returned to the Council Administrator on May 28, 2013, at 1:30 p.m.

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35 

36 Thomas P. Reeves
37 Council Administrator

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39

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EXHIBIT A
to CEA Ordinance

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8 **FORM OF**
9 **COOPERATIVE ENDEAVOR AGREEMENT**
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EXHIBIT B
to CEA Ordinance

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8 **INITIAL PROJECT DESCRIPTION**
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16 **INITIAL PROJECT BUDGET**
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4 STATE OF LOUISIANA

5
6 PARISH OF ST. TAMMANY

7 I, the undersigned Council Administrator of the Slidell City Council do hereby certify
8
9 that the foregoing five (5) pages constitute a true and correct copy of the proceedings
10 taken by said City Council on May 14, 2013, authorizing the execution of a Cooperative
11 Endeavor Agreement by and among the City of Slidell, State of Louisiana, the Camellia
12 Square Economic Development District, State of Louisiana, and SIKA Investments, LLC,
13 relating to the collection, use and expenditure of a one percent (1%) sales and use tax and
14 a two percent (2%) hotel occupancy tax to be levied in said District, and providing for other
15 matters in connection therewith.
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19

20 IN FAITH WHEREOF, witness my official signature and the impress of the official
21 seal of said City on this, the 14th day of May, 2013.
22
23

24
25 (SEAL)



Thomas P. Reeves
Council Administrator

COOPERATIVE ENDEAVOR AGREEMENT

dated as of June 1, 2012

by and among

the City of Slidell, State of Louisiana,

Camellia Square Economic Development District, State of Louisiana

and

SIKA Investments LLC

relating to the levy, collection, use and application of a
1% Sales and Use Tax and a
2% Hotel Occupancy Tax in the
Camellia Square Economic Development District, State of Louisiana

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EXHIBIT A - Boundaries and Map of District

EXHIBIT B - Description of Project

COOPERATIVE ENDEAVOR AGREEMENT

THIS COOPERATIVE ENDEAVOR AGREEMENT (the "Agreement"), which shall be dated for convenience of reference as of June 1, 2012, is by and among:

CITY OF SLIDELL, STATE OF LOUISIANA (the "City"), a political subdivision of the State of Louisiana, represented and appearing herein through Freddy Drennan, its Mayor, duly authorized hereunto by virtue of an ordinance adopted by the governing authority of the City on May 14, 2013, whose mailing address is 2045 Second Street, Slidell, Louisiana 70458;

CAMELLIA SQUARE ECONOMIC DEVELOPMENT DISTRICT, STATE OF LOUISIANA (the "District"), a political subdivision of the State of Louisiana, represented and appearing herein through Freddy Drennan, Mayor of the City of Slidell and Lionel Hicks, President of the Slidell City Council duly authorized hereunto by virtue of an ordinance adopted by the governing authority of the District on May 14, 2013, whose mailing address is 2045 Second Street, Slidell, Louisiana 70458;

WHO DECLARED that they are each a political subdivision of the State of Louisiana and desire to avail themselves of the provisions of Article VI, Section 20 and Article VII, Section 14(C) of the Louisiana Constitution of 1974, The Local Services Law (Sub-Part A, Part VII, Chapter 2 of Title 33 of the Louisiana Revised Statutes of 1950, as amended), the Cooperative Economic Development Law (Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, as amended), and Part II, Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:9038.31, *et seq.*), by entering into this Agreement for the objects and purposes and under the conditions, covenants and stipulations hereinafter set forth, with

SIKA INVESTMENTS, L.L.C. (the "Company"), a Delaware limited liability company duly authorized to do business in the State of Louisiana, appearing herein through Brian Reine, its Manager, duly authorized hereunto by virtue of the Operating Agreement of the Company, whose mailing address is 90 Glen Court, Pearl River, Louisiana 70452.

WITNESSETH

WHEREAS, Part II, Chapter 27, Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:9038.31, *et seq.*) (the "Act") authorizes municipalities, parishes and certain other local governmental subdivisions to create economic development districts to carry out the purposes of the Act, which economic development districts are political subdivisions of the State of Louisiana and possess such power and authority and have such duties as provided by the Act and other law; and

WHEREAS, pursuant to the Act, the City, acting through the Slidell City Council as its governing authority, adopted Ordinance No. 3663 on September 12, 2012, creating the District, in accordance with La. R.S. 33:9038.32, with boundaries as set forth on Exhibit A hereto, from which District local and State sales tax and hotel occupancy tax increments are expected to be

determined and used to fund the Camellia Square Economic Development District Trust Fund (the "Trust Fund"); and

WHEREAS, La. R.S. 33:9038.39 further permits such economic development districts to levy sales and use taxes and hotel occupancy taxes at a rate up to two percent (2%) for authorized purposes and in accordance therewith the District, acting through the City Council of the City of Slidell, as its governing authority, adopted ordinances on May 14, 2012, levying an additional sales tax of one percent (1%) in the District (the "EDD Sales and Use Tax") and further levying an additional hotel occupancy tax of two percent (2%) in the District (the "EDD Hotel Occupancy Tax," and together with the EDD Sales and Use Tax the "EDD Taxes"); designating the full amount of the EDD Taxes as the tax increments in the District from which local tax increments will be determined and used to finance economic development projects in the District in accordance with and as authorized by Part II, Chapter 27, Title 33 of the Louisiana Revised Statutes of 1950, as amended; designating the initial annual baseline collection rate and establishing a monthly baseline collection rate for the District; pledging and dedicating such tax increments to reimburse economic development costs and providing for other matters in connection with the foregoing; and

WHEREAS, the proceeds of the EDD Taxes (after paying the reasonable and necessary costs and expenses of collection and administering the EDD Taxes), will be paid into the Trust Fund and are dedicated and will be used to pay the costs of economic development projects, as defined in the Act, particularly in La. R.S. 33: 9038.34(M) and La. R.S. 33:9038.36; and

WHEREAS, Article VI, Section 20 of the Louisiana Constitution of 1974 provides that a political subdivision may exercise and perform any authorized power and function, including financing, jointly or in cooperation with one or more political subdivisions, either within or without the state, or with the United States or its agencies; and

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

WHEREAS, Sub-Part A, Part VII, Chapter 2 of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:1321, *et seq.*) (the "The Local Services Law"), provides that political subdivisions may engage jointly in the construction, acquisition or improvement of any public project or improvement, the promotion and maintenance of any undertaking or the exercise of any power, provided at least one of the participants is authorized under a provision of general or special law to perform such activity or exercise such power as may be necessary for completion of the undertaking; and

WHEREAS, under The Local Services Law such arrangements may provide for the joint use of funds, facilities, personnel or property or any combination thereof necessary to accomplish the purposes of the agreement, and such agreements may include but are not limited to activities concerning the construction or acquisition or improvement, and operation, repair and maintenance of public projects or improvements; and

WHEREAS, Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:9020, *et seq.*) (the "Cooperative Economic Development Law"), provides that local governmental subdivisions (including municipalities) may cooperate or engage in cooperative endeavors providing for cooperative financing of economic development projects with other local governmental subdivisions or with any other private or public entity or person, for the purpose of aiding in cooperative development, all as defined in the Cooperative Economic Development Law;

NOW, THEREFORE, the City, the District and the Company each agree to perform their respective obligations under this Agreement in accordance with the conditions, covenants and procedures set forth herein and in the exhibits attached hereto and made a part hereof as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. The following terms shall, for purposes of this Agreement, have the following meanings:

"Act" shall mean Part II, Chapter 27, Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:9038.31, *et seq.*).

"Agreement" shall mean this Cooperative Endeavor Agreement as it may be amended or modified from time to time or at any time in accordance with the terms hereof.

"Annual Local Base" shall mean the aggregate amount of EDD Taxes collected by the District during the most recently completed Fiscal Year prior to the Effective Date, which has been determined to be zero dollars (\$0).

"Annual Local Increment" shall mean the amount by which the EDD Taxes (consisting of the EDD Hotel Occupancy Tax and the EDD Sales and Use Tax) collected during any Fiscal Year exceeds the Annual Local Base. The Annual Local Increment shall consist of and equal to the aggregate Monthly Local Increment during each applicable Fiscal Year.

"Annual Pledged Local Increment" shall mean the full amount of the Annual Local Increment.

"Calendar Year" shall mean each yearly period that commences on January 1 through and including the following December 31.

"City" shall mean the City of Slidell, State of Louisiana.

"Company" shall mean SIKA Investments L.L.C., a Delaware limited liability partnership, and its successors and assigns.

"Cost of the Initial Project" shall mean the sum of \$2,129,096.94, as detailed on Exhibit B hereto.

"District" shall mean the Camellia Square Economic Development District, State of Louisiana, the boundaries of which are shown on Exhibit A hereto, and any expanded geographical area as the governing authority of the City shall designate by ordinance following the Effective Date in accordance with the Act. Notwithstanding the terms of Section 5.12 hereof, no amendment to this Agreement or to Exhibit A hereto shall be required in the event the City expands the District's boundaries to encompass adjacent areas.

"Economic Development Project" shall mean, without limitation, any and all projects suitable to any industry determined by the City and the District, to create economic development, including, without limitation, public works and infrastructure and projects to assist the following industries within the meaning of Article VI, Section 21 of the Louisiana Constitution of 1974:

- (a) Industrial, manufacturing, and other related industries.
- (b) Housing and related industries.
- (c) Hotel, motel, conference facilities, and related industries.
- (d) Commercial, retail, and related industries.
- (e) Amusement, places of entertainment, theme parks, and any other tourism-related industry.
- (f) Transportation-related industries.
- (g) Hospital, medical, health, nursery care, nursing care, clinical, ambulance, laboratory, and related industries.
- (h) Any other industry determined by the local governmental subdivision or issuer of revenue bonds, as appropriate, whose assistance will result in economic development.

"EDD Hotel Occupancy Tax" shall mean the 2% hotel occupancy tax levied by the District pursuant to an ordinance adopted by the governing authority of the District on May 14, 2013, and collected on the occupancy of hotel rooms, motel rooms and overnight camping facilities, including campgrounds, as it may be amended from time to time, or any other appropriate provision or provisions of law, as amended.

"EDD Sales and Use Tax" shall mean the 1% sales and use tax levied by the District pursuant to an ordinance adopted by the governing authority of the District on May 14, 2013, and collected on the sale at retail, the use, the lease or rental, the consumption and storage for use or consumption of tangible personal property and on sales of services, all defined in the Uniform Local Sales Tax Code (La. R.S. 47:337.1, *et seq.*), as it may be amended from time to time, or any other appropriate provision or provisions of law, as amended.

"EDD Taxes" shall mean collectively the EDD Hotel Occupancy Tax and the EDD Sales and Use Tax.

"Effective Date" shall mean July 1, 2013, being the date on which the levy of the EDD Taxes becomes effective.

"Fiscal Year" means the City's one-year accounting period as determined by the governing authority of the City, currently the year ending June 30 of each year.

"Future Project" shall mean any future improvements by the Company within or reasonably proximate to the District, which are approved for reimbursement in the manner set forth in Section 4.04 below.

"Initial Project" shall mean the construction by the Company of a commercial/retail facility and an adjacent hotel and conference facility, including parking and ancillary related improvements within the District, including new construction, renovation and repairs, tenant allowance and public infrastructure such as roadway and parking area improvements, traffic lights, parking etc., as described in Exhibit B hereto.

"Month" shall mean a calendar month.

"Monthly Local Base" shall mean the monthly amount of EDD Taxes collected by the District from the EDD Taxes prior to the Effective Date, which has been determined to be zero dollars (\$0).

"Monthly Local Collection" shall mean the EDD Taxes collected by the District during each Month of the Term.

"Monthly Local Increment" shall mean the amount by which the Monthly Local Collection exceeds the Monthly Local Base.

"Monthly Pledged Local Increment" shall mean that portion of the Monthly Local Increment equal to one hundred percent (100%) of each Monthly Local Increment beginning on the Effective Date.

"Net Revenues of the EDD Taxes" shall mean the revenues of the EDD Taxes received by the District from the collector(s) thereof, after payment of the reasonable expenses of the City and the District related to the administration of this Agreement.

"Ordinance" shall mean, collectively, the ordinances or resolutions of the City, the District or any other authorized entity adopted in connection with the levy and collection of the EDD Taxes.

"Reimbursement Obligation" shall mean the obligation of the City and the District to reimburse the Company for the Cost of the Initial Project from the Monthly Pledged Local Increment and the Annual Pledged Local Increment, as described in Article IV hereof

"State" shall mean the State of Louisiana.

"Term" shall mean the term of this Agreement as set forth in Section 2.09 hereof.

"Trust Fund" shall mean Camellia Square Economic Development District Trust Fund established pursuant to La. R.S. 33:9038.34(O), which constitutes a special trust fund for the furtherance of economic development projects into which the revenues of the EDD Taxes will be

deposited and loaned, granted, donated or pledged in furtherance of economic development projects.

SECTION 1.02. Use of Defined Terms. Terms defined in this Agreement shall have their defined meanings when used herein and in any document, certificate, report or agreement furnished from time to time in connection with this Agreement unless the context otherwise requires.

ARTICLE II

REPRESENTATIONS OF THE CITY AND THE DISTRICT

SECTION 2.01. District Authority. The City and the District have all requisite power pursuant to the Act, Article VI, Section 20 and Article VII, Section 14(C) of the Louisiana Constitution of 1974, the Local Services Law and the Cooperative Economic Development Law to enter into this Agreement and perform their obligations hereunder, and there are no contracts or obligations in conflict herewith.

SECTION 2.02. Collections. The District and the City both hereby represent, in reliance upon advice of legal counsel and representations of the City's Chief Financial Officer, that current law and the current internal collection process of the City are adequate for the purpose of collecting, classifying, reconciling, calculating and remitting the EDD Taxes.

SECTION 2.03. Accuracy of Base Collections. The City and the District hereby covenant and represent that the Monthly Local Base and Annual Local Base as stated herein are accurate in all material respects.

SECTION 2.04. Pledge and Reimbursement Obligation. The District hereby acknowledges that the Monthly Pledged Local Increment and the Annual Pledged Local Increment are pledged in the Ordinance for their intended purposes and any deviation by the District from the terms of this Agreement could result in a substantial impairment of the District's ability to perform its obligations or to pay the Reimbursement Obligation when due and payable. The District agrees to take no action or to fail to take action expressly or fairly implied hereunder which could reasonably be considered to jeopardize the payment of all requirements of the pledge or the payment of the Reimbursement Obligation.

SECTION 2.05. Scope of Initial Project. The Initial Project will require the Company to incur significant infrastructure and other development costs that are within the scope of the definition of "Economic Development Project" in the Act and will equal or exceed the Cost of the Initial Project as described in Exhibit B hereto.

SECTION 2.06. Public Hearing. The City has (i) conducted a public hearing, (ii) created and designated the District and (iii) on behalf of the City and the District, approved the execution of this Agreement..

SECTION 2.07. No Suits. Except as may be otherwise disclosed in writing, to the best of the knowledge of the District and the City, there is no action suit, investigation or proceeding pending, or threatened, against the District or the City, before any court, arbitrator, or

administrative or governmental body, or insurance of operations of the District or the City or which might adversely affect the ability of the District or the City to comply with their respective obligations hereunder or in connection with the transactions contemplated hereby, relative to this Agreement and the Reimbursement Obligation.

SECTION 2.08. This Agreement not Intended to be Indebtedness. Although the City and the District may issue bonds or other indebtedness relating to the District, the essence of the undertakings of the City and the District hereunder is for the City, the District and the Company to work cooperatively for the payment of the costs of Economic Development Projects, as described and defined in the Act. The undertakings of the City and the District described herein do not represent and are not intended to create any indebtedness on the part of the City or the District, since such undertakings of the City and the District do not involve any loan of moneys or assets of the City or the District or *vice versa*, nor the issuance of any indebtedness by the City or the District, but only for the cooperative use of the revenues of the EDD Taxes for the purposes described herein.

SECTION 2.09. Term of this Agreement. This Agreement shall be effective upon execution by all the parties hereto and shall terminate on July 1, 2043.

ARTICLE III

COOPERATIVE ENDEAVOR OBLIGATIONS

SECTION 3.01. Relating to Article VII, Section 14 of the Louisiana Constitution. In entering into this Agreement it is not the intent of the City, the District or the Company to enter into a gratuitous transfer of public funds because such parties expect that acquisition, construction and installation of the Initial Project will be an "Economic Development Project" within the meaning of La. R.S. 33:9038.34, and that they will each receive something of value in return for the performance of their obligations hereunder, which is:

- (a) in the case of the City, the promotion of economic development in the City, the creation of jobs, enhancement of the property tax and sales tax base of the City, an increase in the number of hotel rooms available in the City, and the generation of revenues for infrastructure and other necessary capital expenditures in and for the City;
- (b) in the case of the District, the promotion of economic development in the District, the creation of jobs, the enhancement of the property tax and sales tax base of the District, an increase in the number of hotel rooms available in the District, and the generation of revenues for infrastructure and other necessary capital expenditures in and for the District;
- (c) in the case of the Company, construction of a commercial and retail development and a hotel and ancillary facilities and parking, which will result in the creation of jobs, the enhancement of the property tax and sales tax base of the District, and an the increase in the number of hotel rooms available in the District.

Additionally, the City, the District and the Company will have reciprocal obligations relating to the satisfaction of the additional requirements set forth herein with respect to the allocation, expenditure and use of the Net Revenues of the EDD Taxes.

The City and the District further find and determine that (a) both the City and the District have the legal authority to enter into this Agreement, (b) the Initial Project will be an Economic Development Project within the meaning of the Act that creates a public benefit, specifically the creation of jobs, the enhancement of the property tax and sales tax base of the City, an increase in the number of hotel rooms available in the District and the generation of revenues for infrastructure and other necessary capital expenditures in and for the City, proportionate to its cost and (c) there is a reasonable expectation on the part of the City and the District of receiving at least equivalent value in exchange for the use of the Net Revenues of the EDD Taxes to reimburse the Company for the Cost of the Initial Project.

SECTION 3.02. Transfer of Funds. It shall be the continuing duty of the District and the City to cause to be deposited the Monthly Local Increment into the Trust Fund no later than the last business day of the month following the month such funds are available.

SECTION 3.03. Calculations. Collections from the District received in any Month as a result of audits shall be treated as current collections for such Month for purposes of this Agreement.

If it is determined that for any period of time less monies have been transferred than were due, for whatever reason, the District shall direct an adjustment in the Monthly Pledged Local Increment, paid into the Trust Fund in order that the shortfall or over-collection of revenues due to the District for any prior period is eliminated as soon as practicable and in any event no more than ninety days subsequent to the recalculation giving rise to the need for the adjustment, provided that the District shall not be obligated to use any funds for adjustments other than from Net Revenues of the EDD Taxes.

SECTION 3.04. Effective Date of Monthly Pledged Local Increment. The Monthly Pledged Local Increment shall be deposited by the District into the Trust Fund beginning on the last day of the month following the first full month that the EDD Taxes will be collected (*i.e.* beginning no later than August 31, 2012). It shall be the responsibility of the City and the District to cause such funds to be deposited into the Trust Fund.

SECTION 3.05. Collection Process. The EDD Taxes shall be collected, accounted for and remitted by the Sales Tax Division of the St. Tammany Parish Sheriff's Office (or its successor) in the same manner as other sales taxes and hotel occupancy taxes are collected in the City.

SECTION 3.06. Rescission or Amendment. In no event shall any rescission or amendment to this Agreement be effective without the prior written consent of the affected parties hereto, as well as a certificate of the District setting forth a determination by the District that, taking into account all relevant facts and circumstances, including, if and to the extent the District deems appropriate, an opinion of counsel as to legal matters and other consultants and

advisors, such action will not have a material adverse effect on the interest of the Company or its assignee in the Reimbursement Obligation.

ARTICLE IV

REIMBURSEMENT OF COSTS

SECTION 4.01. Construction and Installation of the Initial Project. The Company has and will use its best efforts to construct the Initial Project. Upon the execution of this Agreement, it is acknowledged by the City and the District that infrastructure relating to the Initial Project, including, without limitation, streets and utilities, has been previously constructed, along with a retail shopping center. Furthermore, it is acknowledged by the City and the District that a hotel facility is under construction and the Company reasonably expects this facility to be placed in service on or before June 1, 2013.

(b) Actual costs of the Initial Project, not to exceed the Cost of the Initial Project described in Exhibit B, shall be documented to the City by the Company in such form and in sufficient detail to allow the City or its duly appointed representatives, to make an independent determination as to the actual costs incurred or paid by the Company with respect to the Initial Project. Any such documentation shall be accompanied by a sworn statement of an authorized representative of the Company that the actual costs of the Initial Project described in such documentation are true and accurate and are all with respect to the Initial Project. Once such documentation and actual costs have been approved by the City, there shall be no need or obligation of the Company to provide additional requisitions or requests for reimbursement of the amounts so approved, and reimbursement of the approved costs shall continue in the manner set forth in below until a cumulative amount equal to the documented Cost of the Initial Project shall have been paid to the Company in the manner provided in Section 4.03 below.

Reasonable variations in the amounts allocable to the various expenditure line items shown in Exhibit B are allowed, provided that the total Cost of the Initial Project shall be absolutely limited to the amount shown in Exhibit B.

SECTION 4.02. Expenditure of Funds in Anticipation of Reimbursement. the Company has or shall construct and install the Initial Project at its own expense in consideration and anticipation of the Reimbursement Obligation.

SECTION 4.03. Reimbursement Obligation. The District shall reimburse the Company for the Cost of the Initial Project, as documented and approved in accordance with Section 4.01(b), as follows:

(a) The City, on behalf of the District, shall budget for each Fiscal Year, beginning with the Fiscal Year ending June 30, 2014, the anticipated revenues and expenditures of the EDD Taxes for such Fiscal Year.

(b) Included in such budget shall be an amount, which shall not exceed one hundred percent (100%) of the anticipated Net Revenues of the EDD Taxes for such Fiscal Year (after payment of the reasonable expenses of the City and the District related to the administration of this Agreement), that the City, on behalf of the District, will pay to the Company as

reimbursement for Cost of the Initial Project described in Exhibit B hereto and documented in accordance with Section 4.01(b). If, during the course of a Fiscal Year, the anticipated Net Revenues of the EDD Taxes for such Fiscal Year increase beyond the initial amount budgeted, then such increased revenues and reimbursement amount shall be reflected in a budget amendment, however in no event shall the City or the District be obliged to make any reimbursement payment to the Company during any period in excess of one hundred percent (100%) of actual Net Revenues of the EDD Taxes received by the District during such period.

(c) Reimbursement payments shall be made by the City, on behalf of the District, to the Company, on a quarterly basis in arrears, on or about January 1, April 1, July 1 and October 1 of each year, commencing October 1, 2013, in an amount that does not exceed the lesser of:

- (i) One hundred percent (100%) of actual Net Revenues of the EDD Taxes received by the District in the preceding quarter, or
- (ii) the balance of actual expenditures by the Company for Cost of the Initial Project, that have not previously been reimbursed pursuant to this Section, as documented at least thirty (30) days prior to the applicable reimbursement payment date to the satisfaction of the City in accordance with Section 4.01(b).

In no event shall the amount of reimbursement payments for any Fiscal Year to the Company exceed one hundred percent (100%) of the actual Net Revenues of the EDD Taxes received during the preceding quarter.

(d) Except with respect to approval of any Future Projects, as described below, the City and the District shall have no further Reimbursement Obligations hereunder after such time that a cumulative amount equal to the documented Cost of the Initial Project shall have been paid to the Company under this Section. After a cumulative amount equal to the documented Cost of the Initial Project has been paid to the Company then the City shall retain 100% of the EDD Taxes.

(e) Net revenues of the EDD Taxes in excess of the amounts paid to the Company pursuant to Subsection (c) of this Section may be expended by the City or the District to pay the cost of Economic Development Projects, whether inside or outside of the District, including the cost of public works and infrastructure, or to reimburse the City or the District for any such expenditures paid from other sources after the Effective Date. The City and the District may also use any such excess net revenues to pay the cost of public works and infrastructure outside of the limits of the City, if such improvements benefit the property within the District and may legally be made by the City or the District.

SECTION 4.04. Future Projects. In addition to the Initial Project described in Exhibit B, the Company may request that the City and the District reimburse it for the cost of one or more other Economic Development Projects within the District or reasonably proximate to the District. In such event, the Company shall submit to the City a written request for reimbursements for such Future Project(s), together with proposed amendment(s) to this Agreement containing a description of such Future Project(s) and the proposed terms of reimbursement. Notwithstanding the foregoing, the City and the District are under no obligation

to approve such request, to finance or reimburse the Company for the costs of any such Future Project(s), or to finance or reimburse the Company under the same terms as are agreed to herein with respect to the Initial Project.

SECTION 4.05. Limited Source of Payment of Reimbursement Obligation. The Company hereby recognizes, acknowledges and agrees that the source of payment of the Reimbursement Obligation described in Section 4.03 is limited to 100% of the Net Revenues of the EDD Taxes. The Company shall have no recourse against the City or the District to make reimbursement payments to the Company from any other sources whatsoever.

SECTION 4.06. No Repeal of EDD Taxes. For so long as the Reimbursement Obligation is unsatisfied, or until the Termination Date, whichever occurs first, the City and the District pledge not to reduce or repeal the EDD Taxes or take any other action or fail to take any action that would impair the Reimbursement Obligation set forth herein.

SECTION 4.07. Successors and Assigns. The Reimbursement Obligation is an appurtenant benefit running with title to the real estate that makes up the District, and ownership of the Reimbursement Obligation may not be separated from ownership of the real estate that makes up the District without the prior written consent of the City and the District. Notwithstanding the foregoing, the rights of the Company under this Agreement (including the rights to the Reimbursement Obligation) may be assigned by the Company, without the consent of the City or the District, to any entity of which the Company (or its successor) has a majority ownership or controlling interest, provided that ownership of the Camellia Square real estate is conveyed to such entity contemporaneously with such assignment. Otherwise, the rights of the Company under this Agreement may not be sold, assigned, assumed or transferred in any manner to or by any other person or entity, without the prior written consent of the City and the District, and in such case the sale, assignment, assumption or transfer by the Company shall be in writing and shall contain a specific provision that the successor assumes all of the obligations of the Company under this Agreement arising on or after the effective date of such transfer.

ARTICLE V

MISCELLANEOUS

SECTION 5.01. Liberal Construction. This Agreement shall be construed liberally to secure the beneficial intents and purposes hereof, and in particular shall be construed liberally as necessary to protect and further the interests of the owners of any bonds or other obligations issued by the City or the District for the purposes stated herein.

SECTION 5.02. Notices. All reports, statements or notices required or advisable to be given hereunder shall be deemed to be given if sent to the parties hereto at the addresses shown in the appearances to this Agreement.

Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be either hand-delivered or mailed, postage prepaid by first-class mail, registered or certified, return receipt requested, or by private, commercial carrier, express mail, such as Federal Express, or sent by fax or other similar form of rapid transmission

confirmed by written confirmation mailed (postage prepaid by first-class mail, registered or certified, return receipt requested or private, commercial carrier, express mail, such as Federal Express) at substantially the same time as such rapid transmission, or personally delivered to an officer of the receiving party. All such communications shall be mailed, sent or delivered to the address or numbers set forth above, or as to each party at such other addresses or numbers as shall be designated by such party in a written notice to the other party.

SECTION 5.03. Further Assurances. From time to time hereafter, the City and the District shall execute and deliver such additional instruments, certificates or documents, and take all such actions as the each party hereto may reasonably request for the purpose of fulfilling their obligations hereunder. Without limiting the foregoing, within fifteen (15) days following the request from any party hereto, each other party shall deliver to the requesting party, an estoppel certificate stating, to the best of such parties' knowledge or belief: (i) whether or not this Agreement is in full force and effect and the extent to which this Agreement has been supplemented, modified or amended; (ii) whether or not there are any defaults or breaches under this Agreement or conditions that, with the passage of time, the giving of notice, or both, would constitute a default or breach under this Agreement (and, if applicable, the nature of such defaults, breaches or conditions); (iii) whether the conditions and agreements under this Agreement have been satisfied or performed as of the date of such estoppel certificate (and, if applicable, the nature of any failures); and (iv) the amounts of paid and unpaid reimbursements for the term of the Agreement or for particular years thereof. Any such statement or certificate may be conclusively relied upon by the party requesting the estoppel certificate.

SECTION 5.04. Venue. Any suit brought by any party hereto arising out of or by reason of this Agreement, or otherwise, shall be brought, if against the District, the City or the Company, in the 22nd Judicial District Court, St. Tammany Parish, Louisiana.

SECTION 5.05. Severability. To the fullest extent possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provisions of this Agreement shall be prohibited or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

SECTION 5.06. No Personal Liability. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, trustee, officer, agent or employee of the City or the District, in his or her individual capacity, and neither the officers thereof nor any official executing this Agreement shall be liable personally with respect hereto or be subject to any personal liability or accountability by reason of the execution and delivery of this Agreement. No partner, member, shareholder, officer, director, trustee, beneficiary, employee, agent, contractor or consultant of the Company (disclosed or undisclosed) shall have any personal liability to the City, the District or the City Finance Department or any of their respective successors in interest with respect to the subject matter of this Agreement.

SECTION 5.07. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or extent of any of the provisions of this Agreement.

SECTION 5.08. Counterparts. This Agreement may be executed in several counterparts, each which shall be an original and all of which when taken together shall be deemed one and the same Agreement.

SECTION 5.09. Governing Law. This Agreement shall be constructed in accordance with and governed by the laws of the State of Louisiana.

SECTION 5.10. Payment of Fees of Counsel to the City & District. Simultaneously or prior to delivering its counterpart signature pages to this Agreement, the Company shall remit \$12,500 to Adams and Reese LLP ("Counsel"), in discharge of all remaining fees due and payable to Counsel, as special counsel to the City and the District, in connection with the consultation, negotiation, guidance and preparation of documentation necessary to create the District, reach agreement hereunder with respect to the undertakings of the parties hereto, pursue other incentives and generally oversee and facilitate the culmination of this agreement. The payment of the amounts described herein to Counsel (together with any amounts paid on or before April 1, 2013), shall discharge all obligations of the Company to pay any and all fees due and payable to Counsel in connection with the creation of the District, the levy of the EDD Taxes, and the approval and execution of this Agreement. The Company acknowledges that Adams and Reese LLP has acted solely as counsel to the City and the District, and that Counsel has not represented, acted or negotiated for or on behalf of, or in any way represented the interests of the Company in the foregoing matters.

SECTION 5.11. Non-shareholder Contributions to Capital. The City hereby designates the EDD Taxes reimbursements paid to the Company pursuant hereto, and each portion thereof, as non-shareholder contributions to capital of the Company pursuant to Section 118 of the Internal Revenue Code of 1986 (and successor provisions thereto) and intends such payments to be a reimbursement for land and/or building costs incurred by the Company in connection with the Initial Project.

SECTION 5.12. Amendment and/or Modification. Neither this Agreement nor any term, provision or Exhibit hereof may be changed, waived, discharged, amended or modified orally, or in any manner other than by an instrument in writing signed by all of the parties hereto.

[SIGNATURES APPEAR ON NEXT PAGE]

THIS COOPERATIVE ENDEAVOR AGREEMENT IS THEREFORE DONE AND PASSED in multiple counterparts as of the date aforesaid, in the presence of the undersigned competent witnesses, who hereunto sign their names with the City, the District and the Company.

CITY OF SLIDELL,
STATE OF LOUISIANA

ATTEST:

By: Jim P. Reeves
Council Administrator

By: [Signature]
Mayor (SEAL)

CAMELLIA SQUARE ECONOMIC
DEVELOPMENT DISTRICT, STATE OF
LOUISIANA

ATTEST:

By: Jim P. Reeves
Council Administrator, City of Slidell

By: [Signature]
Mayor, City of Slidell
By: [Signature]
President, Slidell City Council

WITNESSES:

[Signature]
Maldred E. Wise

SIKA INVESTMENTS LLC

WITNESSES:

[Signature]
[Signature]

By: [Signature]
Title: _____

**BOUNDARIES AND MAP OF
CAMELLIA SQUARE ECONOMIC DEVELOPMENT DISTRICT**

ALL THAT CERTAIN TRACT OR PORTION OF LAND, together with all the buildings and improvements thereon, and all the rights, ways, privileges, servitudes, appurtenances and advantages thereunto belonging or in anywise appertaining, situated in Section 1, Township 9 South, Range 14 East, St. Tammany Parish, Louisiana, designated as LOT 4-C, SMALL'S SUBDIVISION, City of Slidell, consisting of 8.4874 acres on a plan of resubdivision of the former Lots 4-A-1 and 4-B-1 prepared by J. V. Burkes III, Registered Land Surveyor, dated May 24, 2000, last revised August 4, 2000, a copy of which is recorded in the official records of St. Tammany Parish, Louisiana, State of Louisiana at Map File No. 1857, and according to said survey the said tract or parcel of land is described as follows:

From the section corner common to Sections 1 and 12, Township 9 South, Range 14 East, and Sections 6 and 7, Township 9 South, Range 15 East of said Parish, go North 00 degrees 01 minute, 00 seconds West 50.0 feet to a point; thence go North 50.0 feet to a point; thence go North 89 degrees 55 minutes 00 seconds West 2,657.20 feet to a point on the northerly right-of-way of Gause Boulevard East, also the point of beginning.

Thence go North 00 degrees 01 minute 00 seconds West 885.43 feet to a point; thence go South 88 degrees 00 minutes 09 seconds East 420.92 feet to a point; thence go South 00 degrees 04 minutes 55 seconds East 510.04 feet to a point; thence go South 00 degrees 05 minutes 03 seconds East 360.23 feet to a point on the northerly right-of-way of Gause Boulevard East; thence go South 89 degrees 56 minutes 00 seconds West 421.67 feet along said northerly right-of-way of Gause Boulevard East to the point of beginning.

EXHIBIT B
to Cooperative Endeavor Agreement

**DESCRIPTION AND INITIAL PROJECT
AND BUDGET**

The Initial Project consists of the construction of infrastructure at the Camellia Square development located in the District. The Initial Project Budget is as follows:

Camilla Square Capital Expenses	
Engineering	\$81,187.79
Surveying	\$36,647.50
Permits	\$38,360.00
Traffic Study	\$20,550.00
Temporary Power	\$3,959.30
Temporary Water	\$5,466.74
Dumpster Rental	\$4,068.90
Temp Toilet	\$3,973.00
Clearing	\$90,283.00
Site Fill	\$455,956.55
Retention Wall	\$161,694.25
Grading	\$16,141.34
Erosion Control	\$25,553.24
Underground Drainage	\$175,162.72
Underground Water	\$51,487.34
Underground Sewer	\$35,977.57
Underground Electrical	\$23,092.72
Underground Telephone	\$20,529.45
Concrete Streets	\$217,864.25
Monument signs	\$392,621.60
Sidewalks	\$21,533.52
Landscaping	\$19,162.01
SOD	\$8,322.75
Irrigation	\$83,672.75
Attorney Fees	\$92,557.20
Lighting	\$43,271.45
Total	\$2,129,096.94