



LOUISIANA PUBLIC FACILITIES AUTHORITY

2237 Acadian Thruway
Suite 650
Baton Rouge, LA 70808

Phone: (225) 923-0020

Toll Free: (800) 228-4755

Fax: (225) 923-0021

Email: info@lpfa.com

Web Pages: www.lpfa.com

www.lela.org

APPLICATION PACKAGE

BOARD OF TRUSTEES

Ronald H. Bordelon, Chairman

Dannye W. Malone, Vice Chairman

Craig A. Cheramie, Secretary-Treasurer

David W. Groner

Casey R. Guidry

Heather C. Songy

Matthew T. Valliere

 **Application Package** 

1 Name of Project: _____

2 Project Address:

(a) Municipal Address (Please use the actual physical address (number and street) for facility. Do *not* use a post office box or a PROPOSED Municipal Address from the City Planning Office);

OR (only if (a) above is unavailable),

(PLEASE NOTE THE FOLLOWING CANNOT BE A LEGAL DESCRIPTION)

(b) on a _____ acre site, on the _____ (north, east, south, west, northwest, etc.), side of _____ (Street, Drive, Boulevard, Avenue, U.S. Highway, etc.) of the intersection of _____ (Street, Drive, Boulevard, Avenue, U.S. Highway, etc.) and _____ (Street, Drive, Boulevard, Avenue, U.S. Highway, etc.), in the *City of _____, Parish of _____, Louisiana.

3 Not to Exceed Amount of Bond Issue: \$ _____

4

Description of Project:

The Project involves the financing of the acquisition [constructing and/or renovating, (choose one or both)] and equipping of a:

5

Employment Impact Information:

Number of Construction Jobs: _____

Number of Permanent Jobs to be created: _____

Annual Payroll of New Permanent Jobs: \$ _____

Number of Present Jobs Retained or Transferred: _____

Annual Payroll of Jobs Retained or Transferred: \$ _____

6

Name of Project Owner(s):

Name of Corporation: _____

Name of Partnership: _____

Name(s) of Individuals: _____

If Corporation, is it: Non-Profit Closely Held

Public Other

(Please check one)

Address of Registered Office (may not be a post office box):

State Organization: _____

7

Project Principals:

Name: _____

Address: _____

Name: _____

Address: _____

Name: _____

Address: _____

8

General Contact Person for this Project:

Name: _____

Address: _____

Telephone Number: _____

Fax Number: _____

Email: _____

9 Public Relations Contact for this Project:

Name: _____

Address: _____

Telephone Number: _____

Fax Number: _____

Email: _____

10 Project Owner's Attorney:

Name: _____

Name of Firm: _____

Address: _____

Telephone Number: _____

Fax Number: _____

Email: _____



The following information must be supplied upon presentation of this Application Package to enable the Authority to provide information as required by the Louisiana State Bond Commission to the area legislators. Legislative notification must be prepared by the Authority at least five days prior to the Meeting of the Louisiana Public Facilities Authority Board of Trustees.

11 State Senator: _____

State Representative: _____



12 Guarantor, if any: _____

13 If Historical Building, please give age of Building: _____ years

14 Recommendation for LPFA's Bond Counsel (Please review the Minimum Qualifications for Bond Counsel handout included in the LPFA Application Package):

Firm Name: _____

Attorney's Name: _____

Address: _____

Telephone Number: _____

Fax Number: _____

Email: _____

Assistant's Name: _____

Assistant's Telephone Number: _____

Assistant's Email: _____

15 Signature of Project Owner's Representative:
_____, Project Owner

Signature: _____

Name: _____

Title: _____

LPFA APPLICATION - ATTACHMENT A

PROPOSED LAND ACQUISITION AND CONSTRUCTION BUDGET

Land Costs:

(If to be financed with Bond Proceeds)

This cost may not exceed 25% of Bond Proceeds \$ _____

Building Costs:

1. Site Preparation \$ _____

2. Concrete Work \$ _____

3. Framing \$ _____

4. Electrical \$ _____

5. Plumbing \$ _____

6. Heating & Air Conditioning \$ _____

7. Roofing \$ _____

8. Depreciable Equipment & Fixtures \$ _____

9. Other (specify)

_____ \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

TOTAL \$ _____



INSTRUCTION SHEET FOR THE COMPLETION
OF THE
LPFA APPLICATION PACKAGE

IT IS IMPORTANT THAT ALL OF THIS INFORMATION BE AS EXACT AS POSSIBLE. INCORRECT INFORMATION COULD RESULT IN THE LOSS OF TAX EXEMPT STATUS FOR YOUR BOND ISSUE.

Please supply the requested information in typewritten form. This instruction sheet is meant to be used only as a guide. The staff of the Louisiana Public Facilities Authority (hereinafter referred to as the “Authority” or the “LPFA”) will be happy to assist you with any questions you may have. We can be reached at:

LOUISIANA PUBLIC FACILITIES AUTHORITY

2237 S. Acadian Thruway, Suite 650
Baton Rouge, LA 70808
Toll Free (800) 228-4755 Phone (225) 923-0020
Fax (225) 923-0021
www.lpfa.com
www.lela.org

1. Insert the Name by which the general public will know this facility or Project. (Example: the name as it will appear on a building sign, apartment sign, etc.)
2. Insert, as the Project Address, the following information: *
 - a) Municipal Address, if known (Number and Street); or
 - b) If the project does not have a municipal address, please complete the description set forth on Page 1 of the Application Package. Please note that it is important to give a detailed description of the project’s location. A person reading the description should be able to easily locate the project solely from this description.

* Be sure to determine if the Project is located within an incorporated area or in the unincorporated portion of the Parish. If it is in the unincorporated portion of the Parish, delete “City of _____” from the description.

3. Insert the estimated amount of the Bond Issue to be used for this Project. (If you under estimate what you need, an additional approval process will be necessary. It is always better to over estimate because approvals are not needed if you are reducing the amount of the bond issue. Remember to include allowances for fees for attorneys, architects, accountants, financial advisors, capitalized interest, etc.)
4. Complete the sentence by inserting a detailed description of the project that should include the following information, as applicable:
 - a) (Number) - unit Multi-Family facility.
(Federal regulations require that at least 40% of the units must be reserved for low and moderate income families).
 - b) (Number) - bed ICF-I, ICF-II, SNF, extended-care, etc. facility.
 - c) Free standing ambulatory surgical center with attendant out patient care facilities, or a (Number) - bed psychiatric hospital, tuberculosis hospital, or hospital .
 - d) (Number) - square foot, (Number) - floor facility.

This list is not exclusive. If your Project does not fit one of these categories, please make the description similar.

5. Insert the estimated numbers called for.
6. Insert the exact legal name of the Project Owner. If your Project is to be owned by a Partnership or Corporation, check the appropriate space which identifies the type. It is important that the Partnership Agreement or Articles of Incorporation be filed of record with the Secretary of State's Office. In the case of a Partnership, the Partnership Agreement must also be filed in the records of the Parish(s) where the facility(s) will be located. A Corporation must file its Articles of Incorporation in the records of the parish of its domicile only.
7. Insert the name(s) and address(s) of:
 - a) Individual name(s) and address(s) (in case of Individual Ownership).
 - b) Principal shareholders (in case of Corporation).
 - c) General Partners (in case of Partnership).
8. Insert the name of the Person whom the Authority can readily contact in order to obtain additional information, if needed.
9. Insert the name of the public relations contact for this project. This person will be contacted to obtain detailed information about the project in order to answer questions from the media, if any, about the project. This information will be used by the LPFA in its media relations program.

10. Insert the name of the Project Owner's Attorney. This cannot be Bond Counsel. Bond Counsel represents the Bondholders (the purchasers of the bonds), not the Project Owner.
11. Insert the name of the State Senator (not U.S.) and the State Representative in whose voting district the facility will be located. (This information can be obtained from the Registrar of Voters office in the parish in which the facility will be located). Please be sure and obtain the names of the existing Senator and Representative and not newly-elected officials who have not taken office.
12. If someone other than the owner of the project is to guarantee repayment of the Bonds, please insert their name here. Otherwise, please leave this space blank.
13. If the project will be located in a historical building, please insert the age of the building. Otherwise, please leave this space blank.
14. Please provide the requested information about any recommendation for Bond Counsel. The Board of Trustees of the LPFA hires both Bond Counsel and LPFA's Special Issuer's Counsel. Although the Board of Trustees hires Bond Counsel, one of the main factors used to determine which law firm to hire is the recommendation, if any, from the project owner. **A copy of the Minimum Qualifications for Bond Counsel as approved by the LPFA Board of Trustees is included in this Application Package.** Please leave this item blank if you do not have any recommendation for Bond Counsel.
15. Please have the Project Owner's representative sign the Application and then send the completed Application **along with the non-refundable \$500 application fee** to the LPFA at the address set forth on the first page of these Instructions.
16. PROPOSED LAND ACQUISITION AND CONSTRUCTION BUDGET (Attachment-A)
- Page 7

The categories listed on this page are meant as guidelines only. The form may be retyped following the same format to include additional categories, as needed, for the project.

This sheet gives the Authority and the Louisiana State Bond Commission an indication of the proposed "hard" costs associated with the Project.

All "soft" costs such as legal fees, accounting fees, architectural fees, etc. should not be included in this proposed budget.

17. PRELIMINARY AGREEMENT FOR THE ISSUANCE OF BONDS

- a) Insert the day, month, and year of the LPFA Board of Trustees meeting at which preliminary approval of the project will be considered. If you do not know this date, please leave this blank.
- b) Insert the name of the Project Owner used in Number 6 of the Application.
- c) Insert the location of the principal place of business of the Project Owner specified in (b) above.
- d) Insert the name of the person who signed the Application and who will be signing the Preliminary Agreement.
- e) Insert the name of Project Owner used in (b) above.
- f) Signature of (d) above. Please type the person's name and title under the signature line.
- g) Signature of witnesses to the signature of (d) above.
- h) Insert the location of the Project as used in Number 2 on the Application.
- i) Insert the estimated amount of the bond issue as used in Number 3 on the Application.
- j) Insert the description of the Project used in Number 4 on the Application.

18. FEE INFORMATION - A separate fee information sheet is included in the Application Package.

Please review the Fee Information sheet that is included in the Application Package. This sheet explains the Authority's current policy regarding Application Fees, Financing Acceptance Fees, reimbursement for out of pocket expenses, and Annual Administrative Fees. It also describes the Louisiana State Bond Commission's application and closing fees.

- a) At the time of submission of the Application, a check in the amount of \$500 made payable to the Louisiana Public Facilities Authority is due. This check covers the LPFA Application Fee and is non-refundable.

PRELIMINARY AGREEMENT FOR THE ISSUANCE OF BONDS
(Effective as of January 1, 2024)

This Agreement entered into as of the (a) _____ of _____, 20____, by and between:

LOUISIANA PUBLIC FACILITIES AUTHORITY

a public trust and public corporation organized and existing by, under and pursuant to that one certain Indenture of Trust executed August 21, 1974 and the provisions of the Louisiana Public Trust Act, being La. R.S. 9:2341-2347 of 1950, as amended, and other applicable law, with its registered office at 2237 South Acadian Thruway, Suite 650, Baton Rouge, East Baton Rouge Parish, Louisiana, duly represented herein by its Chairman or Vice Chairman (the "Authority"),

and

(b) _____

a Borrower organized, existing, and qualified to do business under the laws of the State, with its principal place of business at (c) _____

represented herein by its Authorized Representative, (d) _____ (the "Borrower").

I.

INTRODUCTION AND PRELIMINARY STATEMENT

Among the matters of mutual understanding which have resulted in the execution of this Agreement are the following:

A. The Authority is a public trust and public corporation of the State of Louisiana (the "State") established for the benefit of the State by a certain Indenture of Trust dated August 21, 1974, (the "Indenture") and organized pursuant to the laws of the State, generally, but not exclusively, the Louisiana Public Trust Act, being La. R.S. 9:2341-2347 of 1950, as amended (the

"Act") and/or such other applicable provisions of law including but not limited to Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "Refunding Act"), and is duly constituted and authorized to incur debt and issue bonds, notes or other evidences of indebtedness in order to provide funds for and to fulfill and achieve its authorized public function and purposes to promote, encourage and further the accomplishment of all activities which are or may become of benefit to the State and which have a public purpose, including but not limited to, those activities listed on Attachment A-2 of this Agreement.

B. The Borrower desires that the Authority issue its special obligation revenue bonds (the "Bonds") to provide financing for the acquisition, construction and/or installation of a project that qualifies as an authorized public function or purpose of the Authority within the meaning of the Act and the Indenture, and more fully described as the financing of all or a portion of the project described in Attachment A-1 attached hereto, in an aggregate principal not to exceed the amount described in Attachment A-1 attached hereto (the "Project"). The Bonds to be issued by the Authority under the Act shall be in aggregate amount sufficient to pay all or a portion of the costs of the Project and all costs of the Authority issued in connection with the issuance of the Bonds.

C. The Borrower has determined that the amount of costs of the Project to be financed with the Bonds will not exceed the amount shown in Attachment A-1 inclusive of issuance costs.

D. The Borrower has requested the Authority to enter into this Agreement for the purpose of declaring the Authority's intention to provide financing through the issuance of Bonds to pay all or a portion of the cost of the Project, subject to the terms and conditions set forth herein.

E. This Agreement is executed to induce the Borrower to proceed with the necessary actions in order to facilitate the timely financing of the Project; to evaluate the financial feasibility of the Project; to assure the Borrower, prior to the issuance of the Bonds by the Authority, that the Authority will, in accordance with and subject to the provisions of this Agreement, the Indenture, the Act and the rules of the Louisiana State Bond Commission, issue the Bonds to cover costs so incurred by the Borrower in connection with the Project, including such costs incurred by the Borrower prior to the issuance of the Bonds, subject to Internal Revenue Service rules and regulations.

F. The Authority has determined that the Project and the financing of all or a portion of the costs associated therewith, and the issuance of the Bonds by the Authority will be in furtherance of authorized public functions and purposes of the Authority as set forth in the Act and the Indenture creating the Authority.

G. The Authority has indicated its willingness to proceed with and effect such financing subject to due compliance with the requirements of law, the obtaining of all necessary consents and approvals, and to the happening of all acts, conditions and things required precedent to such financing, and the Authority will issue and sell its special obligation revenue bonds or notes in an aggregate principal amount, together with other funds provided by the Borrower, that are sufficient to pay the cost of financing the Project, together with the costs incident to the Project and costs of authorization, sale and issuance of the Bonds.

H. The Authority intends this Agreement and the resolution of the Authority authorizing its execution to constitute its affirmative official intent towards the issuance of its revenue bonds, subject to the terms and conditions hereof, in accordance with the laws of the State and the U.S. Treasury Department Regulations Section 1.150-2 (26 CFR 1.150-2).

I. If any provisions of this Agreement shall conflict with the provisions of indentures, loan agreements or financing agreements executed by the Authority in connection with the Project, then the provisions of said indentures, loan agreements and/or financing agreements shall prevail.

II.

UNDERTAKINGS AND OBLIGATIONS ON THE PART OF THE AUTHORITY

Subject to the terms and conditions hereof and in accordance with and subject to the limitations of the Act, the Indenture, and the requirements of the Authority for the issuance of bonds, the Authority agrees as follows:

A. Subject to due compliance with the requirements of the Authority and law, the obtaining of all necessary consents and approvals, and to the happening of all acts, conditions and things required precedent to such financing, the Authority will authorize or cause to be authorized the issuance and sale of, and will issue and sell, the Bonds pursuant to the terms of the Act, the Refunding Act, or other applicable statutory authority, and the Indenture in a principal amount or amounts, together with other amounts provided by the Borrower sufficient to pay all or a portion of the aggregate cost of financing the Project, together with costs incident to the authorization, sale and issuance of the Bonds, with such principal amount of Bonds being presently estimated to be not in excess of the amount shown in Attachment A-1. This authorization shall include any modifications as to scope of the Project or the not to exceed amount of Bonds as may be approved by the Authority's Board of Trustees from time to time.

B. The Authority will, at the proper time and subject in all respects to the prior advice, consent and approval of the Borrower, adopt such proceedings as advisable for the authorization, sale and issuance of the Bonds and the acquisition, construction, renovation and/or equipping of the Project, all as shall be authorized by the Act, the Refunding Act, or other applicable statutory authority and mutually satisfactory to the Authority, the Borrower and the purchasers of the Bonds. The issuance of the Bonds by the Authority in connection with the Project does not directly or indirectly obligate the State or any political subdivision thereof to provide any funds for the payment of the Bonds. The Bonds to be issued shall not constitute or create a debt, general or special, liability, or moral obligation of the State or any subdivision thereof within the meaning of the Constitution or statutes of the State and shall never constitute or create a charge against or a pledge of the faith and credit or taxing power of the State or any political subdivision thereof. Neither the State nor any political subdivision thereof shall in any manner be liable for the payment of the principal of, premium, if any, and interest on the Bonds so issued or for the performance of any agreement or pledge of any kind which may be undertaken by the Authority. No breach by the

Authority of any pledge or agreement shall create any obligation upon the State or any political subdivision thereof, including any charge against its credit or taxing power. The Authority has no taxing power. The Bonds issued shall be in such aggregate principal amount, bear interest at such rate or rates, be payable at such times and places, be in such forms and denominations, be sold at such time or times, have such provisions for redemption, be executed, and be secured as shall be provided by the Authority's resolution authorizing the issuance of the Bonds and the major financing documents related thereto, all in accordance with the Act, the Refunding Act, or any other applicable statutory authority.

C. In connection with the issuance and sale of the Bonds, the Authority proposes to enter into a loan agreement and other financing agreements (collectively, the "Financing Agreements"). The Financing Agreements shall provide that the aggregate basic payments due by the Borrower shall be such sums as shall be necessary to pay the principal of, premium, if any, and interest on the Bonds and related or necessary annual expenses, including the Authority's Annual Administrative Fee (if any) together with any other administrative fees in connection with the financing, as and when the same shall become due and payable. The Authority will require an opinion of counsel to the Borrower addressed to the Authority, in a form acceptable to the Authority, that all the obligations of the Borrower in the Financing Agreements are valid, binding, and enforceable obligations of the Borrower under State law.

D. The Authority will issue the Bonds under a bond trust indenture (the "Bond Indenture") entered into by the Authority with a trustee bank having trust powers within the State, to be designated by the Borrower and subject to the approval of the Authority. The Borrower has designated _____ as such trustee bank (the "Trustee"). The Authority will require an opinion of counsel to the Trustee (and if applicable, counsel to the escrow agent) addressed to the Authority, in a form acceptable to the Authority, that all obligations undertaken by the Trustee are valid, binding, and enforceable obligations of the Trustee under State law.

E. If the Authority shall own or possess any property pledged as security for the Bonds, the Authority may require in connection with the financing title insurance covering such pledged properties together with such environmental reports as the Authority deems necessary, the cost of which are payable by the Borrower.

F. In authorizing the issuance of the Bonds pursuant to this Agreement, the Authority makes no warranty, either express or implied, that the proceeds of the Bonds will be sufficient to pay the cost of the Project or that the Project will be suitable for the Borrower's purposes or needs. The Borrower will agree that should the cost of the Project exceed the amount of the Bond proceeds, the Borrower will nonetheless complete the Project and shall not be entitled to any reimbursement for any excess either from the Authority, the Bondholders, or the Trustee.

G. An investment letter in a form acceptable to the Authority is required for all Bonds assigned less than an investment grade rating or which are not rated by a nationally recognized rating agency. The investment letter must be executed by the purchasers of the Bonds with original "wet" signatures or verified electronic signatures and such unrated Bonds must be in minimum

denominations of \$100,000 and \$5,000 integral multiples in excess thereof, unless otherwise agreed to by the Authority.

III.

UNDERTAKINGS AND OBLIGATIONS OF THE BORROWER

Subject to the conditions hereinabove and hereinafter set forth, the Borrower agrees to and shall undertake the following:

A. The Borrower, or a "related person" (as defined in Section 147(a) of the Internal Revenue Code of 1986, as amended), will be the beneficiary of the financing.

B. The Borrower shall generally arrange for, manage, and carry out the construction, acquisition, renovation, and/or equipping and installation of the Project and will use reasonable efforts to find one or more purchasers for the Bonds upon said terms and conditions as shall be mutually acceptable to the Authority and the Borrower.

C. The Borrower submits with the signing of this Agreement, the non-refundable Financing Application Fee of \$500.00. This Agreement will, at the sole option of the Authority, be null and void in the event said Financing Application Fee is not received within thirty (30) days of the date of the Authority's inducement resolution referred to in Section I(H) hereinabove. No further action will be taken on the issuance of the Bonds until said fee is received.

D. At Closing, the Borrower agrees to (i) pay the Authority a Financing Acceptance Fee in accordance with the guidelines established by the Authority which are based upon the principal amount of the Bonds and the nature of the Project financed and (ii) reimburse the Authority for all out-of-pocket expenses incurred by the Authority in connection with the issuance of the Bonds. Where the Borrower has requested only that the Authority authorize the reissuance of Bonds for federal tax purposes and not authorize the issuance of Bonds requiring Louisiana State Bond Commission approval, then a fee of \$5,000 shall be payable to the Authority in connection with such approval.

E. For multifamily housing bonds only, the Authority will be authorized to charge an Annual Administrative Fee equal to 1/10th of 1% of the principal value of the amount of the Bonds outstanding on January 1 of each year. This Annual Administrative Fee may be used for the purpose of paying general administrative and related expenses of the Authority but shall not include Trustee and paying agent fees and expenses and any extraordinary expenses of the Authority directly or indirectly related to the Project incurred subsequent to the issuance and delivery of the Bonds. The Borrower acknowledges that this Annual Administrative Fee is a direct obligation of the Borrower and that Borrower's failure to pay said fee will be an event of default under the Bonds. In the event the Borrower should fail to pay such administrative expenses then due, the payment shall continue as an obligation of the Borrower until the amount shall have been fully paid, and the Borrower agrees to pay the same with interest thereon (to the extent legally enforceable) at a rate per annum

equal to the interest rate in effect from time to time on the Bonds, until paid.

F. The Borrower shall indemnify and hold the Authority free and harmless of and from any loss or damage and of and from any taxes levied or assessed by reason of the financing transaction contemplated by this Agreement. If the Borrower is a political subdivision of the State, the forgoing shall be to the extent permitted by law.

G. The Borrower represents and warrants that it has independently conducted an analysis of the feasibility of the Project and has concluded it has the ability to successfully make all payments required in connection with this transaction as the same become due and payable. The Borrower acknowledges the Authority has not conducted any financial analysis of the Project or this transaction and has not made any analysis or representations as to the credit worthiness of the Borrower or the ability for any construction to satisfy its intended purpose.

H. Prior to the delivery of the Bonds, the Borrower will enter into Financing Agreements with the Authority under the terms of which the Borrower will obligate itself to (i) complete the construction and installation of the Project, (ii) pay to the Authority sums sufficient in the aggregate to pay the principal of and interest and redemption premium or prepayment penalty, if any, on the Bonds, note or notes as and when the same shall become due and payable, (iii) pay all fees and expenses of the Trustee incurred under any Bond Indenture or other Financing Agreements, (iv) indemnify the Authority for claims, losses and expenses of any kind related to the transaction, (v) pay all expenses of the Authority on an annual basis incurred subsequent to the delivery of the Bonds, such agreement to contain such other provisions as may be required by law and (vi) such other provisions as shall be mutually acceptable to the Authority and the Borrower.

I. In lieu of tax payments will be made as shall be required by the Authority and such governing bodies responsible for assessing taxes in the Parish and/or municipality where the Project will be located and as permitted by law.

J. The Borrower shall take such further action and adopt such proceedings as may be required by the Authority, its Special Counsel and Bond Counsel to implement its undertakings and obligations hereunder and to facilitate the completion of the Project and the issuance of the Bonds by the Authority.

K. The Borrower agrees (i) to protect and insulate the Authority, the Authority's Board of Trustees, each trustee on the Board of Trustee's individually and the Authority's staff, from any and all financial responsibility or liability whatsoever with respect to the Project and the financing thereof, and (ii) to indemnify, defend, and hold the Authority and the aforesaid other parties harmless against any loss or damage to property or any injury or death of any person or persons or entity occurring in connection with the construction, acquisition, renovation, and/or equipping, and operation of the Project. Such indemnity may be supplemented by similar indemnities in the Financing Agreements and in the event the Bonds are not delivered, said indemnity shall extend to causes of action arising prior or subsequent to the termination of this Agreement.

L. The Borrower will pay the out-of-pocket expenses of the Authority, and the Borrower will also pay the fees for legal services of Bond Counsel, Special Tax Counsel, if required, and Special Counsel to the Authority related to the Project, which fees shall be payable as provided in Article IV hereof.

IV.

GENERAL PROVISIONS

A. On advice of Bond Counsel, proceeds of Bonds may be used to reimburse prior expenditures of the Borrower to the extent permitted by law, including applicable provisions of the Internal Revenue Code of 1986, as amended and Treasury Regulations related thereto.

B. The Authority and the Borrower shall agree on mutually acceptable terms and conditions for the Bonds and the delivery thereof and the contracts and other agreements required in connection with the Project.

C. The Borrower and the Authority shall cooperate in obtaining any rulings from the Internal Revenue Service or the Securities and Exchange Commission as to such matters with respect to the Bonds, the Project, the Financing Agreements, the Bond Indenture, and other financing documents as shall be required by Bond Counsel to the Authority or Special Tax Counsel to the Authority, if applicable.

D. Such other rulings, approvals, consents, certifications of compliance, opinions of counsel and other instruments and proceedings satisfactory to the Borrower and to the Authority as to such matters with respect to the Bonds, the Project, the Financing Agreements, the Bond Indenture, and other financing documents, as shall be obtained from such governmental as well as non-governmental agencies and entities as may have or assert competence or jurisdiction over or interest in the Project and matters pertinent thereto and the same shall be in full force and effect at the time of the issuance of the Bonds.

E. The Borrower agrees that, prior to the financing of the Project by the Authority and the issuance of the Bonds, the Borrower will maintain its legal existence and will not dissolve or otherwise dispose of all or substantially all of its assets.

F. So long as this agreement is in effect, all risks of loss to the Project shall be borne by the Borrower. The Borrower shall obtain and maintain such insurance, including, but not limited to, builder's risk insurance, general liability insurance, and other such insurance as is customarily required on this type of project.

G. The Authority shall not be liable for and the Borrower does hereby indemnify and hold the Authority harmless from any liability for any loss, damage, and expense to the Project or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project, including all costs and expenses arising out of such loss, damage, injury or death, and

such indemnity shall survive the payment of the Bonds and the termination of the Bond Indenture for the Bonds

H. The Borrower does hereby indemnify the Authority for all expenses, costs and obligations incurred by the Authority, in connection with the Project under the provisions of this Agreement, to the end that the Authority will not suffer any out-of-pocket losses as a result of its performance of any of its undertakings or obligations herein contained. Any pecuniary liability or obligation of the Authority hereunder shall be limited solely to the payment received by the Authority from the Borrower and to monies derived from any financing related to the Project and nothing contained in this Agreement shall ever be construed to constitute a personal or pecuniary liability or charge against the general credit of the Authority or against any trustee on the Authority's Board of Trustees, or any officer, employee, or professional consultant or advisor to the Authority, and in the event of a breach of any undertaking on the part of the Authority, contained in this Agreement, no personal or pecuniary liability or charge payable, and such indemnity shall survive the payment of the Bonds and the termination of the Bond Indenture for the Bonds. The Financing Agreements shall contain indemnification provisions acceptable to the Authority and its counsel.

I. Upon the delivery of the Bonds, the provisions of this Agreement shall have no further effect, except with respect to the indemnity granted to the Authority herein, including but not limited to the indemnity granted by Sections III(F), III(K), III(L), and IV(H), hereof, and, in the event of any inconsistency between the terms of the Agreement and the terms of the Financing Agreements, Bond Indenture, any guaranty agreement(s) and/or other trust instrument(s) securing the Bonds, the provisions of the Financing Agreements, Bond Indenture, any guaranty agreement(s) and/or other trust instrument(s) shall control.

J. It is recognized, found and determined that a real necessity exists for the employment of bond counsel in connection with the issuance of the Bonds and, accordingly _____ has been selected by the Borrower and approved by the Authority to do and to perform customary legal work with respect to the issuance and sale of the Bonds. Bond Counsel shall (i) prepare and submit to the Authority for adoption all of the proceedings incidental to the authorization, issuance, sale and delivery of the Bonds, (ii) counsel and advise the Authority with respect to the issuance and sale of the Bonds, and (iii) furnish their opinion covering the legality of the issuance of the Bonds. The fees to be paid to Bond Counsel for each series of Bonds shall be an amount not exceeding the Attorney General's then current Bond Counsel Fee Schedule and other guidelines for comprehensive, legal and coordinate professional work in the issuance of revenue bonds applied to the actual aggregate principal amount issued, sold, delivered and paid for at the time Bonds of each series are delivered, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Bonds, said fee to be payable out of proceeds of the Bonds or other amounts provided by the Borrower subject to the Attorney General's written approval of said employment and fee and any specific requirements of law relating to the financing.

K. It is hereby further found and determined that a real necessity exists for the

employment of special counsel to the Authority in order to supervise the issuance of the Bonds and, accordingly, special counsel will be selected by the Authority for such purposes. The fee to be paid for such services shall be computed at an hourly rate not exceeding the amount provided by the guidelines for such services as approved by the Attorney General of the State of Louisiana, plus out-of-pocket expenses, said fee to be payable out of proceeds of the Bonds or other amounts provided by the Borrower.

L. It is recognized and agreed that the Borrower may exercise its rights hereunder and perform its obligations hereunder through or in conjunction with a wholly owned subsidiary or other related persons as defined in Section 147(a) of the Internal Revenue Code of 1986, as amended, and all references herein to the Borrower shall be deemed to include the Borrower acting directly through itself or with any wholly owned subsidiary or other related person.

M. All terms, conditions, covenants, and agreements herein contained by and on behalf of the Authority and the Borrower shall bind and inure to the benefit of the respective successors and assigns of the Authority and the Borrower whether so expressed or not.

N. This Agreement may be canceled, and the Preliminary Approval actions may be rescinded by the Authority's Board of Trustees unless the following events shall have occurred not later than two (2) years from the date hereof, or such other later date as shall be mutually satisfactory to the Authority and the Borrower:

- 1) The Authority and the Borrower shall have agreed on mutually acceptable terms for the Bonds and of the sale and delivery thereof and mutually acceptable terms and conditions of the agreements and documents referred to herein.
- 2) Such other orders, rulings, approvals, consents, certificates or opinions or counsel as to such matters with respect to the Bonds, the Project, the Financing Agreements, the Bond Indenture, any guaranty agreement(s) and/or other trust instrument(s) securing the Bonds shall be obtained from such governmental, as well as non-governmental, agencies and entities as may have or assert competence or jurisdiction over or interest in matters pertinent thereto and to the Project, and shall be in full force and effect at the time of the issuance of the Bonds.

If the events set forth in this paragraph do not take place within the time set forth or any extension thereof, it is agreed that this Agreement may be canceled at the option of the Authority or the Borrower to be evidenced in writing, in which event neither party shall have any rights against the other party except the Borrower will reimburse the Authority for all reasonable and necessary direct out-of-pocket expenses which the Authority may incur arising from the execution of the Agreement and the performance by the Authority of its obligations hereunder; provided; however, that the indemnity provided for in this Agreement shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement on the day, month and year first above written.

ATTEST:

LOUISIANA PUBLIC FACILITIES AUTHORITY

Assistant Secretary

BY: _____
(Vice) Chairman

[BORROWER]

BY: _____
Name:
Title:

Attachment A-1

The Project

1. The location(s) of the Project will be: _____

2. The requested amount of the Bonds to be issued to finance the Project is an amount not to exceed \$ _____

3. The Project involves the financing of the (acquisition, construction, renovation, and/or equipping), (choose one or more) of a:

Attachment A-2

Public Purpose Activities of the LPFA

The development of industry and commerce for the purposes of fostering economic growth and stability and providing employment opportunities for the citizens and residents of the State.

The protection of the State and its inhabitants against the effects of the air, water, noise, ground, and other types of pollution and the further preservation enhancement of the environment.

The provision of public utility facilities and services to the State and local government by providing office buildings, and related facilities for the use of the State, its agencies, instrumentalities, political subdivisions, and its municipalities.

The furnishing of hospital, extended care, clinical, community, health, geriatric nursing home and other medical care facilities and services for the State, its political subdivisions, municipalities and inhabitants.

The development and promotion of residential housing, whether single or multifamily dwellings of every type and character in accordance with the needs of the State, its municipalities and its agencies, instrumentalities, and political subdivisions in order to promote the health, safety, welfare and economic well-being of the people of the State.

The development of cultural and recreational facilities to service the needs of the State and its inhabitants, including but not limited to sports facilities necessary or desirable in conjunction therewith.

The development of public transportation facilities including but not limited to highways, airport facilities, port, dock and wharf facilities necessary or desirable in conjunction therewith for the benefit of the State and its inhabitants.

The provision of educational facilities including facilities for, but not limited to, primary, secondary, vocational-technical, college and university facilities, including but not limited to classroom, administrative, residential, student center and recreational facilities and such incidental facilities necessary or desirable in conjunction therewith for the benefit of the State and its inhabitants.

The alleviation of existing and impending shortages of natural gas, oil and other fossil fuels in Louisiana and of the hardships which such shortages will impose on the people, business and industries of the State; the protection and conservation of the natural energy resources of the State by planned and controlled utilization thereof and the prevention of physical and economic waste in the utilization of natural energy resources; the provision of such fuels and public utility services incidental thereto, to the State and its agencies and political subdivisions, including municipalities and other public and governmental users of natural gas and fossil fuels; provision of natural gas and other fossil fuel resources and services incidental to the furnishing thereto to the developing and furnishing of such products and services in manner which will have the minimal negative effect upon the natural environment of the State consistent with efficient utilization and conservation of such resources.

The provision to such extent and in such manner as is now or hereafter shall be a proper public function of the State of such activities and facilities as or may be deemed a proper public function for the furtherance of the general welfare, health, safety, economic, environmental, governmental operation efficiency, education, scientific, transportation, recreational, and cultural development of the State and its inhabitants.

FEE INFORMATION

A. LOUISIANA PUBLIC FACILITIES AUTHORITY

1. FINANCING APPLICATION FEE:

\$500 (non-refundable). This amount is due upon submission of the Project Summary and Application Package. Please make the check payable to “Louisiana Public Facilities Authority.”

2. FINANCING ACCEPTANCE FEE:

A sum equal to .05% of the face amount of Bonds issued for the Project less the \$500 Financing Application Fee.

3. ANNUAL ADMINISTRATIVE FEES TO THE AUTHORITY:

The Authority will be authorized to charge an Annual Administrative Fee equal to one-tenth of one percent (0.10%) of the amount of bonds outstanding on January 1 of each year. This Fee will be used for the purpose of paying administrative and related costs of the Authority, but shall not include Trustee and paying agents fees and expenses incurred by the Authority. This fee is a direct obligation of the Project Owner and failure to pay this fee will be an Event of Default under the Bonds. The Authority may waive this fee from time to time.

B. LOUISIANA STATE BOND COMMISSION

1. APPLICATION FEE:

\$1,500 (non-refundable). This amount is due upon submission of the preliminary approval application to the Louisiana State Bond Commission. The Bond Counsel for your financing will coordinate getting this check to the Louisiana State Bond Commission. Please make the check payable to “Louisiana State Bond Commission.” This Application Fee will be credited toward the State Bond Commission Acceptance Fee due at the time the bonds are delivered.

2. ACCEPTANCE FEE:

This fee is calculated on a sliding scale based upon the face amount of Bonds issued for the project.

First \$5 million	- 0.125%
Next \$20 million	- 0.110%
Next \$25 million	- 0.105%
Next \$50 million	- 0.100%
Over \$100 million	- 0.090%

LOUISIANA PUBLIC FACILITIES AUTHORITY

Minimum Qualifications for Bond Counsel

The following are the minimum qualifications necessary for a lawyer or law firm to be selected as bond counsel for LPFA bond issues.

1. The lawyer or law firm must be listed in the most recent edition of *"The Bonds Buyer's Municipal Marketplace"* under the *Municipal Bond Attorneys* section.
2. The lawyer or law firm must demonstrate that it has "substantial experience" (as hereafter described) in the practice of municipal finance law. For purposes of this paragraph, "substantial experience" shall mean that the firm (a) has at least one partner, director or associate who has a minimum of ten years of public finance experience as bond counsel and (b) during the past five years the firm or one of its partners, directors, or associates has rendered a bond counsel opinion as to the legality and tax-exempt status of a general obligation bond issue or a private activity bond issue of any entity located in the State of Louisiana issuing tax-exempt bonds.
3. If selected as bond counsel, the lawyer or law firm must provide evidence to the LPFA before commencing work but in no event later than 30 days after selection as bond counsel of comprehensive malpractice insurance in an amount not less than \$5,000,000 in the aggregate and \$5,000,000 for each claim with a third-party insurance carrier either (a) acceptable to the LPFA or (b) rated "A" or better by A. M. Best.

OTHER CONSIDERATIONS

In selecting bond counsel for a particular bond issue from among qualified lawyers and law firms, the LPFA will also consider the following factors, among other reasonable factors a client might consider in the employment of a lawyer or law firm:

- (a) the expertise and suitability of the firm and of the individual lawyers under consideration for a particular engagement, in light of factors such as the location of the project, the type of facilities being financed and possible cost efficiencies achievable through the use of a particular lawyer or law firm;
- (b) recommendations from the project sponsor or beneficiary of the financing as to which qualified lawyer or law firm that it would prefer to serve as bond counsel;
- (c) the experience of the lawyer or law firm in municipal bond law;
- (d) the quality of the work performed in the transactions advanced under Paragraph 2 of this appendix to demonstrate "substantial experience" or in other similar work brought to the attention of the LPFA; and
- (e) the amount of work done in the past for LPFA, with the recognition that both prior experience with given firms and the use of qualified different firms are appropriate and relevant factors in the selection of bond counsel.

LOUISIANA PUBLIC FACILITIES AUTHORITY

POLICY WITH RESPECT TO THE ISSUANCE OF UNRATED OBLIGATIONS OR OBLIGATIONS RATED BELOW INVESTMENT GRADE

1. Bonds for unrated issues or issues assigned less than an investment grade rating (BBB or Bbb, as applicable) must be issued in minimum denominations of \$100,000 or integral multiples of \$5,000 in excess thereof. This is to protect small investors from acquiring high risk securities and satisfies the requirements of Securities and Exchange Commission Rule No. 15(c) (2) - 12.
2. Bonds which are unrated or, if rated, assigned less than an investment grade rating will not be offered by use of a preliminary official statement or official statement but instead will be privately placed directly to the original institutional or sophisticated investor or marketed in a limited offering pursuant to a limited offering statement, memorandum or circular. It is felt that the use of the term "preliminary official statement" or "official statement" implies a wide public offering distribution of securities when the policy is to limit such sales to a limited number of institutional or other sophisticated investors.
3. The purchaser(s) purchasing the securities pursuant to a limited offering statement, memorandum or circular shall sign an investment letter in form and content substantially identical, in the opinion of bond counsel and issuer counsel, to that as set forth as **Exhibit A** attached hereto.
4. The purchaser(s) purchasing the securities in a direct private placement shall sign an investment letter in form and content substantially identical, in the opinion of bond counsel and issuer counsel, to that as set forth as **Exhibit B-1 or Exhibit B-2** attached hereto.

Attachments

LPFA FORM OF LIMITED OFFERING INVESTMENT LETTER

(DATE)

Louisiana Public Facilities Authority
Baton Rouge, Louisiana

[Sales Agent]
[Address]

Re: \$ _____ Louisiana Public Facilities Authority Revenue
Bonds (*BORROWER* Project) Series _____

Ladies and Gentlemen:

In consideration of the sale to the undersigned by the Louisiana Public Facilities Authority (the "Authority") through _____, as exclusive selling agent (the "Sales Agent"), of \$ _____ in aggregate principal amount of the above-captioned bonds (the "Bonds"), each of the undersigned hereby represents, warrants, covenants, and agrees as follows:

1. Each of the undersigned is (i) an investment company registered under the Investment Company Act of 1940, (ii) a bank, as defined in Section 3(a)(2) of the Securities Act of 1933 (the "1933 Act"), whether acting in their individual or fiduciary capacity, or (iii) an insurance company, as defined in Section 2(13) of the 1933 Act.

2. Each of the undersigned is purchasing the Bonds for investment for its own account and is not purchasing the Bonds for resale or other disposition, and each of the undersigned has no present intention to resell or otherwise dispose of all or any part of the Bonds. Nevertheless, if any of the undersigned resells or otherwise disposes of all or any part of the Bonds, it will resell or otherwise dispose of the Bonds only to banks, as defined in Section 3(a)(2) of the 1933 Act, whether acting in their individual or fiduciary capacity, insurance companies, as defined in Section 2(13) of the 1933 Act, and investment companies registered under the Investment Company Act of 1940. Each of the undersigned agrees that (i) it will not sell, transfer, assign, or otherwise dispose of the Bonds except in compliance with the 1933 Act, the Securities Exchange Act of 1934, any rules and regulations promulgated under either Act, and the applicable securities laws of any other jurisdiction, and (ii) it will prior to the written confirmation of such sale provide the Authority and the Trustee (hereinafter defined) with a written statement to the effect that such transferee acknowledges that it subscribes to all of the terms of this Investment Letter. Each of the undersigned acknowledges that the Bonds (a) are not being registered under the 1933 Act and are not being registered or otherwise

qualified for sale under the securities or "Blue Sky" laws of any state, (b) will not be listed on any stock or other securities exchange, (c) will not be rated by Standard & Poor's Corporation, Moody's Investors Service, Inc. or any other similar rating service, and (d) may not be readily marketable.

3. Each of the undersigned, through its agents and employees, has received and reviewed the Limited Offering Statement, dated _____, 20____ (the "Offering Statement"), relating to the Bonds and has investigated the (the type of project) project consisting of _____ and located at _____, Louisiana (the "Project") to be financed with the proceeds of the Bonds, has investigated _____ (the "Borrower"), which will own the Project and which will borrow the proceeds of the Bonds from the Authority. Each of the undersigned acknowledges that it has been furnished with or has been given access to all of the underlying documents in connection with this transaction, the Project and the Borrower, as well as such other information as it deems necessary or appropriate as a prudent and knowledgeable investor in evaluating the purchase of the Bonds. The undersigned acknowledges that the Borrower has made available to it and its representatives the opportunity to obtain additional information, financial or otherwise, and the opportunity to ask questions of and receive satisfactory answers from the Borrower concerning the Project, the Borrower, or any other matter and has not relied upon the Authority in connection with such inquiry or analysis.

Each of the undersigned acknowledges that the Bonds do not constitute an obligation, general or special, debt, liability, or moral obligation of the State of Louisiana or any political subdivision thereof within the meaning of any constitutional or statutory provision whatsoever and that neither the faith and credit nor the taxing power of the State of Louisiana or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. Each of the undersigned acknowledges that the Bonds are not a general obligation of the Issuer, but are limited and special revenue obligations of the Issuer payable solely from the amounts encumbered by the Trust Indenture, dated as of _____ 1, 20____ (the "Indenture", between the Issuer and _____, as trustee for the owners of the Bonds (the "Trustee"). Each of the undersigned acknowledges that no covenant, stipulation, obligation, or agreement contained in the Indenture or the Bonds shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future trustee, officer, agent, or employee of the Issuer in his or her individual capacity. Each of the undersigned acknowledges that neither the State of Louisiana nor any political subdivision thereof shall in any manner be liable for the performance of any agreement or covenant of any kind which may be undertaken by the Issuer and that no breach thereof by the Issuer shall create any obligation upon the State of Louisiana or any political subdivision thereof. Each of the undersigned acknowledges that the Issuer has no taxing power and receives no funds from the State of Louisiana or any other governmental body.

In reaching the conclusion that it desires to acquire the Bonds, each of the undersigned has carefully evaluated all risks associated with this investment and acknowledges that it is able to bear the economic risk of this investment. Each of the undersigned, by reasons of its knowledge and experience in financial and business matters, is capable of evaluating the merits and risks of the investment in the Bonds. The representations in this letter shall not relieve the Sales Agent from any obligations to disclose any information required by the documents entered into in connection with the issuance of the Bonds or required by any applicable law.

4. Each of the undersigned acknowledges receipt of and has reviewed the opinion of Bond Counsel delivered in connection with the issuance of the Bonds.

5. This Investment Letter shall be binding upon each of the undersigned.

6. If the proposal and offer herein contained is satisfactory to each of you, you may so indicate by having the following acceptance executed by your duly authorized officers and by returning a copy to us. This Investment Letter and your acceptance will then constitute an agreement in principal with respect to the matters herein contained as of the date hereof. This Investment Letter is expressly for your benefit and may not be relied upon by any other party.

Very truly yours,

[Name of Purchaser]

By: _____

Name:

Title

ACCEPTANCE OF PROPOSAL AND OFFER OF _____
CONTAINED IN ITS INVESTMENT LETTER BY THE LOUISIANA PUBLIC FACILITIES
AUTHORITY AND BY [SALES AGENT].

The terms and conditions contained in the foregoing Investment Letter of _____
, _____ are hereby accepted this _____ day of _____, _____.

LOUISIANA PUBLIC FACILITIES AUTHORITY

By: _____

Title: Chairman

Attest:

By: _____

Assistant Secretary

[SALES AGENT]

By: _____

Title

LPFA FORM OF PRIVATE PLACEMENT INVESTMENT LETTER

(DATE)

Louisiana Public Facilities Authority
Baton Rouge, Louisiana

Re: \$_____ Louisiana Public Facilities Authority
Revenue Bonds (*DEVELOPER* Project) Series

Gentlemen:

The undersigned is the purchaser of \$_____ aggregate principal amount of the above-captioned issue of bonds (the "Bonds") issued by the Louisiana Public Facilities Authority (the "Authority"). In connection with such purchase, the undersigned hereby represents, warrants, covenants, and agrees as follows:

1. The undersigned is: (i) an investment company registered under the Investment Company Act of 1940; (ii) a bank, as defined in Section 3(a)(2) of the Securities Act of 1933 (the "1933 Act"), whether acting in its individual or fiduciary capacity; (iii) an insurance company, as defined in Section 2(13) of the 1933 Act; [the following clause may only be used with the express approval of the Authority] or (iv) a sophisticated investor possessing sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Bonds.

2. The undersigned is purchasing the Bonds for investment for its own account and is not purchasing the Bonds for resale or other disposition, and the undersigned has no present intention to resell or otherwise dispose of all or any part of the Bonds. Nevertheless, if the undersigned resells or otherwise disposes of all or any part of the Bonds, it will resell or otherwise dispose of the Bonds

only to banks, as defined in Section 3(a)(2) of the 1933 Act, whether acting in their individual or fiduciary capacity, insurance companies, as defined in Section 2(13) of the 1933 Act, or investment companies registered under the Investment Company Act of 1940. The undersigned agrees that: (i) it will not sell, transfer, assign, or otherwise dispose of the Bonds except in compliance with the 1933 Act, the Securities Exchange Act of 1934, any rules and regulations promulgated under either Act, and the applicable securities laws of any other jurisdiction; and, (ii) it will prior to the written confirmation of such sale provide the Authority and the Trustee (hereinafter defined) with an Investment Letter in the form of this Investment Letter that has been signed by such transferee whereby such transferee acknowledges that it subscribes to all of the terms of this Investment Letter. The undersigned further acknowledges that the Authority and the Trustee have no duty or obligation to transfer the ownership of the Bonds on the registration books maintained by the Trustee unless and until the Authority and the Trustee receive such an Investment Letter signed by the transferee. The undersigned acknowledges that the Bonds: (a) are not being registered under the 1933 Act and are not being registered or otherwise qualified for sale under the securities or "Blue Sky" laws of any state; (b) will not be listed on any stock or other securities exchange; (c) will not be rated by Standard & Poor's Corporation, Moody's Investors Service, Inc., or any other similar rating service; and (d) may not be readily marketable.

3. The undersigned has investigated the [insert type of project] project consisting of _____ and located at _____, Louisiana (the "Project") to be financed with the proceeds of the Bonds and has investigated _____ (the "Borrower"), which will own the Project and which will borrow the proceeds of the Bonds from the Authority. The undersigned acknowledges that it has been furnished with or has been given access to all of the underlying documents in connection with this transaction, the Project and the Borrower, as well as such other information as it deems necessary or appropriate as a prudent and knowledgeable investor in evaluating the purchase of the Bonds. The undersigned acknowledges that the Borrower has made available to it and its representatives the opportunity to obtain additional information and the opportunity to ask questions of and receive satisfactory answers from the Borrower concerning the Project and the Borrower and that the undersigned has not relied upon the Authority in connection with such inquiry and analysis.

The undersigned acknowledges that the Bonds do not constitute an obligation, general or special, debt, liability, or moral obligation of the State of Louisiana or any political subdivision thereof within the meaning of any constitutional or statutory provision whatsoever and that neither the faith and credit nor the taxing power of the State of Louisiana or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The undersigned acknowledges that the Bonds are not a general obligation of the Authority, but are limited and special revenue obligations of the Authority payable solely from the amounts encumbered by the Trust Indenture, dated as of _____ 1, _____ (the "Indenture"), between the Authority and _____, as trustee for the owners of the Bonds (the "Trustee"). The undersigned acknowledges that no covenant, stipulation, obligation, or agreement contained in the Indenture or the Bonds shall be deemed to be a covenant, stipulation, obligation, or agreement

of any present or future trustee, officer, agent, or employee of the Authority in his or her individual capacity. The undersigned acknowledges that neither the State of Louisiana nor any political subdivision thereof shall in any manner be liable for the performance of any agreement or covenant of any kind which may be undertaken by the Authority and that no breach thereof by the Authority shall create any obligation upon the State of Louisiana or any political subdivision thereof. The undersigned acknowledges that the Authority has no taxing power and receives no funds from the State of Louisiana or any other governmental body.

In reaching the conclusion that it desires to acquire the Bonds, the undersigned has carefully evaluated all risks associated with this investment and acknowledges that it is able to bear the economic risk of this investment. The undersigned, by reasons of its knowledge and experience in financial and business matters, is capable of evaluating the merits and risks of the investment in the Bonds.

4. The undersigned acknowledges that no official statement, prospectus or offering circular containing information with respect to the Authority, the Bonds (including the security therefor), the Project, or the Borrower has been or will be prepared and that it has made its own inquiry and analysis with respect to the Authority, the Bonds (including the security therefor), the Project, the Borrower, and other material factors affecting the security and payment of the Bonds and that the undersigned has in no way relied upon the Authority or Bond Counsel in connection with such inquiry or analysis.

5. The undersigned acknowledges that it has either been supplied with or has had access to all information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and that it has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, the Borrower, the Project, and the Bonds, including the security therefor, so that as a reasonable investor it has been able to make its decision to purchase the above-stated principal amount of the Bonds.

6. The form, terms and provisions of the Indenture, the issuance, sale and delivery of the Bonds, the maturities, interest rate, redemption terms and sale price of the Bonds, and the sale of the Bonds to be used for the cost of financing the Project, all as provided in the Indenture and the Bonds, are hereby in all respects approved.

7. The undersigned acknowledges receipt of and has reviewed the opinion of Bond Counsel delivered in connection with the issuance of the Bonds.

8. This Investment Letter shall be binding upon the undersigned.

9. If the proposal and offer herein contained is satisfactory to you, you may so indicate by having the following acceptance executed by your duly authorized officer and by returning a copy to us. This Investment Letter and your acceptance will then constitute an agreement in principal with respect to the matters herein contained as of the date hereof. This Investment Letter is expressly for your benefit and may not be relied upon by any other party.

Very truly yours,

[Name of Purchaser]

By: _____

Name:

Title:

ACCEPTANCE OF PROPOSAL AND OFFER OF _____
CONTAINED IN ITS INVESTMENT LETTER BY THE LOUISIANA PUBLIC FACILITIES
AUTHORITY.

The terms and conditions contained in the foregoing Investment Letter of
_____, _____ are hereby accepted this _____
day of _____, _____.

LOUISIANA PUBLIC FACILITIES AUTHORITY

By: _____

Title: (Vice) Chairman

ATTEST:

By: _____

Assistant Secretary

LPFA SHORT FORM PRIVATE PLACEMENT INVESTMENT LETTER

(DATE)

Louisiana Public Facilities Authority
2237 South Acadian Thruway, Suite 650
Baton Rouge, Louisiana 70808

Re: \$ _____ Louisiana Public Facilities Authority
Revenue Bonds (*BORROWER* Project) Series

Gentlemen:

The undersigned is the purchaser of \$ _____ aggregate principal amount of the above-captioned issue of bonds (the "Bonds") issued by the Louisiana Public Facilities Authority (the "Authority") pursuant to that certain Trust Indenture dated as of _____ (the "Indenture"), between the Authority and _____, as trustee for the owners of the Bonds (the "Trustee"). In connection with such purchase, the undersigned hereby represents, warrants, covenants, and agrees as follows:

1. The undersigned is: (i) an investment company registered under the Investment Company Act of 1940; (ii) a bank, as defined in Section 3(a)(2) of the Securities Act of 1933 (the "1933 Act"), whether acting in its individual or fiduciary capacity; (iii) an insurance company, as defined in Section 2(13) of the 1933 Act; or (iv) a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act.

2. The undersigned is purchasing the Bonds for investment for its own account and is not purchasing the Bonds for resale, distribution, or other disposition, and the undersigned has no present intention to resell, distribute, or otherwise dispose of all or any part of the Bonds. Nevertheless, if the undersigned resells or otherwise disposes of all or any part of the Bonds (or any legal or beneficial interest therein), it will resell or otherwise dispose of the Bonds only to (i) an investment company registered under the Investment Company Act of 1940; (ii) a bank, as defined in Section 3(a)(2) of the Securities Act of 1933 (the "1933 Act"), whether acting in its individual or fiduciary capacity; (iii) an insurance company, as defined in Section 2(13) of the 1933 Act; or (iv) a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act. The undersigned further agrees that it will not sell, transfer, assign, or otherwise dispose of the Bonds (or any legal or beneficial interest therein except in compliance with the 1933 Act, the Securities Exchange Act of 1934, any rules and regulations promulgated under either of such Acts, and the applicable securities laws of any state or other jurisdiction. The undersigned acknowledges that the Bonds: (a) are not being registered under the 1933 Act and are not being registered or otherwise

qualified for sale under the securities or "Blue Sky" laws of any state; (b) are being sold to the undersigned in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the undersigned set forth herein; (c) will not be listed on any stock or other securities exchange; (d) will not be rated by Standard & Poor's Corporation, Moody's Investors Service, Inc., or any other similar rating service; and (e) may not be readily marketable.

3. The undersigned has investigated the [insert type of project] project consisting of _____ and located at _____, Louisiana (the "Project") to be financed with the proceeds of the Bonds and has investigated _____ (the "Borrower"), which will own the Project and which will borrow the proceeds of the Bonds from the Authority. The undersigned acknowledges that it has been furnished with or has been given access to all of the underlying documents in connection with this transaction, the Project and the Borrower, as well as such other information as it deems necessary or appropriate as a prudent and knowledgeable investor in evaluating the purchase of the Bonds. The undersigned acknowledges that the Borrower has made available to it and its representatives the opportunity to obtain additional information and the opportunity to ask questions of and receive satisfactory answers from the Borrower concerning the Project and the Borrower and that the undersigned has not relied upon the Authority in connection with such inquiry and analysis.

The undersigned acknowledges that the Bonds do not constitute an obligation, general or special, debt, liability, or moral obligation of the State of Louisiana or any political subdivision thereof within the meaning of any constitutional or statutory provision whatsoever and that neither the faith and credit nor the taxing power of the State of Louisiana or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The undersigned acknowledges that the Bonds are not a general obligation of the Authority, but are limited and special revenue obligations of the Authority payable solely from amounts provided by or at the direction of the Borrower and that are encumbered by the Indenture. The undersigned acknowledges that no covenant, stipulation, obligation, or agreement contained in the Indenture or the Bonds shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future trustee, officer, agent, or employee of the Authority in his or her individual capacity. The undersigned acknowledges that neither the State of Louisiana nor any political subdivision thereof shall in any manner be liable for the performance of any agreement or covenant of any kind which may be undertaken by the Authority and that no breach thereof by the Authority shall create any obligation upon the State of Louisiana or any political subdivision thereof. The undersigned acknowledges that the Authority has no taxing power and receives no funds from the State of Louisiana or any other governmental body.

In reaching the conclusion that it desires to acquire the Bonds, the undersigned has carefully evaluated all risks associated with this investment and acknowledges that it is able to bear the economic risk of this investment. The undersigned, by reasons of its knowledge and experience in financial and business matters, is capable of evaluating the merits and risks of the investment in the Bonds.

4. The undersigned acknowledges that no official statement, prospectus or offering circular containing information with respect to the Authority, the Bonds (including the security therefor), the Project, or the Borrower has been or will be prepared and that it has made its own inquiry and analysis with respect to the Authority, the Bonds (including the security therefor), the Project, the Borrower, and the other material factors affecting the security and payment of the Bonds and that the undersigned has in no way relied upon the Authority or Bond Counsel in connection with such inquiry or analysis.

5. The undersigned acknowledges that it has either been supplied with or has had access to all information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and that it has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Authority, the Borrower, the Project, and the Bonds, including the security therefor, so that as a reasonable investor it has been able to make its decision to purchase the above-stated principal amount of the Bonds.

6. The form, terms and provisions of the Indenture, the issuance, sale and delivery of the Bonds, the maturities, interest rate, redemption terms and sale price of the Bonds, and the sale of the Bonds to be used for the cost of financing the Project, all as provided in the Indenture and the Bonds, are hereby in all respects approved.

7. The undersigned acknowledges receipt of and has reviewed the opinion of Bond Counsel delivered in connection with the issuance of the Bonds.

8. This Investment Letter shall be binding upon the undersigned.

Very truly yours,

[Name of Purchaser]

By: _____

Name:

Title:

INFORMATION REGARDING PRIVATE ACTIVITY BONDS (Tax-exempt and Taxable)

GENERAL INFORMATION

PLACEMENT OF BONDS

Conditions of the bond market and the particular needs of the borrower will determine whether the bonds are publicly offered or privately placed. The responsibility for finding a purchaser for the bonds lies with the borrower.

TERMS

Pricing of the bonds involves the determination of an interest rate or interest rate structures acceptable to the bond purchaser(s) and to the borrower. The issuer of the bonds has no obligation to use its own funds to repay bonds; therefore, the issuer's credit rating is not a factor in determining the interest rate an issue receives. Factors affecting the rate include the maturity, structure of the issue, credit standing of the borrower, credit enhancement, if any, complexity of the issue, collateral, the supply of similar bonds in the market, and prevailing money market conditions. Experience indicates that tax exempt bonds (except in extreme circumstances) bear interest at floating rates as low as 1% and fixed rates as high as 12%. Taxable bonds (except in extreme circumstances) generally bear interest at floating rates as low as 4% and as high as 13%.

The repayment schedule for bonds is negotiable. Various amortizations include level debt service, level principal payments, and balloon payments. Private Activity Bonds may be subject to redemption prior to maturity at the option of the borrower and in some instances contain provisions whereby the bondholder can require early payment by the borrower.

The issuer of the bonds will typically loan the proceeds of the sale of bonds to the borrower for an approved use and the borrower will sign a promissory note obligating itself to make payments sufficient to pay principal, interest, and premium on the bonds.

There is no requirement under Louisiana law that the bonds be secured by a first mortgage on the financed facilities or any other specific security or collateral be provided. Common collateral given to secure bond issues includes: mortgages, bank letters of credit, bond insurance, guaranty agreements, assignments of leases and rents, and certain pledges of revenues.

STEPS INVOLVED IN AN ISSUANCE

The following is a summary of the steps involved in the issuance of Private Activity Bonds issued by the Louisiana Public Facilities Authority. Depending upon the type of bonds to be issued, the steps involved may vary slightly.

- STEP 1** An application for approval of a bond issue must be completed and filed together with the appropriate application fee with the LPFA, the issuer of the bonds.
- STEP 2** After review of the application to confirm that all requested information has been delivered, the LPFA will place the item on the next Board of Trustees meeting agenda.
- STEP 3** At the Board of Trustees meeting, provided that the LPFA desires to approve the issuance of bonds, the bonds are approved and the LPFA authorizes the execution of a "Preliminary Agreement" to issue the bonds. The Preliminary Agreement generally provides that the LPFA will issue the bonds if :
- all subsequent requirements of the LPFA are met;
 - all state approvals are obtained;
 - a satisfactory placement or purchase is arranged.
- Bond counsel is selected by the LPFA at this meeting.
- STEP 4** Notice of a Public Hearing is published at least 14 days prior to a scheduled public hearing date and the LPFA conducts a public hearing to allow members of the public to object to the project or the issuance of bonds. (This step is required for most types of tax exempt bonds and for taxable bonds issued for non-manufacturing purposes.)
- STEP 5** Approval of the Attorney General must be obtained after the public hearing.
- STEP 6** An application is completed and filed with the Louisiana State Bond Commission together with the preliminary application fee.
- STEP 7** The Bond Commission reviews the application at its monthly public meeting and considers approval of the bonds and the form of a Notice of Sale of the Bonds.
- STEP 8** To proceed further, the borrower applicant must deliver a firm commitment to purchase the bonds or underwrite the bonds containing the specifics of the bonds (i.e. term, security, interest provisions, collateral, etc.) in a form that will allow bond counsel to prepare the necessary financing documents.
- STEP 9** Documents are circulated to all parties and negotiated to an agreeable form.
- STEP 10** Application is made to the LPFA requesting final approval of the terms of the bonds and the issuance of the bonds.
- STEP 11** Application is made to the Bond Commission for final approval of the issuance of bonds.
- STEP 12** Application is made for an allocation from the Louisiana State Volume Cap.
- STEP 13** The LPFA Board of Trustees, at a public meeting, grants final approval of the bonds and the documents providing security for the bonds.
- STEP 14** A Notice of Sale is published at least 7 days prior to the Bond Commission meeting at which the bonds are requested to be approved and sold.

- STEP 15*** The Bond Commission at its monthly public meeting grants final approval for the issuance of the bonds and the Bond Commission sells the bonds pursuant to the published Notice of Sale.
- STEP 16*** 30 days must pass from the date the Notice of Sale is published to allow individuals to file suit to object or to prevent the issuance of bonds.
- STEP 17*** During such 30 day period, bond counsel establishes the closing date and prepares the necessary closing documents.
- STEP 18*** At the closing, the purchase price of the bonds is exchanged for the bonds and the purchase price of the bonds is deposited for the benefit of the borrower, for use by the borrower, as permitted by the financing documents. The closing fees of the LPFA and the Bond Commission are due at the closing.
- TIMETABLE*** Provided that all steps proceed smoothly, the entire process from application to delivery requires about 90-120 days.

TAX-EXEMPT REVENUE BONDS

AUTHORIZATION Internal Revenue Code and Louisiana laws.

PURPOSE Tax Exempt Private Activity Bonds may be issued by entities (cities, parishes, industrial boards, local public trusts, the Louisiana Public Facilities Authority, harbor and terminal districts, and other special authorities) to finance qualified manufacturing facilities, certain exempt facilities, and non-profit 501(c) (3) facilities.

ELIGIBILITY **QUALIFIED SMALL ISSUE MANUFACTURING BONDS:**

- COSTS PAID OR INCURRED PRIOR TO A PRELIMINARY APPROVAL OF THE ISSUANCE OF BONDS BY AN ISSUER ARE GENERALLY NOT FINANCABLE FROM THE PROCEEDS OF BONDS.
- At present, only facilities used in the manufacturing or production of tangible personal property (including the processing resulting in a change in the condition of such property) and certain related facilities qualify for financing.
- Total principal amount of bonds outstanding in a particular area for the benefit of the beneficiary, any related party to the beneficiary, and users of more than 10% of the facility financed cannot exceed \$10,000,000.
- The beneficiary of the bonds, persons related to the beneficiary, and users of more than 10% of the facility financed may not have capital expenditures within the same area during a period commencing 3 years prior to the issuance of bonds and ending 3 years after issuance of the bonds which, when added to the capital expenditures of the beneficiary, related persons, and other principle users and the principal amount of the bonds outstanding, cause the total of such amounts to exceed \$10,000,000.
- Notwithstanding the foregoing, an issue of bonds not exceeding \$1,000,000 can be issued for a beneficiary without taking into account capital expenditures described in the immediately preceding paragraph.
- Individual beneficiaries of tax exempt bonds may not have more than \$40,000,000 of tax exempt bonds outstanding nationwide.
- If an existing building is purchased with bond proceeds, an amount equal to at least 15% of the amount of proceeds used for such acquisition must be used for renovations (not including expansions) of the building. In the case of the acquisition of other structures (such as docks and wharves) or of equipment, an amount equal to at least 100% of the proceeds used for acquisition must be used for renovation.
- No more than 25% of the proceeds of a bond issue may be used for the purchase of land.
- The bonds may be amortized over a period not exceeding 40 years, provided, however, that the average maturity of bonds may not exceed 120% of the average economic life of the facilities financed.

- No more than 2% of the proceeds of the bonds may be used to pay costs of issuance.
- Bonds cannot be guaranteed directly or indirectly by the federal government.
- Bonds must receive an allocation of the federal volume cap applicable to the State of Louisiana.
- Bonds must be in registered (not bearer) form.
- At least 95% of the proceeds of the bonds must be used to finance land or depreciable property.
- A public hearing must be conducted after publication of a notice, and it is to be reasonably calculated to give members of the public notice of the hearing and an opportunity to be heard.

EXEMPT FACILITIES BONDS:

- Private Activity Bonds, limited in principal amount only by the volume of bonds permitted in the State and not by the \$10,000,000 limit described above, may be issued under certain circumstances for:
 - Airports
 - Docks and wharves
 - Mass commuting facilities
 - Sewage facilities
 - Solid waste disposal facilities
 - Qualified residential rental projects
 - Facilities for the local furnishing of electric energy or gas
 - Local district heating or cooling facilities
 - Environmental enhancements of hydroelectric generating facilities.
- Generally the requirements stated above with respect to qualified small issue bonds are applicable to exempt facilities bonds except the following:
 - \$40,000,000 per user limit
 - manufacturing restriction
 - \$10,000,000 limit on bonds and capital expenditures
- Airports, docks and wharves, and mass commuting facilities must be owned by a governmental unit.
- Exempt facility bonds generally must be used to provide facilities that serve the general public or are available on regular basis for general public use (sewage and solid waste disposal facilities are treated as qualifying automatically).

QUALIFIED NON-PROFIT 501(c) (3) BONDS:

- Project must be owned by a 501(c)(3) corporation.
- At least 95% of the facilities must be used by a 501(c)(3) corporation.
- The following requirements applicable to qualified small issue bonds are also applicable qualified 501(c)(3) bonds:
 - 120% average maturity limit
 - public hearing requirement
 - 2% issuance cost limit
 - prohibition of direct or indirect federal guarantee

STATE VOLUME CAP Federal law imposes a limit, or cap, on the amount of tax exempt Private Activity Bonds that can be issued in Louisiana by the LPFA or any other issuer of bonds. This limit is known as the Louisiana State Volume Cap or Private Activity Bond Volume Cap. Tax exempt bonds, other than (a) qualified veterans' mortgage bonds, (b) qualified 501(c)(3) bonds, (c) bonds issued as exempt facility bonds for airports, docks and wharves, and environmental enhancement of hydroelectric generating facilities, and (d) a portion of bonds issued to finance high speed intercity rail facilities are subject to the Louisiana State Volume Cap. The Louisiana State Volume Cap is computed and adjusted annually by multiplying the number of residents in the State by an amount set forth in Federal Law. The Governor of Louisiana must issue an Executive Order granting a bond issue an allocation from Louisiana's State Volume Cap prior to the issuance of the bonds in order for the interest on the bonds to be tax exempt.

TAXABLE REVENUE BONDS

AUTHORIZATION

Louisiana Laws

PURPOSE

Private Activity Bonds, the interest on which is not excludable from federal income taxation, may be issued by entities (cities, parishes, industrial development boards, local public trusts, the Louisiana Public Facilities Authority, harbor and terminal districts, and other special authorities) to finance every type of project financable with tax exempt bonds and in addition may be issued by certain issuers for any facilities that promote economic development.

ELIGIBILITY

- Unlike tax exempt bonds, taxable bonds are not saddled with the complicated and highly technical restrictions imposed by the federal government.
- Usually taxable bonds must be registered under federal securities laws unless such bonds are secured by a bank letter of credit or fall within one of the other categories of exemption from securities registration requirements.
- Taxable bonds are generally only limited by the State of Louisiana's authorizing laws, which are very broad and allow certain issuers to issue taxable bonds for any purpose that promotes economic development.
- Depending on which type of entity issues the bonds, the bonds may be amortized over a period not exceeding 40 years.