The information contained in this Preliminary Official Statement is subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification of the securities laws of any such jurisdiction. As of this date, this Preliminary Official Statement has been deemed final by the Board for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 12, 2026

NEW ISSUE

Book-Entry Only

S&P: "AA" (stable outlook) (insured)
"AA-" (stable outlook) (underlying)
See **"RATING"** herein

*Upon delivery of the Series 2026 Bonds (as hereinafter defined), Jones Walker LLP, Bond Counsel, will render its opinion that, assuming continuing compliance with certain covenants to satisfy the applicable requirements of the Internal Revenue Code of 1986 as amended (the "Code"), and subject to the matters discussed under the caption "**TAX EXEMPTION**" herein, under the law existing on the date hereof, interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the "adjusted financial statement income" of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations. See "**TAX EXEMPTION**" herein. In addition, Bond Counsel will render an opinion that, pursuant to the Act (as hereinafter defined), the Series 2026 Bonds, together with the interest thereof, income therefrom and gain upon the sale thereof are exempt from all State of Louisiana and local taxes. See also "**FORM OPINION OF BOND COUNSEL**" in **APPENDIX C** hereto.*

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY

$121,485,000*
REVENUE BONDS
(LCTCS ACT 35 PROJECT)
SERIES 2026

Dated: Date of Delivery

Due: October 1, as shown on inside cover.

The Louisiana Local Government Environmental Facilities and Community Development Authority (the "**Authority**"), a political subdivision of the State of Louisiana (the "**State**"), is issuing the above-captioned bonds (the "**Series 2026 Bonds**") pursuant to and secured by the Trust Indenture (the "**Indenture**"), by and between the Authority and Hancock Whitney Bank, as trustee (the "**Trustee**"). The Series 2026 Bonds are the first in a series of bonds (the "**Parity Bonds**") the Authority expects to issue on a parity basis pursuant to the Indenture.

The proceeds of the Series 2026 Bonds will be loaned by the Authority to LCTCS Facilities Corporation, a Louisiana non-profit corporation and an organization described in Section 501(c)(3) of the Code (the "**Corporation**"), pursuant to the Loan Agreement (as defined herein), by and between the Authority and the Corporation for the purposes of (i) financing costs associated with the development, acquisition, purchase, construction, renovation, improvement, or expansion (the "**Projects**") of certain campus facilities (the "**Facilities**") of the Louisiana Community and Technical College System (the "**System**") for the benefit of various colleges (the "**Colleges**") overseen by the Board of Supervisors of the Louisiana Community and Technical College System (the "Board"); (ii) paying capitalized interest on the Series 2026 Bonds; and (iii) paying costs of issuance on the Series 2026 Bonds including the costs for the Policy (as defined herein). The Projects and the financing thereof are authorized by Act 35 (as defined herein). See "***PLAN OF FINANCING***" herein.

Pursuant to the Ground Lease (as defined herein), by and between the Board and the Corporation, the Board will lease to the Corporation the property (the "**Property**") upon which the Corporation will construct the Facilities. Pursuant to the Facilities Lease (as defined herein), by and between the Corporation and the Board, the Corporation will lease the Facilities back to the Board. The Board will agree in the Facilities Lease to make payments of Base Rental (as defined herein) in an amount sufficient to pay debt service on the Series 2026 Bonds.

The availability of Base Rental payable by the Board is subject to annual appropriation of funds by the State Legislature to the Board sufficient for such purpose pursuant to a Cooperative Endeavor Agreement (as defined herein) among the State, the Board and the Corporation. The Board is under no obligation to use any other of its funds to make payments of Base Rental.

The Series 2026 Bonds are secured pursuant to the Indenture by: (i) all right, title and interest of the Authority in, to and under the Loan Agreement, the Ground Lease and the Facilities Lease and the Mortgaged Property (as defined herein) and (ii) moneys held in certain funds and accounts established pursuant to the Indenture (collectively the "**Trust Estate**").

Principal of the Series 2026 Bonds is payable upon maturity as shown on the inside cover, or upon redemption as set forth herein. The Series 2026 Bonds will bear interest at the rates shown on the inside cover. Interest on the Series 2026 Bonds is payable semiannually on April 1 and October 1 of each year (each an "**Interest Payment Date**"), commencing on April 1, 2027. See "***THE SERIES 2026 BONDS***".

The Series 2026 Bonds are subject to optional redemption and extraordinary redemption prior to maturity as described herein. See "***REDEMPTION PROVISIONS***".

The Series 2026 Bonds will be issued in book-entry only form through the facilities of The Depository Trust Company ("**DTC**") as securities depository for the Series 2026 Bonds. Principal, premium (if any) and interest on the Series 2026 Bonds will be payable by the Trustee to DTC, which will remit such payments in accordance with its normal procedures. See "***BOOK-ENTRY ONLY SYSTEM***".

The scheduled payment of principal of and interest on the Series 2026 Bonds when due will guaranteed under a municipal bond insurance policy (the "**Policy**") to be issued concurrently with the delivery of the Series 2026 Bonds by Build America Mutual Assurance Company (the "**Bond Insurer**" or "**BAM**").

THE SERIES 2026 BONDS AND THE INTEREST THEREON ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE TRUST ESTATE. THE SERIES 2026 BONDS DO NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OF THE AUTHORITY OR THE CORPORATION AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE STATE, THE BOARD, THE COLLEGES, OR ANY POLITICAL SUBDIVISION OF THE STATE. PURSUANT TO THE FACILITIES LEASE, THE BOARD HAS AGREED TO MAKE PAYMENTS OF BASE RENTAL TO THE CORPORATION ON BEHALF OF THE COLLEGES, PROVIDED THAT ANY BASE RENTAL PAYABLE BY THE BOARD IS SUBJECT TO ANNUAL APPROPRIATION BY THE STATE LEGISLATURE. THE PAYMENTS TO BE RECEIVED BY THE AUTHORITY FROM THE CORPORATION UNDER THE LOAN AGREEMENT ARE LIMITED TO THE AMOUNT OF BASE RENTAL RECEIVED BY THE CORPORATION FROM THE BOARD. THE AUTHORITY HAS NO POWER TO TAX.

THIS COVER PAGE CONTAINS INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE ISSUANCE OF THE SERIES 2026 BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Series 2026 Bonds are offered when, as and if issued, subject to approval of legality by Jones Walker LLP, Baton Rouge, Louisiana, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by Foley & Judell, L.L.P., Baton Rouge, Louisiana as Underwriter's Counsel; for the Board by Jones Walker LLP, Baton Rouge, Louisiana; for the Corporation by Breazeale, Sachse & Wilson, L.L.P., Baton Rouge, Louisiana; for the Authority by Joseph A. Delafield, A Professional Corporation, Lake Charles, Louisiana; and for the Trustee by LaFleur & Laborde, LLC, New Orleans, Louisiana. It is expected that the Series 2026 Bonds in definitive form will be available for delivery through the facilities of DTC on or about August 27, 2026* against payment therefor.

STIFEL

RAYMOND JAMES®

* Preliminary, subject to change.

Dated: _____ __, 2026.

MATURITY SCHEDULE

(BASE CUSIP No.)[†]

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY (LCTCS ACT 35 PROJECT)

$121,485,000[*]
REVENUE BONDS
SERIES 2026

Maturity Date (October 1)	Principal Amount[*]	Interest Rate (%)	Yield (%)	Price (%)	CUSIP[†]
2040	$ 7,565,000				
2041	7,955,000				
2042	8,365,000				
2043	8,790,000				
2044	9,240,000				
2045	9,715,000				
2046	10,215,000				
2047	10,740,000				
2048	11,290,000				
2049	11,885,000				
2050	12,525,000				
2051	13,200,000				

$_____[*] _____%[*] Term Bond due 20__[*]; Yield ____%[*]; Price _____[*]; CUSIP[†]_____

[*] Preliminary, subject to change.

[†] Copyright, American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP data herein is provided for convenience of reference only. Neither the Issuer nor the Underwriters and their agents take any responsibility for the accuracy of such data. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2026 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2026 Bonds.

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LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY

**$121,485,000*
REVENUE BONDS
(LCTCS ACT 35 PROJECT)
SERIES 2026**

ISSUER
LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY
BATON ROUGE, LOUISIANA

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LAKE CHARLES, LOUISIANA

CORPORATION
LCTCS FACILITIES CORPORATION
BATON ROUGE, LOUISIANA

BOARD
BOARD OF SUPERVISORS OF THE LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM
BATON ROUGE, LOUISIANA

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UNDERWRITERS
STIFEL, NICOLAUS & COMPANY, INCORPORATED
BATON ROUGE, LOUISIANA

RAYMOND JAMES & ASSOCIATES
NEW ORLEANS, LOUISIANA

UNDERWRITER'S COUNSEL
FOLEY & JUDELL, L.L.P.
BATON ROUGE, LOUISIANA

MUNICIPAL ADVISOR
SISUNG SECURITIES CORPORATION
METAIRIE, LOUISIANA

*Preliminary, subject to change.

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE AUTHORITY OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE AUTHORITY OR THE UNDERWRITERS. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE SERIES 2026 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN CONCERNING DTC HAS BEEN FURNISHED BY DTC AND NO REPRESENTATION IS MADE BY THE AUTHORITY OR THE UNDERWRITERS AS TO THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION. ALL OTHER INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE AUTHORITY, THE BOARD, THE COLLEGES, THE CORPORATION AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY, THE UNDERWRITER.

EXCEPT FOR INFORMATION CONCERNING THE AUTHORITY IN THE SECTIONS HEREOF CAPTIONED "*THE AUTHORITY*" AND "*LITIGATION--THE AUTHORITY*", NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE AUTHORITY AND THE AUTHORITY MAKES NO REPRESENTATIONS OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF ANY OF THE PARTIES DESCRIBED HEREIN SINCE THE DATE HEREOF. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN ANY OF THE PARTIES DESCRIBED HEREIN AND ANY ONE OR MORE OF THE PURCHASERS OR REGISTERED OWNERS OF THE SERIES 2026 BONDS.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN JUDGMENT AS TO THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THESE SECURITIES HAVE NOT BEEN REGISTERED AND HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE STATE WILL UNDERTAKE TO PROVIDE CONTINUING DISCLOSURE ON A PERIODIC BASIS FOR THE BENEFIT OF THE BONDHOLDERS PURSUANT TO THE REQUIREMENTS OF SECTION (b)(5)(i) OF SECURITIES AND EXCHANGE COMMISSION RULE l5c2-12 (17. C.F.R. PART 240, §140.15C2-12, (THE "RULE"). SEE "*CONTINUING DISCLOSURE*" HEREIN.

THE STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT, AND IN OTHER INFORMATION PROVIDED BY THE AUTHORITY THAT ARE NOT PURELY HISTORICAL, ARE FORWARD LOOKING STATEMENTS. ALL FORWARD LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE AUTHORITY ON THE DATE HEREOF, AND THE AUTHORITY DOES NOT ASSUME ANY OBLIGATION TO UPDATE ANY SUCH FORWARD LOOKING STATEMENTS. SEE "*FORWARD LOOKING STATEMENTS* " HEREIN.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTY THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM") MAKES NO REPRESENTATION REGARDING THE SERIES 2026 BONDS OR THE ADVISABILITY OF INVESTING IN THE SERIES 2026 BONDS. IN ADDITION, BAM HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING BAM SUPPLIED BY BAM AND PRESENTED UNDER THE HEADING "BOND INSURANCE" AND APPENDIX "E" - SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

THIS PRELIMINARY OFFICIAL STATEMENT HAS BEEN DEEMED FINAL BY THE BORROWER AS OF ITS DATE WITHIN THE MEANING OF RULE 15c2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR THE OMISSIONS OF THE OFFERING PRICE(S), INTEREST RATE(S), SELLING COMPENSATION, AGGREGATE PRINCIPAL AMOUNT, PRINCIPAL AMOUNT PER MATURITY, DELIVERY DATE(S), RATING(S) AND OTHER TERMS OF THE BONDS DEPENDING ON SUCH MATTERS, ALL OF WHICH ARE PERMITTED OMISSIONS UNDER RULE 15c2-12.

PRELIMINARY OFFICIAL STATEMENT

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY REVENUE BONDS

(LCTCS ACT 35 PROJECT)

**$121,485,000*
SERIES 2026**

SUMMARY STATEMENT

The following Summary Statement is qualified in its entirety by the more detailed information and financial information statements elsewhere in this Official Statement and the Appendices hereto (collectively the "**Official Statement**"). The offering of the above captioned bonds (the "**Series 2026 Bonds**") to potential investors is made only by means of this entire Official Statement, and no person is authorized to detach this Summary Statement from the Official Statement or to use it otherwise without the entire Official Statement.

ISSUER:	The Louisiana Local Government Environmental Facilities and Community Development Authority (the "**Authority**"), a political subdivision of the State of Louisiana (the "**State**"), will issue the Series 2026 Bonds and additional bonds that will be on a parity with the Series 2026 Bonds (together with the Series 2026 Bonds, the "**Parity Bonds**") for the purposes set forth herein.
BORROWER:	LCTCS Facilities Corporation, a Louisiana non-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"), (the "**Corporation**") will borrow the proceeds of the Parity Bonds from the Authority pursuant to a Loan and Assignment Agreement (the "**Loan Agreement**"). The Corporation was established in 2007 for the primary purpose of financing and constructing facilities for the Louisiana Community and Technical College System (the "**System**").
BOARD:	The Board of Supervisors of the Louisiana Community and Technical College System (the "**Board**") is a public constitutional corporation of the State created pursuant to and in accordance with the provision of Article VIII, Section 7.1 of the Louisiana Constitution of 1974 and Chapter 5-B of Title 17 of the Louisiana Revised Statutes of 1950, as amended. The Board is responsible for the supervision and management of the State's post-secondary community and technical colleges.

*Preliminary, subject to change.

ACT 35 PROJECTS: Funding and undertaking of the Projects through the issuance of the Parity Bonds by the Authority has been authorized by the State pursuant to Part IX-A of Chapter 26 of Title 17 of the Louisiana Revised Statutes of 1950, comprised of R.S. 17:3394.1 through 3394.3, as amended by Act No. 35 of the 2025 Regular Session of the Louisiana Legislature ("**Act 35**"). Act 35 authorizes and identifies projects, and authorizes the Board to amend the list of Projects as it deems necessary, to be financed thereunder (collectively, the "**Projects**" and, each individually, a "**Project**") for community and technical college campuses (the "**Colleges**") of the System. Pursuant to Act 35, the Board shall determine the dollar amount reasonably necessary to complete each project, and such amount shall constitute the value of the Project under Act 35.

PLAN OF FUNDING: It is anticipated that the Projects will be funded in phases by multiple series of Parity Bonds to be issued by the Authority pursuant to a Trust Indenture (as it may be amended or supplemented, the "**Indenture**") by and between the Authority and Hancock Whitney Bank, a state banking corporation organized and existing by virtue of the laws of Mississippi and duly authorized to accept and execute trusts in the State of Louisiana, as trustee (the "**Trustee**"). The proceeds of the Parity Bonds will be loaned to the Corporation pursuant the Loan Agreement. See "***THE SERIES 2026 BONDS***" herein.

MATCH FUNDING REQUIREMENT: Act 35 requires that each Project set forth therein obtain match funding in an amount no less than twelve percent (12%) of the cost of each Project, except for certain Projects exempted by other legislation. No Project shall be financed under Act 35 until the match funding for that Project is in place. The Corporation will certify prior to delivery of each series of Parity Bonds (including the Series 2026 Bonds) that the match funding requirement for all Projects funded by such series of Parity Bonds has been met. A Match Pooled Investment Fund has been established under the Indenture to receive match funding amounts deposited by the Corporation from time to time. Amounts received by the Trustee for deposit in such fund will be applied to the payment of costs of the Projects pursuant to the procedure established under the Indenture.

SERIES 2026 PROJECTS: The Series 2026 Bonds are being issued pursuant to Act 35 to finance certain projects (but not all Projects) as set forth in Act 35 (the "**Series 2026 Projects**"). The Corporation has certified that the match requirement for all of the Series 2026 Projects has been met.

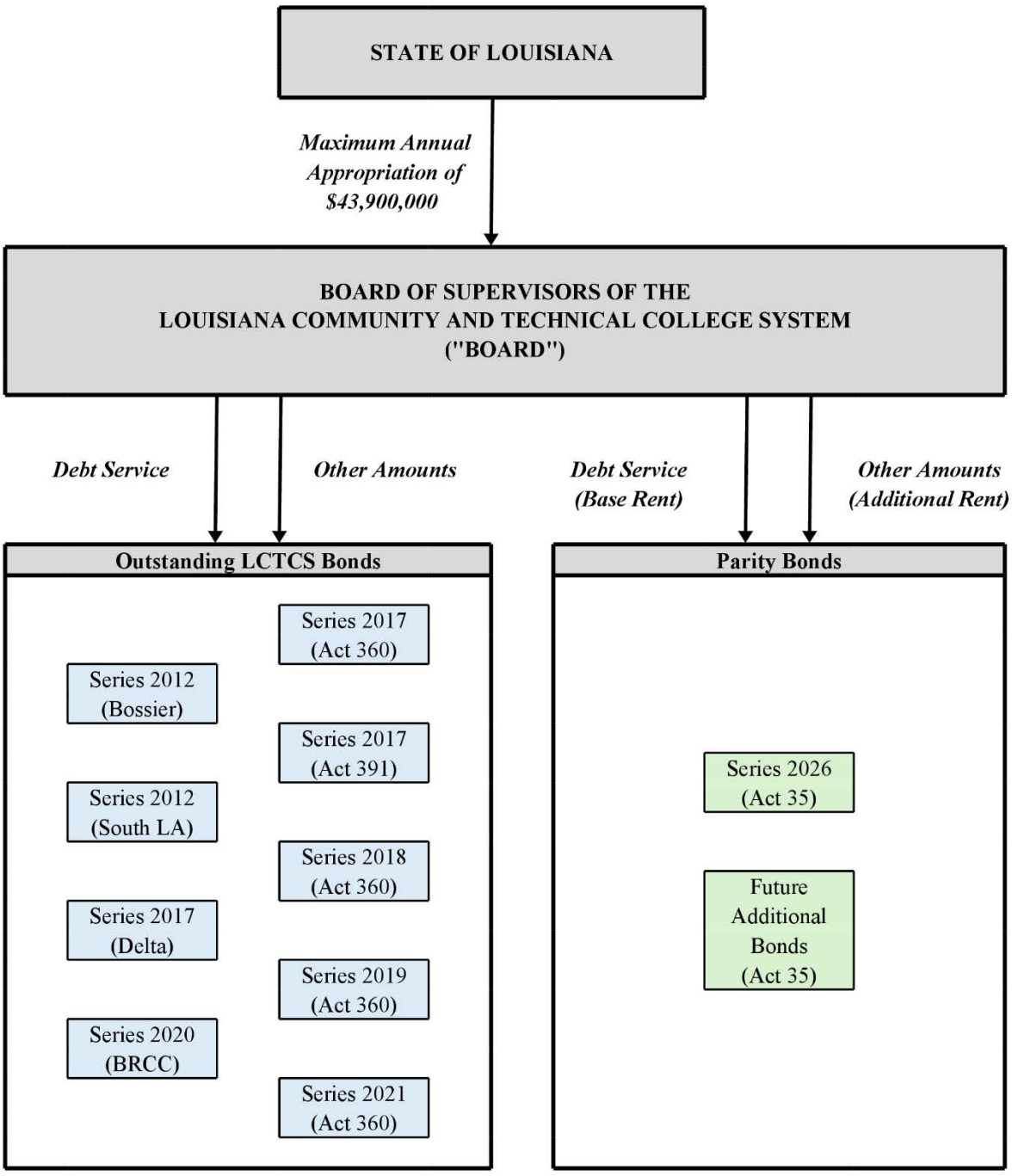
SERIES 2026 BONDS: The Series 2026 Bonds will be issued by the Authority pursuant to the Indenture to provide funds for (i) financing the development, acquisition, purchase, construction, renovation, improvement or expansion of the Series 2026 Projects; (ii) paying capitalized interest on the Parity Bonds; and (iii) payment of cost of issuance of the Parity Bonds. The Series 2026 Bonds will carry fixed rates of interest, with interest payable each April 1 and October 1, commencing April 1, 2027. Principal on the Series 2026 Bonds will be payable annually on each October 1, commencing October 1, 202_ and ending October 1, 20__, subject to mandatory, optional, and extraordinary redemption provisions.

PARITY BONDS: In order to provide funding to the Corporation for additional phases of Projects not funded by the Series 2026 Bonds, the Authority plans to issue revenue bonds as "**Additional Bonds**" under the Indenture. Act 35 provides that the debt service payment obligations relating to all projects financed in accordance with Act 35 and for bonds previously issued on behalf of nonprofit corporations for facilities operated by the System and payable from State appropriations shall not exceed forty-three million nine hundred thousand dollars per year. The Additional Bonds will be issued from time to time on a pari passu basis with each other and the Series 2026 Bonds (the Additional Bonds together with the Series 2026 Bonds being collectively referred to herein as the "**Parity Bonds**") within the limitations described above.

OUTSTANDING LCTCS BONDS: Means all of the following which are outstanding as of the date of the Cooperative Endeavor Agreement: (A) $38,050,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Bossier Parish Community College – Campus Facilities, Inc. Project) Series 2012 ("**Series 2012 (Bossier)**"); (B) 13,185,000 Lafayette Public Trust Financing Authority Revenue Refunding Bonds (South Louisiana Facilities Corporation Project) Series 2012 ("**Series 2012 (South LA)**"); (C) $22,750,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Delta Campus Facilities Corporation Project) Series 2017 ("**Series 2017 (Delta)**"); (D) $88,590,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (LCTCS Act 391 Project) Series 2017 ("**Series 2017 (Act 391)**"); (E) $20,770,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (LCTCS Act 360 Project) Series 2017 ("**Series 2017 (Act 360)**"); (F) $66,830,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (LCTCS Act 360 Project) Series 2018 ("**Series 2018 (Act 360)**"); (G) $16,630,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (LCTCS Act 360 Project) Series 2019 ("**Series 2019 (Act 360)**"); (H) $38,175,000 Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Refunding Bonds (BRCC Facilities Corporation Project) Series 2020 ("**Series 2020 (BRCC)**"); and (I) $150,770,000 Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Refunding Bonds (LCTCS Act 360 Project) Series 2021 ("**Series 2021 (Act 360)**" and collectively, the "**Outstanding LCTCS Bonds**").

FACILITIES LEASE: The Projects will be owned by the Board and be subject to the Ground Lease for the term of the Parity Bonds. The Corporation will lease the facilities comprising the Projects (the "**Facilities**") to the Board pursuant to an Agreement to Lease with Option to Purchase dated as of August 1, 2026 between the Corporation and the Board (as it may be amended and supplemented, the "**Facilities Lease**"). The Base Rental on the Facilities Lease is scheduled to be sufficient to pay debt service on all outstanding Parity Bonds. The term of the Facilities Lease will run contemporaneously with the Parity Bonds.

COOPERATIVE ENDEAVOR AGREEMENT:	The Corporation, the Board, and the State have entered into a Cooperative Endeavor Agreement dated as of May 1, 2026 (the "**Cooperative Endeavor Agreement**") to provide for the funding and construction of the Projects. The Cooperative Endeavor Agreement requires the Commissioner of Administration of the State during the term of the Cooperative Endeavor Agreement to include in the Executive Budget of the State and requests made of the State Legislature funds for the Board sufficient to pay the Board's obligation to make Rental payments with respect to the Parity Bonds and payments relating to the Outstanding LCTCS Bonds, in an amount not to exceed $43,900,000. The amount set forth above is a maximum amount and in no event shall the State be obligated to provide funding in excess of $43,900,000 in each State fiscal year. Furthermore, such annual appropriations will be set each State fiscal year at the actual amounts needed for the Board to make Rental payments with respect to the Parity Bonds and payments relating to the Outstanding LCTCS Bonds.
SECURITY:	The Parity Bonds will be special and limited obligations of the Authority payable solely from the loan payments received from the Corporation pursuant to the Loan Agreement. The Corporation's sole source of funds to make the loan payments will be Base Rental payments received from the Board pursuant to the Facilities Lease. The Board will obtain funds to make the lease payments from the State pursuant to the Cooperative Endeavor Agreement. **The State's obligation to make such funds available to the Board is subject to and dependent upon an annual appropriation by the State Legislature. The Parity Bonds do not constitute a pledge of the general credit or taxing power of the Authority, the Corporation, the Board or the State.**
REDEMPTION:	The Series 2026 Bonds will be subject to mandatory and optional redemption starting October 1, 2036 at par, plus accrued interest. The Series 2026 Bonds will be subject to extraordinary redemption at any time under certain circumstances as set forth in the Official Statement. See ***"REDEMPTION OF BONDS"*** herein.
UNDERWRITERS:	Stifel, Nicolaus & Company, Incorporated and Raymond James & Associates are serving as underwriters (collectively, the "**Underwriters**").
TRUSTEE, PAYING AGENT, SECURITIES DEPOSITORY:	Hancock Whitney Bank, a state banking corporation organized and existing by virtue of the laws of Mississippi and duly authorized to accept and execute trusts in the State of Louisiana, will serve as trustee and paying agent for the Series 2026 Bonds. The Series 2026 Bonds will be issued in book-entry only form registered in the name of Cede & Co. as nominee of the Depository Trust Company, who will act as securities depository for the Series 2026 Bonds.
RATING:	S&P Global Ratings ("**S&P**") has assigned a rating of "AA" (stable outlook) based on the issuance of the Policy at the same time as the Series 2026 Bonds. S&P has assigned a long term rating of "AA-" (stable outlook) underlying to the Series 2026 Bonds.
OFFICIAL STATEMENT:	The Series 2026 Bonds will be offered by the Underwriters when, as, and if issued by the Authority pursuant to this Official Statement. Potential investors should read the Official Statement in its entirety prior to making any decision to invest in the Series 2026 Bonds.



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LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY

**$121,485,000*
REVENUE BONDS
(LCTCS ACT 35 PROJECT)
SERIES 2026**

INTRODUCTORY STATEMENT

This Official Statement, including the cover page and all appendices, is provided to provide a brief description and furnish certain information in connection with the issuance by the Louisiana Local Government Environmental Facilities and Community Development Authority (the "**Authority**"), a political subdivision of the State of Louisiana, of its $121,485,000* Revenue Bonds (LCTCS Act 35 Project), Series 2026 (the "**Series 2026 Bonds**").

The following Introductory Statement is qualified in its entirety by the more detailed information and financial statements contained elsewhere in this Official Statement and the Appendices hereto (collectively, the "**Official Statement**"). The offering of the Series 2026 Bonds to potential investors is made only by means of this entire Official Statement, and no person is authorized to detach this Introductory Statement from the Official Statement or to use it otherwise without the entire Official Statement.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Such descriptions and information do not purport to be comprehensive or definitive, and all descriptions herein are qualified in their entirety by reference to the financing documents attached hereto in **APPENDIX "A"** and **APPENDIX "B"**. Certain capitalized terms used in this Official Statement and not otherwise defined herein will have the meaning given to such terms in the proposed forms of the principal documents attached as **APPENDIX "A"** and **APPENDIX "B"** hereto.

This Official Statement is available online at www.MuniOS.com and www.emma.msrb.org.

AUTHORITY AND PURPOSE

The Series 2026 Bonds are being issued pursuant to and in accordance with the provisions of Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 4548.16, inclusive) (the "**Act**"). The proceeds of the Series 2026 Bonds will be loaned by the Authority to LCTCS Facilities Corporation, a Louisiana non-profit corporation (the "**Corporation**"), pursuant to the Loan Agreement (as defined herein) by and between the Authority and the Corporation for the purposes of (i) financing the development, acquisition, purchase, construction, renovation, improvement, or expansion of certain public facilities of the Louisiana Community and Technical College System (the "**Projects**"), as further described in Act 35 of the 2025 Regular Session of the Louisiana Legislature, all to be located on land owned or to be owned by the Board of Supervisors of the Louisiana Community and Technical College System (the "**Board**"); (ii) paying capitalized interest on the Series 2026 Bonds; and (iii) paying costs of issuance on the Series 2026 Bonds including the costs for the Policy (as defined herein). The Projects (as defined in the Indenture) and the financing thereof were authorized by Part IX-A of Chapter 26 of Title 17 of the Louisiana Revised Statutes of 1950, comprised of R.S. 17:3394.1 through 3394.3, as amended by Act No. 35 of the 2025 Regular Session of the Louisiana Legislature, as it may be further amended from time to time (collectively, "**Act 35**").

THE FINANCING DOCUMENTS

Indenture

The Series 2026 Bonds are being issued pursuant to and secured by a Trust Indenture dated as of August 1, 2026 (the "**Indenture**"), by and between the Authority and Hancock Whitney Bank, a state banking corporation organized and existing by virtue of the laws of the Mississippi and duly authorized to accept and execute trusts, as trustee (the "**Trustee**"). The Series 2026 Bonds are secured pursuant to the Indenture by: (i) all right, title and interest

* *Items marked with asterisks in this Preliminary Official Statement are preliminary and are subject to change.*

of the Authority in, to and under the Loan Agreement, the Ground Lease and the Facilities Lease and the Mortgaged Property (each as defined herein), and (ii) moneys held in certain funds and accounts established pursuant to the Indenture (collectively the "**Trust Estate**").

Loan Agreement

The proceeds of the Series 2026 Bonds will be loaned by the Authority to the Corporation, pursuant to the Loan and Assignment Agreement dated as of August 1, 2026 (the "**Loan Agreement**"), by and between the Authority and the Corporation for the purpose of providing sufficient funds together with other available moneys of the Corporation for the purposes of (i) the development, acquisition, purchase, construction, renovation, improvement or expansion of the Projects; (ii) paying capitalized interest on the Series 2026 Bonds; and (iii) paying costs of issuance on the Series 2026 Bonds including the costs for the Policy (as defined herein).

Ground Lease

The Board has leased to the Corporation the property (the "**Property**") upon which the Corporation is constructing certain public facilities of the System, including all furnishings, fixtures, and facilities incidental or necessary in connection therewith (the "**Facilities**"), pursuant to a Ground Lease Agreement dated as of August 1, 2026, as the same may be further supplemented or amended from time to time in accordance with the provisions thereof (collectively, the "**Ground Lease**") all by and between the Board and the Corporation.

Facilities Lease

The Corporation has leased the Facilities back to the Board pursuant to an Agreement to Lease with Option to Purchase dated as of August 1, 2026, between the Corporation and the Board, as the same may be amended from time to time in accordance with the provisions thereof (collectively, the "**Facilities Lease**"). The Board has agreed in the Facilities Lease to make payments of Base Rental (as defined in the Facilities Lease) in an amount sufficient to pay debt service on the Parity Bonds and to pay such other amounts as are required by the Loan Agreement, provided that any Base Rental payable by the Board is subject to annual appropriation by the State Legislature.

Cooperative Endeavor Agreement

The availability of Base Rental payable by the Board is subject to annual appropriation of funds by the State Legislature to the Board sufficient for such purpose pursuant to the Cooperative Endeavor Agreement dated as of May 1, 2026 (the "**Cooperative Endeavor Agreement**") by and among the State, the Board and the Corporation. Among other things, the Commissioner of Administration of the State is obligated (on behalf of the State) pursuant to the Cooperative Endeavor Agreement to include in the Executive Budget of the State and request the Legislature to provide funding to the Board for the Board's obligations to make Rental payments (as defined in the Cooperative Endeavor Agreement) and payments relating to the Outstanding LCTCS Bonds, in an amount not to exceed $43,900,000 per year. The State's obligation to make such payments is subject to the annual appropriation of funds sufficient for such purpose by the Legislature. The Board is under no obligation to use any other of its funds to make payments of Base Rental.

Mortgage

As additional security for its obligations under the Loan Agreement, the Corporation has executed and delivered an Act of Leasehold Mortgage, Assignment of Leases and Security Agreement dated and effective August __, 2026, as the same may be amended from time to time in accordance with the provisions thereof (collectively, the "**Mortgage**"), encumbering its interest pursuant to the Ground Lease. The Trustee is the beneficiary (Mortgagee) under the Mortgage on behalf of the holders of the Parity Bonds. Among other things, the Mortgage grants the Trustee a mortgage and assignment in and to certain Mortgaged Property (as defined in the Mortgage) including the Corporation's leasehold interests in the Property and the Facilities.

Form of Documents

The proposed forms of the Indenture, the Loan Agreement, the Ground Lease and the Facilities Lease are attached hereto in **APPENDIX "B"**. The Cooperative Endeavor Agreement is attached hereto in **APPENDIX "A"**.

SOURCE OF PAYMENT

Trust Estate

The Series 2026 Bonds are special limited obligations of the Authority payable from the Trust Estate held for the benefit of the Bondholders pursuant to the Indenture. The Series 2026 Bonds are not payable from any other revenues, funds, or assets of the Authority. The Trust Estate will include: (i) all right, title, and interest of the Authority in, to and under the Loan Agreement, the Ground Lease and the Facilities Lease and the Mortgaged Property, and (ii) moneys held in certain funds and accounts established pursuant to the Indenture.

Base Rental Payments

In consideration of the Corporation entering into the Ground Lease and the Facilities Lease, the Board has agreed in the Facilities Lease to make payments of Base Rental in an amount sufficient to pay debt service on the Parity Bonds. The availability of Base Rental payable by the Board is subject to annual appropriation of funds by the State Legislature to the Board sufficient for such purpose pursuant to the Cooperative Endeavor Agreement.

Limited Obligations

THE SERIES 2026 BONDS AND THE INTEREST THEREON ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE TRUST ESTATE. THE SERIES 2026 BONDS DO NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OF THE AUTHORITY OR THE CORPORATION AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE STATE, THE BOARD, THE COLLEGES, OR ANY POLITICAL SUBDIVISION OF THE STATE. PURSUANT TO THE FACILITIES LEASE, THE BOARD HAS AGREED TO MAKE PAYMENTS OF BASE RENTAL TO THE CORPORATION ON BEHALF OF THE COLLEGES, PROVIDED THAT ANY BASE RENTAL PAYABLE BY THE BOARD IS SUBJECT TO ANNUAL APPROPRIATION BY THE STATE LEGISLATURE. THE PAYMENTS TO BE RECEIVED BY THE AUTHORITY FROM THE CORPORATION UNDER THE LOAN AGREEMENT ARE LIMITED TO THE AMOUNT OF BASE RENTAL RECEIVED BY THE CORPORATION FROM THE BOARD. THE AUTHORITY HAS NO POWER TO TAX.

THE AUTHORITY

GENERAL

The Authority is a political subdivision of the State, organized under the provisions of the Act. The purpose of the Authority is, among others enumerated in the Act, to assist in financing the construction of public works and infrastructure and the acquisition of necessary equipment by political subdivisions (as defined in the Act) in the State.

In furtherance of its authorized powers and functions, the Authority has the power, by virtue of the Act, to issue the Series 2026 Bonds, to loan the proceeds thereof to the Corporation and to secure the Series 2026 Bonds by a pledge of the amounts payable by the Corporation under the Loan Agreement.

GOVERNANCE

The Authority is governed by a Board of Directors, whose membership is limited to those representatives of political subdivisions of the State maintaining membership in the Authority (each a "**Participating Political Subdivision**" whose governing authorities have adopted a resolution indicating their intention to participate in the Authority. Each Participating Political Subdivision may appoint a Director in accordance with the Act. Directors are appointed for two (2) year terms and may be removed for just cause by the Board of Directors. Officers of the Authority are elected by and from the ranks of the members of the Board of Directors and consist of a Chairman, Vice-Chairman and Secretary-Treasurer. Officers serve one (1) year terms and may not be re-elected for successive terms in any one office; however, officers may be elected to another office.

Pursuant to the Authority's by-laws, the Board of Directors has established an Executive Committee (the "**Executive Committee**") and, in accordance with the Act, delegated certain duties and authorities to the Executive Committee. The Executive Committee consists of seven (7) members, three of whom are the officers of the Authority

who serve as *ex-officio* members for as long as they remain officers of the Board of Directors. The remaining four (4) at large members are elected at an annual meeting of the Board of Directors and serve as at-large members with one (1) member elected for a term of one (1) year, one (1) member elected for a term of two (2) years, one (1) member elected for a term of three (3) years and one (1) member elected for a term of four (4) years. An at-large member may not be re-elected to the Executive Committee as an at-large member and his successor shall be elected for a four (4) year term. The Executive Committee is required to make an annual report to the Board of Directors at its annual meeting. Provision is made in the by-laws to make the minutes of all Executive Committee meetings available to members of the Board of Directors.

The current members of the Executive Committee, their positions, terms of office and respective Participating Political Subdivision are as follows:

Present Committee Members	Position	Term Expires	Participating Political Subdivision
Mr. Jim Holland	Chairman	12/31/2026	Town of Oak Grove
Mayor David Carmardelle	Vice-Chairman	12/31/2026	Town of Grand Isle
Mayor David Butler	Secretary/Treasurer	12/31/2026	Town of Woodworth
Mr. Johnny Berthelot	Member	12/31/2026	Ascension Parish Law Enforcement District
Mr. David Rabalais	Member	12/31/2027	Terrebonne Port Commission
Ms. Mary Adams	Member	12/31/2028	Varnado Waterworks District
Mr. Guy Cormier	Member	12/31/2029	St. Martin Parish

The address of the Authority is 5641 Bankers Avenue, Bldg. B, Baton Rouge, LA 70808. The Executive Director of the Authority is Ty E. Carlos. Mr. Carlos received his degree in finance from Louisiana State University. He previously worked as Vice President and Sales Executive for The Bank of New York Mellon Trust Company, N.A. He has served as Executive Director of the Authority since April, 2014.

The Series 2026 Bonds were authorized by resolutions adopted by the Executive Committee on April 9, 2026 and July 9, 2026. The Series 2026 Bonds are secured solely by the Trust Estate (on a parity with the Parity Bonds) and no financial or operating data concerning the Authority is being provided to investors.

LIMITATIONS ON LIABILITY

The directors, officers, agents, employees and members of the Authority shall not be personally liable for any costs, losses, damages or liabilities caused or incurred by the Authority or the Trustee in connection with the Series 2026 Bonds, the Indenture or the Loan Agreement, or for the payment of any obligation under the Series 2026 Bonds, the Indenture or the Loan Agreement.

THE SERIES 2026 BONDS AND THE INTEREST THEREON ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE TRUST ESTATE. THE SERIES 2026 BONDS DO NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OF THE AUTHORITY OR THE CORPORATION AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE STATE, THE BOARD, THE COLLEGES, OR ANY POLITICAL SUBDIVISION OF THE STATE. PURSUANT TO THE FACILITIES LEASE, THE BOARD HAS AGREED TO MAKE PAYMENTS OF BASE RENTAL TO THE CORPORATION ON BEHALF OF THE COLLEGES, PROVIDED THAT ANY BASE RENTAL PAYABLE BY THE BOARD IS SUBJECT TO ANNUAL APPROPRIATION BY THE STATE LEGISLATURE. THE PAYMENTS TO BE RECEIVED BY THE AUTHORITY FROM THE CORPORATION UNDER THE LOAN AGREEMENT ARE LIMITED TO THE AMOUNT OF BASE RENTAL RECEIVED BY THE CORPORATION FROM THE BOARD. THE AUTHORITY HAS NO POWER TO TAX.

THE BOARD AND THE COLLEGES

GENERAL

The Board of Supervisors of the Louisiana Community and Technical College System (the "**Board**") is a public constitutional corporation and agency of the State created pursuant to and in accordance with the provision of Article VIII, Section 7.1 of the Louisiana Constitution of 1974 and Chapter 5-B of Title 17 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 17:1871, *et seq.).* The Board is responsible for the supervision and management of the State's post-secondary community and technical colleges. The mission of the Board shall be to direct, control, supervise, assist and manage the institutions of this System in providing quality education and workforce training to the people of the State. The Board is one of four higher education management boards for public colleges and universities in the State, all of which report to the Louisiana Board of Regents for Higher Education. More information regarding the Board can be found at www.lctcs.edu and more information regarding the Louisiana Board of Regents for Higher Education can be found at https://www.laregents.edu/.

BOARD OF SUPERVISORS

The Board is composed of seventeen (17) members. Fifteen (15) members appointed by the Governor with consent of the Senate, two (2) from each of the six (6) congressional districts with three (3) at-large members, for terms of six (6) years. Two (2) student members serve on the Board, one student (1) elected by and from membership of a council composed of the student body presidents of the community colleges and one (1) student elected by and from the members of a council composed of student body presidents of the technical colleges under the supervision and management of the Board. Student members serves for a term of one (1) year, taking office in June of each year. The current Board members are as follows:

Name	Position	Occupation	Expiration of Term
Timothy W. Hardy	Chair	Partner, Breazeale, Sachse & Wilson	July 1, 2029
Cynthia Butler-McIntyre	First Vice Chair	Retired Educator and Administrator	July 1, 2027
Sabrina Hogan	Second Vice Chair	President, eleHealth	July 1, 2029
Willie L. Mount	Immediate Past Chair	Retired Louisiana State Senator and Former Lake Charles, LA Mayor	July 1, 2027
Stephen C. Smith	Member	Partner, All South Consulting Engineers, LLC	July 1, 2027
Archie Hall	Member	Executive, Siemens Industry, Smart Infrastructure	July 1, 2029
Joseph Hollins	Member	Sr. Regional Downstream & RES Corporate Relations Advisor, Shell	July 1, 2029
James P. "J.P." Kelly	Member	Founder and CEO, i2Tickets	July 1, 2031
Erika McConduit	Member	Regional Vice President Centene Corporation	July 1, 2027
Virginia Robinson	Member	Executive, NOLA Education	July 1, 2031
Roe Wilkinson	Member	Imagine Learning Area Director	July 1, 2031
Kent Harrison	Student Member	Bossier Parish Community College	May 31, 2027
Santana LeDay	Student Member	SOWELA Technical Community College	May 31, 2027

COLLEGES WITHIN THE SYSTEM

The Board assumed official management responsibility of the Louisiana Community and Technical College System on July 1, 1999, which currently includes the following colleges (the "**Colleges**"):

Baton Rouge Community College consists of the Mid City Campus, the Acadian Campus, the Ardendale Campus (Smiley Heights),the Frazier Campus and the Central Site Campus locations in Baton Rouge, the Port Allen Campus, the Jackson Campus, and the New Roads Campus. For the 2025-2026 academic year, Baton Rouge Community College's credit enrollment was 15,921, workforce non-credit enrollment was 1,488, and adult basic education enrollment was 1,710, with a full-time faculty and staff of approximately 350.

Bossier Parish Community College is located in Bossier City, Louisiana and also consists of the Natchitoches Campus and the Sabine Valley Campus in Many. For the 2025-2026 academic year, Bossier Parish Community College's credit enrollment was 8,324, workforce non-credit enrollment was 2,243, and adult basic education enrollment was 2,520, with a full-time faculty and staff of approximately 308.

Central Louisiana Technical Community College includes the Alexandria Campus, the Avoyelles Campus in Cottonport, the Huey P. Long Campus in Winnfield, the Rod Brady Campus in Jena, and the Ferriday Campus, . For the 2025-2026 academic year, Central Louisiana Technical Community College's credit enrollment was 1,716, workforce non-credit enrollment was 2,039, and adult basic education enrollment was 945, with a full-time faculty and staff of approximately 125.

Delgado Community College campuses include the City Park Campus, the Charity School of Nursing, the West Bank Campus, the Sidney Collier Campus, the Maritime, Fire & Industrial Training Facility and the Center for Hospitality and Culinary in New Orleans, the West Jefferson Campus in Harvey, the Blair Campus in Metairie, and the River City and Avondale Campuses in Avondale. For the 2025-2026 academic year, Delgado Community College's credit enrollment was 19,233, workforce non-credit enrollment was 3,615, and adult basic education enrollment was 3,542, with a full-time faculty and staff of approximately 605.

Fletcher Technical Community College consists of the Schriever Campus, as well as the Houma and Thibodaux Campuses. For the 2025-2026 academic year, Fletcher Technical Community College's credit enrollment was 3,667 workforce non-credit enrollment was 1,857, and adult basic education enrollment was 1,249, with a full-time faculty and staff of approximately 152.

Louisiana Delta Community College includes the Monroe Campus, the Tallulah Campus, the Bastrop Campus, the Delta Ouachita Campus in West Monroe, the Northeast Campus in Winnsboro, the Ruston Campus, the Jonesboro Campus and the Margaret Surles Campus in Lake Providence. For the 2025-2026 academic year, Louisiana Delta Community College's credit enrollment was 4,979, workforce non-credit enrollment was 3,518, and adult basic education enrollment was 1,061, with a full-time faculty and staff of approximately 244.

Northshore Technical Community College consists of the Sullivan Campus in Bogalusa, the Florida Parishes Campus in Greensburg, the Hammond Campus, the Lacombe Campus and the Livingston Parish Campus. For the 2025-2026 academic year, Northshore Technical Community College's credit enrollment was 7,805, workforce non-credit enrollment was 1,183, and adult basic education enrollment was 1,347, with a full-time faculty and staff of approximately 239.

Northwest Louisiana Technical Community College includes the Minden Campus, the Shreveport Campus and the Mansfield Campus. For the 2025-2026 academic year, Northwest Louisiana Technical Community College's credit enrollment was 1,455, workforce non-credit enrollment was 800, and adult basic education enrollment was 862, with a full-time faculty and staff of approximately 82.

Nunez Community College is located in Chalmette, St. Bernard Parish, Louisiana. For the 2025-2026 academic year, Nunez Community College's credit enrollment was 3,845, workforce non-credit enrollment was 411, and adult basic education enrollment was 311, with a full-time faculty and staff of approximately 136.

River Parishes Community College, is located in Gonzales, Reserve, St. Charles, and the Westside, Plaquemine Campus. For the 2025-2026 academic year, River Parishes Community College's credit enrollment was

3,581 and workforce non-credit enrollment was 304, and adult basic education enrollment was 938, with a full-time faculty and staff of approximately 154.

South Louisiana Community College includes the Lafayette Campus, the Teche Area Campus in New Iberia, the Acadian Campus in Crowley, the Coreil Campus in Ville Platte, the Evangeline Campus in St. Martinville, the Franklin Campus, the Young Memorial Campus in Morgan City, the Gulf Area Campus in Abbeville, and the T.H. Harris Campus in Opelousas. For the 2025-2026 academic year, South Louisiana Community College's credit enrollment was 8,128, workforce non-credit enrollment was 491, and adult basic education enrollment was 1,861, with a full-time faculty and staff of approximately 425.

SOWELA Technical Community College is located at campuses in Lake Charles, Oakdale,Jennings, and the Lamar Salter campus in Leesville, Louisiana. For the 2025-2026 academic year, SOWELA Technical Community College's credit enrollment was 5,038 and workforce non-credit enrollment was 803, and adult basic education enrollment was 1,189 with a full-time faculty and staff of approximately 236.

THE CORPORATION

GENERAL

LCTCS Facilities Corporation (the "**Corporation**") is a Louisiana non-profit corporation formed to support and benefit the educational, scientific research, and public service missions of the Board and the Colleges. The Corporation was formed on August 24, 2007 to finance and construct facilities on behalf of the System. The Corporation was organized on a non-stock basis with the Board of Directors comprising the entire membership of the Corporation. The Corporation has been determined to qualify as a 501(c)(3) non-profit corporation by the Internal Revenue Service ("**IRS**") pursuant to IRS Determination Letter to the Corporation dated August 8, 2008.

BOARD OF DIRECTORS

The following is a list of the current members of the Corporation's Board of Directors and their respective positions and their terms of service will run until successors are chosen and qualify:

Director	Position	Occupation
Stephen C. Smith	Chairman/President	Partner, All South Consulting Engineers, LLC
Honorable Lambert C. Boissiere, Jr.	Secretary/Treasurer	Louisiana State Senator (ret) Constable, First City Court, Orleans Parish
Honorable U. Gene Thibodeaux	Board Member	Chief Judge (ret.), Louisiana Third Circuit Court of Appeals

PLAN OF FINANCE

Part IX-A of Chapter 26 of Title 17 of the Louisiana Revised Statutes of 1950, comprised of R.S. 17:3394.1 through 3394.3, as amended by Act No. 35 of the 2025 Regular Session of the Louisiana Legislature, as it may be further amended from time to time ("**Act 35**") provides for the financing of the Projects with bonds. Act 35 requires that each Project authorized therein obtain match funding in an amount no less than twelve percent (12%) of the cost of each Project, except for certain Projects exempted by other legislation.

The Corporation has requested and the Authority has authorized revenue bonds in an aggregate amount of not exceeding $150,000,000 in multiple series, which authorization may be increased from time to time (collectively, the "**Parity Bonds**") for the primary purpose of funding the Projects. The Parity Bonds will enjoy a parity lien on the Trust Estate and will consist of the following:

(i) The Series 2026 Bonds; and

(ii) Any Additional Bonds subsequently issued as provided in the Indenture.

The Series 2026 Bonds will be issued for the purpose of providing sufficient funds to (i) finance the costs of the Projects; and (ii) pay capitalized interest on the Series 2026 Bonds; and (iii) pay the costs of issuance of the Series 2026 Bonds. The following table lists the Projects expected to be funded with the Series 2026 Bonds:

CAMPUS/PROJECT	Series 2026 Bonds†
Louisiana Delta Community College – Bastrop Campus	$17,086,841
Northwest Louisiana Technical Community College – Shreveport Campus	26,476,103
Northshore Technical Community College – Hammond Campus	59,639,111
South Louisiana Community College – Morgan City Campus	2,200,000
South Louisiana Community College – Opelousas Campus	3,696,000
SOWELA Technical Community College – Lake Charles Campus	3,080,000
TOTAL:	**$112,178,055**

†*Estimated amounts to be funded do not include the 12% match funding requirement.*

THE FINANCING DOCUMENTS

INDENTURE

The Series 2026 Bonds are being issued pursuant to and secured by a Trust Indenture. The Series 2026 Bonds are secured pursuant to the Indenture by: (i) all right, title and interest of the Authority in, to and under the Loan Agreement, the Ground Lease and the Facilities Lease and the Mortgaged Property (each as defined herein), and (ii) the Trust Estate. The Series 2026 Bonds and the Parity Bonds will enjoy a parity lien on the Trust Estate.

LOAN AGREEMENT

The proceeds of the Series 2026 Bonds will be loaned by the Authority to the Corporation, pursuant to the Loan Agreement, by and between the Authority and the Corporation. Proceeds from the Series 2026 Bonds will be for the purpose of (a) financing the development, acquisition, purchase, construction, renovation, improvement, or expansion of the Project; (b) paying capitalized interest on the Series 2026 Bonds and (c) paying costs of issuance on the Series 2026 Bonds.

Pursuant to the Loan Agreement, the Corporation is obligated to make loan payments solely from Base Rental payments received by the Corporation from the Board. The Corporation, pursuant to the Loan Agreement, will assign its rights under the Ground Lease and the Facilities Lease to the Authority. The Authority, pursuant to the Indenture, has assigned such rights under the Loan Agreement, the Ground Lease and the Facilities Lease to the Trustee, which will exercise such rights on behalf of the owners of the Parity Bonds.

THE GROUND LEASE

The Board has leased to the Corporation the property (the "**Property**") upon which the Corporation has constructed the Facilities, pursuant to a Ground Lease, all by and between the Board and the Corporation.

Lease payments under the Ground Lease are nominal in amount and are not a source of repayment for the Series 2026 Bonds. Pursuant to the Loan Agreement, the Corporation has assigned all of its rights under the Ground Lease to the Authority. The Authority, pursuant to the Indenture, has assigned such rights to the Trustee, which will exercise such rights on behalf of the owners of the Parity Bonds.

THE FACILITIES LEASE

The Corporation has leased the Facilities back to the Board pursuant to a Facilities Lease. The Board has agreed in the Facilities Lease to make payments of Base Rental in an amount sufficient to pay debt service on the Parity Bonds, provided that any Base Rental payable by the Board is subject to annual appropriation by the State Legislature.

COOPERATIVE ENDEAVOR AGREEMENT

The availability of Base Rental payable by the Board is subject to annual appropriation of funds by the State Legislature to the Board sufficient for such purpose pursuant to the Cooperative Endeavor Agreement by and among the State, the Board and the Corporation. The Board is under no obligation to use any other of its funds to make payments of Base Rental.

The Commissioner of Administration of the State has agreed (on behalf of the State) in the Cooperative Endeavor Agreement that the Commissioner shall include in the Executive Budget and request the State Legislature to provide funding to the Board for the Board's obligations to make Rental payments (as defined in the Cooperative Endeavor Agreement) and payments relating to the Outstanding LCTCS Bonds, in an amount not to exceed $43,900,000 per year. The State's obligation to make such payments is subject to the annual appropriation of funds sufficient for such purpose by the Legislature.

The Corporation has agreed in the Cooperative Endeavor Agreement to fulfill its obligations to the Board under the Ground Lease and the Facilities Lease and to use the payments of Base Rental received by it under the Facilities Lease solely to (i) pay debt service on the Parity Bonds; (ii) make deposits into the Maintenance Reserve Fund; (iii) pay costs of the projects financed by the Parity Bonds, or to reimburse itself for such project costs incurred prior to the receipt of Base Rental; and (iv) pay other expenses allowed by the Facilities Lease.

The Board has agreed in the Cooperative Endeavor Agreement to fulfill its obligations to the Corporation under the Ground Lease and the Facilities Lease and, to the extent of appropriations made available therefor by the State Legislature, budget the payments required by the Facilities Lease.

MORTGAGE

As additional security for its obligations under the Loan Agreement, the Corporation has executed and delivered the Mortgage, encumbering its interest pursuant to the Ground Lease. The Trustee is the beneficiary (Mortgagee) under the Mortgage on behalf of the holders of the Parity Bonds. Among other things, the Mortgage grants the Trustee a mortgage and assignment in and to certain Mortgaged Property (as defined in the Mortgage) including the Corporation’s leasehold interests in the Property and the Facilities.

FORM OF DOCUMENTS

The proposed form of the Indenture, the Loan Agreement, the Ground Lease and the Facilities Lease are attached hereto in **APPENDIX "B"**. The Cooperative Endeavor Agreement is attached hereto in **APPENDIX "A"**.

FACILITIES LEASE SECURITY PROVISIONS

BASE RENTAL

The Facilities Lease requires the Board to pay Base Rental to the Corporation as follows:

(i) Semiannually, on each March 15 and September 15 during the term of the Facilities Lease, commencing March 15, 2027 in an amount equal to the sum of the principal of, premium, if any, and interest due and payable on the Parity Bonds on the following April 1 or October 1;

(ii) On the dates required in the Indenture, into any of the funds established in the Indenture, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by the Indenture; and

(iii) Amounts required to pay for initial furnishings and equipment

The Board is entitled to a credit against and reduction of each Base Rental payment in an amount equal to any amounts derived from the following sources:

(i) Accrued interest derived from the sale of the Parity Bonds, if any;

(ii) Any capitalization of interest from the proceeds of the Series 2026 Bonds contained in the Capitalized Interest Fund under the Indenture; and

(ii) Surplus moneys (including investment earnings) contained in the funds and accounts held by the Trustee under the Indenture, including the Debt Service Fund.

The obligation of the Board to make Base Rental payments under the Facilities Lease is limited to funds appropriated to the Board by the State Legislature pursuant to the Cooperative Endeavor Agreement. The Facilities Lease obligates the Board to include in the budget for the Colleges any funds appropriated by the State Legislature in an amount sufficient to make the payments of Base Rental. The Board is under no obligation to use any other of its funds to make payments of Base Rental.

ADDITIONAL RENTAL

The Facilities Lease requires the Board to pay Additional Rental for any and all expenses, of every nature, character and kind whatsoever, incurred in the management, operation, ownership and/or maintenance of the Facilities, including, but not limited to, on the dates required in the Indenture, into the Maintenance Reserve Fund an amount sufficient to meet the requirements of the Indenture. The Board is obligated to include in the budget for the Colleges sufficient funds to make payments of the Additional Rental. Payments of Additional Rental will not be used to pay debt service on the Parity Bonds.

DEFAULT

The following shall constitute an Event of Default by the Board under the Facilities Lease:

(i) If the Board shall fail to deposit with the Trustee any Base Rental payment required under the Facilities Lease by the close of business on the day such deposit is required;

(ii) If the Board shall fail to pay or discharge any monetary obligation under the Facilities Lease (other than the payment of Base Rental) as and when due, or within thirty (30) days after receipt of notice from the Corporation that such sums are due and owing; or

(iii) If the Board shall breach any non-monetary terms, covenants or conditions contained in the Facilities Lease, and shall fail to remedy any such breach with all reasonable dispatch within a reasonable period of time (or such longer period as the Trustee may approve) after written notice from the Corporation.

Upon an Event of Default, the Corporation shall have the right, at its option, without any further demand or notice to terminate the Facilities Lease on the earliest date permitted by law or on any later date specified in any notice given to the Board. In such case the Board's right to possession of the Facilities will cease and the Facilities Lease will be terminated, without, however, waiving the Corporation's right to collect all Base Rental, Additional Rental and other payments due or owing for the period up to the time the Corporation regains possession of the Facilities (and which have been appropriated for payment to the Corporation under the Facilities Lease, but not paid to the Corporation), and to enforce other obligations of the Board which survive termination of the Facilities Lease. Upon such termination of the Facilities Lease, the Corporation may without any further demand or notice re-enter the Facilities and eject all parties in possession thereof. However, upon re-entry of the Facilities, the Corporation may only use the Facilities for purposes related to the mission of the Colleges. The foregoing remedies of the Corporation are in addition to and not exclusive of any other remedy of the Corporation available at law. In no event shall the Corporation have the right to accelerate the payment of any Base Rental.

NON APPROPRIATION

Notwithstanding the foregoing, a failure by the Board to pay when due any payment required to be made under the Facilities Lease or a failure by the Board to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Facilities Lease, resulting from a failure by the State Legislature to appropriate funds to the Board for such purpose shall not constitute an Event of Default under the Facilities Lease and the Corporation shall not have any of the remedial rights set forth in the Facilities Lease; provided, however, in such event, the Facilities Lease shall terminate and the Board shall immediately vacate the Facilities and deliver the Facilities to the Corporation.

OPTION TO PURCHASE

The Facilities Lease grants the Board an exclusive and irrevocable option (the "**Option to Purchase**") to purchase the Corporation's interest in the Facilities for a purchase price equal to the sum of: (i) principal of the series of Parity Bonds then outstanding that financed the Facilities plus the interest to accrue on such Parity Bonds until the purchase date; (ii) any prepayment penalties, charges or costs for early prepayment or defeasance of such Parity Bonds; and (iii) any administrative expenses owed prior to the purchase date (collectively, the "**Purchase Price**"). The Board may exercise the Option to Purchase on the date all of the Parity Bonds of a series are defeased pursuant to the Indenture.

TERM AND EARLY TERMINATION

The Facilities Lease expires on July 31, 2125 (the "**Expiration Date**"), but is automatically renewable for an additional term of up to five (5) years in the event that on the Expiration Date there is outstanding any unpaid principal and premium, if any, or interest on the Parity Bonds, provided however, the Facilities Lease shall terminate prior to the Expiration Date upon the happening of any of the following events:

(i) repayment of the Parity Bonds in full, including debt service and all administrative expenses with respect to the Parity Bonds as set forth in the Indenture;

(ii) the exercise of the Board's Option to Purchase and the purchase of the Corporation's interest in the Facilities; or

(iii) the exercise of the Corporation's option to terminate upon the happening of any event described in the Facilities Lease with respect to which the Corporation has any such option, including without limitation a Default by the Board or the failure of the State Legislature to appropriate funds in an amount necessary to pay the Base Rental.

ASSIGNMENT

Pursuant to the Loan Agreement, the Corporation has assigned all of its rights under the Facilities Lease to the Authority. The Authority, pursuant to the Indenture, has assigned such rights to the Trustee, which will exercise such rights on behalf of the owners of the Parity Bonds.

THE SERIES 2026 BONDS

The Series 2026 Bonds will be dated the date of delivery and will bear interest at the rates per annum and mature on October 1 in the years and in the principal amounts indicated on the inside cover page of this Official Statement. Interest on the Series 2026 Bonds will be payable each April 1 and October 1 (each an "**Interest Payment Date**") commencing April 1, 2027.

The Series 2026 Bonds will be issued in fully registered form, without coupons in denominations of $5,000 or any integral multiple thereof. The Series 2026 Bonds shall be numbered from No. R-1 and upwards, respectively, and the Series 2026 Bonds shall be issued initially as one certificate per maturity as set forth on the inside cover page hereof. The Series 2026 Bonds will be registered in the name of Cede & Co., as nominee for the Depository Trust Company ("**DTC**"), New York, New York, which will act as the securities depository for the Series 2026 Bonds. Purchasers of the Series 2026 Bonds will not receive certificates representing their interest in the Series 2026 Bonds

purchased. Purchases of the beneficial interests in the Series 2026 Bonds will be made in book-entry only form in authorized denominations by credit to participating broker-dealers and other institutions on the books of DTC as described herein. Any purchaser of beneficial interests in the Series 2026 Bonds must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of the principal of and interest on such Series 2026 Bonds. See "**BOOK-ENTRY ONLY SYSTEM**" below.

The principal of, and premium, if any, of the Series 2026 Bonds shall be payable to the registered owners thereof upon surrender of the Series 2026 Bonds at the corporate trust office of the Trustee. The interest on the Series 2026 Bonds, when due and payable, shall be paid by check or draft mailed by the Trustee on such due date to each person in whose name a Series 2026 Bond is registered, at the address(es) as they appear on the Bond Register maintained by the Trustee at the close of business on the applicable date (the "**Record Date**") irrespective of any transfer or exchange of the Series 2026 Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the Authority shall default in payment of interest due on such Interest Payment Date, provided that the owners of $1,000,000 or more in aggregate principal amount of Series 2026 Bonds may request payment by wire transfer if such owners have requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of any such default, such defaulted interest shall be payable on a payment date established by the Trustee to the persons in whose names the Series 2026 Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of the Series 2026 Bonds not less than fifteen (15) days preceding such special record date. Payment as aforesaid shall be made in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts.

ADDITIONAL BONDS

Additional Bonds (as defined in the Indenture) may be issued in one or more series by the Authority at the request of the Corporation under a supplement to the Indenture to pay all or part of the cost of the projects authorized under Act 35 so long as:

(a) The Debt Service due on the Parity Bonds and any Additional Bonds during any Bond Year does not exceed the maximum appropriation available from the State to pay Base Rental in such Bond Year pursuant to the Cooperative Endeavor Agreement;

(b) The Additional Bonds are payable as to principal on October 1st of each year and payable as to interest on April 1st and October 1st of each year;

(c) No Event of Default under the Indenture has occurred and is then continuing;

(d) There shall have been filed with the Trustee an opinion of an attorney or firm of attorneys generally recognized as having expertise in matters relating to municipal bonds to the effect that the exclusion from "gross income" for Federal income tax purposes of the interest on the Parity Bonds and any Additional Bonds then outstanding under the Indenture shall not be adversely affected; and

(e) There shall have been filed with the Trustee an Issuance Advice Letter advising that (i) the Additional Bonds are issued on a parity with the outstanding Parity Bonds in accordance with the Original Indenture; (ii) the Additional Bonds shall constitute Parity Bonds in accordance with the meaning given such term in the Indenture, the Loan Agreement, the Ground Lease, the Facilities Lease and the Mortgage (the "**Bond Documents**"); (iii) all of the provisions of the Bond Documents that apply to Parity Bonds shall apply to the Additional Bonds; (iv) the Board shall be obligated to make Rental Payments under the Facilities Lease sufficient to allow the Corporation to make payments under the Loan Agreement required for the Parity Bonds and the Additional Bonds; (v) the Corporation shall be obligated to pay debt service on the Parity Bonds and the Additional Bonds in accordance with the Loan Agreement; and (vi) the Trustee is directed to deposit the proceeds of the sale of the Additional Bonds in accordance with the Indenture and to apply the Indenture to the Additional Bonds.

Such series of Additional Bonds shall be appropriately designated, shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered, shall have such paying agents and shall have such maturities and redemption provisions, all as may be provided in the supplement to the Indenture or the separate indenture authorizing the issuance of such series of Additional Bonds.

SOURCES AND USES OF FUNDS*

The proceeds to be received from the sale of the Series 2026 Bonds are estimated to be applied as follows:

SOURCES	
Par Amount	$121,485,000.00*
Premium	$ 4,533,595.60*
TOTAL SOURCES:	**$126,018,595.60***
USES	
Deposit to Project Fund	$112,178,055.00*
Deposit to Project Management Fund	$ 4,767,567.34*
Capitalized Interest Fund	$ 7,381,076.37*
Costs of Issuance†	$ 1,691,896.89*
TOTAL USES:	**$126,018,595.60***

†Includes Underwriter's Discount, Costs of Issuance and bond insurance premium.

DEBT SERVICE SCHEDULE*

Set forth in **APPENDIX F** attached hereto is a schedule of the annual debt service for the Series 2026 Bonds and the Outstanding LCTCS Bonds.

SOURCES OF PAYMENT

TRUST ESTATE

The Series 2026 Bonds are special limited obligations of the Authority payable from the Trust Estate held for the benefit of the Bondholders pursuant to the Indenture. The Series 2026 Bonds are not payable from any other revenues, funds, or assets of the Authority. The Trust Estate will include: (i) all right, title, and interest of the Authority in, to and under the Loan Agreement, the Ground Lease, and the Facilities Lease and the Mortgaged Property, and (ii) moneys held in certain funds and accounts established pursuant to the Indenture.

RENTAL PAYMENTS

In consideration of the Corporation entering into the Ground Lease and the Facilities Lease, the Board has agreed in the Facilities Lease to make payments of Base Rental in an amount sufficient to pay debt service on the Parity Bonds. The availability of Base Rental payable by the Board is subject to annual appropriation of funds by the State Legislature to the Board sufficient for such purpose pursuant to the Cooperative Endeavor Agreement.

REDEMPTION PROVISIONS

OPTIONAL REDEMPTION

The Series 2026 Bonds are subject to redemption prior to maturity at the option of the Corporation, upon written direction to the Authority, on or after October 1, 2036 as a whole at any time, or in part on any Interest Payment Date, the maturity of said Series 2026 Bonds to be redeemed to be designated by the Corporation and selected within a maturity by the Trustee in such manner as the Trustee may determine, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

*Preliminary, subject to change.

EXTRAORDINARY REDEMPTION

On any date following October 1, 2036, the Series 2026 Bonds shall be redeemed as a whole or in part (in an integral multiple of $5,000) on the first Interest Payment Date at least thirty (30) days after the Trustee receives notice that any insurance proceeds, condemnation award or payment in lieu of condemnation with respect to any portion of the Facilities will not be applied to the restoration, repair or reconstruction of such Facilities at a price equal to the principal amount of the Series 2026 Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not used for restoration, repair or reconstruction. If in part, the Series 2026 Bonds to be redeemed shall be in the inverse order of their maturity and selected within a maturity by the Trustee in such manner as the Trustee may determine. If the amount of any insurance proceeds, condemnation award or payment in lieu of condemnation to be applied in redemption of the Series 2026 Bonds is not an integral multiple $5,000, the principal amount of the Series 2026 Bonds to redeemed pursuant to this subparagraph (b) shall be decreased to the next lower multiple of $5,000.

PARTIAL REDEMPTION

If fewer than all of the Series 2026 Bonds shall be called for redemption, the Series 2026 Bonds to be redeemed shall be in inverse order of their maturity, and selected by the Trustee within a maturity in such manner as the Trustee may determine; provided, however, that the portion of any Series 2026 Bonds, as the case may be, to be redeemed shall be in the principal amount of an Authorized Denomination. If a portion of any series of the Series 2026 Bonds shall be called for redemption, a new Series 2026 Bond in a principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

NOTICE OF REDEMPTION

At least thirty (30) days before the redemption date of any Series 2026 Bonds, the Trustee shall cause a notice of any such redemption, signed by an authorized officer of the Trustee to be mailed, postage prepaid, to all Bondholders of record owning Series 2026 Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, or sent to the Bondholders by electronic mail, but any defect in such sending of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if fewer than all of the Series 2026 Bonds then Outstanding shall be called for redemption, the numbers of such Series 2026 Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Series 2026 Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Series 2026 Bond, a new Series 2026 Bond in principal amount equal to the unredeemed portion of such Series 2026 Bond will be issued.

EFFECT OF REDEMPTION

On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided and money for payment of the redemption price being held in the Debt Service Fund in trust for the owners of the Series 2026 Bonds or portions thereof to be redeemed, the Series 2026 Bonds or portions of Series 2026 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2026 Bonds or portions of Series 2026 Bonds on such date, interest on the Series 2026 Bonds or portion of Series 2026 Bonds so called for redemption shall cease to accrue, such Series 2026 Bonds or portions of Series 2026 Bonds shall cease to be entitled to any benefit or security under the Indenture, and the owners of such Series 2026 Bonds or portions of Series 2026 Bonds shall not have rights in respect thereof except to receive payment of the redemption price thereof and to receive Bonds for any unredeemed portions of Series 2026 Bonds.

The Series 2026 Bonds and portions of the Series 2026 Bonds that have been duly called for redemption under the provisions of the Indenture, or with respect to which irrevocable instructions to call for redemption have been given to the Trustee in form satisfactory to it, and for the payment of the redemption price for which moneys, or Defeasance Obligations, shall be held by the Trustee in a segregated account in trust for the owners of the Series 2026 Bonds or portions thereof to be redeemed, shall not thereafter be deemed to be outstanding under the provisions of the Indenture and shall cease to be entitled to any security or benefit under the Indenture other than the right to receive payment from such moneys.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("**DTC**"), New York, New York, will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2026 Bond will be delivered for the Series 2026 Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bonds representing their ownership interests in Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 Bonds deposited by the Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all the Series 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual

procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee, on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, nor its nominee, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC is the responsibility of the Trustee; disbursement of such payments to the Direct Participants shall be the responsibility of DTC; and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the Trustee. Under such circumstances, in the event that a successor depository is not named, Series 2026 Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor Series 2026 Bonds depository). In that event, Series 2026 Bonds will be printed and delivered to DTC.

THE AUTHORITY AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2026 BONDS, (i) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE SERIES 2026 BONDS, (ii) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2026 BONDS, OR (iii) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE SERIES 2026 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE AUTHORITY OR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO: (1) THE SERIES 2026 BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (3) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE SERIES 2026 BONDS; (4) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO HOLDERS OF THE SERIES 2026 BONDS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2026 BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER OF THE SERIES 2026 BONDS.

In reading this Official Statement, it should be understood that while the Series 2026 Bonds are in the book-entry only system, references in other sections of this Official Statement to Registered Owners should be read to include the person for which the Participant acquires an interest in the Series 2026 Bonds, but (i) all rights of ownership must be exercised through DTC and the book-entry only system, and (ii) except as described above, notices that are to be given to Registered Owners under the Indenture will be given only to DTC.

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Series 2026 Bonds, Build America Mutual Assurance Company ("**BAM**") will issue its Municipal Bond Insurance Policy for the Bonds (the "**Policy**"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as **APPENDIX E** to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 28 Liberty Street, 59th Floor, New York, New York 10005, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**"). An explanation of the significance of the rating and current reports may be obtained from S&P at https://www.spglobal.com/en/. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2026 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $493.3 million, $277.6 million and $215.7 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "**BOND INSURANCE**".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at https://bambonds.com/insights/#video. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at https://bambonds.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

CERTAIN BONDHOLDERS' RISKS

In addition to the risks and investment considerations set forth elsewhere in this Official Statement, the following risk factors should be considered by prospective purchasers of the Series 2026 Bonds.

APPROPRIATION DEPENDENCY

The Facilities Lease requires the Board to make payments to the Corporation as explained hereinabove. However, the Board's obligation to make payments of Base Rental under the Facilities Lease is subject to and dependent upon annual appropriation of funds for such purpose by the State Legislature. See "**SOURCES OF PAYMENT**" herein. See also "**FINANCIAL INFORMATION OF THE STATE**" herein and **Part I** and **Part II** hereto for financial and other information regarding the State.

No representation is or can be given by the Authority, the Corporation, or the Board regarding the likelihood that such appropriation will be made. A failure by the State Legislature to appropriate sufficient funds to satisfy the obligations of the Board under the Facilities Lease shall permit the Board to terminate the Facilities Lease without any further obligations thereunder. Absent an appropriation by the State Legislature sufficient to allow the Board to make payments of Base Rental under the Facilities Lease, the Corporation will not be able to make payments under the Loan Agreement. The Board is under no obligation to use any other of its funds to make payments of Base Rental.

SPECIAL NATURE OF FACILITIES

The Facilities serve as classroom and educational facilities for the Colleges. Upon an occurrence of an Event of Default or non-appropriation by the State Legislature, the special use nature of the Facilities and the fact that the interest to be sold is in the nature of a leasehold interest and subject to the terms of the Ground Lease, may curtail the

purchase price that may be obtained, if any. Therefore, the ability of the Corporation to sell the Facilities cannot be assured, or if leased, that such lease will produce sufficient revenues to pay debt service on the Series 2026 Bonds. Likewise, the ability of the Trustee to collect amounts as a result of any foreclosure under the Mortgage may be limited and insufficient to cover the outstanding indebtedness of the Parity Bonds.

LIMITED SECURITY

THE SERIES 2026 BONDS AND THE INTEREST THEREON ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE TRUST ESTATE. THE SERIES 2026 BONDS DO NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OF THE AUTHORITY OR THE CORPORATION AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE STATE, THE BOARD, THE COLLEGES, OR ANY POLITICAL SUBDIVISION OF THE STATE. PURSUANT TO THE FACILITIES LEASE, THE BOARD HAS AGREED TO MAKE PAYMENTS OF BASE RENTAL TO THE CORPORATION ON BEHALF OF THE COLLEGES, PROVIDED THAT ANY BASE RENTAL PAYABLE BY THE BOARD IS SUBJECT TO ANNUAL APPROPRIATION BY THE STATE LEGISLATURE. THE PAYMENTS TO BE RECEIVED BY THE AUTHORITY FROM THE CORPORATION UNDER THE LOAN AGREEMENT ARE LIMITED TO THE AMOUNT OF BASE RENTAL RECEIVED BY THE CORPORATION FROM THE BOARD. THE AUTHORITY HAS NO POWER TO TAX.

ADDITIONAL RENTAL

In addition to the Base Rental, the Board is obligated under the Facilities Lease to make payments of Additional Rental for any and all expenses of every nature, character and kind whatsoever, incurred in the management, operation, ownership and/or maintenance of the Facilities. It is an event of default under the Facilities Lease if the Board fails to make timely payments of Additional Rental as and when due, or within thirty (30) days after receipt of notice from the Corporation that such sums are due and owing. The Board is obligated, pursuant to the Cooperative Endeavor Agreement, to include in the budget for the Colleges sufficient funds to make payments of the Additional Rental.

CYBERSECURITY

The State, like many other governmental entities, relies on a technology platforms to conduct its operations. As such, the State continues its commitment to defining and managing cybersecurity readiness, requirements for proper data privacy and protection, and threat monitoring. In addition, the State is home to critical supply routes and energy production resources that are attractive targets for man-made disruptions, including cyber-attacks. There can be no assurance that any security and operational control measures implemented by the State will be completely successful to guard against or prevent cyber threats or costly attacks. However, the State believes operational damage and the costs of remedying any such damage resulting from any cyber-attack can be greatly minimized by focusing on threat monitoring and maintaining in-house capabilities to quickly respond to a detected cyber threat, see "**CYBERSECURITY**" in **PART I** hereto.

DIFFICULTIES IN ENFORCING RIGHTS AND REMEDIES

The remedies available to the Trustee or the owners of the Series 2026 Bonds upon an event of default under the Indenture or the Facilities Lease are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the rights and remedies provided in the Indenture and any other agreement with respect to the Series 2026 Bonds or in the Facilities Lease, and the rights and remedies of any party seeking to enforce the pledge of Revenues may not be readily available or may be limited. The State constitution provides that no judgment against the State, a state agency, or a political subdivision may be enforced by the seizure and sale of property of the State, state agency, or a political subdivision but will be exigible, payable, or paid only from funds appropriated therefor by the State Legislature or by the political subdivision against which judgment is rendered.

The various legal opinions delivered concurrently with the delivery of the Series 2026 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and the

provisions of State law regarding enforceability of judgments against public entities. The exceptions would encompass any exercise of federal, State or local police powers (including the police powers of the Board and the State) into a manner consistent with public health and welfare, and the applicability of Article VII, § 2.1 of the constitution to the imposition or increase in charges imposed by the Colleges. Enforceability of the Indenture and the Facilities Lease, and availability of remedies to a party seeking to enforce the pledge of Base Rental where such enforcement or availability may adversely affect public health and welfare, may be subject to these police powers.

TAX-EXEMPT STATUS OF THE SERIES 2026 BONDS

The excludability from gross income for federal income taxation purposes of the interest on the Series 2026 Bonds is based on the continuing compliance by the Corporation and the Board with certain covenants contained in the Loan Agreement, the Ground Lease, the Facilities Lease, and the Tax Agreement. These covenants relate generally to restrictions on the use of the Facilities, arbitrage limitations, and rebate of certain excess investment earnings, if any, to the federal government. Failure to comply with such covenants could cause interest on the Series 2026 Bonds to become subject to federal income taxation retroactive to the date of issuance on the Series 2026 Bonds.

Additionally, from time to time there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the market value of the Series 2026 Bonds.

CONSEQUENCES OF CHANGES IN THE CORPORATION'S TAX STATUS

The Corporation has obtained a determination letter from the Internal Revenue Service stating that it will be treated as an exempt organization as described in §501(c)(3) of the Code and can reasonably be expected to not be classified as a "private foundation." In order to maintain its exempt status and to not be considered a private foundation, the Corporation will be subject to a number of requirements affecting its operation. The possible modification or repeal of certain existing federal income tax laws, the change of Internal Revenue Service policies or positions, the change of the Corporation's method of operations, purposes or character or other factors could result in loss by the Corporation of its tax-exempt status.

The Corporation will covenant to cause to remain eligible for such tax-exempt status and to avoid operating the Facilities as an unrelated trade or business (as determined by applying §512(a) of the Code). Failure of the Facilities to remain so qualified or of the Corporation so to operate the Facilities could affect the funds available to the Corporation for payments under the Loan Agreement by subjecting the Corporation to federal income taxation and could result in the loss of the excludability of interest on the Series 20**26** Bonds from gross income for purposes of federal income taxation.

EFFECT OF DETERMINATION OF TAXABILITY

The Corporation will covenant not to take any action that would cause the Series 2026 Bonds to be arbitrage bonds or that would otherwise adversely affect the federal income tax status of interest in the Series 2026 Bonds. The Corporation will also make representations with respect to certain matters within their knowledge that have been relied on by Bond Counsel and that Bond Counsel has not independently verified. Failure to comply with such covenants could cause interest on the Series 2026 Bonds to become subject to federal income taxation retroactively from their date of issuance.

It is possible that a period of time may elapse between the occurrence of the event that causes interest to become taxable and the determination that such an event has occurred. In such a case, interest previously paid on the Series 2026 Bonds could become retroactively taxable from the date of their issuance. Additionally, certain owners of Bonds are subject to possible adverse tax consequences.

SECONDARY MARKET

There is no guarantee that a secondary trading market will develop for the Series 2026 Bonds. Consequently, prospective Series 2026 Bond purchasers should be prepared to hold their Series 2026 Bonds to maturity or prior redemption. Subject to applicable securities laws and prevailing market conditions, the Underwriters intend, but are not obligated, to make a market in the Series 2026 Bonds.

FAILURE TO PROVIDE CONTINUING DISCLOSURE

The State, acting through the Division of Administration, will enter into an Undertaking (as defined herein) pursuant to the Rule (as defined herein). Failure to comply with the Undertaking and the Rule may adversely affect the transferability and liquidity of the Series 2026 Bonds and their market price.

BOOK-ENTRY

Persons who purchase Series 2026 Bonds through DTC participants become creditors of the DTC Participant with respect to the Series 2026 Bonds. Records of the investors' holdings are maintained only by the DTC Participant and the investor. In the event of the insolvency of the DTC Participant, the investor would be required to look to the DTC Participant's estate and to any insurance maintained by the DTC Participant, to make good the investor's loss. Neither the Corporation, the Board, the University, the Trustee, nor the Underwriters are responsible for failures to act by, or insolvencies of, the Securities Depository or any DTC Participant.

FINANCIAL INFORMATION OF THE STATE

GENERAL

Certain information with respect to the State’s revenues and budgetary process and other financial information of the State are included in **PART I** hereto. Certain general purpose financial data and debt information, including a portion of the Comprehensive Annual Financial Report for the year ended June 30, 2025 is included in **PART II** hereto. Such audited financial statements, including the notes thereto, should be read in their entirety.

LEGAL MATTERS

The Series 2026 Bonds are offered when, as and if issued, subject to approval of legality by Jones Walker LLP, Baton Rouge, Louisiana, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by Foley & Judell, L.L.P., New Orleans, Louisiana as Underwriter's Counsel; for the Board by Jones Walker LLP, Baton Rouge, Louisiana; for the Corporation by Breazeale, Sachse & Wilson, L.L.P., Baton Rouge, Louisiana; for the Authority by Joseph A. Delafield, A Professional Corporation, Lake Charles, Louisiana; and for the Trustee by LaFleur & Laborde, LLP.

TAX EXEMPTION

GENERAL

In the opinion of Jones Walker LLP, Baton Rouge, Louisiana, Bond Counsel, subject to the discussion below, interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes under existing statutes, regulations, published rulings and judicial decisions. Except as hereinafter described under the section labeled "Alternative Minimum Tax Considerations", interest on the Series 2026 Bonds (will not be an item of tax preference for purposes of the federal alternative minimum tax on individuals and corporations).

The Internal Revenue Code of 1986, as amended (the "**Code**") imposes a number of requirements that must be satisfied for interest on state and local obligations to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of certain bond proceeds be paid periodically to the United States government, except under certain circumstances, and a requirement that information reports be filed with the Internal Revenue Service.

In rendering the foregoing opinions, Bond Counsel will assume continuing compliance by the Authority, the Corporation and the Board with the provisions of the Indenture, the Loan Agreement, the Ground Lease and the Facilities Lease subsequent to the issuance of the Series 2026 Bonds which affect the exclusion from gross income of all amounts treated as interest on the Series 2026 Bonds. In addition, Bond Counsel will rely upon certain representations and certifications of the Corporation and the Board made in certificates dated the date of initial delivery of the Series 2026 Bonds pertaining to the use, expenditure and investment of the proceeds of the Series 2026 Bonds. These representations relate to matters that are solely within the knowledge of the Corporation and the Board, which

Bond Counsel has not verified. The Indenture, the Loan Agreement, the Ground Lease and the Facilities Lease contain certain covenants by the Authority, the Corporation and the Board with respect to, among other matters, the above requirements. Failure of the Corporation or the Board to comply with any of the covenants may result in interest on the Series 2026 Bonds being included in the gross income of the owners thereof from the date of issue of the Series 2026 Bonds.

Prospective purchasers of the Series 2026 Bonds should be aware that ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits including tax-exempt interest such as interest on the Series 2026 Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences.

ALTERNATIVE MINIMUM TAX CONSIDERATIONS

As stated above, interest on the Series 2026 Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax for individuals; however, interest on the Series 2026 Bonds will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the "adjusted financial statement income" of such corporations.

TAX TREATMENT OF ORIGINAL ISSUE PREMIUM

Certain of the Series 2026 Bonds may be offered and sold to the public at a price in excess of their stated principal amounts (the "**Premium Bonds**"). Such excess is characterized as a "bond premium" and must be amortized by an investor purchasing a Premium Bond on a constant yield basis over the remaining term of the Premium Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium related to a tax-exempt bond for federal income tax purposes. However, as bond premium is amortized, it reduces the investor's tax basis in the Premium Bond. Investors who purchase a Premium Bond should consult their own tax advisors regarding the amortization of bond premium and its effect on the Premium Bond's tax basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Premium Bond.

TAX TREATMENT OF ORIGINAL ISSUE DISCOUNT

Certain maturities of the Series 2026 Bonds may be sold at an original issue discount (collectively, the "**OID Bonds**"). The difference between the initial public offering price, as set forth on the inside cover page hereof, of the OID Bonds and their stated principal amount payable at maturity constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes and which is exempt from all taxation in the State of Louisiana subject to the caveats and provisions described above under "**General**."

In the case of an owner of an OID Bond, the amount of original issue discount which is treated as having accrued with respect to such OID Bond, is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such OID Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such an OID Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual OID Bond, on days which are determined by reference to the maturity date of such OID Bond. The amount treated as original issue discount on such OID Bond for a particular semiannual period is equal to (i) the product of (a) the yield to maturity for such OID Bond and (b) the amount which would have been the tax basis of such OID Bond at the beginning of the particular semiannual period if held by the original purchaser, (ii) less the amount of any payments on such OID Bond during the semiannual period. The tax basis is determined by adding to the initial public offering price on such OID Bond the sum of the amounts which would have been treated as original issue discount for such purposes during all prior periods. If such an OID Bond is sold between compounding dates, original issue discount which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of OID Bonds should consult their own tax advisors with respect to the determination for federal income tax purposes of original issue discount accrued with respect to such OID Bonds as of any date, with respect to the accrual of original issue discount for such OID Bonds purchased on the secondary markets and with respect to the state and local tax consequences of owning such OID Bonds

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS

The Authority cannot designate the Series 2026 Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code. Therefore, the carrying cost (the interest paid or incurred by a taxpayer, including a "financial institution", on indebtedness incurred or continued to purchase or carry the Series 2026 Bonds) is not deductible by a bank of "financial institution" in determining taxable income.

LOUISIANA TAXES

In the opinion of Bond Counsel, the Series 2026 Bonds, together with the interest thereof, income therefrom and gain upon the sale thereof are exempt from all taxation by the State of Louisiana or any political subdivision thereof.

CHANGES IN FEDERAL AND STATE TAX LAW

During recent years, legislative proposals have been introduced in Congress and the State Legislature, and in some cases enacted, that altered certain federal and State tax consequences resulting from the ownership of obligations that are similar to the Series 2026 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal and State tax consequences may have affected the market value of obligations similar to the Series 2026 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal and State tax consequences resulting from ownership of the Series 2026 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2026 Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2026 Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of, the Series 2026 Bonds. Prospective purchasers of the Series 2026 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2026 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

NO OTHER OPINIONS

Except as stated above, Bond Counsel expresses no other opinions with respect to any tax consequences resulting from the ownership of, receipt of interest on or disposition of the Series 2026 Bonds.

RATING

S&P Global Ratings ("**S&P**") is expected to assign the Series 2026 Bonds a long term rating of "AA" (stable outlook) based on issuance of the Policy at the same time of issuance of the Series 2026 Bonds. S&P has assigned a long term rating of "AA-" (stable outlook) underlying to the Series 2026 Bonds.

Any definitive explanation of the significance of such ratings may be obtained only from such rating agency. There is no assurance that such ratings will remain in effect for any given period of time or that they may not be lowered or withdrawn entirely if, in the judgment of the rating agencies, circumstances should warrant such action. Any such downward revision or withdrawal of any rating assigned to the Series 2026 Bonds could have an adverse effect on their market price.

The rating of the Series 2026 Bonds reflects only the views of such rating agency at the time such rating is given and the Authority and the Underwriters make no representation as to the appropriateness of such rating.

CHANGES IN BOND RATING

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2026 Bonds.

Due to the ongoing uncertainty regarding the economy and debt of the United States of America, including, without limitation, the general economic conditions in the country and political and economic developments that may affect the financial condition of the United States government, the United States debt limit, and the bond ratings of the United States and its instrumentalities, obligations issued by state and local governments, such as the Series 2026 Bonds, could be subject to a rating downgrade. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations including the Series 2026 Bonds.

UNDERWRITING

The Series 2026 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated and Raymond James & Associates, Inc. and (collectively, the "**Underwriters**"). The Underwriters have agreed, subject to certain conditions, to purchase the Series 2026 Bonds from the Authority at a purchase price of $____, representing original principal amount of the Series 2026 Bonds; plus [net] original issue premium in the amount of $_____ and less an Underwriter's Discount in the amount of $____. The Underwriters have agreed to purchase all of the Series 2026 Bonds if any are purchased. The Series 2026 Bonds may be offered and sold to certain dealers (including dealers depositing Series 2026 Bonds into investment accounts) and to others at prices lower than the public offering prices set forth on the inside cover page of this Official Statement. After the Series 2026 Bonds are released for sale to the public, the public offering prices and other selling terms may from time to time be varied by the Underwriter. The Corporation has agreed to indemnify the Underwriters and the Authority against certain civil liabilities.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage, and other financial and non-financial activities and services. The Underwriters and their affiliates have provided, and may in the future provide, a variety of these services to the Authority and to persons and entities with relationships with the Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of its various business activities, the Underwriters and their affiliates, officers, directors, and employees may purchase, sell, or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities, and/or instruments of the Authority (directly, as collateral securing other obligations, or otherwise) and/or persons and entities with relationships with the Authority. The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas, and/or publish or express independent research views in respect of such assets, securities or instruments, and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities, and instruments.

MUNICIPAL ADVISOR

The Corporation has retained Sisung Securities Corporation as independent registered municipal advisor (the "**Municipal Advisor**") in connection with sale and issuance of the Series 2026 Bonds. In such capacity, the Municipal Advisor has provided recommendations and other financial guidance to the Corporation with respect to the preparation of documents, the preparation for the sale of the Series 2026 Bonds and, at the time of the sale, bond market conditions and other factors related to the sale of said Series 2026 Bonds. The Municipal Advisor has not independently verified any of the information set forth herein. The Municipal Advisor or its affiliates may receive additional compensation in conjunction with the investment of certain bond proceeds.

CONTINUING DISCLOSURE

GENERAL

The Division of Administration (the "**Division**"), on behalf of the State, as an "obligated person" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (17 C.F.R. Part 240, section 140.15c2-12) (the "**Rule**"), will enter into an undertaking (the "**Undertaking**") for the benefit of the owners of the Series 2026 Bonds to file so long as the Series 2026 Bonds are outstanding, certain financial information annually and a notice of certain listed events upon the occurrence of such events, with the Municipal Securities Rulemaking Board ("**MSRB**") electronically through MSRB's Electronic Municipal Market Access system ("**EMMA**"). The specific nature of the information to be contained in the Annual Report or notices of listed events is set forth in the Form of Continuing Disclosure Certificate contained in **APPENDIX "D"** hereto.

A failure by the Division, on behalf of the State, to comply with the Undertaking will not constitute an Event of Default under the Indenture (although Bondholders will have any available remedy at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by a broker-dealer or municipal securities dealer before recommending the purchase or sale of the Series 2026 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2026 Bonds and their market price.

PRIOR UNDERTAKINGS

The responsibility for continuing disclosure report requirements under the Rule for the State is generally divided between the Division and the State Bond Commission. The Division is responsible for continuing disclosure for certain bonds backed by State appropriations, including certain bonds issued for economic development and higher education projects (the "**State Appropriation Bonds**"), such as the Series 2026 Bonds.

The Division, on behalf of the State, has established written policies to ensure that the reporting requirements of the Division, on behalf of the State, under the Rule with respect to the State Appropriation Bonds are complied with on a timely basis. The policies provide that the reporting requirements for the Division will be undertaken by the Office of Statewide Reporting and Accounting Policy, which is also responsible for preparation of the State's Comprehensive Annual Report. The policies include the appointment of a specific disclosure representative, procedures for voluntary disclosure filings, procedures for review and execution of continuing disclosure undertakings, internal recordkeeping requirements and procedures for transition of duties upon the departure and replacement of the disclosure representative, among other policies and procedures. The Division has also enrolled in the EMMA automated email reminder system, which alerts issuers and obligated persons to upcoming filing deadlines for financial and operating information.

ACT 463 - MANDATORY REVIEW OF COMPLIANCE

In order to assist the State and its political subdivisions with compliance of the provisions of the Rule, the Louisiana State Legislature enacted Act 463 of the 2014 Regular Session of the Louisiana State Legislature (now La. R.S. 39:1438), which became effective August 1, 2014. This legislation requires public entities, such as the State, to keep certain records demonstrating compliance with the Rule. Additionally, auditors for public entities in the State are required to review the public entity's compliance with such record-keeping requirements and review a sampling of the EMMA filings to determine if such filings are in compliance with the continuing disclosure undertakings to which the public entity is a party. Auditors are required to report findings of their review in the annual audited financial statements of such public entity.

LITIGATION

THE AUTHORITY

There is not now pending, or to the knowledge of the Authority, overtly threatened by written communication, any litigation against the Authority restraining or enjoining the issuance or delivery of the Series 2026 Bonds or questioning or affecting the validity of the Series 2026 Bonds or the proceedings or authority under which they are issued. Neither the creation, organization or existence, nor the title of the present members and officers of the Authority

to their respective office, is being challenged or questioned. There is no litigation pending, or to the knowledge of the Authority, threatened, against the Authority which in any manner questions the right of the Authority to enter into the Indenture or to secure the Series 2026 Bonds in the manner provided in the Indenture or to issue the Series 2026 Bonds in the manner provided in the Indenture and the Act or wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions under the Indenture or the Loan Agreement or in any agreement or instrument to which the Authority is a party, to be used or contemplated for use in the consumption of the transactions contemplated by the Indenture.

THE CORPORATION

There is not now pending or, to the knowledge of the Corporation, overtly threatened by written communication, any litigation or any proceeding before any governmental agency against or affecting the Corporation which questions the right of the Corporation to own and operate the Facilities or to engage in the transactions contemplated in connection with the issuance of the Series 2026 Bonds in accordance with the Indenture and the Loan Agreement.

THE BOARD

There is not now pending or, to the knowledge of the Board, overtly threatened by written communication, any litigation or any proceeding before any governmental agency against or affecting the Board which questions the right of the Board to enter into the Ground Lease, the Facilities Lease, or to engage in the transactions contemplated in connection with the issuance of the Series 2026 Bonds in accordance with the Indenture and the Loan Agreement.

RELATIONSHIP OF CERTAIN PARTIES

The Corporation’s primary purpose is to promote, assist and benefit the mission of the Board through the issuance of bonds and the construction of the Facilities. The Corporation (a private non-profit corporation) and the Board (a public agency) are separate and distinct legal entities that will be joint parties to certain agreements, including without limitation the Cooperative Endeavor Agreement, the Ground Lease and the Facilities Lease.

Sisung Securities Corporation is serving as Municipal Advisor to the Corporation in connection with the issuance of the Series 2026 Bonds. Sisung Investment Management Service, LLC is serving as Investment Advisor to the Corporation in connection with the investment of the Series 2026 Bond proceeds. The Municipal Advisor and the Investment Manager are related and affiliated companies under common control and ownership.

MISCELLANEOUS

The information in **PART I** and **PART II** was compiled by the Louisiana Division of Administration, the State's chief business office, and the Louisiana State Bond Commission. The Authority has provided information herein relating to the Authority. The Underwriters have furnished the information herein relating to the Underwriters. The Board has furnished the information herein relating to the Board and the Colleges. The Corporation has furnished the information herein relating to the Corporation.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the Authority, the Corporation, the Board, the State, the Underwriter, or the Trustee and owners of the Series 2026 Bonds.

Further information concerning the Corporation may be obtained from the Corporation's legal counsel, Eric B. Landry at 225-381-8041.

The Authority has not participated in the preparation of this Official Statement and has not verified the accuracy of the information contained herein, other than the information respecting the Authority contained under "**THE AUTHORITY**" and "**LITIGATION--The Authority**". The Authority's approval of this Official Statement does not constitute approval of the information contained herein, other than that information relating to the Authority, or a representation of the Authority as to the completeness or accuracy of the information contained herein.

References herein and the summaries of the Indenture, the Loan Agreement, the Ground Lease, the Facilities Lease, the Cooperative Endeavor Agreement, the Mortgage and certain other documents are brief discussions of certain provisions thereof. Such discussions do not purport to be complete, and reference is made to such documents for full and complete statements of such provisions.

FORWARD LOOKING STATEMENTS

This Official Statement and the Schedules hereto contain statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "intend," "expect," and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results; those differences could be material.

The Corporation has duly authorized the execution, delivery, and distribution of this Official Statement in connection with the offering of the Series 2026 Bonds.

LCTCS FACILITIES CORPORATION

By: _____
Stephen C. Smith, President

PART I

INFORMATION CONCERNING THE STATE OF LOUISIANA

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PART I

INFORMATION CONCERNING THE STATE OF LOUISIANA

PART I contains certain information concerning the State of Louisiana (the "State"), including budget information, the most recent Budget, the most recent Revenue Estimating Conference report, and the State's economy, as updated or supplemented to the date specified herein. The State intends to update and supplement such information (the "Annual Information Statement") on an annual basis; the State reserves the right to change the format to reflect changed conditions. PART I has been supplied by the State to provide additional information about the financial condition of the State. Furthermore, in addition to financial information and operating data described herein, Part I includes narrative and contextual information describing current or recent events and other matters which may or may not be updated and/or supplemented from year to year in the Annual Information Statement, depending on the relevance of such information at the time it is filed with EMMA, as hereinafter described.

The Annual Information Statement will be filed with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system and, subject to the above, will be updated annually. An electronic copy of the Annual Information Statement will be accessible through the EMMA system at www.emma.msrb.org. An official copy of the Annual Information Statement may be obtained by contacting the State Bond Commission, P.O. Box 44154, Baton Rouge, Louisiana 70804; telephone: (225) 342-0040.

THE DOCUMENT CONTAINS STATEMENTS THAT ARE "FORWARD-LOOKING STATEMENTS" AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS DOCUMENT, SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "ESTIMATE", "INTENT", "PLAN", "ENABLE", "ANTICIPATE", "PROJECT", "BUDGET", "EXPECT" AND OTHER SIMILAR EXPRESSIONS WHICH ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. THE ACHIEVEMENT OF CERTAIN RESULTS OR EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.

STATE BUDGETARY PROCESS

Budgetary Process

The Louisiana Revised Statutes and the Constitution of the State of Louisiana of 1974, as amended (the "*State Constitution*") provide certain State law requirements that outline the State's budgetary process. La. R.S. 39:33(A)(1), requires that, on a date specified by the Commissioner of Administration, but not later than November 15 of each year, the head of each budget unit submit to the Governor, the Joint Legislative Committee on the Budget (the "*JLCB*") and the Legislative Fiscal Office (the *"LFO"*) an estimate of financial requirements and receipts of the budget unit for the ensuing fiscal year. La. R.S. 39:32 requires each budget unit to submit its request to the State budget office at the existing operating budget level with a prioritized listing of budget adjustments. La. R.S. 39:29 further requires the State budget office to prepare a nondiscretionary adjusted standstill budget and continuation budget to submit to the JLCB at its first meeting after January 1 of each year.

The Governor is required to prepare an executive budget, submit a copy to the JLCB forty-five (45) days (except that during the first year of each term it shall be submitted 30 days) prior to the beginning of the regular session of the Louisiana Legislature (the "*Legislature*"), and transmit a copy to each member of the Legislature on the first day of the regular session. La. R.S. 39:36 also requires the Governor to submit a budget message in the executive budget summarizing the proposed financial plan and programmatic policies, including a statement of impact that his proposed recommendations have on the existing operating budget. The budget is enacted into law by the Legislature and sent to the Governor for his signature. The State Constitution prohibits the passage of an unbalanced budget. The Governor may veto any line-item appropriation, subject to legislative override.

During the execution phase of the budget process, the Commissioner of Administration may approve the transfer of funds between programs within a budget unit, which, in the aggregate, do not exceed one percent of the total appropriation of the budget unit, when sufficient evidence is presented to the Commissioner of Administration indicating the operations of the budget unit or programs are being, or will be, impaired without such transfers. With the approvals required by law, the Commissioner of Administration, with the approval of the JLCB, may approve the transfer of funds between programs within a budget unit, provided that the transfers authorized do not exceed twenty-five percent in the aggregate of the total appropriation of the budget unit for a fiscal year. Budget revisions during the year reflecting increases in expenditures due to increases in federal funds, statutory dedications and self-generated revenues must be approved by the Commissioner of Administration and the JLCB.

State law requires the Governor to submit to the Legislature, no later than the eighth day of the regular legislative session, a proposed five-year capital outlay program. The Legislature enacts into law a bill that incorporates the first year of the five-year capital outlay program. The program for the remaining four years, itemizing the capital projects, amounts and funding sources, is to be adopted by concurrent resolution of the Legislature.

Under State law, prior year appropriation activities are required to be completed within 45 days after the fiscal year end, June 30. Additionally, the law limits the usage of prior period appropriation balances after the June 30 close to only those items that are true liabilities and further delineates those items for which appropriations can be rolled forward. Upon approval of the Commissioner of Administration, any State funds that were appropriated during a fiscal year specifically for the purpose of matching federal grants and any federal funds may be carried forward into the ensuing year's appropriation.

The Commissioner of Administration, pursuant to La. R.S. 39:334, is the general accountant of the State and keeper of all public accounts, books, vouchers, documents, and other papers relative to revenue, debt, and fiscal affairs. As general accountant, the Commissioner of Administration has authority to draw all warrants upon the State Treasury for funds in cases expressly provided by law. No warrant, however, is required to be drawn until a monthly budget has been approved. Such warrant must express, on its face, the particular fund or other identified schedules from which the money appropriated by law is to be drawn. The Commissioner of Administration is also required to keep accounts between the State and the State Treasurer and make quarterly reports to the Governor of the amount of money in the custody of the State Treasurer belonging to the State. Appropriations are made available to the budget units, upon approval of the Division of Administration, in an allotment determined to be sufficient by the Division of Administration. Financial information contained in Part I and II, unless otherwise noted, has been furnished by the Division of Administration.

Per La. R.S. 39:75, the Division of Administration is required to submit a budget status report monthly to the JLCB. The budget status report presented at the first meeting of the JLCB after October 15 of any fiscal year shall reflect the "balance in any fund" for the previous fiscal year. "*Balance in any fund*" is defined in La. R.S. 39:2(5.1) to mean the deficit or surplus in any fund at the close of the fiscal year. A "*deficit*" is

defined in La. R.S. 39:2(11.1) to mean "the excess for any fiscal year of actual expenditures paid by warrant or transfer over the actual monies received and any monies or balances carried forward for any fund at the close of the fiscal year as such are reported by the Office of Statewide Reporting within the Division of Administration." Conversely, a "*surplus*" is defined in La. R.S. 39:2(48) to mean "the excess for any fiscal year of the actual monies received and any monies or balances carried forward over the actual expenditures paid by warrant or transfer for any fund at the close of the fiscal year as such are reported by the Office of Statewide Reporting within the Division of Administration."

At the first meeting of the JLCB after publication of the State's Annual Comprehensive Financial Report, the Commissioner of Administration shall certify to the JLCB the actual expenditures paid by warrant or transfer and the actual revenues received and any revenues or balances carried forward for any fund at the close of the previous fiscal year, which shall be reflected in the budget status report. At the first meeting of the JLCB after publication of the Annual Comprehensive Financial Report, the Commissioner of Administration and the Legislative Auditor shall present the budget status report to the JLCB. The budget status report shall include a section describing any issues that materially affect the budgetary soundness of the State, but that are not required to be fully addressed during the current fiscal year. The Division of Administration, after consultation with the Legislative Fiscal Office, shall prepare a description of each such issue. The description of such issues shall be submitted to the LFO at least one week prior to each meeting of the JLCB.

If the budget status report indicates that the total appropriation from any fund will exceed the official forecast for that fund, the JLCB shall immediately notify the Governor that a projected deficit exists for that fund. Upon receiving notification that a projected deficit exists; the Governor shall have interim budget balancing powers to adjust the budget for any program that is appropriated from a fund that is in a deficit posture. If, within thirty (30) days of the determination that a projected deficit exists in a fund the necessary adjustments are not made to eliminate the projected deficit, the Governor shall call a special session of the Legislature for this purpose unless the Legislature is in regular session. The State Constitution requires that a deficit existing at the end of a fiscal year must be eliminated no later than the end of the next fiscal year.

If the official forecast of recurring revenues for the next fiscal year is at least 1% less than the official forecast of recurring revenues for the current fiscal year, the Governor and the Legislature may employ certain methods and procedures in the development of the State budget for the next fiscal year for the purpose of avoiding a budget deficit in the next fiscal year. A diagram of the state budgetary process is reflected below.

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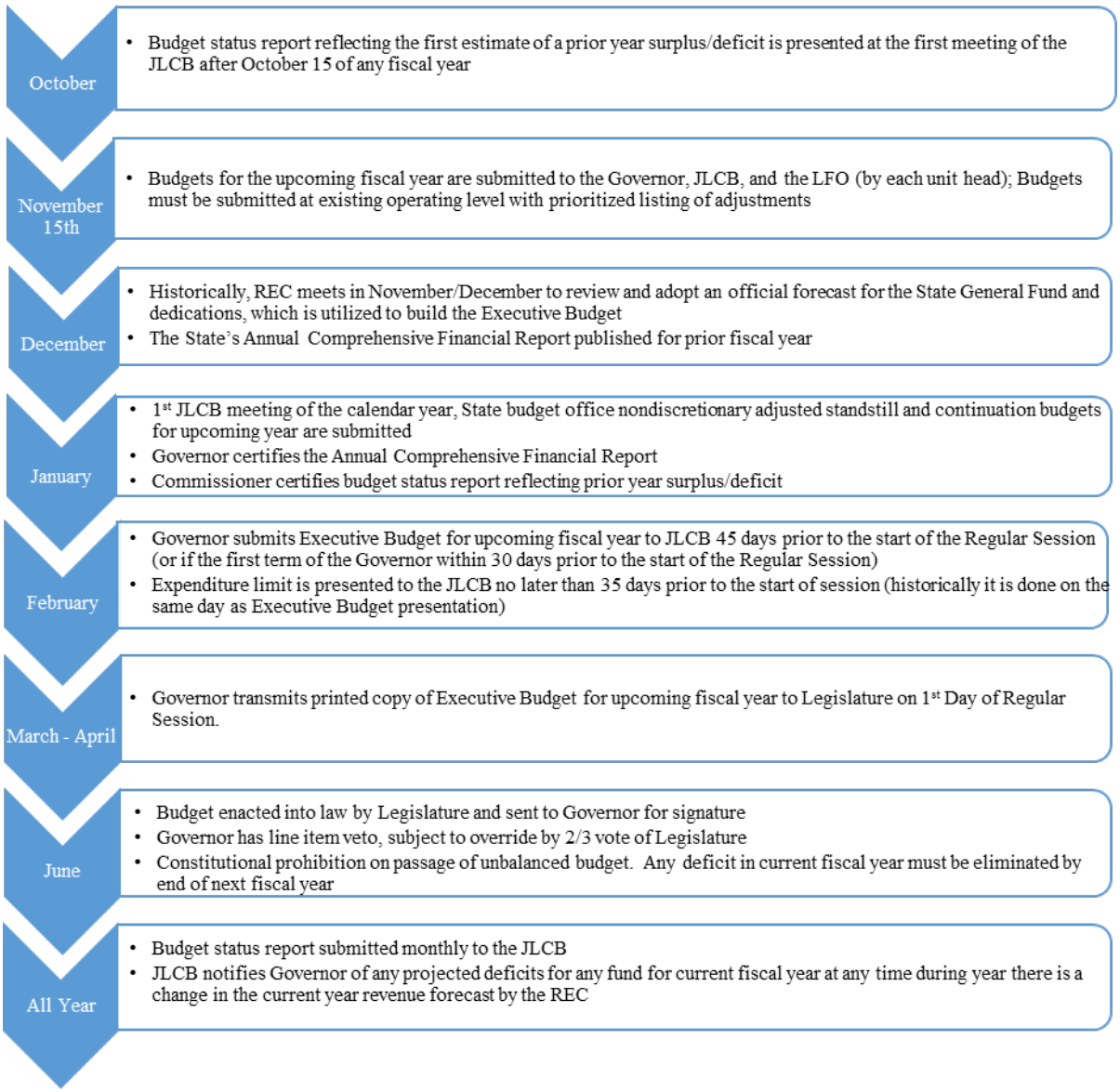

Revenue Estimating Conference

The Revenue Estimating Conference (the "*REC*") was established by Act 814 of the 1987 Regular Session of the Legislature and given constitutional status in 1990 (Article VII, Sections 10(A) and (B) of the State Constitution). The REC was established to provide an official forecast of anticipated State revenues upon which each executive budget is to be based, to provide for a more stable and accurate method of financial planning and budgeting and to facilitate the adoption of a balanced budget as is required by Article VII, Section 10(E) of the State Constitution. In developing the official forecast, the REC may only consider revenues that are projected to accrue to the State as a result of laws and rules enacted and in effect during the forecast period. The REC is prohibited from including revenues that would be raised by proposed legislation or rules.

The REC is composed of the following principals: the Governor, the President of the Senate, the Speaker of the House of Representatives or their respective designees, and a faculty member with revenue forecasting expertise from a public or a private university in the State. Such faculty member is selected by the other three principals of the REC from a list of as many as five, but not fewer than three, faculty members submitted to them by the Board of Regents after the board consults with the president of the Louisiana

Association of Independent Colleges and Universities. La. R.S. 39:22 *et seq.* provides for membership of the REC to include as participants, along with the above-mentioned principals, persons who are invited to participate by a principal.

The REC, under La. R.S. 39:24 *et seq.*, is required to prepare and publish initial and revised estimates of revenue to be received by the State's General Fund (the "*General Fund*") and dedicated funds for the current and next four fiscal years that are available for appropriation (the "*REC Reports*"). All REC decisions to adopt these estimates must be by unanimous vote of its members who, under La. R.S. 39:26 *et seq*., must meet at least four (4) times annually by: October 15, January 1, the third Monday in March, and August 15. The most recently adopted estimate of revenue available for appropriation shall be the official forecast. Appropriations by the Legislature from the General Fund shall not exceed the official forecast in effect at the time the appropriations are made.

In addition, under the provisions of Article VII, Section 10(B) of the State Constitution, the REC is required to designate, in each estimate, revenues that are "non-recurring." "*Non-recurring revenue*" is statutorily defined as "all revenue received by the State from any source identified by the REC as being of a "non-recurring" nature but does not include revenues from a source that has been available for the preceding two fiscal years or that will be available for the succeeding two fiscal years."

Under the provisions of Article VII, Section 10(D)(2) of the State Constitution, unless specifically addressed by another provision of the State Constitution, the appropriation of any revenue designated in the official forecast as "non-recurring" shall be made only for the purpose of retiring or for the defeasance of bonds in advance and, in addition to the existing amortization requirements of the State, providing for payments against the unfunded accrued liability of the public retirement systems, providing funding for capital outlay projects in the State's capital budget, providing for allocation or appropriation for deposit into the Budget Stabilization Fund established in Article VII, Section 10.3 of the State Constitution, providing for allocation or appropriation for deposit into the Coastal Restoration Fund, and providing for new highway construction for which federal matching funds are available.

Article VII, Section 10(D)(2)(b) of the State Constitution further provides that beginning in Fiscal Year 2024-2025 and every fiscal year thereafter, at least 25% of any officially designated nonrecurring revenue shall be appropriated for application to the balance of the unfunded accrued liabilities of all four State Retirement Systems (Louisiana State Employees' Retirement System, Louisiana State Police Retirement System, Teachers' Retirement System of Louisiana, and Louisiana School Employees' Retirement System), as described herein under the caption **"PENSION SYSTEMS - History and Background."**

The Governor is required to cause to be prepared an executive budget presenting a complete financial and programmatic plan for the ensuing fiscal year based only upon the official estimate of anticipated State revenues, as determined by the REC. La. R.S. 39:54(c) provides that appropriations from the General Fund and dedicated funds for any fiscal year shall not exceed the official forecast in effect at the time the appropriations are made. Article VII, Section 10(J) of the State Constitution defines "*State general fund and dedicated funds*" to include all money required to be deposited in the State Treasury, except that money the origin of which is:

1. the federal government;
2. self-generated collections by any entity subject to the various higher education supervisory boards;
3. a transfer from another State agency, board, or commission; and
4. funds allocated to parishes for severance tax and royalties allocation in accordance with Article VII, Sections 4(D) and (E) of the State Constitution.

The REC Reports may be viewed at the official website of the LFO at http://lfo.louisiana.gov/rev under the caption entitled "Official Revenue Estimates."

Expenditure Limitation

Article VII, Section 10(C) of the State Constitution provides for the determination by the Legislature of an expenditure limit for each fiscal year to be established during the first quarter of the calendar year for the next fiscal year. Expenditures may not exceed the expenditure limit for the prior fiscal year plus an amount equal to that limit times a positive growth factor. The growth factor is the 3-year average of State personal income growth, with specific computation procedures. The limit may be changed in any fiscal year by a favorable vote of two-thirds of the elected members of each house of the Legislature.

Constitutional Limitations

The ability of the State to increase taxes is subject to certain constitutional limitations. These limitations include the following: (1) the levy of a new tax, increase in an existing tax or repeal of an existing tax exemption requires the enactment of a law by two-thirds vote of the elected members of each house of the Legislature; (2) the State tax on property for all purposes may not exceed an annual rate of five and three-quarter mills per dollar of assessed valuation (the State does not currently levy this authorized millage); (3) the homestead exemption law provides that a tract of land not exceeding 160 acres, whether rural or urban, on which is situated an owner-occupied residence, is exempt from State, parish, and special ad valorem taxes to the extent of seven thousand five hundred dollars of the assessed valuation (improvements for residential purposes are assessed at 10% of fair market value); (4) various other property exemptions from ad valorem taxation such as public land and other public property used for a public purpose; (5) the State sales and use tax shall not apply on the sales or purchases of food for home consumption, natural gas, electricity and water for home consumption nor prescription drugs; (6) the State individual and joint income tax schedule of rates and brackets can never exceed that set forth in the Louisiana Revised Statutes as of January 1, 2003, and (7) the prohibition from the imposition of any real estate transfer tax, excluding those already in existence in the Parish of Orleans.

Budget Stabilization Fund

Article VII, Section 10.3 of the State Constitution provides for the Budget Stabilization Fund (the "*Budget Stabilization Fund*"), the proceeds of which may be utilized under certain conditions with legislative approval to either offset a deficit or supplement a revenue shortfall.

Under the State Constitution and current statutory provisions, monies required to be deposited in the Budget Stabilization Fund include: (i) all monies available for appropriation from the General Fund and dedicated funds in excess of the expenditure limit, except funds allocated by Article VII, Section 4, Paragraph (D) and (E); (ii) mineral revenues received by the State in excess of $950 million (the "*Base Amount*"); (iii) the greater of $25 million from any source, or 25% of any money designated in the official forecast as non-recurring as provided in Article VII, Section 10(D)(2) of the State Constitution; (iv) any money appropriated to the Budget Stabilization Fund; and (v) an amount equivalent to the money received by the State from the federal government for reimbursement of costs associated with a federally declared disaster, not to exceed the amount of costs appropriated out of the fund for the same disaster.

The Budget Stabilization Fund balance is capped at 4% of total State revenue receipts, excluding any monies received from the Federal Emergency Management Agency or other sources providing disaster relief assistance for the previous fiscal year.

Money may be appropriated from the Budget Stabilization Fund under the following circumstances:

(1) If the official forecast of recurring money for the next fiscal year is less than the official forecast of recurring money for the current fiscal year, the difference, not to exceed one-third of the Budget Stabilization Fund shall be incorporated into the next year's official forecast only after the consent of two-thirds of the elected members of each house of the Legislature. If the Legislature

is not in session, the two-thirds requirement may be satisfied upon obtaining the written consent of two-thirds of the elected members of each house of the Legislature in a manner provided by law.

(2) If a deficit for the current fiscal year is projected due to a decrease in the official forecast, an amount equal to one-third of the Budget Stabilization Fund not to exceed the projected deficit may be appropriated after the consent of two-thirds of the elected members of each house of the Legislature. Between sessions of the Legislature the appropriation may be made only after the written consent of two-thirds of the elected members of each house of the Legislature.

(3) If there is a federally declared disaster in the State, up to one-third of the Budget Stabilization Fund, not to exceed the State costs associated with the disaster, may be appropriated after the consent of two-thirds of the elected members of each house of the Legislature. Between sessions of the Legislature the appropriation may be made only with written consent of two-thirds of the elected members of each house of the Legislature.

(4) In no event shall the amount included in the official forecast for the next fiscal year plus the amount appropriated in the current fiscal year plus the amount appropriated for a federally declared disaster exceed one-third of the fund balance at the beginning of the current fiscal year.

As of April 30, 2026, there was approximately $1.25 billion on deposit in the Budget Stabilization Fund. As described herein under the caption **"GENERAL FUND FISCAL YEAR 2024-2025"** 25% of the money designated in the official forecast as nonrecurring ($144.27 million) is scheduled to be deposited into the Budget Stabilization Fund for Fiscal Year 2025-2026 as described above.

Revenue Stabilization Trust Fund

In addition to the Budget Stabilization Fund described above, the 2016 Legislature created a Revenue Stabilization Trust Fund (the "*Revenue Stabilization Trust Fund*"). Later that same year, voters ratified a constitutional amendment that placed the Revenue Stabilization Trust Fund in Article VII, Section 10.15 of the State Constitution. The Revenue Stabilization Trust Fund receives deposits from (i) mineral revenues in excess of $660 million and less than $950 million after an extensive list of other allocations are made, and (ii) corporate, franchise and income tax revenues in excess of $600 million.

The monies shall be permanently credited to the Revenue Stabilization Trust Fund until the balance is in excess of $5 billion. All interest or other income from investments generated from amounts in the Revenue Stabilization Trust Fund are deposited into the General Fund.

In any fiscal year in which the balance of the Revenue Stabilization Trust Fund at the beginning of such year is in excess of $5 billion, the Legislature may appropriate an amount not to exceed 10% of the fund balance for the following purposes:

(i) Capital outlay projects in the comprehensive State capital budget; and

(ii) Transportation infrastructure.

The minimum fund balance or the allowable percentage may be changed only by law enacted by two-thirds of the elected members of each house of the Legislature.

The Legislature may authorize an appropriation from the Revenue Stabilization Trust Fund at any time for any purpose as an emergency measure, but only after the consent of two-thirds of the elected members of each house of the Legislature.

As of April 30, 2026, there was approximately $2.38 billion on deposit in the Revenue Stabilization Trust Fund. The balance takes into account a deposit of $517.5 million from income taxes and $334.4 million from business and franchise taxes for Fiscal Year 2024-2025 and a transfer out of $1.2 billion to various

funds for transportation infrastructure, economic development initiatives, water and sewer system upgrades, state infrastructure, acquisitions, information technology initiatives, security initiatives, higher education deferred maintenance and capital improvements, criminal justice and first responder initiatives, and voting technology for Fiscal Year 2025-2026.

Recent Legislative Developments and Proposed Constitutional Amendment

The 2025 Regular Session of the Legislature (the "*2025 Regular Session*") convened on April 14, 2025, to consider the Fiscal Year 2025-2026 budget and other legislative matters. The session adjourned on June 12, 2025. In addition to numerous legislative acts that were passed during the 2025 Regular Session, proposed constitutional amendments were presented to the electorate on May 16, 2026. None of the proposed amendments were approved by voters, including a proposed amendment that would have repealed the Louisiana Education Quality Trust Fund, the Louisiana Quality Education Support Fund, and the Education Excellence Fund within the Millennium Trust. The State is continuing to evaluate the financial impact, if any, of the legislation passed in the 2025 Regular Session.

The 2026 Regular Session of the Louisiana Legislature (the *"2026 Regular Session"*) must adjourn no later than 6:00 p.m. on June 1, 2026, unless the Legislature, by a favorable record vote of two-thirds of the elected membership of each house, extends the session. The session may be extended for up to six additional days, in increments of not more than two legislative or calendar days, but only if necessary to pass a bill appropriating money. Legislation passed during the 2026 Regular Session remains subject to gubernatorial action, including potential veto. The State cannot predict the financial impact, if any, of legislation that may be enacted during the 2026 Regular Session.

FEDERAL POLICY CONSIDERATIONS

Recent shifts in federal policies and priorities have increased uncertainty regarding the timing, conditions and overall availability of federal funding. These shifts include proposed reductions in funding for healthcare, nutrition, education, infrastructure and disaster recovery programs, as well as changes to eligibility requirements, cost-sharing arrangements and program compliance standards. Federal funding supports a significant portion of the State's budget, particularly in areas such as healthcare, public assistance and education. Historically, federal funding has also supported costs associated with disaster recovery at the state and local level. Last year's federal government shutdown that lasted 43 days due to Congress's failure to pass a federal spending bill highlighted the risk of delays or interruptions in federal support, and, as such, federal shutdowns or material changes in federal appropriations, reimbursement formulas, federal priorities or funding conditions could affect the State's financial condition or the ability to fund and administer key programs. As a result, future support remains subject to changes in federal priorities and interpretation, increasing the risk of adverse fiscal impacts on the State.

The Division of Administration, in consultation with the Louisiana Department of Health, the Governor's Office and relevant federal partners, continues to monitor these developments and assess their potential fiscal impacts. At this time, the State's enacted budget does not assume any material reduction in federal funding; however, federal disbursements remain a source of fiscal risk and uncertainty. In all events, the State Constitution requires a balanced budget, and the State expects to address any issues caused by federal funding reductions or increases in the State's required share of program costs in the future.

CONDITION OF THE GENERAL FUND IN RECENT YEARS

GAAP Basis Results

The table below sets forth in summary fashion the condition of the State's General Fund and Bond Security and Redemption Fund for Fiscal Years 2021-2022 through 2024-2025, as reflected in the Annual Comprehensive Financial Report.

STATE OF LOUISIANA
GENERAL FUND AND BOND SECURITY AND REDEMPTION FUND
FISCAL YEARS 2021-2022 THROUGH 2024-2025
GAAP BASIS
($ in thousands)

	Fiscal Year 2021-2022	Fiscal Year 2022-2023	Fiscal Year 2023-2024	Fiscal Year 2024-2025
Total Revenues	$ 40,702,551	$ 45,454,570	$ 44,412,124	$ 42,849,962
Total Expenditures	$ (38,182,961)	$ (40,561,153)	$ (40,292,854)	$ (39,698,073)
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 2,519,590	$ 4,893,417	$ 4,119,270	$ 3,151,889
Total Other Financing Sources (Uses)	$ (1,621,472)	$ (2,440,951)	$ (2,315,617)	$ (2,227,323)
Net Change in Fund Balance	$ 898,118	$ 2,452,466	$ 1,803,653	$ 924,566
Fund Balances at Beginning of Year as Restated	$ 4,367,127	$ 5,265,245	$ 7,717,711	$ 9,521,364
Fund Balances at End of Year	$ 5,265,245	$ 7,717,711	$ 9,521,364	$ 10,445,930

Source: State of Louisiana Annual Comprehensive Financial Report

The table below sets forth the present four-year trend of the Unassigned General Fund, Budget Stabilization Fund and Revenue Stabilization Trust Fund balances, as reflected in the Annual Comprehensive Financial Report at https://www.doa.la.gov/doa/osrap/annual-financial-report/.

STATE OF LOUISIANA
UNASSIGNED GENERAL FUND, BUDGET STABILIZATION FUND AND
REVENUE STABILIZATION FUND BALANCES
FISCAL YEARS 2021-2022 THROUGH 2024-2025
GAAP BASIS
($ in thousands)

	Fiscal Year 2021-2022	Fiscal Year 2022-2023	Fiscal Year 2023-2024	Fiscal Year 2024-2025
General Fund				
Unassigned Fund Balance	$ -	$ -	$ 358,279	$ 471,714
Restricted for Budget Stabilization	$ 721,221	$ 973,912	$ 1,057,505	$ 1,226,571
Restricted for Revenue Stabilization	$ 1,038,092	$ 2,257,902	$ 3,447,234	$ 3,582,132
Total	$ 1,759,313	$ 3,231,814	$ 4,863,018	$ 5,280,417

Source: State of Louisiana Annual Comprehensive Financial Report

Budget Basis Results

The budget-basis results presented in the Fiscal Status Summary, set forth below, are unaudited and reflect significant accounting differences from the GAAP-basis results found in the Annual Comprehensive Financial Report. In addition to being budget-basis rather than GAAP, the General Fund Fiscal Status Summary includes a much smaller portion of General Fund activities than found in the GAAP-basis audited General Fund financial statements. In connection with the preparation of the Annual Comprehensive Financial Report, the Legislative Auditor reviews, but does not audit, certain figures in the Fiscal Status Summary.

The table below sets forth in summary fashion the General Fund Fiscal Status Summary for Fiscal Years 2021-2022 through 2024-2025, as received and accepted by the JLCB. JLCB meeting documents can be found at https://jlcb.legis.la.gov/.

STATE OF LOUISIANA
GENERAL FUND FISCAL STATUS SUMMARY
FISCAL YEARS 2021-2022 THROUGH 2024-2025
BUDGET BASIS
($ in millions)

	Fiscal Year 2021-2022	Fiscal Year 2022-2023	Fiscal Year 2023-2024	Fiscal Year 2024-2025
Revenues	$ 12,898.9	$ 13,867.4	$ 14,044.8	$ 13,597.7
Prior Year General Fund Direct Surplus/(Deficit)	699.2	726.5	325.4	595.1
Fund Transfers	30.3	0.3	0.2	0.1
Various Carry Forwards	183.6	404.9	432.2	426.3
Balances from prior year surpluses				4.4
SUBTOTAL	$ 13,812.1	$ 14,999.1	$ 14,802.6	$ 14,623.6
Appropriations and Requirements	$ 10,237.2	$ 11,983.9	$ 11,900.9	$ 12,638.8
Revenue Stabilization Fund Transfer	788.5	1,219.8	1,189.3	851.9
Additional Transfers to Various Funds	1,704.4	1,078.6	712.3	162.1
Various Carry Forwards & Adjustments	355.5	391.3	405.0	393.7
SUBTOTAL	$ 13,085.6	$ 14,673.7	$ 14,207.5	$ 14,046.5
Net General Fund Direct Surplus/(Deficit)	$ 726.5	$ 325.4	$ 595.1	$ 577.1

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MAJOR TAX REVENUES

The REC met on May 8, 2026, to adopt the forecast revisions summarized in the table below. Fiscal Year 2025-2026 and Fiscal Year 2026-2027 State General Fund Direct forecasts were revised downward by $113 million and $104 million, respectively. The revised May 2026 forecast is greater than the forecast adopted in May 2025 that was used for the Fiscal Year 2025-2026 enacted budget.

The REC forecast may be viewed at the official website of the LFO at http://lfo.louisiana.gov/rev under the caption entitled "Official Revenue Estimates". Monthly data regarding actual net tax receipts is available at https://revenue.louisiana.gov/NewsAndPublications/Publications.

MAJOR TAX REVENUES (ACTUAL AND FORECAST) [1]
(in millions $)

	ACTUAL						FORECAST				Forecast Change December 2025 vs May 2026	
	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY26 Dec-25	FY 26 May-26	FY 27 Dec-25	FY 27 May-26	FY 26	FY 27
Sales Tax (General & Vehicle)	3,770	4,207	4,971	5,000	5,024	5,468	6,052	6,032	6,069	6,116	(20)	47
Individual Income	3,780	3,957	4,556	4,655	4,798	4,768	3,993	3,758	4,027	3,789	(235)	(238)
Mineral Revenue [2]	545	400	698	1,109	961	448	414	451	460	490	37	30
Gaming [3]	781	915	1,000	1,003	997	1,008	1,018	1,059	1,010	1,039	41	29
Corporate Income & Franchise [4]	579	805	1,402	1,617	1,636	1,452	900	750	800	700	(150)	(100)
State General Fund Direct [5]	9,831	10,465	11,735	12,431	12,643	12,594	12,507	12,395	12,617	12,513	(113)	(104)

[1] Specific tax source figures include both General Fund Direct and Dedicated Revenues
[2] Mineral Revenue includes Severance and Royalties
[3] Gaming Revenues includes Lottery, Land based Casino, Riverboat Gaming, Racetrack Slots, Fantasy Sports, Sports Wagering and Video Poker
[4] Corporate Income & Franchise collections in excess of $600 million are deposited into the Revenue Stabilization Trust Fund
[5] General Fund Direct excludes Dedications

Source: *Division of Administration*

The additional 0.45% State sales tax, enacted in 2018 as a temporary revenue measure and originally set to expire on June 30, 2025, has been made permanent. Effective January 1, 2025, the rate increased to 0.55%, bringing the total State sales tax to 5% until December 31, 2029, when it will decrease to 4.75%.

GENERAL FUND FISCAL YEAR 2024-2025

The enacted Fiscal Year 2024-2025 budget was in balance with the official forecast adopted on May 9, 2024. The forecast may be viewed at the official website of the LFO at http://lfo.louisiana.gov/rev under the caption entitled "Official Revenue Estimates" and is summarized in the table above entitled "Major Tax Revenues (Actual and Forecast)" under the caption "**MAJOR TAX REVENUES.**" General Fund appropriations totaled $12.1 billion, with other means of financing sources totaling $32.6 billion, bringing the total budget to $44.6 billion. A summary of the Fiscal Year 2024-2025 enacted budget is presented below. Numbers may not add precisely due to rounding.

FISCAL YEAR 2024-2025 BUDGET AS ENACTED
(Exclusive of Double Counts, Contingencies and Surplus)
($ in Millions)

		Appropriated 2024-2025
State General Fund, Direct	$	12,067.8
State General Fund By:		
Fees and Self-Generated Revenues		3,771.1
Statutory Dedications		6,803.2
Interim Emergency Board		-
TOTAL STATE FUNDS	$	22,642.1
Federal Funds		21,991.7
GRAND TOTAL	**$**	**44,633.8**

Source: Division of Administration

Governor Landry issued Executive Order No. JML 24-176 on December 12, 2024, which established the Fiscal Responsibility Program within the Office of the Governor. This program is focused on identifying and implementing cost-saving measures across all State departments. While some savings have been realized, other proposed savings are still under evaluation. Implementing additional savings remains a priority for Governor Landry and the Division of Administration.

Budget-Basis Status

The General Fund budget-basis results for Fiscal Year 2024-2025 were presented and accepted by the JLCB on January 23, 2026. For Fiscal Year 2024-2025, the State recognized a net General Fund surplus of approximately $577 million; see table entitled "**STATE OF LOUISIANA GENERAL FUND FISCAL STATUS SUMMARY, FISCAL YEAR 2021-2022 THROUGH 2024-2025 BUDGET BASIS**" hereinabove. Further, the $577 million surplus takes into account a $851.9 million transfer to the Revenue Stabilization Trust Fund, as described under the caption "**STATE BUDGETARY PROCESS – Revenue Stabilization Trust Fund.**"

As described herein under the caption "**STATE BUDGETARY PROCESS – Revenue Estimating Conference**," the State Constitution sets out requirements for the use of non-recurring funds. Specifically, at least 25% of such funds ($144.27 million) is required to be deposited into the Budget Stabilization Fund, and at least 25% ($144.27 million) is required to be applied to the unfunded accrued liability of all four State Retirement Systems (Louisiana State Employees' Retirement System, Louisiana State Police Retirement System, Teachers' Retirement System of Louisiana, and Louisiana School Employees' Retirement System) as described herein under the caption **"PENSION SYSTEMS – History and**

Background." The balance is to be applied toward additional deposits to the Budget Stabilization Fund or unfunded accrued liability of the public retirement systems, retiring or defeasing bonds, funding capital projects, or deposits into the Coastal Protection and Restoration Fund.

GAAP Basis Results

On a GAAP-basis, the net change in fund balance in the State General Fund was $924.6 million. See table entitled "**STATE OF LOUISIANA, GENERAL FUND & BOND SECURITY AND REDEMPTION FUND, FISCAL YEAR 2021-2022 THROUGH 2024-2025, GAAP BASIS**" under the caption "**CONDITION OF THE GENERAL FUND IN RECENT YEARS - GAAP Basis Results**" for the actual GAAP-basis results for Fiscal Year 2024-2025, as reflected in the Annual Comprehensive Financial Report, which may be viewed at https://www.doa.la.gov/doa/osrap/annual-financial-report/

GENERAL FUND FISCAL YEAR 2025-2026

The enacted Fiscal Year 2025-2026 budget was in balance with the official forecast adopted on May 21, 2025. The forecast may be viewed at the official website of the LFO at http://lfo.louisiana.gov/rev under the caption entitled "Official Revenue Estimates" and is summarized in the table above entitled "Major Tax Revenues (Actual and Forecast)" under the caption "**MAJOR TAX REVENUES.**" General Fund appropriations totaled $12.2 billion, with other means of financing sources totaling $35.8 billion, bringing the total budget to $48 billion. A summary of the Fiscal Year 2025-2026 enacted budget is presented below. Numbers may not add precisely due to rounding.

FISCAL YEAR 2025-2026 BUDGET AS ENACTED
(Exclusive of Double Counts, Contingencies and Surplus)
($ in Millions)

	Appropriated 2025-2026
State General Fund, Direct	$ 12,213.3
State General Fund By:	
Fees and Self-Generated Revenues	3,831.6
Statutory Dedications	- 8,195.1
TOTAL STATE FUNDS	$ 24,239.89
Federal Funds	23,720.1
GRAND TOTAL	**$ 47,960.0**

Source: Division of Administration

GENERAL FUND FISCAL YEAR 2026-2027

The Governor's Executive Budget was released in January 2026 and as required by law was presented at the JLCB meeting on January 23, 2026. Executive Budget documents can be found at https://www.doa.la.gov/doa/opb/budget-documents/executive-budgets/. The 2026 Regular Session of the Legislature (the "2026 Regular Session") convened on March 9, 2026, to among other things, consider the adoption of the Fiscal Year 2026-2027 budget. As required by the State Constitution and in the process as described herein under the caption **"STATE BUDGETARY PROCESS – Budget Process,"** the budget is required to be balanced.

CERTAIN FISCAL MATTERS

Healthcare Funding

As in most states, healthcare spending is a major part of the State budget. For Fiscal Year 2025-2026, the Louisiana Department of Health ("*LDH*") received $23 billion in appropriations out of a total State budget of $53.5 billion. LDH oversees various health programs in the State, including the administration of Medicaid.

Historically, the State provided health care services to a significant share of the State population through a charity hospital system, the ownership and operating responsibility of which has evolved over the decades. The former charity hospitals are now among the wide array of institutions serving populations covered by Medicaid, Medicare, and private insurance, as well as patients who remain uninsured after the implementation of the Medicaid expansion in 2016.

In 1997, the State transferred the ownership and operation of nine State-owned public hospitals to the Health Care Services Division of the Board of Supervisors of the Louisiana State University and Agricultural and Mechanical College ("*LSU*") which, when added to the one hospital already owned and operated by the LSU Health Sciences Center in Shreveport, created a ten-hospital system owned and operated by LSU. Beginning in 2013, the State entered into "cooperative endeavor agreements" ("*CEAs*") with not-for-profit, non-State entities, referred to as the "private partners," to operate nine of the ten LSU hospitals and their affiliated clinics. LSU continues to own and operate Lallie Kemp Hospital located in Independence, Louisiana. Since 2013, modifications to the agreements have been made to contain spending, enhance data collection, integrate with the Medicaid expansion, and meet various other health policy and financial goals.

The table below lists the hospitals affected by the shift to the CEA arrangements. Arrangements with these institutions are expected to continue to evolve, as the State continues to implement its revised Medicaid payment approach, as discussed further below.

Hospital Name	**City**	**Private Partner**
LSU Health Sciences Center	Shreveport	Ochsner LSU Health System of North Louisiana
E.A. Conway Medical Center	Monroe	Ochsner LSU Health System of North Louisiana
Huey P. Long Medical Center [(1)]	Pineville	Christus Health Central Louisiana/Rapides Healthcare System LLC
University Medical Center	New Orleans	Louisiana Children's Medical Center, Inc.
University Medical Center in Lafayette	Lafayette	Lafayette General Health Systems, Inc.
Leonard J. Chabert Medical Center	Houma	Southern Regional Medical Corporation Inc./Terrebonne General Medical Center
Earl K. Long Medical Center [(1)]	Baton Rouge	Our Lady of the Lake Regional Medical Center, Inc./Woman's Hospital
W.O. Moss Regional Medical Center [(1)]	Lake Charles	Lake Charles Memorial Hospital, Inc.
Bogalusa General Medical Center	Bogalusa	Our Lady of the Angels Hospital, Inc.

[(1)] The physical plant of this hospital was closed, and services were absorbed within the operations of the partnership hospital.

Medicaid spending is the largest program within the LDH budget, with Fiscal Year 2025-2026 appropriations of $20.6 billion. Of this total for Medicaid, $15.5 billion is paid for with federal funds, $2.5 billion with State general funds and $2.6 billion financed with provider fees/taxes, inter-governmental transfers and various statutory dedications. The State implemented the expansion of Medicaid as provided for in the Patient Protection and Affordable Care Act ("*ACA*") beginning in July 2016, which extended coverage to adults in the State with incomes at or below 138% of the federal poverty level.

Medicaid has undertaken a robust review of their enrollment process to ensure only eligible beneficiaries remain on Medicaid. As of March 2026, Medicaid enrollment totaled 1,501,871, with 673,422 being children.

The Centers for Medicare & Medicaid Services (*"CMS"*) issued the State Medicaid Director (*SMD*) Letter # 21-001 ("*SMD Letter*"), which provides for "Additional Guidance on State Directed Payment in Medicaid Managed Care" programs. The practical effect of this letter requires Medicaid to transition its Full Medicaid Pricing (*"FMP"*) supplemental payment programs into "Directed Payments" as described in 42 CFR 438.6(c) or another approved payment mechanism and that those programs implicated by the letter must be transitioned by the rating period immediately falling on or after July 1, 2021.

At the time of the SMD Letter, the State had four such FMP programs in place which must be transitioned: Hospital, Physician, Ambulance and Dental. LDH worked closely with legislative, industry and federal stakeholders in designing a new payment model for hospitals and submitted two pre-prints to CMS – one pre-print which covered acute care hospitals and one that covered Long-Term Care, Psychiatric and Rehabilitation ("*LPR*") facilities. The pre-prints were approved by CMS with an effective date of July 1, 2022, and resulted in an annual increase of hospital payments by over $900 million with the federal government's share being approximately $695 million. These pre-prints must be submitted to and approved by CMS annually. For Fiscal Year 2024-2025, the pre-prints, which were submitted on April 23, 2024, cover the period of July 1, 2024, through June 30, 2025, and included an increase of approximately $71 million. The non-federal share of the increase in payments will be funded by additional premium taxes generated from the managed care organizations and an additional assessment levied on hospitals in the State. LDH received approval from CMS for the Fiscal Year 2024-2025 pre-prints on May 6, 2024. For the Fiscal Year 2025-2026, the acute hospital, rural hospital and LPR pre-prints were submitted to CMS on May 16, 2025. LDH received approval from CMS for the Fiscal Year 2025-2026 pre-prints on November 18, 2025.

As it relates to the physician program, LDH worked with CMS to replace the physician FMP program with a physician directed payment program. The Fiscal Year 2024-2025 physician directed payment pre-print was submitted to CMS on May 16, 2025, and was approved by CMS on August 28, 2025, for a maximum payment amount of $1.243 billion with the federal share totaling $976 million. The Fiscal Year 2025-2026 physician directed payment pre-print was submitted to CMS on June 18, 2025. CMS acknowledged completeness of submission on June 26, 2025, but has not approved the preprint, for a maximum payment amount of $1.182 billion with federal share totaling $923 million.

During the 2024 Regular Session, the Legislature enacted La. R.S. 46:460.76.1, which required LDH to submit a plan to the Legislature to increase physician rates to 85% of Medicare in Fiscal Year 2025-2026 and to 100% of Medicare in Fiscal Year 2026-2027. LDH submitted its plan to the legislature in November 2024. LDH received funding in Fiscal Year 2025-2026 to increase the physician rates to 85% of Medicare, effective July 1, 2025. All fee schedules have been updated with the new rates and the managed care companies are recycling claims to pay providers at the increased physician rates for fiscal year 2025-2026.

Recently, the State submitted an application to CMS relating to the $50 billion Rural Health Transformation Fund established by H.R. 1 of the 119th United States Congress. This grant will operate across five budget

periods. On December 29, 2025, Louisiana received a Notice of Award of $208.37 million for Budget Period 1. These funds were released by CMS on February 24, 2026. All funds in Budget Period 1 must be obligated by September 30, 2026, and expended by September 30, 2027. States must submit annual reporting, which will determine allocation for the following budget period. This annual report is due August 30, 2026, and states will receive notice of funding for Budget Period 2 by October 31, 2026.

Hurricane and Storm Damage Risk Reduction

In 2008, the Department of the Army, through the United States Army Corps of Engineers (the "*Government*"), and the Coastal Protection and Restoration Authority of Louisiana ("*CPRA*"), acting on behalf of the State, entered into two Project Partnership Agreements for the West Bank and Vicinity, Louisiana Project and the Lake Pontchartrain and Vicinity, Louisiana Project for the purpose of constructing a hurricane and storm damage risk reduction system in southeast Louisiana (collectively, the "*Projects*") and whereby the Government agreed to pay a percentage (approximately 65%) of the total costs of the Projects and the State agreed to pay a percentage (approximately 35%) of the total costs of the Projects. In 2009, the Government and CPRA, acting on behalf of the State, entered into Deferred Payment Agreements whereby the Government and the State agreed that, upon conclusion of the construction of the Projects, the State would pay its cost share percentage, plus interest, over a thirty (30) year period. The Projects were completed in May 2022.

According to the Government, as of September 27, 2023, the State's share of the total costs of the Projects was $1.17 billion, plus $659 million in construction period interest. Federal legislation enacted in 2020 and 2022 allowed the State (i) to avoid paying interest if it made timely payments toward its share and (ii) extended the deadline for the final payment to June 1, 2032. To date, the State has paid, on a timely basis, $800 million toward its share. The State has also been pursuing credit for certain eligible projects, and as of November 2025, after accounting for $110 million in approved credit and other additional work in kind credit, the remaining balance of the State's obligation is approximately $235 million. However, there has not been a final accounting, which must occur before a final payment amount due will be provided by the Government. Also, additional crediting is under review by the Government and if approved, it would further reduce the final payment owed to the Government.

In 2023, the Government and the CPRA, acting on behalf of the State, entered into a Project Partnership Agreement (the *"PPA"*) for the Southwest Coastal Louisiana Project (the *"SCL Project"*) to reduce hurricane storm surge risks in Cameron, Calcasieu, and Vermillion Parishes. The SCL Project received approximately $296 million in federal funding, with the State committing to a 35% cost share pursuant to congressional authorization and the terms of the PPA. The CPRA serves as the non-federal sponsor for the State's participation in the project. Historically, the State's share has been funded through non-recurring State surplus or recurring Gulf of Mexico Energy Security Act (GOMESA) revenues allocated to CPRA. For Fiscal Year 2023-2024, the State allocated $32 million to elevate 20 homes in the project's initial phase, for which the Government has awarded a contract. Presently, 17 homeowners are participating in the initial phase. The State is identifying the additional cost share needed to proceed with the next phase of the SCL Project, which includes elevating approximately 800 to 1,000 of the 3,462 homes identified as eligible in a 2016 study. The Government and the State will not proceed beyond the initial contract until the State secures the remaining required cost share.

The CPRA is responsible for implementing the State's Coastal Master Plan, a long-term strategy to reduce land loss and flood risk through coastal restoration and protection projects. One of these projects, the Mid-Barataria Sediment Diversion project, which was formerly paused, has been officially cancelled by the State. Information on other planned and ongoing coastal restoration and protection efforts can be found in the State's 2023 Coastal Master Plan (the *"Coastal Master Plan"*) and the Fiscal Year 2026 Annual Plan (the *"Annual Plan"*), both accessible on the CPRA's website at https://coastal.la.gov. The Coastal Master

Plan is updated every six years and outlines the State's long-term vision for a sustainable coast. The Annual Plan is updated each year and provides an update on the State's efforts to protect and restore its coast, as well as the short-term and long-term results that are being achieved as the State implements its coastal program.

Unfunded Risk Management Premiums and Liabilities

Act 448 of the 1988 Regular Session of the Legislature reenacted La. R.S. 39:1533 and created the "Self Insurance Fund" within the State Treasury. The Self Insurance Fund consists of all premiums paid by State agencies under the State's risk management program, the investment earnings thereon, and commercial insurance premium commissions retained. The Self Insurance Fund may only be used for the payment of losses incurred by State agencies under the self-insurance program, premiums for insurance obtained through commercial carriers, administrative expenses associated with the management of the State's risk, and the funding of legal services. The Office of Risk Management ("*ORM*"), pursuant to La. R.S. 39:1527 *et seq*., is responsible for the State's risk management program. ORM oversees, monitors, and audits the work performed by third-party vendors and approves all settlements and payments above designated thresholds.

The current funding plan for the Self-Insurance Fund is to maintain cash reserves equivalent to anticipated annualized cash flow needs, exclusive of road hazard liability judgments. Road hazard judgments are submitted to the Legislature for appropriation from the General Fund.

In 1995, the voters ratified a constitutional amendment authorizing the Legislature to cap liability and damage awards against the State. Act 63 of the 1996 First Extraordinary Session of the Legislature capped the total amount recoverable per person, exclusive of property damages, medical care and related benefits, and loss of earnings and support, in all suits for personal injury or wrongful death, at $500,000.

To satisfy claims and judgments for Fiscal Year 2024-2025, the sum of $155,873,901 was paid from the Self-Insurance Fund, of which $113,415,133 was for claim costs, $36,008,355 was for litigation costs, and $6,450,413 was for other costs. As of June 30, 2025, there was a cash balance on the ORM agency balance sheet that included $96,078,928 in the Self-Insurance Fund and $1,390,745 in the Future Medical Care Fund. As of June 30, 2025, outstanding non-discounted reserve valuations, net of recoveries, of the open claims within the programs totaled $1,000,556,594, allocated as $24,960,947 current and $975,595,647 long term. The non-discounted liability reserve valuations for the claims in litigation against State agencies being handled by the ORM are valued at $187,823,320.

Unemployment Compensation Trust Fund

The State pays the state share of unemployment compensation claims from funds on deposit in the State's Unemployment Compensation Trust Fund, which is funded from employer contributions. Under State law, declines in the balance below certain levels lead to an increase in State payroll taxes, which could occur sooner than payroll tax increases triggered under federal law.

As of December 31, 2025, the Unemployment Compensation Trust Fund had on deposit $1.11 billion to pay unemployment claims.

HURRICANES AFFECTING THE STATE

The State has been affected by a number of recent hurricanes. Hurricane Francine made landfall in Southeast Louisiana on September 11, 2024, as a Category 2 storm with maximum sustained winds of

approximately 100 miles per hour. Hurricane Francine caused damage in a number of parishes in Southeast Louisiana, including among others, Ascension, Assumption, Lafourche, Livingston, St. Charles, St. John the Baptist, St. Mary and Terrebonne parishes. Hurricane Ida made landfall in Southeast Louisiana on August 29, 2021, as a strong Category 4 storm with sustained winds at landfall of 150 miles per hour. Hurricane Ida caused significant damage from Terrebonne and Lafourche parishes across much of Southeast Louisiana. Early projections indicated damages from Hurricane Ida to insured residential and commercial properties would exceed $20 billion and would rank as the second costliest hurricane in the State's history. In addition to Hurricane Ida, the State was impacted by a number of events in 2020. On August 24, 2020, Hurricane Marco struck Southeast Louisiana as a tropical storm with sustained winds of up to 40 miles per hour, causing heavy rain throughout this region. On August 27, 2020, Hurricane Laura struck Southwest Louisiana as a Category 4 storm with sustained winds of up to 150 miles per hour and a storm surge of 10-12 feet. The result of Hurricane Laura was substantial wind damage to infrastructure, including commercial and residential property. Damage from Hurricane Laura to insured residential and commercial properties is estimated to be between $8 billion to $12 billion. On October 9, 2020, Hurricane Delta made landfall in Southwest Louisiana as a Category 2 storm with sustained winds of up to 100 miles per hour, causing heavy rain of up to 15 inches in some areas already affected by Hurricane Laura. Hurricane Zeta made landfall in Southeast Louisiana on October 28, 2020, as a Category 2 storm with wind speeds of up to 110 miles per hour. Hurricanes Katrina and Rita also caused significant damage to various parts of the State in 2005.

The FEMA Public Assistance ("*PA*") program reimburses state and local governments and other eligible applicants for costs associated with presidentially declared disasters. The standard cost share for the program is 75% federal and 25% non-federal. For events that reach certain dollar thresholds, based on a per capita indicator, the cost share can be adjusted to 90% federal and 10% non-federal. For both Hurricane Ida and Hurricane Laura, President Biden approved 100% federal cost share for 45 days of emergency work during the event and increased the federal cost share to 90% for PA costs outside of the 100% time period. For Hurricanes Laura, Delta, Zeta and Ida, the State's estimated cost share for emergency costs equals $65 million, and the State's estimated cost share for repairs and rebuilding equals $39 million. It is expected that the remaining repairs and rebuilding construction costs will be funded by the State over the next four to five years. For Hurricane Francine, the standard cost share is applicable, and amounts expended to date by the State for emergency costs equals $34 million making the estimated cost share $8.5 million.

At the present time, it is not possible to quantify with any degree of certainty the long-term impacts of the past hurricanes on the State and its economy. Similarly, it is difficult to predict any offsetting economic benefits which may result from rebuilding activities and/or additional resources from federal, State and other local sources.

GENERAL FUND CASH FLOW ANALYSIS

The State manages periods of actual or projected temporary cash flow shortfalls in the General Fund by prioritizing payments from the General Fund and borrowing from available balances in other legally authorized funds ("*Inter-fund Borrowing*"). Inter-fund Borrowing addresses temporary mismatches between the timing of receipts and disbursements in the General Fund within a fiscal year. The Department of the Treasury monitors the State's cash position on a daily basis and reports the balances to the Division of Administration weekly and, pursuant to La. R.S. 49:308.4, to the REC at each scheduled meeting. Pursuant to La. R.S. 49:308.4, Inter-fund Borrowing must be repaid no later than August 15 of the calendar year following the end of the fiscal year in which the borrowing is made.

Fiscal Year 2024-2025 ended with a General Fund cash position of $904 million. As of November 30, 2024, which was the weakest month end during Fiscal Year 2024-2025, the General Fund was in a borrowed position of ($597) million. Available borrowable funds as of November 30, 2024, were $9.5 billion. During

Fiscal Year 2024-2025, available borrowable funds ranged from a low of $8.4 billion in July 2024, to a high of $9.8 billion in August 2024.

As of April 30, 2026, the General Fund cash position was $348.5 million and available borrowable funds were $9.2 billion.

ENVIRONMENTAL RISKS

Located on the Gulf of America, the State is prone to the effects of extreme weather events and natural disasters, including floods, droughts, high winds, tornadoes, wildfires, ice storms and hurricanes, which could result in negative economic impacts on the State (see "**HURRICANES AFFECTING THE STATE**" above). The State cannot predict if or when any such future extreme weather event or natural disaster will occur or the effect any such event or disaster may have on its operations, population, demographics, economic or financial stability. At the present time, it is not possible to quantify with any certainty the long-term impact of the recent extreme weather events and natural disasters on the State and its economy, any offsetting economic benefit which may result from recovery and rebuilding activities or the amount of additional resources from federal, State and other local sources which will be required.

The Governor's Office of Homeland Security and Emergency Preparedness (*"GOHSEP"*)is responsible for working with State, local, tribal and federal authorities to prepare for, prevent, respond to, recover from and mitigate against future emergencies and disasters. GOHSEP is responsible for disaster response and recovery and works closely with FEMA during all federal disaster declarations in the State.

Coastal protection and erosion pose significant challenges to the coastal areas of the State. The Coastal Protection and Restoration Authority ("*CPRA*") was created in December 2005 to focus on development and implementation efforts to achieve comprehensive coastal protection for the State. The 2023 Coastal Master Plan which targets restoration work and reduction of flood risk is expected to cost over $50 billion. CPRA is continually evaluating the feasibility of projects identified in the Master Plan to determine which can be accomplished with available funding sources. The 2029 Coastal Master Plan is currently under development. See **"CERTAIN FISCAL MATTERS - Hurricane and Storm Damage Risk Reduction."** For more information please visit: https://coastal.la.gov/.

Louisiana Resilience Task Force

Act 315 of the 2023 Regular Session of the Legislature ("*Act 315*") established a Chief Resilience Officer within the Office of the Governor to coordinate policy response to environmental hazards. The Chief Resilience Officer serves on the Interagency Resilience Coordination Team along with other department heads within the executive branch to advance a cross-agency, holistic approach to the challenges and opportunities associated with the impacts of environmental hazards in the State's coastal areas. Act 315 also created the Louisiana Resilience Task Force, which meets quarterly to make strategic recommendations to the Chief Resilience Officer. This cross-government approach to the coordination of resiliency efforts aims to improve planning and strategy within State government and enhance the State's ability to adapt to wide-ranging environmental challenges.

Saltwater Intrusion

Unprecedented extreme heat and drought in 2023 significantly reduced the Mississippi River's flow, allowing saltwater from the Gulf of America to intrude upstream. In response, the United States Army Corps of Engineers ("*USACE*") increased the height of a previously constructed underwater sill to slow the intrusion, and President Biden approved an Emergency Declaration to assist affected parishes. USACE constructed a similar underwater sill in 1988, 1999, 2012 and 2022. Underwater sills were also constructed

in 2023, 2024, and 2025. Drought conditions in 2025 led to mitigation actions by the Parish of Plaquemines and USACE to prevent saltwater intrusion in the water system in Plaquemines Parish. Protective infrastructure and emergency response measures, including increased capacity, booster pumps and a reverse osmosis system, have been established to mitigate the operational and public health risks associated with future saltwater intrusion events. At this time, saltwater intrusion poses no threat to the water systems in Orleans, Jefferson, or St Bernard Parishes. The State and affected parishes continue to coordinate with federal partners to reduce the likelihood of future impacts and potential disruptions to the water supply in the affected parishes.

Sulphur Mine Salt Dome

Governor Landry renewed the state of emergency originally declared on September 20, 2023, for the Sulphur Mine Salt Dome in Calcasieu Parish due to ongoing seismic activity, loss of cavern integrity, hydrocarbon bubbling, and accelerated subsidence indicating potential structural failure.

The Department of Conservation and Energy continues active monitoring of the two caverns operated by Westlake US 2 LLC (the "*Operator*"), including continuous seismic monitoring, tilt meters, and InSAR satellite analysis. Berm construction is largely complete, with water control weir structures for flood and high-water management scheduled for completion mid-year. Additional mitigation includes brine injection into the caverns.

The Operator is evaluating a geomechanical model to assess stress conditions and potential failure scenarios involving Caverns 6 and 7. Monthly groundwater monitoring of the drinking water aquifer remains ongoing including three independent groundwater studies to assess the potential for brine migration in the event of a collapse.

The State maintains that the Operator is responsible for all mitigation, monitoring, and related costs. Additional information is available at https://denr.louisiana.gov/page/sm-1homepage.

Seismic Activity

Louisiana has seen increased seismic activity over the past few years. An earthquake swarm began in late 2024 in northwest Louisiana near Coushatta/Edgefield, including a magnitude 4.9 event in March 2026, one of the largest earthquakes ever recorded in the State's history. Louisiana is not known for high seismicity, but researchers and officials with federal scientific agencies have indicated that ongoing activity after the magnitude 4.9 earthquake is consistent with an aftershock sequence and that the likelihood of another moderate earthquake remains low. The cause of these earthquakes continue to be studied. To date seismic activity has not resulted in widespread structural damage. Researchers and federal officials have increased monitoring of seismic activity while state officials continue their investigation of potential causes and impacts to infrastructure.

Insurance

The Louisiana Insurance Guaranty Association (*"LIGA"*) pays outstanding insurance claims for insolvent insurers, including refunds of unearned premium. Between January 2021 and January 2024, twelve residential insurers writing approximately 214,000 policies were declared insolvent, and twenty others voluntarily withdrew from the State; however, no additional insurer withdrawals or insolvencies have occurred since. Established in 1970, LIGA provides a safety net to property owners by ensuring payment of covered claims under certain insurance policies, thereby avoiding excessive payment delays and financial loss to claimants or policyholders due to the insolvency of an insurer.

In 2022, LIGA borrowed $600 million to cover those costs through the issuance of $142 million of Louisiana Local Government Environmental Facilities and Community Development Authority Insurance Assessment Revenue Notes (Louisiana Insurance Guaranty Association Project), Series 2022A and the issuance of $458 million of Louisiana Local Government Environmental Facilities and Community Development Authority Insurance Assessment Revenue Bonds (Louisiana Insurance Guaranty Association Project), Series 2022B. LIGA secures that indebtedness through a one percent (1%) assessment on the net direct written premiums of all licensed and authorized insurance companies in the State that write the types of policies covered by the LIGA Act. During 2022, more than 531 companies with distinct NAIC numbers wrote assessable policies in the State. For the first 1% of net direct written premiums assessed, those insurers are entitled to a tax credit against their insurance premium tax due to the State, or they may increase rates charged to policyholders to pay for such assessments. During the 2023 Regular Session, LIGA received authority to assess an additional 1% annually, which assessed insurers may only recoup through rate increases. However, as of February 2026, LIGA has not exercised the additional 1% increase.

The State also has the Louisiana Citizens Property Insurance Corporation ("*Citizens*"), which serves as the insurer of residential and commercial property for applicants who, in good faith, are entitled to coverage but are unable to procure insurance through the voluntary market. At year-end 2024, Citizens had 117,491 policies, representing approximately 2.57% of the property insurance market. In order to cap the State's financial exposure in the event of a major weather-related event, the Legislature enacted Act 757 of the 2024 Regular Session, which limits the maximum amount of damages that may be recovered against Citizens by policyholders to the applicable limits of the policy. As of January 31, 2026, Citizens had 119,960 policies.

Additionally, future catastrophic events and damages resulting from winds, tides, and storm surges that result in increased claims may affect the solvency of insurers that operate in the State or, in some cases, cause insurers to not provide insurance coverage in the State. Since some insurers may also have significant operations in other states, a potential future catastrophic event in those states could affect those insurers' operations in the State (see "**HURRICANES AFFECTING THE STATE**" above).

The Louisiana Department of Insurance ("*LDI*") has continued the Louisiana Fortify Homes Program ("*LFHP*") that was created by the Legislature during the 2022 Regular Session to provide grants of up to $10,000 to homeowners for the installation of Insurance Institute for Business & Home Safety (IBHS) Certified fortified roofs designed to better withstand hurricane-force winds. Homeowners are responsible for paying the evaluator costs for pre and post construction inspection (approximately $500-$750) as well as any costs for the roof above the $10,000 grant. Homes with fortified roofs may qualify for premium discounts on the wind and hail portion of their insurance policies and may also benefit from reduced insurance claims, deductibles, and displacement time following a major storm event. The Legislature initially allocated $30 million to the LFHP, with $15 million set aside for Citizens policyholders and $15 million for all other homeowners across the State. During the 2024 Regular Session, the Legislature repealed the original one (1) year sunset provision, budgeted an additional $15 million in funding for Fiscal Year 2024-2025, and approved a $14 million carryforward of unspent prior year funds. During the 2025 Regular Session, the Legislature budgeted an additional $15 million in funding for Fiscal Year 2025-2026.

During the 2025 Regular Session, the Legislature enacted a permanent funding source for the LFHP by increasing licensure fees collected by the LDI and dedicating a portion of those fees, along with a portion of insurance related tax revenues, to the program. Legislation also provided that LFHP grants are exempt from state income tax and created a program administered by the Louisiana Department of Revenue that provides a refundable state tax credit of up to $10,000 per taxpayer for those who self-fund a fortified roof retrofit on their home, rather than waiting for and relying on an LFHP grant. Legislation was enacted during the 2026 Regular Session that authorizes Citizens to contribute funds to the LFHP, and, as a result, Citizens is expected to contribute approximately $50 million in funding to the LHFP for Fiscal Year 2026-2027.

These measures are intended to ensure the continued funding of the LFHP and establish incentives for homeowners to install fortified roofs, whether through self-funding or program participation. As of February 23, 2026, the LFHP has awarded 4,302 grants and paid out $42.48 million for completed roofs. As a result of other funding sources, LDI estimates that 10,000 roofs have been hardened across the State.

During the 2024 Regular Session, the Legislature enacted several insurance related bills addressing regulatory procedures applicable to property and casualty insurers. These measures included revisions to claim payment time frames, conditions under which homeowners' insurance policies may be canceled, and procedures related to the "file-and use" system for property and casualty rate filings. Under the file-and use system, an insurer may implement filed rates and rules upon submission to the Commissioner of Insurance, unless disapproved within thirty (30) days. Legislation enacted during both the 2024 Regular Session and the 2025 Regular Session also clarified the property claims settlement process, including authorizing property insurers to require that claimants submit a proof of loss statement as a prerequisite to making payment on a claim. If an insurer opts to require this form, submission of a completed form will be the definitive trigger for beginning the timeline for a bad faith claim.

Several pieces of legislation were passed during the 2025 Regular Session to align the State's tort laws with those of other states that have more affordable automobile insurance. Certain provisions are not yet effective, including some with delayed implementation dates, and, as such, the State is unable to determine the impact of any such legislation at this time. The LDI is expected to continue advancing legislation to provide additional insurance reform measures in upcoming sessions.

CYBERSECURITY

The State is home to critical supply routes and energy production resources that are attractive targets for man-made disruptions, including cyber-attacks. Like many other governmental entities, the State relies heavily on technology platforms to conduct and maintain its operations. Recognizing the vital nature of a reliable and resilient technological platform, the State created its Office of Technology Services ("*OTS*") in 2014, vesting the new entity with developing and protecting the networks for its executive branch agencies. Since its origination, OTS endeavored to provide cyber assurance for its service recipients in a rapidly developing threat environment.

Evolving with the modern technological and legal concerns, OTS focuses on cyber readiness, threat monitoring, data privacy, information sharing, and nurturing partnerships with other State entities to create a whole-of-government approach to information security and cyber resiliency. As a result, the State boasts a large and diverse group of cybersecurity professionals whose job is to prevent and effectively respond to real and threatened cyber incidents through early altering mechanisms, community relations, and a commitment to continued learning.

In 2017, by Executive Order of Governor John Bel Edwards, the Louisiana Cybersecurity Commission (the "*Cybersecurity Commission*") was created to address the growing cyber threat to networks, personal privacy, and critical infrastructure. The Cybersecurity Commission is a statewide partnership composed of key stakeholders, subject matter experts, and cybersecurity professionals from Louisiana's public sector, private industry, academia, and law enforcement. The Cybersecurity Commission serves as an advisory body to the State's senior administration officials in matters related to cybersecurity. The mission of the Louisiana Cybersecurity Commission is to advance the State's cyber ecosystem and position Louisiana as a national leader and preferred location for cyber business, education, and research. In 2023, Act 245 formally created the Louisiana Cybersecurity Commission, to ensure its continued value and success.

In 2024, by Executive Order of Governor Jeff Landry, the State's Emergency Support Function 17 (ESF-17), a multi-agency partnership dedicated to supporting State and local government entities with cyber incidents, was consolidated under Emergency Support Function – 2 Cybersecurity ("*ESF-2C*") to bring the State's cybersecurity efforts in line with federal and State statutory, regulatory and advisory requirements. Led by the Governor's Office of Homeland Security and Emergency Preparedness ("*GOHSEP*"), Louisiana Military Department ("*LMD*"), and Louisiana State Police ("*LSP*"), and supported by OTS, ESF-2C works closely in collaboration with federal partners, including the Department of Homeland Security (DHS) - Cybersecurity and Infrastructure Security Agency ("*CISA*"), the Federal Bureau of Investigation (FBI), and the United States Secret Service (USSS). Since its 2019 inception, ESF-2C led the response and recovery of cyber emergencies, impacting 191 State, local and private critical infrastructure entities. As of Fiscal Year 2025, in an effort to address the emerging threats and to support ESF-2C's growing mission, the State Legislature has appropriated $38 million annually to the State's incident response and proactive cybersecurity efforts.

In 2020, the Legislature established the Louisiana Cyber Investigators Alliance (the "*Alliance*") in an effort to collaborate cyber law enforcement investigative efforts between State and federal agencies. The Alliance consists of a coordinated and unified body of information technology and security professionals from branches of federal, State, and local government, including members of ESF-2C to conduct cyber threat response activities, provide and share cyber threat intelligence, and standardize evidence preservation procedures to increase all participants' ability to prevent cyber-attacks.

GOHSEP supports Louisiana Cyber Assurance Plan ("LCAP") risk mitigation element through procurement of next generation firewalls, security incident, and event management (SIEM) logging tools, as well as utilizing its existing technology infrastructure and Security Orchestration Automated Response ("SOAR)" tools to offer proactive monitoring services and assessments for public entities within the State. LCAP operations use ESF-2C's past deployment of technology solutions as its foundation, while maximizing their useful life against the increased frequency of cyber-attacks. To this day, the SOAR concept continues to operate as the central hub of cybersecurity operations, focusing on threat intelligence sharing and automated threat management.

Through the State and Local Cybersecurity Grant Program ("*SLCGP*"), authorized by the Infrastructure Investment and Jobs Act, Public Law 117-58, LCAP implementation began with approximately $3.6 million of federal grant funding in Fiscal Year 2022-2023. With these funds, the State's plan for LCAP began with expanding current threat detection and isolation capabilities through the deployment of key software assets to local government entities to holistically improve Louisiana's preventative cybersecurity posture. Subsequent SLCGP awards of $8.4 million Fiscal Year 2023-2024, $7.2 million in 2024-2025, and $2.7 million in 2025-2026 have been allocated to additional LCAP mitigation and training projects for State and local government entities to continue to improve cybersecurity throughout the State.

ESF-2C proactively mitigates thousands of cyber threats and responds to an average of 15 major cyber incidents across Louisiana annually. With the cost and frequency of the cyber incidents steadily climbing across market sectors each year, and individual incidents ranging from $5 million to $100 million in damages and remediation costs (nationally), investing in preventative measures is estimated to dramatically reduce the need for unplanned, curative costs following successful cyber-attacks on public and critical infrastructure.

Further, some State agencies have additional cybersecurity policies and procedures designed to protect technology platforms and additional safeguards intended to support, maintain and prioritize critical infrastructure, risk management, monitoring and event detection, training, and incident response.

In August 2025, the State's Office of Motor Vehicles ("*OMV*") entered into a contract with CHAMP Titles, Inc. ("*CHAMP*") to modernize the State's outdated, 50-year-old motor vehicle system. The upgrade is intended to improve efficiency, cut wait times, and enhance cybersecurity by replacing the vulnerable legacy system. The modernization efforts were spurred, in part, by persistent system outages and a major data breach in June 2023 that compromised approximately six million OMV records.

In October 2025, the Louisiana Office of Student Financial Assistance ("LOSFA"), a program of the Board of Regents, announced that it experienced a cybersecurity incident that disrupted LOSFA's information technology systems and required LOSFA to take its systems offline. LOSFA worked with LSP and GOHSEP to contain the incident. The START 529 savings programs, which were continuously monitored throughout the interruption by LOSFA, the Board of Regents, the State Treasurer, and relevant banking institutions, were not involved in the incident. A third-party analysis is reviewing certain LOSFA files unrelated to the START program which were involved in the incident to determine the specific information contained in those files. If the analysis identifies personal information, LOSFA will notify affected individuals in accordance with all applicable State and federal laws. LOSFA continues to implement additional measures to enhance cybersecurity and system resilience.

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PENSION SYSTEMS

The State is a participating employer in seven defined benefit plans, each administered by separate public employee retirement systems. These systems include:

Louisiana State Employees' Retirement System ("*LASERS*")

Louisiana State Police Retirement System ("*LSPRS*")

Teachers' Retirement System of Louisiana ("*TRSL*")

Louisiana School Employees' Retirement System ("*LSERS*")

District Attorneys' Retirement System ("*DARS*")

Louisiana Clerks of Court Retirement and Relief Fund ("*LCCRRF*")

Registrar of Voter Employees' Retirement System ("*ROVERS*")

Article X, Section 29(F) of the State Constitution assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the Legislature.

Retirement systems established in State law are designated as either "State" or "Statewide" pension systems. State systems are distinguished from Statewide systems mainly by the presence of a constitutional guarantee to pay pension benefits to members in the event the system is not able. No such guarantee exists for members of the Statewide systems. LASERS, LSPRS, TRSL, and LSERS are designated as State systems while DARS, LCRRF, and ROVERS are Statewide systems. Information related to each system may be found on each system's website as follows:

State Systems:

LASERS	http://www.lasersonline.org/site104.php
LSPRS	https://lsprs.org/
TRSL	https://www.trsl.org/
LSERS	https://www.lsers.net

Statewide Systems:

DARS	https://ladars.org/
LCCRRF	http://www.laclerksofcourt.org/retirement
ROVERS	http://www.larovers.com/

History and Background

A constitutional amendment concerning the actuarial soundness of the State and Statewide retirement systems was approved by voters on November 27, 1987, followed by additional constitutional amendments in 2007 and 2011.

The 1987 constitutional amendment mandated that the actuarial soundness of the systems be attained and maintained and required the Legislature to establish a method of actuarial valuation for this purpose. Commencing with Fiscal Year 1989-1990, the Legislature was required to determine all required contributions to be made by members and employers and to appropriate annually the amounts required for the sound actuarial maintenance of the systems, including the elimination of the unfunded accrued liability ("*UAL*"), defined as the excess of the actuarial accrued liability over the valuation assets, sometimes

referred to as "unfunded past service liability". The amendment also defined an "Initial" Unfunded Accrued Liability ("*IUAL*") of the State and Statewide systems as the liability existing as of June 30, 1989, and required that it be eliminated in 40 years, or by 2029. The 1987 amendment also prohibits the Legislature and the board of trustees of each system from taking any action that would cause the UAL to increase, with certain exceptions, and provides that the accrued benefits of members of the systems cannot be diminished or impaired. Various features of the systems (e.g. amortizations, COLAs, non-recurring payments), have subsequently been revised by Acts of the Legislature and by new constitutional amendments as described below.

Because GASB pension accounting standards have changed over the decades since the 1987 constitutional requirements were established, the State pension plans produce two separate actuarial reports: (1) a GASB 68 Report for Financial Reporting and (2) a Funding Report, which is consistent with the requirements of the 1987 constitutional amendment and subsequent statutory changes. As in the 1987 constitutional amendment, the UAL is determined as the total actuarial accrued liability less the plan's valuation assets. Statutes provide for the amortization of changes in the UAL.

In 2007, voters approved another constitutional amendment, Article X Section 29(E)(5)(b), with three key provisions: (1) a new constitutional requirement that the Legislature provide for the retirement of employees of the State and its political subdivisions, including teachers and other employees of the public education system (in contrast, the obligation for the payments and benefits of the Statewide systems is borne by the local employers who participate in them and is not constitutionally guaranteed); (2) a requirement that the State or the governing authority of a State retirement system identify a funding source that will fully liquidate the actuarial cost of any new benefit for members of the State systems within ten years; and (3) a two-thirds vote of the Legislature for any new benefit is required.

An additional constitutional amendment was passed in 2011. Article VII, Section 10(D)(2)(b)(ii) appropriates a percentage of nonrecurring revenue and requires the funds to be used to reduce the IUAL. The amendment required a minimum of 5% of any money designated as nonrecurring revenue in the official revenue forecast to be applied to the payment of the balance of the UAL for FY 2013-2014 and 2014-2015, with the requirement rising to 10% beginning in FY 2015-2016 and thereafter. On October 14, 2023, the electorate approved another constitutional amendment (Act 107 of the 2023 Regular Session). Beginning in Fiscal Year 2024-2025 and thereafter, a minimum of 25% of any money designated as nonrecurring revenue in the official forecast is required to be appropriated to the UAL of all four State Retirement Systems (LASERS, LSPRS, TRSL, and LSERS). Each State Retirement System is required to apply the appropriation to the UAL in the order created, from oldest to newest. The amendment further provides that if the legislature has not provided for an alternative distribution formula, the appropriation to each system shall be in proportion to each system's total UAL bears to the total of all four State Retirement Systems UAL.

Act 399 of the 2014 Regular Session and Act 95 of the 2016 Regular Session established limits on the amount and frequency of retiree benefit increases that create additional system liabilities. The system's ability to grant cost-of-living adjustments ("*COLAs*") in accordance with these acts are dependent on the system's funding status, investment performance, and the excess investment earnings held in experience accounts to fund the COLA. These acts also imposed limitations on the amount of excess investment earnings that could be deposited into the experience account.

Act 184 of the 2023 Regular Session provides for the phasing out and termination of experience accounts and the diversion of excess investment earnings to the experience accounts and creates new accounts for the accumulation of funds to pay permanent post-retirement benefit increases ("*PBI*") or COLAs. Funding of the new PBI/COLA funding accounts is provided by an additional component of employer contributions, referred to as the "AFC rate." The AFC rate cannot exceed 2.5% and the Act further limits the AFC rate

that can be charged to employers when the combined projected employer contribution rate plus the AFC rate exceeds certain thresholds.

Since 2009, COLAs have been very limited, which has contributed to the funding progress of the systems.

Plan Descriptions

The seven plans in which the State is a participating employer provide retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as provided for in the applicable statutes for each of the plans. The age and years of creditable service (service) for an employee to receive retirement benefits and the retirement benefit percent vary by plan, hire date, employer, and job classification, which is summarized below in the plan descriptions. All plans described below have separately issued financial reports which provide more details on eligibility and benefits.

LASERS administers a cost-sharing defined benefit pension plan to provide retirement, disability, and survivor benefits to eligible State employees and their beneficiaries as defined in La. R.S. 11:411-413. Eligibility and the computation of retirement benefits for regular members and hazardous duty plan members are provided for in La. R.S. 11:444 and La. R.S. 11:611-615, respectively. The age and years of service required in order for a member to receive retirement benefits are established by La. R.S. 11:441 and vary depending on the member's hire date, employer and job classification. Regular members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of service, at age 55 upon completing 25 years of service, or at age 60 upon completing 10 years of service depending on their plan. Those members hired between July 1, 2006, and June 30, 2015, may retire at age 60 upon completing five years of service and those hired on or after July 1, 2015, may retire at age 62 upon completing five years of service. Hazardous duty members hired on or after January 1, 2011, are eligible to retire with 12 years of service at age 55 or with 25 years of service at any age. Additionally, all members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5%, 3.33%, and 3.5% of average compensation for regular members, hazardous duty plan members, and judges, respectively, multiplied by the number of years of service. Average compensation is defined as the member's average annual earned compensation for the highest 60 consecutive months of employment (36 consecutive months if hired prior to July 1, 2006).

LSPRS administers a single employer defined benefit pension plan to provide retirement, disability, and survivor benefits to commissioned law enforcement officers of the Office of State Police and the Superintendent of State Police and their beneficiaries as defined in La. R.S. 11:1305. Eligibility for retirement benefits and the computation of retirement benefits are provided for in La. R.S. 11:1307 and 11:1345.4-1345.5. Members hired prior to January 1, 2011, may either retire with full benefits at any age upon completing 25 years of service or at age 50 upon completing 10 years of service. Those members hired on or after January 1, 2011, may retire at any age upon completing 25 years of service, at age 55 upon completing 12 years of service, or at any age with 20 years of service with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 3.33% of average compensation multiplied by the number of years of service. Average compensation is defined as the member's average annual earned compensation for the highest 60 consecutive months of employment (36 consecutive months if hired prior to January 1, 2011).

TRSL is the administrator of a cost-sharing defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in La. R.S. 11:701. Eligibility for retirement benefits is provided for in La. R.S. 11:735, 11:761, 11:768 and 11:802. Calculations of retirement benefits are provided for in La R.S. 11:735, 11:768 and 11:803. Regular members hired prior to January 1, 2011, are eligible to receive retirement benefits (1) at the age of 60 with five years of service; (2) at the age of 55 with at least 25 years of service; or (3) at any age with at least 30

years of service. Members hired between January 1, 2011, and June 30, 2015, are eligible to retire at age 60 with five years of service. Members hired on or after July 1, 2015, are eligible to retire at age 62 with five years of service. All regular plan members are eligible to retire at any age with 20 years of service and an actuarially reduced benefit if a member is hired on or after July 1, 1999. Retirement benefits for regular plan members are calculated by applying a percentage ranging from 2% to 2.5% of final average compensation multiplied by years of service. Average compensation is defined in La. R.S. 11:701 as the member's average annual earned compensation for the highest 60 consecutive months of employment (36 consecutive months if hired prior to January 1, 2011).

LSERS is the administrator of a cost-sharing defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to school employees as defined in La. R.S. 11:1002. Eligibility for retirement benefits and the computation of retirement benefits are provided in La. R.S. 11:1141 and 11:1144. Members hired prior to July 1, 2010, may either retire with full benefits at any age upon completing 30 years of service, at age 55 upon completing 25 years of service, or at age 60 upon completing ten years of service. Those members hired between July 1, 2010, and June 30, 2015, may retire at age 60 upon completing five years of service and those hired on or after July 1, 2015, may retire at age 62 upon completing five years of service. The basic annual retirement benefit for members is equal to 2.5% to 3.33% of average compensation multiplied by the number of years of service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. Average compensation is defined as the member's average annual earned compensation for the highest 60 consecutive months of employment (36 consecutive months if hired prior to July 1, 2006).

DARS administers a cost-sharing defined benefit pension plan. Pursuant to La. R.S. 11:1582, the plan provides retirement, disability, and survivor benefits to district attorneys, assistant district attorneys, and employees of the Louisiana District Attorneys' Association. Eligibility for retirement benefits and the computation of retirement benefits are provided for in La. R.S. 11:1581 and 11:1632-1633. Members who joined before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. Members who joined after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service, are age 55 and have 24 years of service, or have 30 years of service regardless of age. The basic annual retirement benefit for members is equal to 3% to 3.5% of average compensation multiplied by the number of years of service. The early retirement benefit is equal to the normal retirement benefit reduced by 3% for each year the member retires in advance of normal retirement age. Final average compensation is 36 months plus the number of whole months elapsed since January 1, 2013, not to exceed 60 months.

LCCRRF administers a cost-sharing defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to clerks of court, their deputies and other employees as defined in La. R.S. 11:1503. Eligibility for retirement benefits and the computation of retirement benefits are provided in La. R.S. 11:1521. Members hired prior to January 1, 2011, may retire with full benefits at age 55 upon completing twelve years of service. Those members hired on or after January 1, 2011, may retire at age 60 upon completing twelve years of service. The basic annual retirement benefit for members is equal to 3% to 3.33% of average compensation multiplied by the number of years of service. Average compensation is defined as the member's average annual earned compensation for the highest 60 consecutive months of employment (36 consecutive months of employment if hired prior to July 1, 2006).

ROVERS is the administrator of a cost-sharing defined benefit pension plan. In accordance with La. R.S. 11:2032, the plan provides regular retirement, disability, and survivor benefits to registrars of voters in each parish, their deputies, their permanent employees, and eligible beneficiaries. Eligibility for

retirement benefits are provided for in La. R.S. 11.2071 and 11.2165.3-4 and the computation of retirement benefits are provided for in La. R.S. 11:2072 and 11:2165.5. Members hired prior to January 1, 2013, are eligible for normal retirement after they have 20 years of service and are age 55 or has 10 years of service and is age 60. Any member with 30 years of service regardless of age may retire. Members hired on or after January 1, 2013, are eligible for normal retirement after they have attained 30 years of service and are age 55; have attained 20 years of service and are age 60; or have attained 10 years of service and are age 62. The basic annual retirement benefit for members is equal to 3% to 3.33% of average compensation multiplied by the number of years of service. Average compensation is defined as the member's average annual earned compensation for the highest 60 consecutive months of employment (36 consecutive months if hired prior to July 1, 2006).

A brief summary of eligibility and benefits of the plans are provided in the following table:

	LASERS	LSERS	TRSL	LSPRS	DARS	LCCRRF	ROVERS
Final average salary	Highest 36 or 60 months[1]	Highest 36 or 60 months[1]	Highest 36 or 60 months[1]	Highest 36 or 60 months[1]	Highest 36 or 60 months[1]	Highest 36 or 60 months[1]	Highest 36 or 60 months[1]
Years of service required and/or age eligible for benefits	30 years any age		30 years any age[10]	25 years any age	30 years any age	12 years age 55	30 years any age[8,9]
	25 years age 55		25 years age 55	20 years any age[7]	24 years age 55[5]	12 years age 60[2]	20 years age 55[8,9]
	20 years any age[7]		20 years any age[7,14]	12 years age 55[2]	10 years age 60[5]		10 years age 60[8,9]
	5-10 years age 60[3,11]		5 years age 60[11]	10 years age 50[13]	10 years age 62[12]		
	25 years any age[15]				18 years age 60[12]		
	12 years age 55[15]				23 years age 55[12]		
Benefit percent per years of service	2.5% to 3.5%[6]	2.5% to 3.33%[4]	2% to 3%[4]	3.33%	3% to 3.5%[5]	3% to 3.33%[4]	3% to 3.33%[4]

1 Employees hired after a certain date use the revised benefit calculation based on the highest 60 months of service

2 For those hired after 12/31/10

3 Five to ten years of creditable service at age 60 depending upon the plan or when hired

4 Benefit percent varies depending upon the plan and when hired

5 Joined plan on or after 7/1/90

6 Members in regular plan 2.5%, hazardous duty plan 3.33%, and judges 3.5%

7 With actuarial reduced benefits

8 For those hired prior to 1/1/2013

9 Hired after 12/31/12; age eligibility is 30 years at 55, 20 years at 60, & 10 yrs. at age 62

10 For school food service workers hired on or before 6/30/15, eligibility is 30 yrs. at age 55

11 Hired on or after 7/1/15, age eligibility is 5 years at age 62

12 For those hired before 7/1/90

13 For those hired on or before 12/31/10

14 Hired prior to 7/1/99 and retired on or after 7/1/97, age eligible is 20 years at age 65

15 Members in LASERS Hazardous Duty Plan

Funding Policy/Contributions

Article X, Section 29(E)(2)(a) of the State Constitution assigns to the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. TRSL, DARS, LCCRRF and ROVERS received revenue sharing and a percentage of ad valorem taxes collected by parishes. The revenue sharing, ad valorem taxes, and legislative acts income for these systems is included in the amount from non-employer contributing entities.

Contributions of employee, employer, and non-employer contributing entities effective for the year ended June 30, 2025, for the defined benefit pension plans in which the primary government is a participating employer were as follows (in thousands):

Defined Benefit Pension Plan	Active Member Contribution Percentage	Employer Contribution Percentage	Amount from Non-employer Contributing Entities*	Amount of State Contributions
LASERS	7.5% - 13.0%	35.4%	--	$704,256
LSPRS	8.5% - 9.5%	70.6%	--	$217,221**
TRSL	5.0% - 9.1%	20.9%-21.5%	$55,819	$584,448
LSERS	7.5% - 8.0%	25.8%	--	$346
DARS	8.0%	12.3%	$12,586	$4,015
LCCRRF	8.25%	23.0%	$14,908	$2,018
ROVERS	8.0%	18.0%	$4,490	$2,101

* This represents the collective amount of non-employer contributions by the pension system.
** Includes the required contributions as a percentage of payroll and supplemental appropriation of $148,771,996 from the State's fiscal year 2024 surplus.

Net Pension Liability

The State's (primary government) net pension liability at June 30, 2025, is composed of the entire net pension liability relating to the State's single-employer plan (LSPRS) and the State's proportionate share of the net pension liability relating to each of the cost-sharing plans in which the State is a participating employer (LASERS, TRSL, LSERS, DARS, LCCRRF, and ROVERS). The State's net pension liability for each plan was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportionate share of the net pension liability for each of the cost-sharing plans in which it participates was based on the State's required contributions in proportion to total contributions required for all employers. Since each plan operates in a trust and each plans' fiduciary net position is more than the amount of benefit payments expected to be paid within one year, there is no current portion of net pension liability recorded in the State's financial statements. The General Fund has typically been the fund used to liquidate the net pension liability for governmental activities.

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As of June 30, 2024, the most recent measurement date, the State's proportion for each cost-sharing plan and the change in proportion from the prior measurement date were as follows (in thousands):

	Cost-Sharing Plans						Single Employer Plan	
	LASERS	**TRSL**	**LSERS**	**DARS**	**LCCRRF**	**ROVERS**	**LSPRS**	**Total**
Portion (amount) of net pension liability	$4,484,427	$364,200	$1,560	$22,589	$13,165	$8,270	$370,685	$5,264,896
Proportion (%) of net pension liability	82.46%	4.22%	0.31%	47.00%	7.91%	75.1%	100%	
Increase/(Decrease) from prior measurement date	(0.06%)	0.01%	0.03%	(1.15%)	(0.03%)	(0.73%)	--	

Since the measurement date of the net pension liability was June 30, 2024, the net pension liability is based upon fiduciary net position for each of the plans as of June 30, 2024. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the State's net pension liability is available in the separately issued plan financial reports for Fiscal Year 2023-2024. These reports are available on the Louisiana Legislative Auditor's website at www.lla.la.gov.

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The following table presents the changes in net pension liability for each of the plans in which the State is a participating employer (in thousands):

	Cost-Sharing Plans						Single Employer Plan	
	LASERS	TRSL	LSERS	DARS	LCCRRF	ROVERS	LSPRS	Total
Plan collective total pension liability:								
Service cost	$243,719	$570,222	$51,125	$14,118	$18,049	$3,248	$22,898	$923,378
Interest	1,497,671	2,500,839	187,672	37,001	62,142	8,889	98,466	4,392,679
Changes in benefit terms	-	-	-	(118)	6,285	3,123	-	9,290
Differences between expected and actual experience	(48,103)	228,782	18,485	(2,594)	(3,968)	(1,544)	44,776	235,833
Changes in assumptions	76,030	0	(32,509)	-	-	-	(12,639)	30,882
Benefit payments and refunds/transfers of member contributions	(1,557,424)	(2,470,025)	(209,898)	(28,488)	(57,066)	(8,507)	(87,976)	(4,419,383)
Other changes in total pension liability	-	-	521	763	(23)	-	3,846	5,108
Net change in plan total pension liability	211,892	829,818	15,397	20,683	25,418	5,209	69,372	1,177,788
Plan total pension liability – beginning	21,192,522	35,159,120	2,811,720	606,117	958,772	143,163	1,435,238	62,306,652
Plan total pension liability – ending (a)	**21,404,414**	**35,988,938**	**2,827,117**	**626,799**	**984,190**	**148,372**	**1,504,610**	**63,484,440**
Plan collective fiduciary net position:								
Contributions - employer	966,275	1,357,917	104,112	8,426	24,754	2,705	64,416	2,528,605
Contributions - employee	186,150	429,106	29,230	5,626	8,134	976	7,347	666,569
Contributions - nonemployer contributing entities	-	51,912	-	11,881	13,868	3,784	-	81,446
Contributions - legislative acts	30,122	80,339	-	-	-	-	-	110,461
Net investment income	1,847,214	1,807,610	193,131	60,979	85,335	14,748	101,793	4,110,809
Benefit payments and refunds/transfers of member contributions	(1,557,424)	(2,470,025)	(209,898)	(28,488)	(57,066)	(8,507)	(87,976)	(4,419,383)
Administrative expense	(18,569)	(17,303)	(3,865)	(810)	(841)	(489)	(1,314)	(43,190)
Other changes in fiduciary net position	13,432	(4,017)	521	763	(23)	(6)	3,846	14,517
Net change in plan fiduciary net position	1,467,201	1,235,539	113,232	58,377	74,160	13,212	88,113	3,049,834
Plan fiduciary net position – beginning	14,498,994	26,119,733	2,206,734	520,361	743,647	124,158	1,045,811	45,259,440
Plan fiduciary net position – ending (b)	**15,966,194**	**27,355,272**	**2,319,967**	**578,738**	**817,808**	**137,371**	**1,133,924**	**48,309,274**
Plan collective net pension liability (a-b)	**5,438,220**	**8,633,666**	**507,150**	**48,061**	**166,383**	**11,001**	**370,685**	**15,175,166**
State's proportionate share of the plan's collective net pension liability	82.46%	4.22%	0.31%	47.00%	7.91%	75.17%	100%	
State's (primary government) net pension liability	**$4,484,427**	**$364,200**	**$1,560**	**$22,589**	**$13,165**	**$8,270**	**$370,685**	**$5,264,896**

Actuarial Assumptions. The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the primary government is a participating employer:

	LASERS	LSPRS	TRSL	LSERS	DARS	LCCRRF	ROVERS
Date of the experience study on which significant assumptions are based	7/1/18-6/30/23	7/1/18-6/30/22	7/1/17-6/30/22	7/1/17–6/30/22	7/1/14–6/30/19	7/1/14 - 6/30/19	7/1/14 - 6/30/19
Projected salary increases	2.4% - 15.3%	5.50%	2.4% - 4.9%	3.75%	5.0%	5.0% - 6.2%	5.25%
Inflation rate	2.40%	2.50%	2.40%	2.50%	2.20%	2.40%	2.30%
Projected benefit changes Including COLA	None	None	None	None	None	None	None
Long-term rate of return incorporated into discount rate	7.25%	6.95%	7.25%	6.80%	6.10%	6.55%	6.25%

Source of Mortality Assumptions

LASERS General active members – PubG-2010, adjusted by 1.055 for males and 1.034 for females with adjustments for expected future mortality improvement using the MP – 2021 Generational Improvement Scale.
General retiree/inactive members – PubG-2010, adjusted by 1.215, 1.277for females, , with adjustments for expected future mortality improvements of regular retirees using the MP – 2021 Generational Improvement Scale.
Disabled retirees – RP - 2000 Disabled Retiree Mortality Table, adjusted by 0.936 for males and 1.065 for females, with no projection for mortality improvement.

LSPRS Active members – Pub-2010 Public Retirement Plans Mortality Table Safety Below Median Employees, set at 100% for males and 105% for females, each with the full generational MP - 2021 scale.
Annuitants and beneficiaries - Pub-2010 Public Retirement Plans Mortatily Table for Safety Below Median Healthy Retiree, 100% for males and 105% for females, each with the full generational MP 2021 scale.
Disabled members – 100% of Pub-2010 Safety Disabled Retiree Sex Distinct Tables for males and 105% for females, with the full generational MP – 2021 scales.

TRSL Active members – Pub2010T-Below Median Employee tables, adjusted by 0.965 for males and by 0.942 for females.
Non-disabled retiree/inactive members – Pub2010T-Below Median Retiree tables, adjusted by 1.173 for males and by 1.258 for females.
Disability retiree mortality – Pub2010T- Disability tables, adjusted by 1.043 for males and by 1.092 for females.
These base tables are adjusted from 2010 to 2019 using the MP - 2021 generational improvement table, with continued future mortality improvement projected using the MP-2021 generational mortality improvement tables.

LSERS Active members – Pub-2010 General Below Median Employee Table, adjusted by 125% for males and 135% for females, each with the full generational MP-2021 scale.
Annuitants and beneficiaries – Pub-2010 General Below Median Healthy Retiree Table, adjusted by 125% for males and 135% for females, each with the full generational MP - 2021 scale.
Disabled members – Pub-2010 Non-Safety Disabled Retiree Table, adjusted by 125% for males and 135% for females, each with the full generational MP-2021 scale.

DARS Active members, annuitants and beneficiaries – Pub - 2010 Public Retirement Plans Mortality Table multiplied by 115% for males and for females, each with full generational projection for mortality improvement using the MP - 2019 scale.
Disabled retirees – Pub - 2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 115% for males and for females, each with full generational projection for mortality improvement using the MP - 2019 scale.

LCCRRF Active members, annuitants, and beneficiaries – Pub - 2010 Public Retirement Plans Mortality Table multiplied by 120% for males and for females, each with full generational projection using the MP - 2019 improvement scale.
Disabled retirees – Pub - 2010 Public Retirement Plans Mortality Table for Non-Safety Disabled Retirees multiplied by 120% for males and for females, each with full generational projection for mortality improvement using the MP - 2019 scale.

ROVERS Active members, annuitants, and beneficiaries – RP - 2010 Public Retirement Plans Mortality Table multiplied by 120% for males and for females, each with full generational projection for mortality improvement using the MP-2019 scale.
Disabled retirees – RP - 2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 120% for males and for females, each with full generational projection using the MP-2019 improvement scale.

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

In addition to providing pension benefits as described under the caption **"PENSION SYSTEMS"** herein, the State is required to provide certain medical, prescription drug and life insurance benefits to retirees, disabled retirees and their eligible beneficiaries through premium subsidies. The Office of Group Benefits ("*OGB*") administers the State's post-retirement benefit plan, a defined-benefit, multiple-employer post-employment benefit plan. Current employees who participate in an OGB health plan while active are eligible for plan benefits if they are enrolled in the OGB health plan immediately before the date of retirement and retire under one of the State retirement systems (LASERS, LSPRS, TRSL, or LSERS) or they retire from a participating employer that meets the qualifications in the Louisiana Administrative Code 32:3.303.

La. R.S. 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the State Legislature. La. R.S. 42:802, 42:821, and 42:851 provide the authority under which the obligations of the plan members, employers, and other contributing entities that contribute to the plan are established or may be amended.

OGB offers retirees four self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage also have access to three fully insured Medicare Advantage plans. Retired employees who have both Medicare Part A and Part B are also eligible to participate in Individual Medicare Market Exchange products through an exchange broker and receive $200/$300 health reimbursement arrangement (HRA) credits monthly.

Employer contributions are based on plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB plan (before or after January 1, 2002) and employee years of service at retirement. Employees who began participation or rejoined the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer is based on the following schedule:

OGB Participation	Employer Contribution Percentage	Retiree Contribution Percentage
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retirees and spouses of retirees subject to maximum values. Employers pay approximately 50% of monthly premiums for individual retirees. The retiree is responsible for 100% of the premium for dependents.

The plan does not issue a stand-alone financial report.

Funding Policy

The plan is funded on a "pay-as-you-go basis" in that the cost of benefits are generally funded as they are paid and not on an actuarial basis. The State maintains an operating cushion in the OGB Fund and manages the program consistent with the broader State budget objective of maintaining a balance between recurring revenues and expenditures. Budget, cash-management, and accounting processes for OGB identify and segregate OGB funds. Cash balances in certain OGB accounts are not permitted to be used for daily General Fund operating cash liquidity needs. On a GAAP-basis, the General Fund Balance committed for OGB totaled $534 million as of June 30, 2025, up from $92.1 million as of June 30, 2015, reflecting policies that have contained benefit costs and closely managed premium levels. The OGB Policy and Planning Board, in consultation with its actuary, projects premium rates annually and closely monitors actual costs.

Total OPEB Liability

The total OPEB liability of the OGB plan of $7,763,040,000 was measured as of July 1, 2024, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in July 1, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40 percent
Salary increases	Consistent with the pension valuation assumptions disclosed in Pension Systems section.
Discount rate	Current valuation: 3.93 percent based on the June 30, 2024, Bond Buyer 20 index rate
Healthcare cost trend rates	**Post-Medicare** 7.50 percent for 2025, decreasing 0.50 percent per year to 6.50 percent in 2027, then decreasing by variable rates to an ultimate rate of 4.5 percent in 2035 and later years.

	Pre-Medicare: 8.5 percent for 2025, thereafter decreasing 0.25 percent per year to 7.5% in 2029 then decreasing by 0.50 percent per year to an ultimate rate of 4.5 percent in 2035 and later years The initial trend rate was developed using the National Health Care Trend Survey; the ultimate trend is developed on a building block approach which considers Consumer Price Index, Gross Domestic Product, and technology growth. The retiree contribution trend: Same as medical and drug trend.
Healthcare claims cost	Per capita costs for the self-insured plans were based on medical and prescription drug claims for retired participants for the period January 1, 2023, through December 31, 2024. The claims experience was trended to the valuation date. Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2025 premiums adjusted to the valuation date using the trend assumptions above. Per capita costs were adjusted for expected age-related differences in morbidity applicable to retirees, except for costs for the HRA plan, which provides a flat monthly subsidy.
Actuarial cost method	Entry Age Normal, level percentage of pay
Estimated remaining service lives	4.5
Basis for assumptions	The actuarial assumptions used by the four state pension plans covering the same participants were used for retirement, termination, disability, and salary scale assumptions.
Age related Morbidity	Per capita costs are adjusted to reflect expected cost differences due to age and gender.
Mortality	Mortality assumptions are consistent with the pension plans' assumptions disclosed in the "**PENSION SYSTEMS**" section above.
Participation Rate	Medical: Active employees who do not have current medical coverage are assumed not to participate in the medical plan as retirees. The percentage of employees and their dependents who are currently covered for medical coverage that are assumed to participate in the retiree medical plan is outlined in the table below. This assumption is based on a review of OPEB experience from July 1, 2021, through June 30, 2024. To be eligible for coverage, the participant's coverage must be in effect immediately prior to retirement. Active participants who have been covered continuously under the OGB medical plan since before January 1, 2002, are assumed to participate at a rate of 88%. This rate assumes that a one-time irrevocable election to participate is made at the time of retirement.

Years of Service	Participation %
<10	33%
10-14	60%
15-19	80%
20+	88%

Life Insurance: Future retirees are assumed to participate in the life insurance benefit at a 36% rate. This assumption is based on a review of OPEB experience from July 1, 2021, through June 30, 2024. Future retirees are assumed to elect a total of $45,000 in basic life insurance and supplemental life insurance coverage, before any age reductions. Spouses are assumed to elect $2,000 of coverage.

Changes in the Total OPEB Liability of OGB Benefit Plan (in thousands):

	Primary Government	Component Units
Balance at 6/30/24	$ 5,299,114	$ 1,811,603
Changes for the year:		
Service cost	$ 101,772	$ 34,829
Interest	218,181	74,668
Differences between expected and actual experience	57,709	19,750
Changes in assumptions and other inputs	348,072	119,186
Changes in proportion	(6,565)	(339)
Differences in employers' proportionate share of collective benefit payments and employers' actual benefit payments	(1,131)	1,840
Benefit payments	(233,460)	(82,189)
Net Changes	484,578	167,745
Balance at 6/30/25	$ 5,783,692	$ 1,979,348

The Louisiana State University System, a discretely presented component unit of the State, offers its eligible employees, retirees, and their beneficiaries the opportunity to participate in one of two OPEB plans affording healthcare and life insurance. One offering is the State of Louisiana Post-Retirement Benefit Plan (the "*OGB Plan*"), which has already been discussed in this section and the other is the LSU Health Plan (the "*LSU Plan*"). The LSU Plan is also offered to members of the State House of Representatives, the Senate, the Louisiana Legislative Auditors Office, the Legislative Fiscal Office, and the Legislative Budgetary Control Council, which are primary government entities. Therefore, some participants of the LSU Plan are currently employees of the primary government. Since participation in the LSU Plan by primary government employees is limited and not material, the LSU Plan is identified as a single employer defined benefit healthcare plan. There are no assets accumulated in a trust that meet the criteria of paragraph 4 of GASB Statement 75.

Benefit provisions are established or may be amended under the authority of La. R.S. 42:851.

Employer contributions are based on LSU Plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB plan (before or after January 1, 2002) and employee years of service at retirement. Employees who begin participation or rejoin the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or

after January 1, 2002, the percentage of premiums contributed by the employer is based on the following schedule:

Health Plan Participation	Employer Contribution Percentage	Retiree Contribution Percentage
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

The LSU Plan does not issue a stand-alone financial report.

Funding Policy

The LSU Plan is financed on a pay-as-you-go basis under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due. The pay-as-you-go expense is the net expected cost of providing retiree benefits. This expense includes all expected claims and related expenses and is partially offset by retiree contributions.

Total OPEB Liability

The total OPEB liability of the LSU Plan of $706,860,000 was measured as of June 30, 2025, and was determined rolling forward the OPEB liability valuation as January 1, 2024, to the measurement date, using the same census data with certain changes to assumptions.

Actuarial assumptions and other inputs. The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0 percent
Actuarial cost method	Entry Age Normal, level percentage of pay
Payroll growth rate	Payroll growth was based on salary increase assumptions consistent with TRSL and LASERS 2023 actuarial valuations. (see "**PENSION SYSTEMS**" above).
Discount rate	Current valuation: 5.20 percent based on Bond Buyer 20-Bond GO Index
Healthcare cost trend rates	**Post-Medicare:** 6.45 percent for 2025, thereafter decreasing 0.30 percent per year through 2033 and 0.10 percent thereafter to an ultimate rate of 4.0 percent **Pre-Medicare:** 7.45 percent for 2025, thereafter decreasing 0.30 percent per year through 2033 and 0.10 percent thereafter to an ultimate rate of 4.0 percent
Mortality rates	**Non-Disabled Lives:** Pub-2010, headcount weighted mortality table with generational scale MP-2021 applied specifically for teachers, general and safety personnel. **Disabled Lives:** Pub-2010 headcount weighted mortality table with generational scale MP-2021 applied specifically for teachers, general and safety personnel.

Per capita health claim costs — LSU Health Plan has two Options, 1 and 3. Expected retiree claim costs were developed using 24 months of historical claim experience through January 2024 for Option 1. For Option 3, per capita claim costs are developed by applying age adjustments to the current fully insured premiums. A blend of both active and retiree data was utilized, and age adjusted.

Participation rate — The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that all employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan based off of the years of service each employee has worked.

Sample rates for each year of service are provided below:

Years of Service	Participation %
<10	30%
10-14	45%
15-19	65%
20+	80%

Estimated remaining service lives — 6.3

Termination and retirement tables — Based on the withdrawal assumptions and retirement age probabilities consistent with TRSL and LASERS 2023 actuarial valuations.

Changes in the Total OPEB Liability of the LSU Plan (in thousands):

	Primary Government	Component Units
Balance at 6/30/24	$ 63,108	$ 786,864
Changes for the year:		
Service cost	$ 2,041	$ 22,656
Interest	2,523	31,313
Changes in assumptions or other inputs	(12,939)	(161,326)
Benefit payments	(1,873)	(25,507)
Net changes	(10,248)	(132,864)
Balance at 6/30/25	$ 52,860	$ 654,000

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CERTAIN INFORMATION REGARDING THE LOUISIANA ECONOMY

Louisiana is a resource-rich state and a major center of petrochemical manufacturing, domestic petroleum and refined petroleum products, natural gas, forest products, and seafood. The production of liquefied natural gas ("*LNG*") has been a key driver of State infrastructure investment in recent years.

Louisiana covers an area of 52,378 square miles, of which 9,174 are water (US Census Bureau, 2019). The State's location makes it the natural gateway into the heavily industrialized Mississippi River Valley and the logical point of export for much of the U.S. The State's resources and key location have made it a region favored by international investors.

The State's population (4.598 million) is predominantly urban, with over 84 percent of its citizens living in ten metropolitan statistical areas ("*MSAs*"). These include New Orleans, a major port and tourist destination with its famous food, music, culture, cruise ships and convention facilities; Baton Rouge, the State capital and a center of education, government, petrochemical production and petroleum refining; Shreveport, the commercial, distribution and manufacturing center of northwest Louisiana; Lafayette, the oil and gas center and unofficial capital of Acadiana and Cajun and Creole culture; Alexandria, central Louisiana's wood products, agriculture and distribution center; Monroe, the manufacturing, distribution and commercial center of northeastern Louisiana; Lake Charles, the major petrochemical, agricultural and port city in southwestern Louisiana; Houma/Bayou Cane/Thibodaux, the oil exploration, seafood and agricultural center of the southern coastal region of the State; Hammond, a regional medical and distribution center and home to Southeastern Louisiana University; and St. Tammany, a connected community with outdoor experiences, historic downtowns and multiple medical facilities.

The State's climate, unique natural landscapes, culture, and people attract tourists from all parts of the world, making tourism one of the State's largest industries. Louisiana's tourist attractions include outstanding hunting and freshwater and deep-water fishing; thousands of miles of rivers and bayous and hundreds of lakes for boating, water skiing, sailing, camping, hiking and canoeing and various historical sites and attractions. The State also attracts major sporting events including the annual Sugar Bowl, a college football postseason game, and has hosted the National Football League's championship game, the Super Bowl ten times, and the college football national championship game five times.

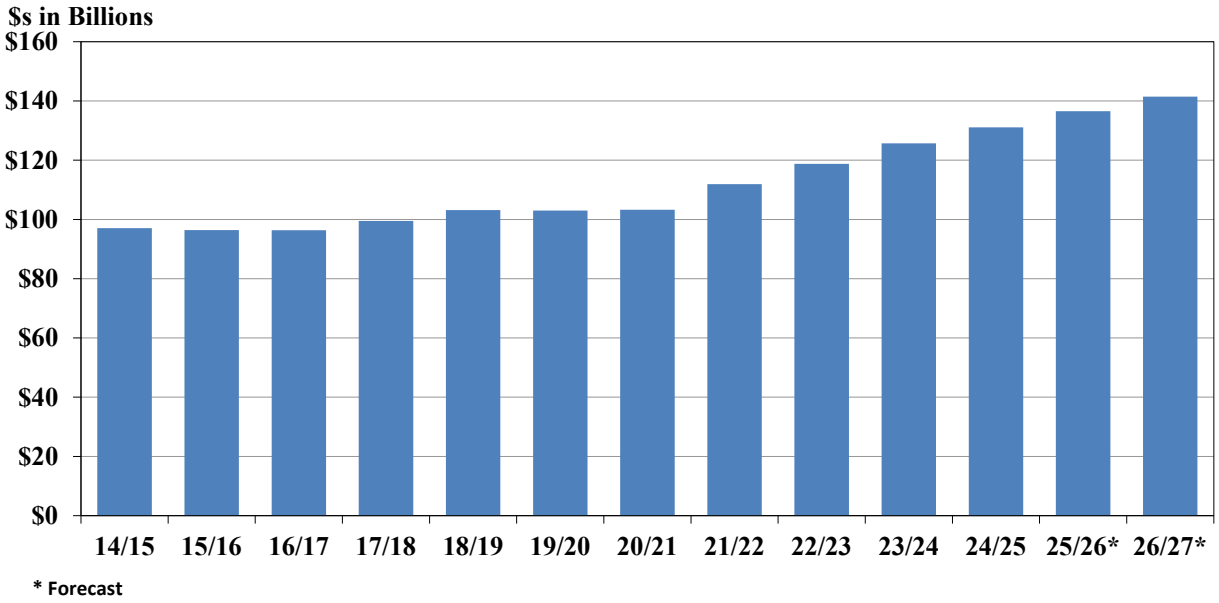
Louisiana Economic Trends

During Fiscal Year 2018-2019, employment reached a number of close to two million people employed; a recovery from a decline that began in Fiscal Year 2015-2016 and continued through Fiscal Year 2016-2017. This recovery was abruptly interrupted by the COVID-19 pandemic's emergence in March 2020, when widespread unemployment developed in the State, and across the globe. State employment fell suddenly, from a February 2020 peak of 1.99 million jobs to an April 2020 low of 1.7 million jobs, a loss of about 286,000 jobs, or 14.3%. The most affected sectors were Leisure & Hospitality and Arts & Entertainment, sectors that depend on tourism (which dropped almost to zero) and have many independent businesses that had to reduce activity or shut down. As of August 2025, total State non-farm employment surpassed the pre-COVID peak, with just over two million people employed. This represents a gain of 295,900 jobs from the trough of the pandemic.

State nominal wages had been steadily increasing in the fiscal years before 2019-2020, reaching an annual increase of 4.4% in Fiscal Year 2014-2015. However, as the job market entered a recession, nominal wages fell by 0.6% in Fiscal Year 2015-2016 and there were no changes in Fiscal Year 2016-2017. The next two years saw a recovery, with nominal wages growing by 3.2% in Fiscal Year 2017-2018 and 3.7% in Fiscal Year 2018-2019. The COVID-19 pandemic brought this growth to a halt, and nominal wages fell by 0.2% in Fiscal Year 2019-2020. As the global economy recovered, in Fiscal Year 2021-2022 nominal wages

increased by 8.3%, 6.1% in Fiscal Year 2022-2023 5.9% in Fiscal Year 2023-2024 and 4.3% in Fiscal Year 2024-2025. Moody's Analytics projects an increase in nominal wages for the Fiscal Years 2025-2026 and 2026-2027 of 4.1% and 3.6% respectively.

TOTAL LOUISIANA WAGES



Source: Moody's Analytics

The composition of employment by goods-producing and service producing sectors is presented in the table below. As of Fiscal Year 2024-2025, approximately 84% of the State's 1.99 million jobs were in service producing sectors and the balance in goods-producing sectors.

Louisiana Employment (Thousands, SA)

	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026 Forecast	FY 2026-2027 Forecast
Statewide Nonfarm Employment	**1,949**	**1,971**	**1,992**	**2,002**	**1,998**
Goods Producing	**299**	**306**	**310**	**309**	**307**
Natural Resources & Mining	32	31	29	29	28
Construction	130	135	139	137	136
Total Manufacturing	138	140	142	144	143
Service Providing	**1,650**	**1,665**	**1,682**	**1,693**	**1,691**
Trade, Transportation & Utilities	375	372	373	371	371
Information	21	19	19	19	19
Financial Activities	97	97	95	93	94
Professional & Business Services	221	220	221	222	223
Education & Health Services	330	341	349	360	360
Leisure & Hospitality	219	222	225	228	226
Other Services (except Public Administration)	73	74	76	76	76
Total Government (all levels)	314	320	323	323	321

Source: Moody's Analytics

The State has long had a significant manufacturing base. The largest manufacturing sectors, in terms of employment, are chemicals, fabricated metal, food, machinery, petroleum refining, transportation equipment, wood products, paper, and nonmetallic mineral products. Total manufacturing employment in Fiscal Year 2024-2025 was 142,000. Moody's Analytics projects Government employment in Fiscal Year 2025-2026 to total 323,000, including State, local and federal. Much of the federal employment is at military facilities, including the Army's Fort Polk in Leesville, Barksdale Air Force Base in Bossier City, and the Naval Air Station in Belle Chasse.

The State supports one of the most diverse aquaculture and fishery industries in the nation. The harvest of marine freshwater and marine fish and shellfish in Louisiana continues to be economically significant.

Trends in Employment Distribution by Sector

The table below presents the distribution of employment in the State by major sectors in 2011 and 2024. Over time, the State economy has become less concentrated in the oil and gas sector. Employment in oil and gas extraction is captured in the "mining" sector in the table below and declined from 2.9% of employment in 2011 to 1.5% in 2024. The manufacturing sector below includes chemical manufacturing, which employs a similar number of workers as the mining category.

	% of State Employment	
Supersector	**2011**	**2024**
Mining	2.9%	1.5%
Construction	6.4%	7.0%
Manufacturing	7.3%	7.1%
Wholesale Trade	3.8%	3.4%
Retail Trade	11.6%	10.8%
Transportation & Utilities	4.3%	4.5%
Information	1.2%	1.0%
Financial Activities	4.8%	4.8%
Professional & Business Services	10.2%	11.1%
Education & Health Services	14.5%	17.4%
Leisure & Hospitality Industries	10.5%	11.3%
Other Services	3.5%	3.8%
Government at all Levels	18.9%	16.2%

Source: Bureau of Labor Statistics

Mining sector employment has been declining for some time. At the same time, the petrochemical sector, which benefits from low natural gas prices, has taken on a greater role in the State economy.

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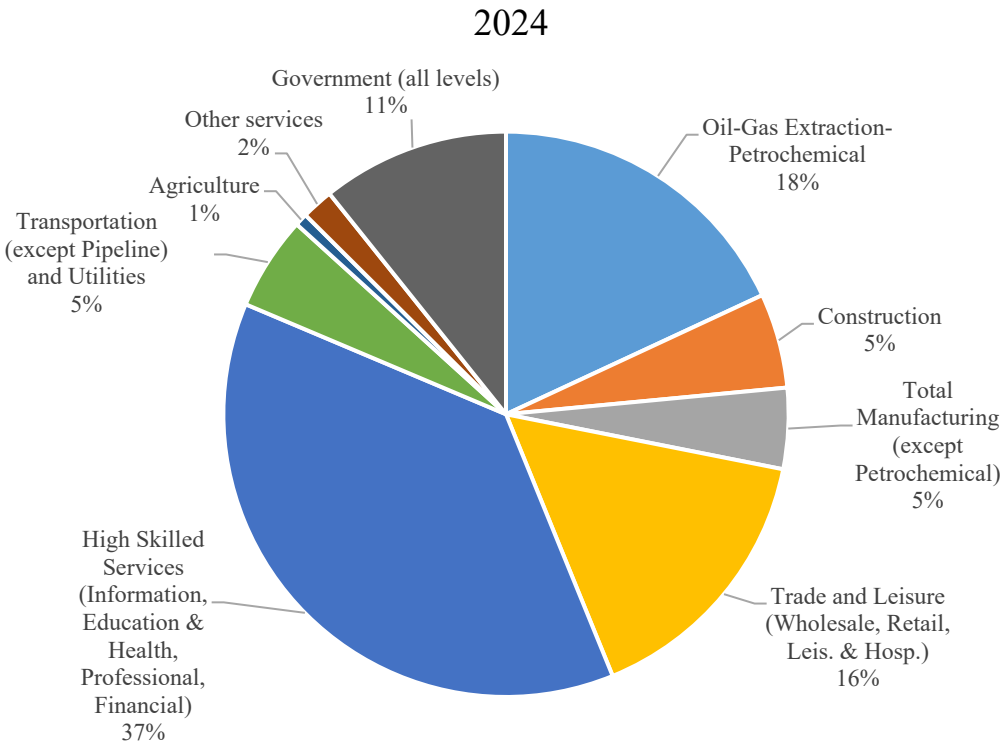
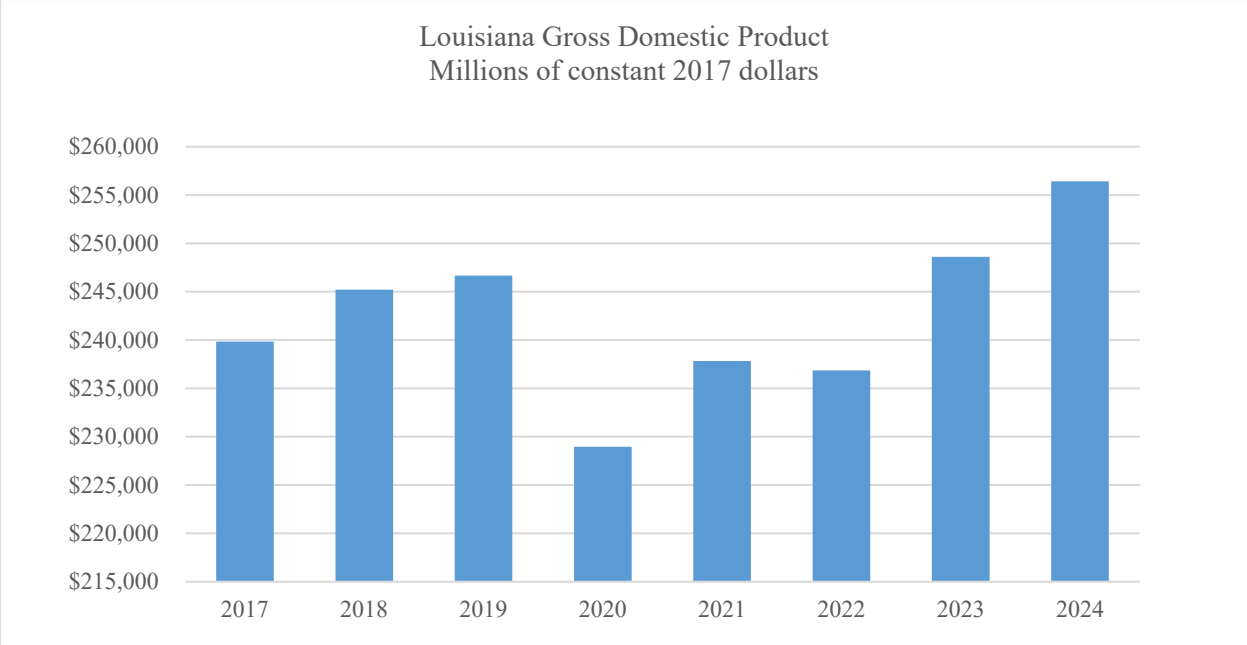
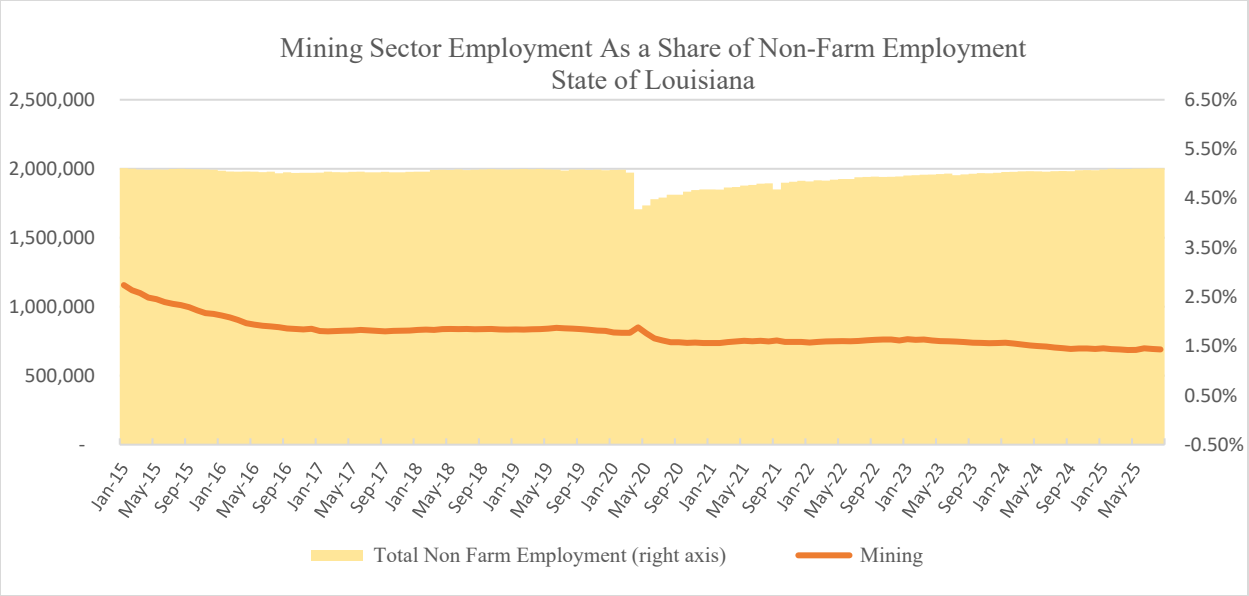
Louisiana Gross Domestic Product Composition



Source: Bureau of Economic Analysis



Source: Bureau of Economic Analysis

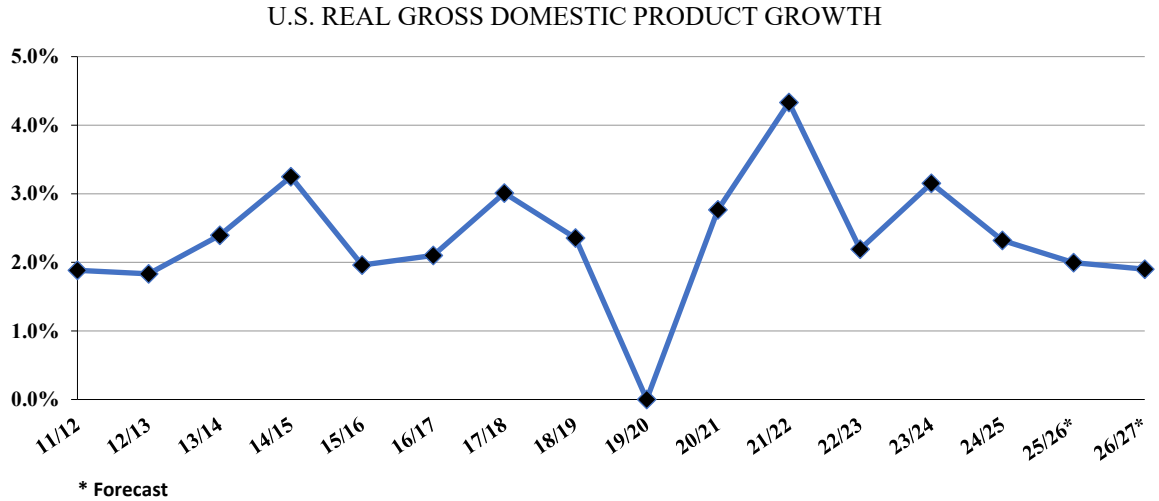


Source: Bureau of Labor Statistics

Economic Outlook

National Economic Forecast

In the fiscal years before the COVID-19 pandemic hit, the U.S. economy was expanding at a steady pace. For example, in Fiscal Year 2017-2018 U.S. real GDP expanded by 3%, and the following year by 2.4%. In Fiscal Year 2019-2020, the COVID-19 pandemic hit, and the economy came to a grinding halt in the first quarter of calendar year 2020 (third quarter of Fiscal Year 2019-2020). Data shows U.S. real GDP fell by an annualized rate of 5.1% in the first quarter of 2020 and 31.2% (annualized) in the second quarter (April to June) of the same year. In the third quarter of calendar 2020, the economy recovered, growing at an annualized rate of 33.8%, and in the third quarter, U.S. real GDP grew by another 4.5%. The opening of the economy reflects this fact. There was an increase in U.S. real GDP of 4.3% in Fiscal Year 2021-2022, of 2.2% in Fiscal Year 2022-2023, 3.2% in Fiscal Year 2023-2024 and 2.3% in Fiscal Year 2024-2025. Moody's Analytics forecasts that in Fiscal Year 2025-2026, U.S. real GDP will grow by 2.0% and in the following fiscal year by 1.9%.



Source: Moody's Analytics and Bureau of Economic Analysis

Louisiana Economic Forecast

The State's historical results and forecasts for major economic indicators are presented in the table below. Consistent with the national economic forecast, Moody's Analytics projects an increase in State Non-Agricultural employment in Fiscal Years 2024-2025 and 2025-2026.

LOUISIANA ECONOMIC FORECAST SUMMARY
BY FISCAL YEAR END JUNE 30

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026*	FY 2027*
Macroeconomic Assumptions						
Population (Thousand)	4,605.7	4,587.8	4,594.1	4,590.5	4,575.4	4,558.8
% Change	*-0.7%*	*-0.4%*	*0.1%*	*-0.1%*	*-0.3%*	*-0.4%*
Louisiana Non-Agricultural Employment (Thousand)	1,905.0	1,949.1	1,971.4	1,992.4	2,001.9	1,997.9
% Change	*3.3%*	*2.3%*	*1.1%*	*1.1%*	*0.5%*	*-0.2%*
National Non-Agricultural Employment (Million)	149.8	154.5	157.0	158.8	159.8	160.1
% Change	*4.8%*	*3.2%*	*1.6%*	*1.2%*	*0.6%*	*0.2%*
Louisiana Wages and Salaries ($ Billion)	111.9	118.7	125.7	131.1	136.5	141.4
% Change	*8.3%*	*6.1%*	*5.9%*	*4.3%*	*4.1%*	*3.6%*
National Wages and Salaries ($ Billion)	10,774.4	11,431.3	12,068.9	12,704.7	13,286.4	13,813.2
% Change	*9.7%*	*6.1%*	*5.6%*	*5.3%*	*4.6%*	*4.0%*
Inflation (Personal Consumption Deflator - Year 2017 = 100)	112.6	118.7	122.1	125.2	128.6	132.2
% Change	*6.0%*	*5.4%*	*2.9%*	*2.5%*	*2.7%*	*2.7%*
Annual Change in U.S. Real Gross Domestic Product	4.3%	2.2%	3.2%	2.3%	2.0%	1.9%
Mineral-Related Assumptions						
Severance Crude Oil Price ($/barrel)	87.78	81.20	82.15	72.60	65.09	63.94
% Change	*73.5%*	*-7.5%*	*1.2%*	*-11.6%*	*-10.3%*	*-1.8%*
Oil Production (Million Barrels)	35.0	36.0	34.0	29.0	27.0	27.0
% Change	*-2.8%*	*2.9%*	*-5.6%*	*-14.7%*	*-6.9%*	*0.0%*
Henry Hub Natural Gas Price ($/MCF)	5.21	3.25	2.19	3.13	3.84	4.18
% Change	*114.4%*	*-37.6%*	*-32.6%*	*42.9%*	*22.7%*	*8.9%*
Natural Gas Severance Rate (¢/MCF)	9.1	17.7	25.1	9.8	10.5	15.7
Natural Gas Production (Million MCF)	3,500.0	4,000.0	4,200.0	3,500.0	3,500.0	3,800.0
% Change	*12.9%*	*14.3%*	*5.0%*	*-16.7%*	*0.0%*	*8.6%*

* Forecast

Source: Division of Administration, Moody's Analytics, and Bureau of Economic Analysis

Additional information regarding tourism in the State may be found at http://www.crt.State.la.us/tourism/louisiana-research/.

Economic Development and Recent Project Announcements

Information regarding the State's economic development efforts and recent project announcements may be viewed at http://www.louisianaeconomicdevelopment.com.

Employment and Major Industries

Information regarding employment and major industries may be obtained from the Workforce Commission at http://www.laworks.net/, the U.S. Bureau of Labor Statistics, the U.S. Census Bureau and the U.S. Bureau of Economic Analysis.

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PART II

GENERAL PURPOSE FINANCIAL DATA, DEBT INFORMATION AND LITIGATION UPDATE, INCLUDING BY REFERENCE THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2025

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PART II

GENERAL PURPOSE FINANCIAL DATA, DEBT INFORMATION AND LITIGATION UPDATE, INCLUDING BY REFERENCE THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2025

PART II contains certain information concerning the State of Louisiana (the "State"), including the State's general purpose financial data, debt information and litigation update, including, by reference, the Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2025. PART II has been supplied by the State to provide additional information about the financial condition of the State. The State intends to update and supplement such information (the "Annual Information Statement") on an annual basis; the State reserves the right to change the format to reflect changed conditions. Furthermore, in addition to financial information and operating data described, Part I includes narrative and contextual information describing current or recent events and other matters which may or may not be updated and/or supplemented from year to year in the Annual Information Statement, depending on the relevance of such information at the time it is filed with EMMA, as hereinafter described.

The Annual Information Statement will be filed with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system and will be updated annually. An electronic copy of the Annual Information Statement will be accessible through the EMMA system at www.emma.msrb.org. An official copy of the Annual Information Statement may be obtained by contacting the State Bond Commission, P.O. Box 44154, Baton Rouge, Louisiana 70804; telephone: (225) 342-0040.

PART II CONTAINS STATEMENTS THAT ARE "FORWARD-LOOKING STATEMENTS" AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN PART II, SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "ESTIMATE", "INTENT", "PLAN", "ENABLE", "ANTICIPATE", "PROJECT", "BUDGET", "EXPECT" AND OTHER SIMILAR EXPRESSIONS WHICH ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. THE ACHIEVEMENT OF CERTAIN RESULTS OR EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.

GENERAL

Accounting practices of the State are conducted in accordance with statutory requirements, and financial statements are in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standard Board (GASB).

In accordance with the accounting practices outlined above, the basic financial statements of the State include the government-wide financial statements, the fund financial statements and notes to the basic financial statements. The government-wide statements consist of a Statement of Net Position and a Statement of Activities. These statements are prepared using the economic resources measurement focus and accrual basis of accounting, with revenues recognized in the period earned and expenses recognized in the accounting period in which the associated liability is incurred. Major revenues such as sales tax, general severance tax, gasoline tax, inspection fees, and tobacco tax are assessed and collected so they can be accrued accordingly. All assets, including buildings, movable property, and infrastructure, as well as all liabilities, are reported on the government-wide statements. Liabilities include judgments, general obligation debt, post-employment benefits (pensions and health insurance) and compensated leave. Fiduciary activities are excluded from the government-wide statements.

The governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances, with one column for the General Fund, one for each of the major funds, and one column combining all the non-major governmental funds. The statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period, generally considered 45 days after the end of the fiscal year, except for federal grants, which generally are considered available for 12 months after the end of the fiscal year. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest payments on general long-term liabilities, which are recognized when due.

Annual Comprehensive Financial Report

The most recent Annual Comprehensive Financial Report, which may be viewed at https://www.doa.la.gov/doa/osrap/annual-financial-report/, has been audited by the Legislative Auditor of the State as set forth in his opinion report dated December 30, 2025. The Legislative Auditor's report is included in the Annual Comprehensive Financial Report. Such audited financial statements, including the notes thereto, should be read in their entirety.

Bond Security and Redemption Fund

Article VII, Section 9(B) of the State Constitution directs the deposit of State revenues described in Article VII, Section 9(A) of the State Constitution to the payment of debt service for all obligations secured by the full faith and credit of the State, which become due and payable within the current fiscal year. State revenues that are subject to this requirement are immediately credited to the Bond Security and Redemption Fund and then to the General Fund or applicable statutorily dedicated fund if not required for payment of debt service.

General Fund

The General Fund is the principal operating fund of the State and was established administratively to provide for the distribution of funds appropriated by the Legislature for the ordinary expenses of State government. Revenue is provided from the direct deposit of federal grants and the transfer of State revenues from the Bond Security and Redemption Fund after general obligation debt service requirements are met, and transfers are made into statutorily dedicated funds. For the GAAP presentation of the General Fund in the Annual Comprehensive Financial Report, statutorily dedicated funds that are not reported as special revenue funds (see below) are included in the General Fund. The proceeds for statutorily dedicated funds are legally restricted or committed to expenditures of a specific purpose.

Special Revenue Funds

The special revenue funds are statutorily dedicated funds that account for the proceeds of certain revenues that are legally restricted or committed to expenditures of a specific purpose. For a fund to qualify for reporting as a special revenue fund in the Annual Comprehensive Financial Report, the fund must have direct deposits of revenue in addition to any transfers from the Bond Security and Redemption Fund.

Capital Project Funds

Capital Project funds account for all financial resources segregated for the acquisition or construction of major general government capital projects.

CASH MANAGEMENT

Since the implementation of the central cash management system, the State Treasurer has been able to invest surplus funds not required for immediate expenditure. Major emphasis is placed on effective cash planning to ensure that adequate cash is available to meet needs as they arise. Highest priority is given to expediting the processing of receipts for immediate deposit in the State's accounts to maximize cash available for investment. A Statewide network of deposit accounts in local banks and wire transfers to the State depository banks provide timely receipt and deposit of State and federal funds to the State Treasurer's central depository account. Since warrants are not paid until presented to the State Treasurer, it is possible to maximize investment return on available funds.

AUDIT PRACTICES

Article III, Section 11 of the State Constitution created the Office of Legislative Auditor, who is responsible solely to the Legislature and serves as its fiscal advisor. The Legislative Auditor performs the duties and functions provided by law related to auditing fiscal records of the State, its agencies and political subdivisions. The Legislative Auditor serves at the will of the Legislature with no fixed term.

Under the provisions of La. R.S. 24:513, the Legislative Auditor has authority to examine and audit the books and accounts of the State Treasurer as well as all public boards and commissions or any agency or department or political subdivision of the State or any public official or employee. The scope of his examinations may include certification of financial accountability, legal compliance and evaluations of the economy, efficiency, and effectiveness of the entity being audited. He is required to prepare and, on the first day of each regular session of the Legislature, submit to the Governor and the Legislature his report on the financial statements of the State. See the Independent Auditor's report for the Fiscal Year ending June 30, 2025 in the State's Annual Comprehensive Financial Report, which may be viewed at https://www.doa.la.gov/doa/osrap/annual-financial-report/, and has been audited by the Legislative Auditor of the State as set forth in his opinion report dated December 30, 2025. Such audited financial statements, including the notes thereto, should be read in their entirety.

GENERAL FUND AND BOND SECURITY AND REDEMPTION FUND

With respect to the General Fund and the Bond Security and Redemption Fund, the following six tables set forth for Fiscal Years 2020-2021 through 2024-2025 (i) General Fund comparative balance sheet and comparative statement of revenues, expenditures, and changes in fund balances, (ii) Bond Security and Redemption Fund comparative balance sheet and comparative statement of revenues, expenditures, and changes in fund balances, and (iii) the combined General Fund and Bond Security and Redemption Fund comparative balance sheet and comparative statement of revenues, expenditures, and changes in fund balances. The figures reflected in the tables come from the Annual Comprehensive Financial Reports and the Supplement to the Annual Comprehensive Financial Report which may be viewed at https://www.doa.la.gov/doa/osrap/annual-financial-report/.

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GENERAL FUND
COMPARATIVE BALANCE SHEET AT JUNE 30, 2021, THROUGH JUNE 30, 2025
(EXPRESSED IN THOUSANDS)

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
ASSETS					
CASH & INVESTMENTS	19,152,792	18,181,717	16,043,120	13,095,587	8,694,195
RECEIVABLES (NET)	855,226	1,040,606	964,093	913,697	724,045
DUE FROM BOND SECURITY & REDEMPTION FUND	1,665,198	1,762,202	1,884,467	2,271,823	1,311,618
DUE FROM OTHER FUNDS	95,104	51,296	62,666	154,851	173,050
AMOUNTS DUE FROM COMPONENT UNITS	265	288	4,462	24,738	12,407
DUE FROM FEDERAL GOVERNMENT	4,229,084	3,645,905	3,774,134	3,534,830	3,002,013
INVENTORIES	89,315	84,401	106,182	156,615	132,459
PREPAYMENTS	210,686	230,585	217,548	218,617	126,501
OTHER ASSETS	--	1	1	1	1
TOTAL ASSETS	**26,297,670**	**24,997,001**	**23,056,673**	**20,370,759**	**14,176,289**
LIABILITIES:					
ACCOUNTS PAYABLE	3,841,539	2,332,542	2,696,292	2,213,042	2,311,086
TAX REFUNDS PAYABLE	--	--	--	33,975	24,877
UNCLAIMED PROPERTY LIABILITY	405,356	347,233	286,614	270,258	270,519
DUE TO BOND SECURITY & REDEMPTION FUND	463,707	747,527	736,961	1,108,148	491,018
DUE TO OTHER FUNDS	418,498	366,711	662,357	1,431,639	277,602
AMOUNTS DUE TO COMPONENT UNITS	73,949	79,733	86,578	85,322	58,306
DUE TO FEDERAL GOVERNMENT	580,924	708,507	724,610	889,293	729,396
DUE TO LOCAL GOVERNMENTS	1,231,776	1,879,470	1,664,995	1,261,923	1,224,440
OBLIGATIONS UNDER SECURITIES LENDING PROGRAM	7,866,805	7,522,813	6,945,599	5,530,732	1,173,459
UNEARNED REVENUES	827,422	1,363,569	1,457,674	2,196,734	3,109,831
ESTIMATED LIABILITY FOR CLAIMS	134,058	116,174	72,004	82,478	85,226
OTHER LIABILITIES	7,229	10,911	4,788	626	53,671
TOTAL LIABILITIES	**15,851,263**	**15,475,190**	**15,338,472**	**15,104,170**	**9,809,431**
DEFERRED INFLOWS OF RESOURCES:					
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	477	447	490	1,344	1,145
TOTAL DEFERRED INFLOWS OF RESOURCES	**477**	**447**	**490**	**1,344**	**1,145**
FUND BALANCES:					
NONSPENDABLE	188,400	149,423	191,212	201,047	170,495
RESTRICTED	6,656,401	6,447,239	5,488,007	3,000,414	2,219,957
COMMITTED	2,759,525	2,187,979	1,817,088	1,965,105	1,680,551
ASSIGNED	369,890	378,444	221,404	98,679	294,710
UNASSIGNED	471,714	358,279	--	--	--
TOTAL FUND BALANCES	**10,445,930**	**9,521,364**	**7,717,711**	**5,265,245**	**4,365,713**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**26,297,670**	**24,997,001**	**23,056,673**	**20,370,759**	**14,176,289**

Source: Annual Comprehensive Financial Reports

GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2021, THROUGH JUNE 30, 2025
(EXPRESSED IN THOUSANDS)

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
REVENUES:					
INTERGOVERNMENTAL REVENUES	22,482,784	23,766,628	25,638,665	22,645,959	20,134,839
USE OF MONEY & PROPERTY:					
MINERAL RESOURCES	717	1,050	1,167	1,413	805
INTEREST INCOME	44,245	16,397	9,882	(5,593)	14,129
OTHER	5,944	3,256	1,878	174	49
LICENSES, PERMITS & FEES	26,794	25,726	24,527	25,365	25,175
SALES OF COMMODITIES & SERVICES	8,287	8,334	8,014	8,354	8,110
OTHER	211,758	294,140	267,088	198,636	251,324
TOTAL REVENUES	**22,780,529**	**24,115,531**	**25,951,221**	**22,874,308**	**20,434,431**
EXPENDITURES:					
GENERAL GOVERNMENT	3,043,668	2,560,330	3,060,999	2,734,564	3,274,230
CULTURE, RECREATION & TOURISM	131,385	138,504	148,063	145,939	122,842
TRANSPORTATION & DEVELOPMENT	118,248	85,157	53,575	643,148	654,118
PUBLIC SAFETY	2,179,798	2,941,445	3,399,150	3,378,750	2,132,435
HEALTH & WELFARE	22,876,502	22,693,766	22,621,361	20,659,436	18,873,290
CORRECTIONS	1,055,242	957,986	919,869	882,129	851,980
YOUTH DEVELOPMENT	182,471	172,587	153,050	129,462	129,285
CONSERVATION & ENVIRONMENT	463,496	448,485	387,612	341,577	346,740
EDUCATION	8,116,637	8,852,384	8,471,399	7,867,993	6,782,581
AGRICULTURE & FORESTRY	201,694	190,523	151,138	186,941	160,316
ECONOMIC DEVELOPMENT	311,344	267,910	231,897	215,134	192,972
MILITARY & VETERANS AFFAIRS	203,476	193,716	171,754	188,900	189,956
WORKFORCE SUPPORT & TRAINING	260,103	242,515	269,436	294,002	306,015
DEBT SERVICE:					
PRINCIPAL	87,749	97,892	74,610	66,490	38,029
INTEREST	13,939	11,349	9,846	11,443	17,916
ISSUANCE COSTS & OTHER CHARGES	388	1,762	2,591	2,742	6,536
TOTAL EXPENDITURES	**39,246,140**	**39,856,311**	**40,126,350**	**37,748,650**	**34,079,241**
OTHER FINANCING SOURCES (USES):					
TRANSFERS FROM BOND SECURITY & REDEMPTION FUND	18,258,477	18,802,539	18,272,058	17,817,809	14,936,240
TRANSFERS FROM OTHER FUNDS	69,300	66,425	70,473	720,303	735,036
TRANSFERS TO BOND SECURITY & REDEMPTION FUND	(2,585)	(4,067)	(4,190)	(845,217)	(262,129)
TRANSFERS TO OTHER FUNDS	(1,039,429)	(1,465,043)	(1,755,411)	(2,004,196)	(734,922)
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	--	(333,440)
LONG TERM DEBT ISSUED	--	44,925	--	--	355,575
LONG TERM DEBT ISSUED - PREMIUMS	--	1,645	--	--	3,277
LEASE, SBITA, & INSTALLMENT PURCHASES	98,831	97,954	44,600	83,704	--
OTHER	5,583	55	65	57	209
TOTAL OTHER FINANCING SOURCES (USES)	**17,390,177**	**17,544,433**	**16,627,595**	**15,772,460**	**14,699,846**
NET CHANGE IN FUND BALANCE	924,566	1,803,653	2,452,466	898,118	1,055,036
FUND BALANCE AT BEGINNING OF YEAR AS RESTATED	9,521,364	7,717,711	5,265,245	4,367,127	3,310,677
FUND BALANCE AT END OF YEAR	**10,445,930**	**9,521,364**	**7,717,711**	**5,265,245**	**4,365,713**

Source: Annual Comprehensive Financial Reports

BOND SECURITY AND REDEMPTION FUND
COMPARATIVE BALANCE SHEET AT JUNE 30, 2021, THROUGH JUNE 30, 2025
(EXPRESSED IN THOUSANDS)

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
ASSETS:					
CASH & INVESTMENTS	381,394	297,084	360,495	386,272	311,739
RECEIVABLES (NET)	2,945,663	2,730,370	2,507,307	2,589,499	1,686,553
DUE FROM GENERAL FUND	463,707	747,527	736,961	1,108,148	491,018
AMOUNTS DUE FROM COMPONENT UNITS	33,922	21,889	21,541	22,391	14,022
TOTAL ASSETS	**3,824,686**	**3,796,870**	**3,626,304**	**4,106,310**	**2,503,332**
LIABILITIES:					
ACCOUNTS PAYABLE	515	122	354	1,334	3,124
TAX REFUNDS PAYABLE	684,757	516,896	476,087	391,481	458,923
DUE TO GENERAL FUND	1,665,198	1,762,202	1,884,467	2,271,823	1,311,618
DUE TO OTHER FUNDS	130,963	258,401	94,112	93,694	96,182
DUE TO LOCAL GOVERNMENTS	7	7	6	7	7
UNEARNED REVENUES	23,843	4,354	4,737	68,355	46,137
TOTAL LIABILITIES	**2,505,283**	**2,541,982**	**2,826,694**	**2,826,694**	**1,915,991**
DEFERRED INFLOWS OF RESOURCES:					
UNAVAILABLE REVENUE	774,241	667,086	535,658	495,281	587,341
LEASE RELATED DEFERRED INFLOWS OF RESOURCES	545,162	587,802	630,883	784,335	--
TOTAL DEFERRED INFLOWS OF RESOURCES	**1,319,403**	**1,254,888**	**1,166,541**	**1,279,616**	**587,341**
FUND BALANCES:					
NONSPENDABLE	--	--	--	--	--
RESTRICTED	--	--	--	--	--
COMMITTED	--	--	--	--	--
ASSIGNED	--	--	--	--	--
UNASSIGNED	--	--	--	--	--
TOTAL FUND BALANCES	**--**	**--**	**--**	**--**	**--**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**3,824,686**	**3,796,870**	**3,626,304**	**4,106,310**	**2,503,332**

Source: Annual Comprehensive Financial Reports

BOND SECURITY AND REDEMPTION FUND COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEARS ENDED JUNE 30, 2021, THROUGH JUNE 30, 2025 (EXPRESSED IN THOUSANDS)

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
REVENUES:					
INTERGOVERNMENTAL REVENUES	455,833	508,185	607,141	679,482	617,661
TAXES:					
SALES & USE TAXES	5,411,930	4,989,120	4,955,403	4,883,203	4,172,738
SEVERANCE TAXES	371,486	842,348	860,512	520,554	277,769
INDIVIDUAL INCOME TAXES	4,767,043	4,799,085	4,647,521	4,518,834	3,962,863
CORPORATE INCOME TAXES	774,408	945,820	1,224,615	1,035,936	688,646
GAS & FUELS TAXES	479,882	486,832	486,357	508,476	478,041
OTHER	2,331,943	2,507,481	2,172,950	1,957,999	1,697,306
GAMING	1,001,881	995,319	999,483	992,646	919,644
TOBACCO SETTLEMENT	128,135	54,030	60,584	66,778	64,962
USE OF MONEY & PROPERTY:					
MINERAL RESOURCES	317,625	334,931	416,738	385,205	272,739
INTEREST INCOME	1,036,382	947,171	324,443	(466,044)	350,783
OTHER	30,879	10,782	27,856	4,188	21,858
LICENSES, PERMITS & FEES	1,463,727	1,512,113	1,395,113	1,389,505	1,292,979
SALES OF COMMODITIES & SERVICES	1,316,724	1,254,904	1,219,600	1,243,923	1,137,241
OTHER	181,555	108,472	105,033	107,558	170,342
TOTAL REVENUES	**20,069,433**	**20,296,593**	**19,503,349**	**17,828,243**	**16,125,572**
EXPENDITURES:					
GENERAL GOVERNMENT	330	89	99	63	83
DEBT SERVICE:					
PRINCIPAL	307,630	295,665	291,160	287,005	275,325
INTEREST	140,977	140,184	143,144	145,525	153,727
ISSUANCE COSTS & OTHER CHARGES	2,996	605	400	1,718	1,533
TOTAL EXPENDITURES	**451,933**	**436,543**	**434,803**	**434,311**	**430,668**
OTHER FINANCING SOURCES (USES):					
TRANSFERS FROM GENERAL FUND	2,585	4,067	4,190	845,217	262,129
TRANSFERS FROM OTHER FUNDS	7,692	87,740	7,402	181,269	30,173
TRANSFERS TO GENERAL FUND	(18,258,477)	(18,802,539)	(18,272,058)	(17,817,809)	(14,936,240)
TRANSFERS TO OTHER FUNDS	(1,386,864)	(1,163,993)	(821,948)	(620,785)	(1,071,269)
PAYMENTS TO REFUNDED BOND ESCROW AGENT	(552,241)	(352,670)	-	-	(518,387)
LONG TERM DEBT ISSUED	494,530	316,930	-	-	519,610
LONG TERM DEBT ISSUED - PREMIUMS	60,378	36,345	154	1,180	274
OTHER	14,897	14,070	13,714	16,996	18,806
TOTAL OTHER FINANCING SOURCES (USES)	**(19,617,500)**	**(19,860,050)**	**(19,068,546)**	**(17,393,932)**	**(15,694,904)**
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-	-

Source: Annual Comprehensive Financial Reports

COMBINED GENERAL FUND AND BOND SECURITY AND REDEMPTION FUND (WITH ELIMINATIONS) COMPARATIVE BALANCE SHEET AT JUNE 30, 2021, THROUGH JUNE 30, 2025 (EXPRESSED IN THOUSANDS)

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
ASSETS:					
CASH & INVESTMENTS	19,534,186	18,478,801	16,403,615	13,481,859	9,005,934
RECEIVABLES (NET)	3,800,889	3,770,976	3,471,400	3,503,196	2,410,598
DUE FROM OTHER FUNDS	95,104	51,296	62,666	154,851	173,050
AMOUNTS DUE FROM COMPONENT UNITS	34,187	22,177	26,003	47,129	26,429
DUE FROM FEDERAL GOVERNMENT	4,229,084	3,645,905	3,774,134	3,534,830	3,002,013
INVENTORIES	89,315	84,401	106,182	156,615	132,459
PREPAYMENTS	210,686	230,585	217,548	218,617	126,501
OTHER ASSETS	--	1	1	1	1
TOTAL ASSETS	**27,993,451**	**26,284,142**	**24,061,549**	**21,097,098**	**14,876,985**
LIABILITIES:					
ACCOUNTS PAYABLE	3,842,054	2,332,664	2,696,646	2,214,376	2,314,210
TAX REFUNDS PAYABLE	684,757	516,896	476,087	425,456	483,800
UNCLAIMED PROPERTY LIABILITY	405,356	347,233	286,614	270,258	270,519
DUE TO OTHER FUNDS	549,461	625,112	756,469	1,525,333	373,784
AMOUNTS DUE TO COMPONENT UNITS	73,949	79,733	86,578	85,322	58,306
DUE TO FEDERAL GOVERNMENT	580,924	708,507	724,610	889,293	729,396
DUE TO LOCAL GOVERNMENTS	1,231,783	1,879,477	1,665,001	1,261,930	1,224,447
OBLIGATIONS UNDER SECURITIES LENDING PROGRAM	7,866,805	7,522,813	6,945,599	5,530,732	1,173,459
UNEARNED REVENUES	851,265	1,367,923	1,462,411	2,265,089	3,155,968
ESTIMATED LIABILITY FOR CLAIMS	134,058	116,174	72,004	82,478	85,226
OTHER LIABILITIES	7,229	10,911	4,788	626	53,671
TOTAL LIABILITIES	**16,227,641**	**15,507,443**	**15,176,807**	**14,550,893**	**9,922,786**
DEFERRED INFLOWS OF RESOURCES:					
UNAVAILABLE REVENUE	774,241	667,086	535,658	495,281	587,341
LEASE RELATED DEFERRED INFLOWS OF RESOURCES	545,162	587,802	630,883	784,335	--
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	477	447	490	1,344	1,145
TOTAL DEFERRED INFLOWS OF RESOURCES	**1,319,880**	**1,255,335**	**1,167,031**	**1,280,960**	**588,486**
FUND BALANCES:					
NONSPENDABLE	188,400	149,423	191,212	201,047	170,495
RESTRICTED	6,656,401	6,447,239	5,488,007	3,000,414	2,219,957
COMMITTED	2,759,525	2,187,979	1,817,088	1,965,105	1,680,551
ASSIGNED	369,890	378,444	221,404	98,679	294,710
UNASSIGNED	471,714	358,279	--	--	--
TOTAL FUND BALANCES	**10,445,930**	**9,521,364**	**7,717,711**	**5,265,245**	**4,365,713**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**27,993,451**	**26,284,142**	**24,061,549**	**21,097,098**	**14,876,985**

Source: Supplement to the Annual Comprehensive Financial Report

COMBINED GENERAL FUND AND BOND SECURITY AND REDEMPTION FUND (WITH ELIMINATIONS)
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2021, THROUGH JUNE 30, 2025
(EXPRESSED IN THOUSANDS)

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
REVENUES:					
INTERGOVERNMENTAL REVENUES	22,938,617	24,274,813	26,245,806	23,325,441	20,752,500
TAXES:					
SALES & USE TAXES	5,411,930	4,989,120	4,955,403	4,883,203	4,172,738
SEVERANCE TAXES	371,486	842,348	860,512	520,554	277,769
INDIVIDUAL INCOME TAXES	4,767,043	4,799,085	4,647,521	4,518,834	3,962,863
CORPORATE INCOME TAXES	774,408	945,820	1,224,615	1,035,936	688,646
GAS & FUELS TAXES	479,882	486,832	486,357	508,476	478,041
OTHER	2,331,943	2,507,481	2,172,950	1,957,999	1,697,306
GAMING	1,001,881	995,319	999,483	992,646	919,644
TOBACCO SETTLEMENT	128,135	54,030	60,584	66,778	64,962
USE OF MONEY & PROPERTY:					
MINERAL RESOURCES	318,342	335,981	417,905	386,618	273,544
INTEREST INCOME	1,080,627	963,568	334,325	(471,637)	364,912
OTHER	36,823	14,038	29,734	4,362	21,907
LICENSES, PERMITS & FEES	1,490,521	1,537,839	1,419,640	1,414,870	1,318,154
SALES OF COMMODITIES & SERVICES	1,325,011	1,263,238	1,227,614	1,252,277	1,145,351
OTHER	393,313	402,612	372,121	306,194	421,666
TOTAL REVENUES	**42,849,962**	**44,412,124**	**45,454,570**	**40,702,551**	**36,560,003**
EXPENDITURES:					
GENERAL GOVERNMENT	3,043,998	2,560,419	3,061,098	2,734,627	3,274,313
CULTURE, RECREATION & TOURISM	131,385	138,504	148,063	145,939	122,842
TRANSPORTATION & DEVELOPMENT	118,247	85,157	53,575	643,148	654,118
PUBLIC SAFETY	2,179,798	2,941,445	3,399,150	3,378,750	2,132,435
HEALTH & WELFARE	22,876,502	22,693,766	22,621,361	20,659,436	18,873,290
CORRECTIONS	1,055,242	957,986	919,869	882,129	851,980
YOUTH DEVELOPMENT	182,471	172,587	153,050	129,462	129,285
CONSERVATION & ENVIRONMENT	463,496	448,485	387,612	341,577	346,740
EDUCATION	8,116,637	8,852,384	8,471,399	7,867,993	6,782,581
AGRICULTURE & FORESTRY	201,694	190,523	151,138	186,941	160,316
ECONOMIC DEVELOPMENT	311,344	267,910	231,897	215,134	192,972
MILITARY & VETERANS AFFAIRS	203,476	193,716	171,754	188,900	189,956
WORKFORCE SUPPORT & TRAINING	260,103	242,515	269,436	294,002	306,015
DEBT SERVICE:					
PRINCIPAL	395,379	393,557	365,770	353,495	313,354
INTEREST	154,916	151,533	152,990	156,968	171,643
ISSUANCE COSTS & OTHER CHARGES	3,384	2,367	2,991	4,460	8,069
TOTAL EXPENDITURES	**39,698,073**	**40,292,854**	**40,561,153**	**38,182,961**	**34,509,909**
OTHER FINANCING SOURCES (USES):					
TRANSFERS FROM OTHER FUNDS	76,992	154,165	77,875	901,572	765,209
TRANSFERS TO OTHER FUNDS	(2,426,293)	(2,629,036)	(2,577,359)	(2,624,981)	(1,806,191)
PAYMENTS TO REFUNDED BOND ESCROW AGENT	(552,241)	(352,670)	--	--	(851,827)
LONG TERM DEBT ISSUED	494,530	361,855	--	--	875,185
LONG TERM DEBT ISSUED - PREMIUMS	60,378	37,990	154	1,180	3,551
LEASE, SBITA, & INSTALLMENT PURCHASES	98,831	97,954	44,600	83,704	--
OTHER	20,480	14,125	13,779	17,053	19,015
TOTAL OTHER FINANCING SOURCES (USES)	**(2,227,323)**	**(2,315,617)**	**(2,440,951)**	**(1,621,472)**	**(995,058)**
NET CHANGE IN FUND BALANCE	924,567	1,803,653	2,452,466	898,118	1,055,036
FUND BALANCE AT BEGINNING OF YEAR AS RESTATED	9,521,364	7,717,711	5,265,245	4,367,127	3,310,677
FUND BALANCE AT END OF YEAR	**10,445,930**	**9,521,364**	**7,717,711**	**5,265,245**	**4,365,713**

Source: Supplement to the Annual Comprehensive Financial Report

DEBT STRUCTURE OF THE STATE

Debt Authorization and Debt Structure of the State

The State Constitution provides in Article VII, Section 6(A) that the State shall have no power, directly or indirectly, through any State board, agency, commission, or otherwise, to incur debt or issue bonds, except by law enacted by two-thirds of the elected members of each house of the Legislature. Such debt may be incurred, or the bonds issued, only if the funds are to be used to (i) repel invasion, (ii) suppress insurrection, (iii) provide relief from natural catastrophes, (iv) refund outstanding indebtedness at the same or a lower effective interest rate, or (v) make capital improvements, but only in accordance with a comprehensive capital budget that the Legislature shall adopt. If the purpose is to make capital improvements, the nature and location and, if more than one project, the amount allocated to each and the order of priority shall be stated in the comprehensive capital budget that the Legislature is required to adopt. Except for revenue bonds authorized in Article VII, Section 6(C) of the State Constitution and except as provided in Article VII, Section 27 of the State Constitution relating to the Transportation Trust Fund, the full faith and credit of the State shall be pledged to the repayment of all bonds, or other evidence of indebtedness issued by the State directly or through any State board, agency, or commission. The Legislature may also, by law enacted by two-thirds of the elected members of each house, propose a Statewide public referendum to authorize the incurring of debt by the State for any purpose for which the legislature is not authorized by the State Constitution to issue debt.

Article VII, Section 6(B)(2) of the State Constitution requires that the total amount of debt service to be paid for capital improvements for the subsequent fiscal year be stated as a separate item and by budget unit in the budget estimate required to be submitted by the Governor of the State in accordance with Article VII, Section 11 of the State Constitution.

Bond Security and Redemption Fund

Article VII, Section 9(B) of the State Constitution gives constitutional status to the Bond Security and Redemption Fund and further provides that, subject to contractual obligations existing on the effective date of the State Constitution (midnight December 31, 1974), all State money deposited in the State Treasury is to be credited to the Bond Security and Redemption Fund, except money received as the result of grants or donations or other forms of assistance when the terms and conditions thereof or agreements pertaining thereto require otherwise. Article VII, Section 27(A) of the State Constitution provides that the four cents ($.04) tax levied by the State on gasoline and motor fuels and special fuels pursuant to the provisions of La. R.S. 47:820.1 shall be credited to the Bond Security and Redemption Fund only after payments have been made to pay principal, interest, or premium, if any, and other obligations incident to the issuance, security and payment in respect of bonds authorized in Section 27(C) thereof. Article VII, Section 9 of the State Constitution further provides that, with certain exceptions, all money received by the State or by any State board, agency or commission shall be deposited immediately upon receipt in the State Treasury. The State Constitution further requires that in each fiscal year an amount be allocated from the Bond Security and Redemption Fund sufficient to pay all obligations that are secured by the full faith and credit of the State and that become due and payable within the current fiscal year, including principal, interest, premiums, sinking or reserve funds or other requirements. Thereafter, except as otherwise provided by law, money remaining in the Bond Security and Redemption Fund is to be credited to the General Fund.

Debt Limitation

Article VII, Section 6(F) of the State Constitution requires the Legislature to limit the amount of net State tax supported debt ("*NSTSD*") that may be issued in any fiscal year and further requires that debt service payments on NSTSD not exceed 6% of General Fund and dedicated fund revenues estimated by the Revenue Estimating Conference (the "*REC*"). The constitutional provision prohibits the State Bond Commission from approving the issuance of any NSTSD if the debt service required by such debt would

cause the limit to be exceeded. It also provides that the definition of NSTSD cannot be changed, nor can the limit be changed or exceeded except by specific legislative instrument that receives the favorable vote of two-thirds of the members of each house of the Legislature.

La. R.S. 39:1367, the statutory companion to Article VII, Section 6(F) of the State Constitution, provides that NSTSD shall not be issued if the amount that is to be expended for servicing NSTSD each fiscal year exceeds certain percentages of General Fund and dedicated funds revenues established by the REC. The allowable percentage for Fiscal Year 2003-2004 and each fiscal year thereafter is 6%.

According to La. R.S. 39:1367E(2)(a), NSTSD means all of the following debt obligations issued by the State or any entity in the State for which the State is legally obligated to make debt service payments, either directly or indirectly: (i) general obligation bonds secured by the full faith and credit of the State; (ii) debt secured by capital leases of immovable property payable by the State or annual appropriations of the State; (iii) debt secured by Statewide tax revenues or Statewide special assessments; (iv) any funds advanced by a political subdivision in accordance with La R.S. 47:820.2; and (v) bonds secured by self-supported revenues which in the first instance may not be sufficient to pay debt service and will then draw upon the full faith and credit of the State.

According to La. R.S. 39:1367E(2)(b), NSTSD does not mean: (i) any obligations owed by the State pursuant to the State Employment Security Law, (ii) cash flow borrowings payable from revenue attributable to one fiscal year, (iii) any bond or note, including the full payment of and interest on any refunding bond or note, issued by the State pursuant to Section 4 or 5 of Act 41 of the 2006 First Extraordinary Session of the Legislature, (iv) any bond, note, certificate, warrant, reimbursement obligation, or other evidence of indebtedness issued pursuant to La. R.S. 23:1532.1, (v) any bond, note, or other evidence of indebtedness issued for the purpose of financing the projects set forth in La. R.S. 17:3394(C) or any bonds used to refund such bonds, notes, or evidences of indebtedness, (vi) any short term loan not to exceed one year issued by a postsecondary education management board for the purpose of financing projects as authorized in La. R.S. 39:128(B)(1), (vii) any bond, note, or other evidence of indebtedness issued for the purpose of financing the projects set forth in R.S. 39:91 or any bonds issued to refund such bonds, notes, or evidence of indebtedness, (viii) any bond, note, or other evidence of indebtedness issued by the Coastal Protection and Restoration Authority or the Coastal Protection and Restoration Authority Financing Corporation, (ix) any bond, note, or other evidence of indebtedness issued for the purpose of financing the projects set forth in R.S. 48:77.1 or any bonds issued to refund such bonds, notes, or evidence of indebtedness, (x) any bond, note, certificate, warrant, reimbursement obligation, guarantee, credit enhancement, pledge, assistance, or other evidence of indebtedness issued pursuant to R.S. 39:462.1 et seq., or (xi) any bond, note, or evidence of indebtedness issued pursuant to R.S. 30:83.1 et seq. or any bonds issued to refund such bonds, notes, or evidence of indebtedness.

Pursuant to La. Administrative Code, Title 71, Part III, Section 1501, the State Bond Commission has adopted a debt limit policy that is more restrictive than La. R.S. 39:1367.

State Attorney General Opinion No. 94-452 interprets the types of indebtedness that La. R.S. 39:1367 includes and excludes as NSTSD; however, the State Bond Commission has adopted a rule that is more restrictive than the State Attorney General's opinion.

Act 419 of the 2013 Regular Session of the Legislature ("*Act 419*"), effective July 1, 2013, modifies the definition of the funds that shall be included in the annual Official Forecast of the REC, which sets forth the sources and amounts of funds available for spending, to include the General Fund and dedicated funds except that money the origin of which is (i) the federal government, (ii) self-generated collections by any entity subject to the policy and management authority established by the State Constitution, or (iii) a transfer from another State agency, board or commission. The provisions of this Act also contain a new requirement that the REC "…shall include an estimate of money available for appropriation from each dedicated fund…" and another new stipulation to the effect that "…the executive budget shall not include

recommendations for appropriation from any fund in excess of the official forecast of money available for appropriation from that fund." Another provision thereof provides new limitations on the appropriation act as follows: "the General Appropriation Bill and other appropriation bills shall not appropriate any funds, as defined in Article VII, Section 10(J) of the State Constitution, which are not part of the official forecast…" finally, another provision contains a new restriction regarding spending from statutorily dedicated funds that limits "financing from any existing statutorily dedicated fund for appropriations other than the fund's intended statutory purposes shall be limited to the prior year's fund balances and shall not include anticipated fund balances for the ensuing fiscal year unless provided by law."

Pursuant to Attorney General Opinion 14-0031 issued on May 5, 2014, as a result of Act 419, it is the Attorney General's opinion that Act 419 also modifies the limitation on the issuance of NSTSD. These newly recognized statutorily dedicated funds, and self-generated funds generally flow through the Bond Security and Redemption Fund, so they were already available to pay for general obligation bond debt service. Act 419 incorporates the revenues into the denominator of the NSTSD calculation, thus increasing the amount of NSTSD that could be issued.

The State Bond Commission adopted a policy at its August 21, 2014, meeting regarding NSTSD in light of the enactment of Act 419. Such policy was adopted to alleviate concerns that additional NSTSD would be issued under the increased debt limit without the benefit of additional revenues to pay debt service on debt that constitutes NSTSD pursuant to Article VII, Section 6(F) of the State Constitution, La. R.S. 39:1367, and La. Administrative Code, Title 71, Part III, Section 1501. The policy adopted by the State Bond Commission provides that the State Bond Commission shall not approve the issuance of any debt that constitutes NSTSD pursuant to the State Constitution, La. R.S. 39:1367, and the La. Administrative Code, Title 71, Part III, Section 1501, if the issuance of that debt shall cause the amount of money necessary to service outstanding NSTSD to exceed six percent (6%) of the estimate of money to be received by the General Fund and dedicated funds for each respective fiscal year as determined by the REC under the methods used by the REC prior to the effective date of Act 419. The State Bond Commission policy became effective August 21, 2014.

Debt service payable on NSTSD for Fiscal Year 2024-2025 was $663,639,905 or 4.20% of the estimated General Fund and dedicated funds revenues established by the REC, as compared to an authorized limit for the current and subsequent fiscal years of 6%. As of December 31, 2025, debt service payable on NSTSD for Fiscal Year 2025-2026 is calculated to be $688,211,733.59 or 4.29% of the estimated General Fund and dedicated fund revenues contained in the official forecast adopted by the REC at its first meeting after the beginning of Fiscal Year 2025-2026, which was held on December 11, 2025.

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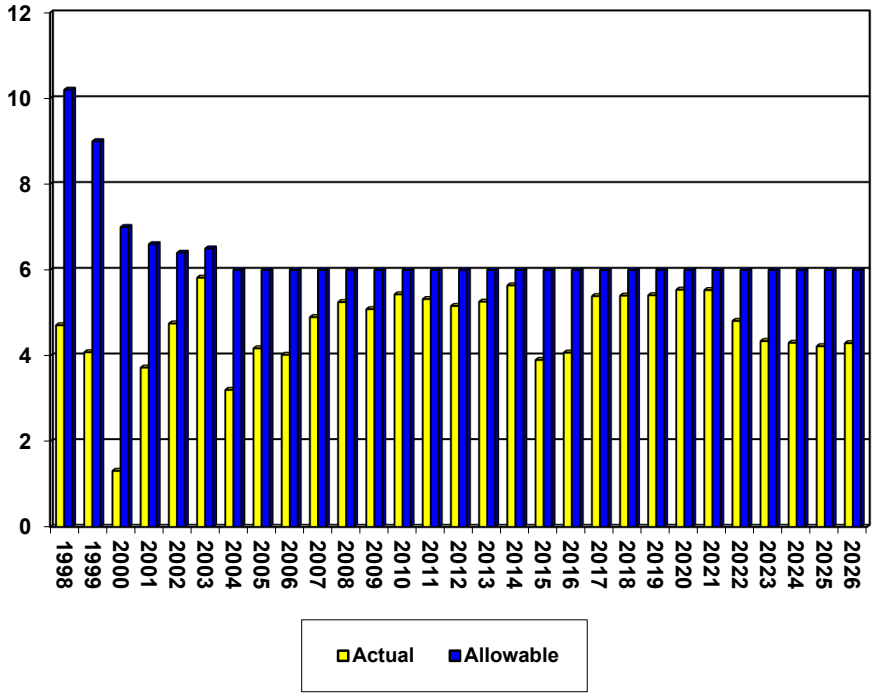
The following graph illustrates the State's compliance with the NSTSD limit for each fiscal year since the enactment of the law.

NET STATE TAX SUPPORTED DEBT LIMIT HISTORY
(Based on annual debt service)



In addition to the debt limitations contained in Article VII, Section 6(F) of the State Constitution and La. R.S. 39:1367, *et. seq.*, two additional statutory debt limitations, La. R.S. 39:1365(25) and La. R.S. 39:1402(D), also exist.

Under La. R.S. 39:1365(25), the Legislature shall not authorize any general obligation bonds or other general obligations secured by the full faith and credit of the State if the total principal amount of such debt outstanding plus the amount of such debt authorized by the Legislature but unissued exceeds two times the average annual revenues of the Bond Security and Redemption Fund for the last three fiscal years completed prior to such authorization. As of June 30, 2025, total general obligation debt issued plus authorized, but unissued, was $5,228,639,274, while the Bond Security and Redemption Fund average collections for the last 3 years times two was $39,988,701.

Under La. R.S. 39:1402(D), the State Bond Commission shall not issue general obligation bonds or other general obligations secured by the full faith and credit of the State at any time when the highest annual debt service requirement for the current or any subsequent fiscal year for such debt, including the debt service on such bonds or other general obligations then proposed to be sold by the State Bond Commission, exceeds 10% of the average annual revenues of the Bond Security and Redemption Fund for the last three fiscal years completed prior to such issuance. As of June 30, 2025, the highest annual general obligation debt service requirement is $438,503,144, while the Bond Security and Redemption Fund average collections for the last 3 years times 10% was $1,999,435.

Under La. R.S. 39:1464, refunding bonds may be issued from time to time by the State Bond Commission in its discretion and the refunding bonds shall not be limited by the provisions of La. R.S. 39:1402(D) and (E) or be subject to the provisions of La. R.S. 39:1365.

Cooperative Endeavor Agreements

The State Constitution provides that the funds, credit, property, or things of value of the State or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, corporation, public or private, subject to certain enumerated exceptions. However, for a public purpose, 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.

To provide programs and services with a public purpose, the State, through its various agencies, boards and commissions, is party to a number of cooperative endeavor agreements with local and federal governmental entities, non-profit entities, charitable organizations, and others. The majority of such cooperative endeavors are related to programs of public health and social welfare services, local capital construction projects, leases, conservation and restoration activities, economic development activities, disaster recovery activities, and research grant activities through institutions of higher learning. Other cooperative endeavors are related to third-party financing of local correctional facilities and capital construction of institutions of higher education.

The contractual obligation of the State and/or its various agencies, boards, and commissions to make payments under a cooperative endeavor agreement generally does not constitute debt under State law but rather is subject to annual appropriation by the Legislature of amounts sufficient to make such payment. Generally, failure by the Legislature to appropriate such amount in any fiscal year does not constitute an event of default under a cooperative endeavor agreement.

For purposes of this section, the cooperative endeavor agreements described under the caption **"CERTAIN FISCAL MATTERS - Health Care Funding,"** are not included in this section. Payments by the State to the private partners are paid, subject to annual appropriation, pursuant to the Medicaid Vendor Payment Program administered by LDH.

As of June 30, 2025, the net outstanding balance of all cooperative endeavors to which the State, including its university systems, is a party (but not necessarily obligated through debt instruments) was approximately $6.1 billion, which primarily includes the following:

<u>Primary Government State Agencies</u>

- $2.1 billion related to multi-year cooperative endeavors between the various state agencies and other governmental entities to fund eligible expenses that are reimbursable by federal grants.
- $1 billion related to executed commitments to fund the Office of Facility Planning and Control's capital outlay projects at the local level that are financed primarily with State General Fund and State general obligation bond issues (which are included in the NSTSD).
- $603 million related to executed commitments to fund the Department of Transportation and Development's capital outlay projects at the local level that are financed primarily with federal and/or statutorily dedicated funds.
- $538 million related to executed commitments the Coastal Protection and Restoration Authority's capital outlay projects at the local level that are financed primarily with federal and/or statutorily dedicated funds.
- $251 million related to multi-year cooperative endeavors between the Division of Administration and other state entities and/or local entities to support debt service.
- $360 million related to multi-year cooperative endeavors between the Louisiana Department of Economic Develop and various entities for construction and workforce related programs.
- $77 million is related to multi-year cooperative endeavors between the State and local sheriffs for the care and housing of State inmates placed with the local prison facilities.

University Systems

$629 million is related to multi-year cooperative endeavors between the State's university systems and nonprofit organizations. Of this amount:

- $406 million is related to agreements between the Louisiana Community and Technical College System (LCTCS) and nonprofit organizations supporting debt service issued by the nonprofit organizations, which is also reflected in NSTSD;
- $104 million is related to lease commitments made by the Louisiana State University System to the Tiger Athletic Foundation; and
- $119 million is for various capital construction and specific research or recruitment programs funded by the University of Louisiana System, Louisiana State University System, Southern University System, and the Board of Regents.

In addition, State law mandates that all cooperative endeavors having an associated debt component commitment must receive State Bond Commission approval and must be reported to the JLCB.

Capital Program

The State has a capital program to improve the infrastructure and capital assets necessary to provide essential services and to stimulate economic growth. The program is designed to prioritize capital projects for legislative consideration and to develop viable financing options. Future general obligation debt issuances will provide for the continuance of the capital program in accordance with executive and legislative initiatives.

Article VII, Section 6 of the State Constitution authorizes the State to sell bonds secured by the State's full faith and credit for certain enumerated purposes. Those purposes include funding capital improvements in accordance with a comprehensive capital budget, which must state the nature, location and, if more than one project, the amount allocated to and the order of priority for each project. The portion of the capital outlay act funded with bond proceeds categorizes each project set forth therein into one of five priority classifications.

Historically, the first four priority classifications authorized the bond financing necessary to fund the planning and construction of capital improvement projects. Because the State has limited the sale of new money bonds in the past several fiscal years, priority one projects consist of projects carried forward from previous acts of the Legislature and funded with lines of credit by the State Bond Commission. Priority two, three and four projects consist primarily of new projects in the Capital Outlay Act.

With limited exceptions, no general obligation bonds are sold to fund a lower priority project prior to the sale of general obligation bonds to fund all higher priority projects. Funds appropriated for the projects listed in priority five reflect that portion of construction contracts to be let that do not require cash expenditures in the current fiscal year. Article VII, Section 11(C) of the State Constitution requires that, prior to inclusion in the capital outlay budget, each project must be evaluated through a feasibility study, as defined by the Legislature, including an analysis of need and estimation of construction and operating costs.

Anticipated Debt Offerings

Various plans of financing arise from time to time. The following include debt transactions currently under consideration by the State:

- Louisiana Local Government Environmental Facilities and Community Development Authority issuance, in an amount not exceeding $150 million, on behalf of the Louisiana Community and Technical College System (the "LCTCS") pursuant to Act 35 of 2025 RLS and subject to appropriation by the State Legislature (Summer 2026)

- Office Facilities Corporation issuance of approximately $25 million (United Plaza VII Project) subject to appropriation by the State Legislature (Summer 2026)

- Office Facilities Corporation issuance of up to $104.5 million (Southeast Louisiana Office Building Project), and up to $125 million (Statewide Acquisition and Renovations Project) less any amount issued for the United Plaza VII Project, subject to appropriation by the State Legislature (Spring/Summer 2027)

In June 2023 the State received approval for an increase in total issuance authority for the State of Louisiana Grant Anticipation Revenue Bonds (GARVEEs) from $650 million to $830 million, of which $566.13 million has been issued to date. The State is evaluating potential future financing needs; however, no determination has been made at this time regarding whether additional GARVEEs will be issued.

Further, the State continues to evaluate refunding opportunities across its debt structure.

State Debt

The following nine tables respectively set forth the following information as of May 31, 2026: (i) net State tax supported debt recap statement; (ii) schedule of debt service requirements (principal and interest) to maturity with respect to net State tax supported general obligation debt equivalents to be paid from the Bond Security and Redemption Fund; (iii) schedule of debt service requirements (principal and interest) to maturity with respect to revenue debt having a specifically identified major tax, license or fee dedication classified as net State tax supported debt; (iv) schedule of debt service requirements (principal and interest) to maturity with respect to non-general obligation bonds requiring annual appropriation which bonds are classified as net State tax supported debt; (v) schedule of debt service requirements (principal and interest) to maturity with respect to non-general obligation bonds which are self-supporting and classified as net State tax supported debt; (vi) summary schedule of outstanding net State tax supported debt by fiscal period; (vii) schedule of debt service requirements (principal and interest) to maturity with respect to general obligation debt, non-general obligation bonds requiring annual appropriation, and Grant Anticipation Revenue Bonds, which aforementioned debt are not classified as net State tax supported debt and therefore excluded from the State's net tax supported debt calculation; and (viii) summary schedule of outstanding net State tax supported debt and non-net State tax supported debt by fiscal period; and (ix) preliminary schedule of debt service requirements (principal and interest) with respect to Deepwater Horizon Economic Damages Revenue Bonds.

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NET STATE TAX SUPPORTED DEBT
OUTSTANDING AS OF MAY 31, 2026
(EXPRESSED IN THOUSANDS)
UNAUDITED

	PRINCIPAL OUTSTANDING	INTEREST OUTSTANDING	TOTAL OUTSTANDING
GENERAL OBLIGATION DEBT EQUIVALENTS [1]:			
General Obligation Bonds	3,527,730	1,288,695	4,816,425
Less: 2020C-2 LA General Obligation Bond Refunding Bond	24,630	320	24,950
SUBTOTAL GENERAL OBLIGATION DEBT EQUIVALENTS	3,503,100	1,288,376	4,791,476
APPROPRIATION DEPENDENCY DEBT CLASSIFIED AS NSTSD [2][3]:			
IDB of City of New Orleans (N.O. Federal Alliance Project), Refunding Series 2014	5,835	279	6,114
LCDA - Bossier Parish Community, Refunding Series 2012B	7,905	358	8,263
LCDA - Baton Rouge Community, Refunding Series 2020A	28,885	2,943	31,828
LCDA - Delta Community College Project, Refunding Series 2017A	5,445	276	5,721
LCDA - LCTCS Facilities Corp Project, Refunding Series 2017A	37,455	2,873	40,328
LCFC - LA Prison Enterprises Project, Series 2015A	1,244	91	1,335
LCFC - LA Correctional Instutute for Women Project, Series 2023	42,130	18,531	60,661
LCFC - Office of Juvenille Justice Project, Series 2021	18,040	5,723	23,763
LPFA - Hurricane Recovery, Refunding Series 2014	1,905	56	1,961
LPFA - Hurricane Recovery, Refunding Series 2022	37,600	1,077	38,677
LPFA - Alexandria LSU Housing, Refunding Series 2017	6,140	1,301	7,441
LPFA - SUSFMILL, Refunding Series 2018	17,025	4,884	21,909
LPFA - UNO Student Housing, Refunding Series 2022A	24,680	3,861	28,541
LPTFA - South Louisiana Community College, Refunding Series 2012	2,325	75	2,400
LTA - LA Transportation Authority (LA 1), Refunding Series 2013B	77,700	22,069	99,769
LTA - LA Transportation Authority (LA 1), Refunding Series 2013C	24,495	3,136	27,631
LTA - LA Transportation Authority (LA 1), Refunding Series 2021A	49,825	14,661	64,486
OFC - Northwest LA Office Bld Project, Series 2025	75,000	73,677	148,677
SUBTOTAL APPROPRIATION DEPENDENCY DEBT	463,634	155,870	619,504
REVENUE DEBT HAVING A SPECIFICALLY IDENTIFIED MAJOR TAX, LICENSE, OR FEE DEDICATION CLASSIFIED AS NSTSD:			
Gas & Fuel Tax, First Lien Series 2017B	20,935	1,551	22,486
Gas & Fuel Tax, Second Lien Series 2017C	148,020	94,047	242,067
Gas & Fuel Tax, First Lien Series 2020A-2	256,045	45,526	301,571
Gas & Fuel Tax, Second Lien Series 2020B-1	39,850	16,064	55,914
Gas & Fuel Tax, First Lien Series 2022A	379,080	139,886	518,966
Gas & Fuels Tax, First Lien Series 2022B	21,795	10,593	32,388
Gas & Fuel Tax, Second Lien Series 2023A-1 [4]	198,975	116,553	315,528
Gas & Fuel Tax, Second Lien Series 2023A-2 [4]	102,585	58,841	161,426
Gas & Fuel Tax, Second Lien Series 2024A	287,680	124,951	412,631
Gas & Fuel Tax, Second Lien Series 2025A	195,330	121,355	316,685
Gas & Fuel Tax, First Lien Series 2025B	350,945	102,576	453,521
Gas & Fuel Tax, Second Lien Series 2025C [4]	114,930	73,797	188,727
Unclaimed Property Special Revenue Bonds, Series 2015 South	3,455	86	3,541
Unclaimed Property Special Revenue Refunding Bonds, Series 2021 North	49,235	3,772	53,007
Unclaimed Property Special Revenue Refunding Bonds, Series 2021 South	59,000	6,426	65,426
LA State Highway Improvement Revenue Refunding Bonds, Series 2021	167,390	12,328	179,718
SUBTOTAL CLASSIFIED REVENUE DEBT	2,395,250	928,352	3,323,602
OTHER SELF SUPPORTING ISSUES CLASSIFIED AS NSTSD [5]:			
Greater New Orleans Expressway Refunding, Series 2024	20,015	4,265	24,280
SUBTOTAL OTHER - SELF SUPPORTING	20,015	4,265	24,280
TOTAL NET STATE TAX SUPPORTED DEBT	**6,381,999**	**2,376,862**	**8,758,861**

(1) Full faith and credit bonds of the State paid from Bond Security and Redemption Fund not having a dedicated revenue stream. Does not include GO Bonds 2020C-2 which under La. R.S. 39:1367(E)(2)(b)(iii) is excluded from the State's Net Tax Supported Debt calculation.

(2) Appropriation dependency "debt" legally classified as NSTSD, but not bearing full faith and credit status.

(3) Does not include LCDA - LCTCS Act 360 Project Bonds which under La. R.S. 39:1367(E)(2)(b)(v) are excluded from the State's Net Tax Supported Debt calculation.

(4) The Series 2023A-1 (redeemed 2017A), 2023A-2 (redeemed 2017D-1), and 2025C (redeemed 2022A) are all variable rate bonds hedged with various interest rate swap agreements. Debt service projections are based on the following:

(i) fixed payments by the State in accordance with the respective Hedge Agreements, (ii) principal payments, and (iii) estimated net variable rate interest payments assuming a 25 bps spread to the estimated variable rate receipts from the respective Hedge Agreements.

(5) Includes dedicated revenue supported debt and other tax supported debt not backed by full faith and credit of the State, but classified as net tax supported debt by rule of the State Bond Commission.

Source: Louisiana State Bond Commission

STATE OF LOUISIANA
GENERAL OBLIGATION NET STATE TAX SUPPORTED DEBT
SCHEDULE OF DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
TO MATURITY AS OF MAY 31, 2026
(EXPRESSED IN THOUSANDS) - UNAUDITED

Fiscal Year	LA GO Classified as NSTSD Total
2026	448,788
2027	441,588
2028	409,009
2029	410,000
2030	375,975
2031	358,220
2032	359,999
2033	327,266
2034	308,617
2035	278,698
2036	239,740
2037	239,582
2038	198,991
2039	176,539
2040	151,911
2041	130,818
2042	112,874
2043	97,150
2044	78,588
2045	55,787
2046	27,524
Total	**5,227,665** [(1)(2)]

[(1)] Full faith and credit debt service classified as NSTSD paid from the Bond Security and Redemption Fund not having a dedicated revenue stream.

[(2)] Does not include GO Bonds Series 2020 C-2 which under La. R.S. 39:1367(E)(2)(b)(iii) is excluded from the State's Net Tax Supported Debt calculation.

Source: Louisiana State Bond Commission

STATE OF LOUISIANA
REVENUE DEBT HAVING A SPECIFICALLY IDENTIFIED MAJOR TAX, LICENSE, OR FEE DEDICATION CLASSIFIED AS NSTSD
SCHEDULE OF DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
TO MATURITY AS OF MAY 31, 2026
(EXPRESSED IN THOUSANDS) - UNAUDITED

Fiscal Year	2017B (1st Lien)	2017C (2nd Lien)	2020A-2 (1st Lien)	2020B-1 (2nd Lien)	2022A (1st Lien)	2022B (1st Lien)	2023A-1 (2nd lien)	2023A-2 (2nd Lien)	2024A (2nd Lien)	2025A (2nd Lien)	2025B (1st Lien)	2025C (2nd Lien)	2021 SHIF	2015S UCP	2021N UCP	2021S UCP	Total
2026	11,893	6,651	9,581	1,574	14,619	814	7,716	3,970	16,152	12,985	49,537	7,273	20,873	3,545	6,653	3,567	177,402
2027	11,892	14,461	9,672	1,762	14,618	814	8,453	4,377	25,010	12,238	35,032	7,182	20,878	3,541	6,652	3,563	180,146
2028	10,595	14,466	24,683	1,477	13,905	814	8,662	4,474	16,641	9,298	35,988	7,291	20,877		6,636	6,895	182,701
2029		7,705	22,177	1,375	13,760	814	8,884	4,584	27,218	9,298	49,842	7,406	20,869		6,630	6,885	187,448
2030		8,378	27,582	1,939	13,749	814	9,122	4,698	22,109	9,298	50,941	7,531	20,871		6,625	6,881	190,538
2031		5,902	17,121	1,568	12,990	814	9,361	4,816	36,262	9,298	52,259	7,651	20,874		6,619	6,875	192,408
2032		8,748	15,083	1,042	14,993	814	9,596	4,928	36,348	9,298	53,418	7,776	20,873		6,622	6,874	196,413
2033		9,166	16,107	1,817	14,080	1,904	9,843	5,041	35,291	9,298	57,485	6,816	20,866		6,614	6,867	201,197
2034		9,111	21,070	1,024	15,216	760	10,113	5,167	32,598	9,298	58,680	6,892	13,993		6,608	6,862	197,390
2035		5,519	31,772	1,024	14,980	1,305	10,382	5,290	24,872	10,998	59,876	6,964				6,867	179,848
2036		5,912	71,380	2,444	16,998	733	10,649	5,417	54,627	10,348		7,035				6,857	192,398
2037		8,974	1,041	2,514	92,969	733	10,936	5,540	12,926	42,106		7,110					184,849
2038		4,816	1,041	2,577	114,016	733	11,237	5,675	30,680	7,509		7,190					185,473
2039		4,816	25,401	2,641	4,544	13,513	11,539	5,810	28,715	74,744		7,272					178,994
2040		12,981	7,619	2,708	34,209	221	11,841	5,943	4,410	93,657		7,350					180,940
2041		9,408	9,822	2,756	127,938	7,601	12,170	6,079	7,145			7,430					190,351
2042		14,208		15,251			80,018	41,043	635			39,324					190,478
2043		13,808		11,995			82,082	42,214	635			40,061					190,796
2044		33,848							16,510								50,358
2045		49,846															49,846
2046																	-
Total	34,380	248,718	311,152	57,487	533,584	33,203	322,604 (1)	165,066 (1)	428,783	329,670	503,058	195,553 (1)	180,975	7,086	59,659	68,993	3,479,970

Revenue Debt includes (a) Gasoline and Fuels Tax Revenue Bonds (Senior "1st" Lien) payable from the proceeds of the four-cent per gallon gasoline and special fuels tax and if necessary the sixteen-cent per gallon gasoline and special fuels tax, (b) Gasoline and Fuels Tax Second Lien Revenue Bonds (Subordinate "2nd" Lien) payable from the proceeds of the four-cent and sixteen-cent per gallon gasoline and special fuels tax; (c) The Series 2021A SHIF Bonds are payable from certain registration license fees or taxes for the licensing by the State of all trucks, tandem trucks, truck-tractors, semitrailers and trailers collected by the State; and (d) The Series 2015S, 2021N and 2021S UCP Bonds are payable on a first lien basis from monies in the I-49 North and South Accounts of the Unclaimed Property Leverage Fund, respectively.

(1) The ("2nd Lien") Series 2023A-1, 2023A-2, and 2025C are variable rate bonds that are hedged with various interest rate swap agreements. Debt Service projections are based on the following:
(i) fixed payments by the State in accordance with the respective Hedge Agreements, (ii) principal payments, and (iii) estimated net variable rate interest payments assuming a 25 bps spread to the estimated variable rate receipts from the respective Hedge Agreements.

Source: Louisiana State Bond Commission

STATE OF LOUISIANA
APPROPRIATION DEPENDENCY DEBT CLASSIFIED AS NSTSD
SCHEDULE OF DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
TO MATURITY AS OF MAY 31, 2026
(EXPRESSED IN THOUSANDS) - UNAUDITED

Fiscal Year	LCDA Baton Rouge Community College Series 2011, 2020A	LCDA Bossier Parish CC Facilities Series 2012B	LCDA LCTCS Facility Corp Project Series 2017A	LCDA Delta Community College Series 2017A	LPTFA South Louisiana Community College Series 2012A	LPFA Alexandria LSU Housing Series 2017	LPFA SU Millennium Housing Series 2018	LPFA UNO Series 2022 REF	LPFA Hurricane Recovery Series 2014, 2022 REF	LTA-LA 1 Project Series 2013B, C & 2021A	LCFC Revenue Bonds (LA Prison Enterprise Project) Series 2015A	LCFC Revenue Bonds (OJJ) Series 2021	IDB/N.O. Federal Alliance Proj Series 2014	LCFC Revenue Bonds (LCWI) Series 2023	OFC Northwest LA Office Bld Series 2025	Debt Service Requirements Payable From BSRF or From Direct GF Appropriation Total
2026	4,469	4,072	13,430	2,860	1,201	675	1,686	2,694	20,600	8,501	334	1,583	2,038	3,366	1,761	69,271
2027	4,470	4,069	13,431	2,861	1,201	676	1,688	2,740	20,600	8,480	334	1,587	2,037	3,368	3,818	71,360
2028	4,504	4,075	13,433	2,860	1,199	677	1,687	2,783	-	8,464	334	1,583	2,039	3,371	3,818	50,829
2029	4,503		13,463			677	1,684	2,833	-	9,188	333	1,584	2,038	3,370	5,037	44,710
2030	4,501					676	1,683	2,899		9,190	333	1,584		3,369	5,038	29,274
2031	4,505					673	1,684	2,892		9,189		1,583		3,369	5,040	28,936
2032	4,498					680	1,692	2,884		9,190		1,585		3,370	5,039	28,938
2033	4,499					675	1,692	2,888		9,188		1,586		3,371	5,040	28,939
2034						678	1,692	2,875		9,192		1,585		3,371	5,036	24,429
2035						680	1,687	2,879		9,189		1,582		3,367	5,039	24,424
2036						677	1,679	2,867		9,196		1,583		3,372	5,037	24,410
2037						672	1,680			9,192		1,586		3,370	5,036	21,536
2038							1,683			9,196		1,582		3,371	5,036	20,867
2039							1,678			9,200		1,586		3,370	5,040	20,874
2040										9,205		1,582		3,370	5,039	19,196
2041										9,211		1,586		3,370	5,038	19,204
2042										9,206				3,370	5,036	17,612
2043										9,212				3,371	5,038	17,621
2044										9,208				3,371	5,039	17,618
2045										9,262					5,038	14,300
2046										9,263					5,040	14,303
2047										9,266					5,036	14,302
2048															5,040	5,040
2049															5,040	5,040
2050															5,035	5,035
2051															5,036	5,036
2052															5,034	5,034
2053															5,034	5,034
2054															5,033	5,033
2055															5,035	5,035
2056															5,035	5,035
Total	35,949	12,216	53,758	8,581	3,602	8,116	23,596	31,235	41,200	200,387	1,669	25,347	8,151	64,027	150,437	668,271

Appropriation dependency "debt" legally classified as NSTSD, but not bearing full faith and credit status. The underlying security are payments under agreements with the State which are subject to, and dependent upon, annual appropriation of funds by the Legislature of the State. The various entities are Louisiana Public Facilities Authority ("LPFA"), Lafayette Public Trust Financing Authority ("LPTFA"), Louisiana Correctional Facilities Corporation ("LCFC"), Louisiana Transportation Authority ("LTA"), Industrial Development Board ("IDB") of the City of New Orleans, and the Louisiana Community Development Authority ("LCDA").

Does not include LCDA - LCTCS Act 360 Project, Series 2017, 2018, 2019 and 2021 which under La. R.S. 39:1367(E)(2)(b)(v) are excluded from the State's Net Tax Supported Debt calculation.

Source: Louisiana State Bond Commission

STATE OF LOUISIANA
NON-GENERAL OBLIGATION BONDS WHICH ARE SELF-SUPPORTING
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
CLASSIFIED AS NSTSD AS OF MAY 31, 2026
(EXPRESSED IN THOUSANDS) - UNAUDITED

FISCAL YEAR	GREATER NEW ORLEANS EXPRESSWAY COMMISSION SERIES 2024		TOTAL REQUIREMENTS
2026	3,035		3,035
2027	3,034		3,034
2028	3,037		3,037
2029	3,034		3,034
2030	3,041		3,041
2031	3,031		3,031
2032	3,036		3,036
2033	3,033		3,033
2034	3,034		3,034
Total	27,315 [(1)]	-	27,315

Includes dedicated revenue supported debt and other tax supported debt not backed by full faith and credit of the State, but classified as NSTSD by rule of the State Bond Commission.

[(1)] Greater New Orleans Expressway Commission receives collections from State Highway Fund No. 2 which consists of certain vehicular license tax collections from the parishes of Orleans, Jefferson, St. John the Baptist, St. Charles and St. Tammany to assist in servicing these bonds, which are also secured by toll collections.

Source: Louisiana State Bond Commission

STATE OF LOUISIANA
SUMMARY - NSTSD BY FISCAL PERIOD
AS OF MAY 31, 2026
(EXPRESSED IN THOUSANDS) - UNAUDITED

	NET GENERAL OBLIGATION DEBT EQUIVALENTS			REVENUE DEBT CLASSIFIED AS NSTSD			APPROPRIATION DEPENDENCY DEBT CLASSIFIED AS NSTSD			SELF-SUPPORTING DEBT CLASSIFIED AS NSTSD			TOTAL NSTSD		
FY	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	282,480	156,023	438,503	91,565	85,837	177,402	54,465	14,806	69,271	1,985	1,050	3,035	430,495	257,717	688,212
2027	267,120	159,661	426,781	91,515	88,631	180,146	56,423	14,937	71,360	2,085	949	3,034	417,143	264,177	681,320
2028	262,035	146,974	409,009	97,260	85,441	182,701	37,882	12,947	50,829	2,195	842	3,037	399,372	246,204	645,576
2029	275,170	134,830	410,000	104,965	82,483	187,448	33,135	11,575	44,710	2,305	729	3,034	415,575	229,616	645,191
2030	252,590	123,385	375,975	111,530	79,008	190,538	18,654	10,620	29,274	2,430	611	3,041	385,204	213,623	598,827
2031	245,935	112,285	358,220	117,055	75,353	192,408	18,940	9,996	28,936	2,545	486	3,031	384,475	198,120	582,595
2032	259,725	100,274	359,999	125,380	71,033	196,413	19,575	9,363	28,938	2,680	356	3,036	407,360	181,025	588,385
2033	237,920	89,346	327,266	134,915	66,282	201,197	20,235	8,704	28,939	2,815	218	3,033	395,885	164,550	560,435
2034	230,460	78,157	308,617	136,305	61,085	197,390	16,330	8,099	24,429	2,960	74	3,034	386,055	147,415	533,470
2035	211,540	67,158	278,698	124,040	55,808	179,848	16,865	7,559	24,424			-	352,445	130,524	482,969
2036	182,270	57,470	239,740	141,660	50,738	192,398	17,415	6,995	24,410			-	341,345	115,204	456,549
2037	190,815	48,767	239,582	138,790	46,059	184,849	15,085	6,451	21,536			-	344,690	101,277	445,967
2038	158,645	40,346	198,991	144,615	40,858	185,473	14,925	5,942	20,867			-	318,185	87,146	405,331
2039	143,250	33,289	176,539	143,175	35,819	178,994	15,435	5,439	20,874			-	301,860	74,547	376,407
2040	125,650	26,261	151,911	151,430	29,510	180,940	14,245	4,951	19,196			-	291,325	60,722	352,047
2041	110,700	20,118	130,818	167,155	23,196	190,351	14,725	4,479	19,204			-	292,580	47,793	340,373
2042	97,785	15,089	112,874	172,945	17,533	190,478	13,590	4,022	17,612			-	284,320	36,643	320,963
2043	86,425	10,725	97,150	180,130	10,666	190,796	14,040	3,581	17,621			-	280,595	24,971	305,566
2044	71,795	6,793	78,588	46,315	4,043	50,358	14,550	3,068	17,618			-	132,660	13,903	146,563
2045	52,365	3,422	55,787	47,710	2,136	49,846	11,620	2,680	14,300			-	111,695	8,237	119,932
2046	26,465	1,059	27,524		-	-	11,935	2,368	14,303			-	38,400	3,427	41,827
2047	-	-	-			-	12,260	2,042	14,302			-	12,260	2,042	14,302
2048							3,250	1,790	5,040				3,250	1,790	5,040
2049							3,425	1,615	5,040				3,425	1,615	5,040
2050							3,605	1,430	5,035				3,605	1,430	5,035
2051							3,800	1,236	5,036				3,800	1,236	5,036
2052							4,000	1,034	5,034				4,000	1,034	5,034
2053							4,210	824	5,034				4,210	824	5,034
2054							4,430	603	5,033				4,430	603	5,033
2055							4,665	370	5,035				4,665	370	5,035
2056							4,910	125	5,035				4,910	125	5,035
Total	3,771,140	1,431,432	5,202,572	2,468,455	1,011,515	3,479,970	498,624	169,647	668,271	22,000	5,315	27,315	6,760,219	2,617,910	9,378,129
			(1)			(2)(3)			(4)(5)			(6)			

(1) Full faith and credit bonds of the State paid from Bond Security and Redemption Fund not having a dedicated revenue stream. Does not include GO Bonds Series 2020C-2 which under La. R.S. 39:1367(E)(2)(b)(iii) is excluded from the State's Net Tax Supported Debt calculation.

(2) Revenue Debt includes (a) Gasoline and Fuels Tax Revenue Bonds (Senior "1st" Lien) payable from the proceeds of the four-cent per gallon gasoline and special fuels tax and if necessary the sixteen-cent per gallon gasoline and special fuels tax, (b) Gasoline and Fuels Tax Second Lien Revenue Bonds (Subordinate "2nd" Lien) payable from the proceeds of the four-cent and sixteen-cent per gallon gasoline and special fuels tax; (c) SHIF Bonds Series 2021A payable from certain registration license fees or taxes for the licensing by the State of all trucks, tandem trucks, truck-tractors, semitrailers and trailers collected by the State; and (d) UCP Bonds Series 2015S, 2021N and 2021S are payable on a first lien basis from monies in the I-49 North and South Accounts of the Unclaimed Property Leverage Fund, respectively.

(3) Includes ("2nd Lien") 2023A-1, 2023A-2 and 2025C variable rate bonds that are hedged with various interest rate swap agreements. Debt Service projections are based on the following:
(i) fixed payments by the State in accordance with the respective Hedge Agreements, (ii) principal payments, and (iii) estimated net variable rate interest payments assuming a 25 bps spread to the estimated variable rate receipts from the respective Hedge Agreements.

(4) Appropriation dependency "debt" legally classified as NSTSD, but not bearing full faith and credit status.

(5) Does not include LCDA - LCTCS Act 360 Project, 2017, 2018, 2019 and 2021 Bonds which under La. R.S. 39:1367(E)(2)(b)(v) are excluded from the State's Net Tax Supported Debt calculation.

(6) Includes dedicated revenue supported debt and other tax supported debt not backed by full faith and credit of the State, but classified as NSTSD by rule of the State Bond Commission.

STATE OF LOUISIANA
NON-NET STATE TAX SUPPORTED DEBT
SCHEDULE OF DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
TO MATURITY AS OF MAY 31, 2026
(EXPRESSED IN THOUSANDS) - UNAUDITED

Fiscal Year	LA GO Classified as Non-NSTSD Total	Appropriation Dependency Debt Classified as Non-NSTSD Total	Grant Anticipation Revenue Bonds Classified as Non-NSTSD Total	Debt Service Total
2026	10,285	13,925	56,334	80,544
2027	14,807	13,925	55,918	84,651
2028		13,895	55,502	69,397
2029		20,942	55,081	76,023
2030		20,596	54,666	75,261
2031		20,588	54,233	74,821
2032		20,597	53,812	74,409
2033		20,596	33,036	53,633
2034		20,991	32,636	53,627
2035		20,993	24,890	45,883
2036		20,990	24,861	45,852
2037		20,992		20,992
2038		20,995		20,995
2039		20,989		20,989
2040		20,993		20,993
Total	**25,092** (1)(2)	**292,007** (3)	**500,970** (4)	**818,070**

(1) Full faith and credit bonds of the State paid from the Bond Security and Redemption Fund not having a dedicated revenue stream.

(2) Includes GO Bonds Series 2020 C-2, which under La. R.S. 39:1367(E)(2)(b)(iii) is excluded from the State's Net Tax Supported Debt calculation.

(3) Includes LCDA - LCTCS Act 360 Project, Series 2017, 2018, 2019 and 2021 which under La. R.S. 39:1367(E)(2)(b)(v) are excluded from the State's Net Tax Supported Debt calculation.

(4) Grant Anticipation Revenue Bonds Series 2019, 2021, and 2023 paid from Federal Transportation Funds paid and reimbursed to the Louisiana Department of Transportation and Development ("DOTD") by the United State Department of Transportation Federal Highway Administration ("FHWA") pursuant to its obligation authority under the Federal-aid Highway Program administered by the FHWA. Issued pursuant to La. R.S. 48:27.

Source: Louisiana State Bond Commission

STATE OF LOUISIANA
SUMMARY - NSTSD & NON-NSTSD BY FISCAL PERIOD
AS OF MAY 31, 2026
(EXPRESSED IN THOUSANDS) - UNAUDITED

	GENERAL OBLIGATION DEBT			REVENUE DEBT			APPROPRIATION DEPENDENCY DEBT			SELF-SUPPORTING DEBT			TOTAL DEBT		
FY	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2026	292,480	156,308	448,788	128,825	104,911	233,736	60,870	22,326	83,196	1,985	1,050	3,035	484,160	284,596	768,756
2027	281,750	159,838	441,588	130,260	105,804	236,064	63,083	22,202	85,285	2,085	949	3,034	477,178	288,793	765,971
2028	262,035	146,974	409,009	137,565	100,638	238,203	44,782	19,942	64,724	2,195	842	3,037	446,577	268,396	714,973
2029	275,170	134,830	410,000	146,905	95,624	242,529	47,550	18,101	65,651	2,305	729	3,034	471,930	249,284	721,214
2030	252,590	123,385	375,975	155,195	90,008	245,203	33,389	16,480	49,869	2,430	611	3,041	443,604	230,485	674,089
2031	245,935	112,285	358,220	162,515	84,125	246,640	34,360	15,164	49,524	2,545	486	3,031	445,355	212,061	657,416
2032	259,725	100,274	359,999	172,740	77,485	250,225	35,685	13,849	49,534	2,680	356	3,036	470,830	191,964	662,794
2033	237,920	89,346	327,266	163,395	70,838	234,233	36,870	12,665	49,535	2,815	218	3,033	441,000	173,068	614,068
2034	230,460	78,157	308,617	165,835	64,191	230,026	33,780	11,640	45,420	2,960	74	3,034	433,035	154,062	587,097
2035	211,540	67,158	278,698	147,140	57,598	204,738	34,775	10,642	45,417	-	-	-	393,455	135,398	528,853
2036	182,270	57,470	239,740	165,915	51,345	217,260	35,810	9,591	45,401	-	-	-	383,995	118,406	502,401
2037	190,815	48,767	239,582	138,790	46,059	184,849	34,000	8,528	42,528	-	-	-	363,605	103,354	466,959
2038	158,645	40,346	198,991	144,615	40,858	185,473	34,395	7,467	41,862	-	-	-	337,655	88,671	426,326
2039	143,250	33,289	176,539	143,175	35,819	178,994	35,485	6,377	41,862	-	-	-	321,910	75,485	397,395
2040	125,650	26,261	151,911	151,430	29,510	180,940	34,920	5,269	40,189	-	-	-	312,000	61,040	373,040
2041	110,700	20,118	130,818	167,155	23,196	190,351	14,725	4,479	19,204	-	-	-	292,580	47,793	340,373
2042	97,785	15,089	112,874	172,945	17,533	190,478	13,590	4,022	17,612	-	-	-	284,320	36,643	320,963
2043	86,425	10,725	97,150	180,130	10,666	190,796	14,040	3,581	17,621	-	-	-	280,595	24,971	305,566
2044	71,795	6,793	78,588	46,315	4,043	50,358	14,550	3,068	17,618	-	-	-	132,660	13,903	146,563
2045	52,365	3,422	55,787	47,710	2,136	49,846	11,620	2,680	14,300	-	-	-	111,695	8,237	119,932
2046	26,465	1,059	27,524	-	-	-	11,935	2,368	14,303	-	-	-	38,400	3,427	41,827
2047			-	-	-	-	12,260	2,042	14,302	-	-	-	12,260	2,042	14,302
2048							3,250	1,790	5,040				3,250	1,790	5,040
2049							3,425	1,615	5,040				3,425	1,615	5,040
2050							3,605	1,430	5,035				3,605	1,430	5,035
2051							3,800	1,236	5,036				3,800	1,236	5,036
2052							4,000	1,034	5,034				4,000	1,034	5,034
2053							4,210	824	5,034				4,210	824	5,034
2054							4,430	603	5,033				4,430	603	5,033
2055							4,665	370	5,035				4,665	370	5,035
2056							4,910	125	5,035				4,910	125	5,035
Total	3,795,770	1,431,895	5,227,665	2,868,555	1,112,385	3,980,940	728,769	231,509	960,278	22,000	5,315	27,315	7,415,094	2,781,104	10,196,198
			(1)(2)			(3)			(4)(5)			(6)			

(1) Full faith and credit bonds of the State paid from the Bond Security and Redemption Fund not having a dedicated revenue stream.
(2) Includes GO Bonds Series 2020C-2 which under La. R.S. 39:1367(E)(2)(b)(iii) is excluded from the State's Net Tax Supported Debt calculation.
(3) Revenue debt having specified/dedicated revenue source.
(4) Appropriation dependency "debt" not bearing full faith and credit status. The underlying security are payments under agreements with the State which are subject to, and dependent upon, annual appropriation of funds by the Legislature of the State.
(5) Includes LCDA - LCTCS Act 360 Project, Series 2017, 2018, 2019 and 2021 which under La. R.S. 39:1367(E)(2)(b)(v) are excluded from the State's Net Tax Supported Debt calculation.
(6) Includes dedicated revenue supported debt and other tax supported debt not backed by full faith and credit of the State, but classified as NSTSD by rule of the State Bond Commission.

Source: Louisiana State Bond Commission

STATE OF LOUISIANA
DEEPWATER HORIZON ECONOMIC DAMAGES REVENUE BONDS
PRELIMINARY SCHEDULE OF DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
TO MATURITY AS OF MAY 31, 2026
(EXPRESSED IN THOUSANDS) - UNAUDITED

Fiscal Year	LA 3241: LA 435 to LA 40/LA 41 (SEG. 3) Project (TIFIA - 20211012A) Non-NSTSD Total	UP R.R. Overpass near Bonita Project (TIFIA - 20211011A) Non-NSTSD Total	LA 3241: LA 36 to LA 435 (SEG. 2) Project (TIFIA - 20221003A) Non-NSTSD Total	I-49 South: Amb Caffer/US 90 Interchange Project (TIFIA - 20221009A) Non-NSTSD Total	Cameron Ferry Crossing Project (TIFIA - 20231001A) Non-NSTSD Total	Statewide Bridge Program Project (TIFIA - 20231002A) Non-NSTSD Total	LA 415 Phase I Project (TIFIA - 20241001A) Non-NSTSD Total	Preliminary Debt Service Total
2026	5,066	609	5,168	7,423	1,377	-	-	19,643
2027	5,041	605	5,134	7,285	1,404	2,424	-	21,894
2028	5,731	1,100	5,100	7,639	2,520	2,383	-	24,472
2029	-	1,093	5,065	7,477	2,473	2,339	-	18,447
2030	-	1,834	6,924	9,789	4,207	2,298	18,457	43,508
2031	-	3,242	-	14,984	4,123	3,245	17,832	43,425
2032	-	3,220	-	14,602	3,806	3,182	17,209	42,019
2033	-	4,897	-	14,216		3,118	21,475	43,705
2034	-	-	-	18,709		4,147	25,876	48,732
Total	**15,838**	**16,598**	**27,391**	**102,124**	**19,910**	**23,136**	**100,848**	**305,845**

The Deepwater Horizon Economic Damages Revenue Bonds were issued to finance a specific list of State transportation project pursuant to R.S. 39:91. The Bonds were issued under the Build America Bureau of Transportation Finance and Innovation Act (TIFIA) in a draw down loan structure pursuant to separate Loan Agreements among the SBC, acting on behalf of the State of Louisiana, the Department of Transportation and Development of the State of Louisiana, and United States Department of Transportation ("USDOT"). The Bonds are secured solely by a pledge of BP Settlement funds received by the State with respect to economic damages sustained by the State from the Deepwater Horizon explosion and oil spill that occurred on or about April 20, 2010, at the MC 252 site in the Gulf of America. **Debt Service reflected above is preliminary and is subject to change based on actual draws, capitalized interest and project completion. Accordingly, debt service will be revised to reflect actual draws and debt service requirements.**

(a) TIFIA 20211012A and 20211011A issued on September 21, 2021 at a fixed rate of 0.500% and 0.690%, respectively.
(b) TIFIA 20221003A issued on December 2, 2021 at a fixed rate of 0.690%
(c) TIFIA20221009A issued on July 27, 2022 at a fixed rate of 2.84%
(d) TIFIA 20231001A and 20231002A issued on November 3, 2022 at a fixed rate of 2.12% and 2.11%, respectively
(e) TIFIA 20241001A issued on December 13, 2023 at a fixed rate of 4.170%

Source: Louisiana State Bond Commission

LEGAL MATTERS

No pending litigation affects the ability of the State to issue evidence of indebtedness, including the Bonds, and no litigation has been filed questioning the validity of the Bonds or the security therefor.

The State's Self-Insurance Fund is not available as a source of funds to settle tort claims involving road defect allegations nor to pay final judgements in such matters. As a result, settlements and judgements in such road hazard tort claims have been and will continue to be funded and paid only through individual legislative appropriation.

The State may sue and be sued in its official capacity for a variety of causes. It is possible that litigation will result in an award or settlement that could impact various revenues currently being budgeted by the State; however, the State cannot predict at this time whether such an impact is likely to occur. WHILE THERE CAN BE NO ASSURANCES AS TO THE ULTIMATE RESOLUTION AND FISCAL IMPACT OF SUCH LITIGATION, THE STATE BELIEVES THAT THE RESOLUTION OF SUCH LITIGATION ARE UNLIKELY TO ADVERSELY AFFECT THE ABILITY OF THE STATE TO PAY PRINCIPAL OF OR INTEREST ON THE BONDS.

THE STATE IS CURRENTLY AND MAY IN THE FUTURE BE PARTY TO OTHER CIVIL ACTIONS ARISING FROM ITS VARIOUS ACTIVITIES, HOWEVER, SAID CIVIL ACTIONS, IF SETTLED OR DECIDED ADVERSELY TO THE STATE, ARE LIKELY TO RESULT ONLY IN MONETARY JUDGEMENTS AND ARE SUBJECT TO APPROPRIATION PURSUANT TO ARTICLE XII, SECTION 10 OF THE STATE CONSTITUTION.

APPENDIX A

COOPERATIVE ENDEAVOR AGREEMENT

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COOPERATIVE ENDEAVOR AGREEMENT

by and among

STATE OF LOUISIANA

and

BOARD OF SUPERVISORS OF THE
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM

and

LCTCS FACILITIES CORPORATION

Dated as of May 1, 2026

COOPERATIVE ENDEAVOR AGREEMENT

This COOPERATIVE ENDEAVOR AGREEMENT (this "*Agreement*") dated for convenience as of May 1, 2026 but effective on the date of full execution by the parties hereto is made between the STATE OF LOUISIANA (herein "*State*"), acting by and through the Commissioner of Administration, the BOARD OF SUPERVISORS OF THE LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM, a public constitutional corporation organized and existing under the laws of the State of Louisiana (the "*Board*"), acting herein on behalf of the Louisiana Community and Technical College System (the "*LCTCS*"), and the LCTCS FACILITIES CORPORATION, a non-profit corporation organized under the laws of the State of Louisiana (the "*Corporation*"). The State, the Board and the Corporation are sometimes referred to herein collectively as the "*Parties*" and each individually as a "*Party*."

ARTICLE I
DEFINITIONS

Section 1.1. Definitions.

"*Act*" shall mean collectively, Section 14(C) of Article VII of the Louisiana Constitution of 1974, as amended and La. R. S. 17:3361 through 17:3366, inclusive.

"*Act No. 35*" shall mean Part IX-A of Chapter 26 of Title 17 of the Louisiana Revised Statutes of 1950, comprised of R.S. 17:3394.1 through 3394.3, as amended by Act No. 35 of the 2025 Regular Session of the Louisiana Legislature, and as the same may be further amended from time to time.

"*Acquired Real Property*" shall mean the immovable property acquired by the Corporation in order to continue the Facilities set forth in Act No. 35, for which real property must be acquired.

"*Additional Rental*" shall have the meaning assigned to such term in the Facilities Lease.

"*Advisory Committees*" shall mean the various advisory committees appointed by the Corporation to advise it regarding the design and construction of the various Facilities to be composed as provided in Section 4.2 hereof.

"*Agreement*" shall mean this Cooperative Endeavor Agreement and any amendments or modifications thereto.

"*Authority*" shall mean the Louisiana Local Government Environmental Facilities and Community Development Authority.

"*Base Rental*" shall mean Base Rental as defined in the Facilities Lease.

"*Board*" shall mean the Board of Supervisors of the Louisiana Community and Technical College System, a public constitutional corporation organized and existing under the laws of the State of Louisiana acting herein on behalf of the LCTCS.

"*Bonds*" shall mean the Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (LCTCS Act 35 Project), issued in one or more series, the proceeds of which will be loaned to the Corporation pursuant to the Loan Agreement for acquisition, renovation, and construction of the Facilities, including any bonds issued to refund the Bonds. The project name within the above stated caption for the Bonds may be updated as to reference to the Corporation or to the specific LCTCS Campuses if so desired by the Corporation.

"*Capital Improvements*" shall mean, in accordance with the provisions of Act No. 35, expenditures for developing plans and specifications; acquiring lands, buildings, equipment, or other permanent properties; or for their construction, preservation, development, or permanent improvement, or for payment of principal, interest, or premiums, if any, and other obligations incident to the issuance, security, and payment of bonds or other evidences of indebtedness associated therewith.

"*Code*" means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

"*Contract Monitor*" shall mean the employee of the Board appointed to monitor the performance of the Corporation hereunder.

"*Corporation*" shall mean LCTCS Facilities Corporation, a Louisiana non-profit corporation organized exclusively to promote, assist, and benefit the mission of the LCTCS by acquiring, renovating, rehabilitating, repairing, constructing, developing, managing, leasing as lessor or lessee, mortgaging, and/or conveying classroom, administrative, and other facilities on the campuses of designated LCTCS institutions, or their successor or assigns, as provided in Act No. 35.

"*Default*" shall have the meaning given such term in Section 10.1 hereof.

"*Division*" shall mean the Division of Administration, Office of the Governor, State of Louisiana.

"*EMMA*" shall mean the MSRB's internet-based portal referred to as the Electronic Municipal Market Access system at http://www.emma.msrb.org.

"*Executive Budget*" shall mean the executive budget of the State of Louisiana as provided in Part II of Chapter I of Title 39 of the Louisiana Revised Statutes of 1950, as amended, for any Fiscal Year during the term of this Agreement.

"*FP&C*" shall mean the Office of Facility Planning and Control of the Division of Administration, State of Louisiana.

"*Facilities*" shall mean the hereinafter described Capital Improvements and related facilities, as outlined within Act No. 35, to be constructed by the Corporation in accordance with the Ground Lease and the Plans and Specifications on LCTCS campuses with proceeds of the Bonds and an additional twelve percent (12%) match of the total project cost, if required, together with other requirements including, but not limited to, costs of issuance, capitalized interest, if any, credit enhancement, and related costs:

A. Northshore Technical Community College-Hammond Area Campus;

B. River Parishes Community College-Donaldsonville Campus;

C. SOWELA Technical Community College-Lamar Salter Campus;

D. Northwest Louisiana Technical Community College-Shreveport Campus;

E. Louisiana Delta Community College-Bastrop Campus;

F. Central Louisiana Technical Community College-Rod Brady Campus;

G. Central Louisiana Technical Community College-Ward H. Nash Avoyelles Campus;

H. South Louisiana Community College-T.H. Harris Opelousas Campus; and

I. Such other projects designated by the Board pursuant to Act 35.

"*Facilities Lease*" shall mean the Agreement to Lease with Option to Purchase between the Corporation and the Board providing for the sublease of the Leased Property and the lease of the Acquired Real Property and the Facilities to the Board, in substantially the form attached hereto and made a part hereof as Exhibit B, as the same may be amended from time to time in accordance with the provisions thereof.

"*Fiscal Year*" means the fiscal year of the State, which is the period from July 1 to and including the following June 30.

"*Goals and Objectives*" shall mean the development, financing, construction and leasing of the Facilities to the Board, as a means of accomplishing the Capital Improvements.

"*Ground Lease*" shall mean the Ground Lease Agreement between the Board and the Corporation, providing for the lease of the Leased Property by the Board to the Corporation which, among other things, obligates the Corporation to construct or cause the construction of the Facilities on the Leased Property and sets forth the terms and conditions pursuant to which the construction will occur, in substantially the form attached hereto and made a part hereof as Exhibit A, as the same may be amended from time to time in accordance with the provisions thereof.

"*Indenture*" means the Trust Indenture to be entered into between the Authority and the Trustee, pursuant to which the Bonds have been issued and are secured, as the same may be amended from time to time in accordance with the provisions thereof.

"*LCTCS*" shall mean the Louisiana Community and Technical College System, a constitutional corporation and an agency of the State of Louisiana, domiciled in Baton Rouge, Louisiana.

"*Leased Property*" shall mean those properties leased to the Corporation pursuant to the Ground Lease.

"*Legislature*" shall mean the legislature of the State.

"*Loan Agreement*" shall mean the Loan and Assignment Agreement between the Corporation and the Authority relative to the proceeds of the Bonds, as the same may be amended from time to time in accordance with the provisions thereof.

"*Mortgage*" means, collectively, individually, and interchangeably, each Act of Leasehold Mortgage, Assignment of Leases, and Security Agreement to be granted by the Corporation in favor of the Trustee mortgaging the Corporation's leasehold interest pursuant to the Ground Lease and any amendment or supplement thereto entered into in accordance with the terms therein.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board.

"*Outstanding LCTCS Bonds*" means all of the following, which are outstanding as of the date of this Agreement, including any bonds issued to refund such bonds following the date of this Agreement:

A. $38,050,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Bossier Parish Community College – Campus Facilities, Inc. Project) Series 2012;

B. $13,185,000 Lafayette Public Trust Financing Authority Revenue Refunding Bonds (South Louisiana Facilities Corporation Project) Series 2012;

C. $22,750,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Delta Campus Facilities Corporation Project) Series 2017;

D. $88,590,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (LCTCS Act 391 Project) Series 2017;

E. $20,770,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (LCTCS Act 360 Project) Series 2017;

F. $66,830,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (LCTCS Act 360 Project) Series 2018;

G. $16,630,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (LCTCS Act 360 Project) Series 2019;

H. $38,175,000 Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Refunding Bonds (BRCC Facilities Corporation Project) Series 2020; and

I. $150,770,000 Louisiana Local Government Environmental Facilities and Community Development Authority Taxable Revenue Refunding Bonds (LCTCS Act 360 Project) Series 2021.

"*Performance Measures*" shall mean:

A. Entering into the Ground Lease and the Facilities Lease.

B. Completion of the Plans and Specifications.

C. Construction of the Facilities.

"*Person*" shall mean an individual, a corporation, a partnership, a joint venture, an association, a trust or any other entity or organization, including a state or municipal corporation or government or political subdivision or an agency or instrumentality thereof.

"*Plans and Specifications*" shall mean, collectively, the plans and specifications or design documents for the Facilities as approved by the Corporation in accordance with this Agreement.

"*Program Manager*" shall mean the architecture, engineering, or construction management firm retained by the Corporation for the purpose of providing construction project planning, management, and monitoring.

"*Project*" shall mean the acquisition of any lands, buildings, equipment, or other permanent properties, in accordance with Act No. 35; the lease of the Leased Property to the Corporation by the

Board and the design, development, construction, renovation, improvement, or expansion of and construction of the Facilities thereon pursuant to the Ground Lease; the lease to the Board by the Corporation, of the Facilities and the sublease of the Leased Property by the Corporation to the Board pursuant to the Facilities Lease; and the payment of all fees and expenses relative to the financing, planning, and design thereof.

"*Project Budget*" shall mean the Corporation's budget of Project Costs.

"*Project Costs*" shall mean all costs incurred by the Corporation to perform its obligations herein to complete the Project, including, but not limited to, costs related to design, development, planning, financing, bidding, construction, renovation, improvement, or expansion of the Facilities, initial equipment and furnishings, and all professional fees and other costs necessary therefor.

"*Project Documents*" shall mean this Agreement, the Ground Lease, the Facilities Lease, and the Loan Agreement.

"*Rental*" shall mean Additional Rental and Base Rental as defined in the Facilities Lease.

"*Rule*" shall have the meaning given such term pursuant to Section 4.1 hereof.

"*State*" shall mean the State of Louisiana, acting by and through the Commissioner of Administration of the Division.

"*Trustee*" shall mean the financial institution serving as trustee under the Indenture by and between the Trustee and the Authority with respect to the Bonds.

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

ARTICLE II
STATE'S AUTHORITY AND SCOPE OF AGREEMENT

Section 2.1. Authority of State. The State is authorized, pursuant to the Act, to enter into cooperative endeavor agreements with public and private associations or corporations for a public purpose and public benefit, including agreements which may require the use of state funds.

ARTICLE III
CORPORATION'S REPRESENTATIONS

Section 3.1. Representations of the Corporation to Induce State. As a material inducement to the State to enter into this Agreement, without which the State would not have entered into this Agreement, the Corporation makes the following representations to the State:

A. Public Purpose and Benefit. The construction of the Facilities is a public purpose and the Facilities to be constructed by the Corporation will benefit the State by ensuring that the institutions of the LCTCS are responsive to the State's need for a competent and skilled workforce.

The commitment by the Board to dedicate the Facilities improvements outlined herein toward the workforce needs of the State and the State's commitment, as evidenced within Act No. 35, and its cooperation with the Corporation and the Board on the Project were preconditions to the Corporation's undertaking of the Project.

B. Duly Organized. The Corporation is a Louisiana private non-profit corporation validly existing and in good standing under the laws of the State of Louisiana, and has or will have all powers and all governmental licenses, authorizations, qualifications, consents, and approvals required to carry on its business as now conducted and necessary to the ownership, use, operation, or maintenance of its properties.

C. Requisite Power. The Corporation has all requisite power and authority to enter into this Agreement and all other Project Documents, and to carry out the terms hereof, under applicable law including, without limitation, the Act, and has or will have complied with all provisions of applicable law including, without limitation, the Act, in all matters related to such actions of the Corporation as are contemplated by this Agreement, and the Project Documents will constitute valid and legally binding obligations of the Corporation.

D. Project Documents. The Project Documents to be executed by the Corporation, when executed, will have been duly authorized, executed, and delivered by the Corporation and each will constitute a legal, valid, and binding obligation of the Corporation, enforceable in accordance with its terms (except that (i) the enforceability of such Project Documents may be limited by bankruptcy, reorganization, insolvency, moratorium, or other similar laws of general application relating to the enforcement of creditors' rights, (ii) certain equitable remedies, including specific performance, may be unavailable, and (iii) the indemnification provisions contained therein may be limited by applicable securities laws and public policy).

E. Compliance by the Corporation. The Corporation is in full compliance with all of the terms and conditions of this Agreement and no Default hereunder has occurred and is continuing, and no event, act, or omission has occurred and is continuing which, with the lapse of time, the giving of notice, or both, would constitute such a Default.

F. Authority of the Corporation. The Corporation has taken or will take or cause to be taken all necessary and proper action to authorize the execution, issuance and delivery of, and the performance of its obligations under the Project Documents and any other instruments and documents required to be executed or delivered pursuant hereto or in connection herewith.

G. No Ultra Vires Act. The execution and delivery of and performance by the Corporation of its obligations under the Project Documents and any and all instruments or documents required to be executed in connection herewith were and are within the powers of the Corporation and will not violate any provisions of any law, regulation, decree, or governmental authorization, applicable to the Corporation or any agreements of the Corporation with any of its creditors.

H. Litigation. Except as may be otherwise disclosed in writing, there is no action, suit, investigation or proceeding pending, or to its best knowledge, threatened, against the Corporation, before any court, arbitrator, or administrative or governmental body, or insurance underwriting agency which could reasonably be expected to result in a material adverse change in the financial condition or operations of the Corporation or which could reasonably be expected to materially adversely affect the ability of the Corporation to comply with its obligations hereunder or in connection with the transactions contemplated hereby or by the Project Documents.

I. Accuracy of Statements. Neither this Agreement nor the forms of any of the other Project Documents or certificates or statements to be furnished to the State by or on behalf of the Corporation in connection with the transactions contemplated hereby or thereby contain any untrue statement of any material fact necessary in order to make the statements contained herein or therein not misleading with respect to the Corporation. There is no fact or circumstance known to the Corporation which the Corporation has not disclosed in writing to the State which materially adversely affects or, so far as the

Corporation can now reasonably foresee, will materially adversely affect the condition of the Corporation or the ability of the Corporation to perform its obligations hereunder, or under the Project Documents. All representations made herein or to be made in any other Project Documents by the Corporation are true and accurate and remain in full force and effect.

J. Full Capabilities to Perform. The Corporation has full capabilities to complete all work to be performed under the Project Documents in accordance with all terms, conditions, and time periods required by the Project Documents, and the Corporation has no knowledge of any obligation of the Corporation under the Project Documents which the Corporation cannot fulfill in a timely manner as required by the Project Documents.

K. Minority Participation. The Corporation will ensure every opportunity for minority and women owned businesses to participate in the construction of the Facilities.

L. Availability of Bond Proceeds. The Corporation covenants that it will make such use of the portion of the proceeds of the Bonds loaned to the Corporation and take such other and further action as may be required so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code and the regulations promulgated there under.

ARTICLE IV
COOPERATIVE ENDEAVOR OBLIGATIONS

Section 4.1. Obligations of the Board. The Board hereby covenants that it will meet its obligations under the Ground Lease and Facilities Lease to the Corporation and will, to the extent of appropriations made available therefor, budget the Rental required by and defined in the Facilities Lease. The Board further covenants that when and as required by Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "*Rule*"), it shall report and cause the State to report such financial and operational data or other information as may be required to be provided to the MSRB through EMMA, as provided by the Rule.

In accordance with the provisions of Act No. 35, the funding of each project described in the Facilities requires a twelve percent (12%) match of the total project cost unless otherwise provided by law. The Board hereby covenants and agrees that no project described in the definition of Facilities shall be financed until the match is obtained for that particular project.

Section 4.2. Obligations of the Corporation. The Corporation hereby agrees that it will enter into the Ground Lease and fulfill its obligations with respect to the Leased Property as set forth in the Ground Lease. The Corporation hereby agrees that it will acquire lands, buildings, equipment, or other permanent properties, as needed, and construct or cause to be constructed the Facilities, either, on the Leased Property or on the Acquired Real Property, in accordance with the Ground Lease, the Plans and Specifications, the Loan Agreement and other financing documents. The Corporation agrees that it will enter into and fulfill its obligations under the Facilities Lease pursuant to which the Board will sublease the Leased Property and lease the Facilities from the Corporation, said Facilities Lease to be in form and substance acceptable to all Parties hereto. The Corporation agrees that it shall use the Rental received by it under the Facilities Lease solely to pay its obligations under the Indenture, the Loan Agreement and other financing documents; to pay Project Costs; or to reimburse itself for such Project Costs incurred prior to the receipt of Rental, all in accordance with the Facilities Lease. Notwithstanding the Mortgage, the Corporation agrees that it will not mortgage, grant a security interest in, encumber, transfer or assign its right, title, or interest in the Ground Lease, the Facilities Lease, or the Facilities without the consent of the other Parties hereto and the holders of the Bonds during the term of this Agreement.

Subject to Section 4.5 hereof, the Corporation shall have supervision of the construction process of the Facilities, including change orders, if any, with input and advice from the Advisory Committees.

In addition, the Corporation agrees to employ a Program Manager for day-to-day supervision and authority over the design and construction process. The Program Manager will be the Corporation's liaison with the Advisory Committees and with FP&C. The Program Manager will also facilitate the review by the Corporation and the Advisory Committees of all plans and specifications prior to the commencement of construction including coordinating with designers and contractors of any changes as may be required. Program Manager will also coordinate and facilitate any efforts by FP&C to conduct inspections during construction and at completion to obtain acceptance of the completed work by the State.

There shall be four (4) members of the Advisory Committees for each of the projects within the community and technical colleges composed of:

A representative of the Louisiana Community and Technical College System Office;

A representative of the college in which the project is located;

A representative of the Division of Administration of the State of Louisiana, acting through its Office of Facility Planning and Control; and

A representative of the Board of Regents, State of Louisiana.

The Corporation agrees that, subject to Section 4.5 hereof, the respective Advisory Committees will provide input and advice during the planning and construction of the Projects through review of the work of the designers, contractors or design/build team.

Section 4.3. Obligations of the State. The Commissioner hereby agrees on behalf of the State that during the term of this Agreement there shall be included in the Executive Budget and requests made of the State Legislature to provide funding as herein stipulated for the accomplishment of this Agreement by payment to the Board for the Board's obligations to make Rental payments and payments relating to the Outstanding LCTCS Bonds, in an amount not to exceed $43,900,000. The annual funding amount set forth in this paragraph is a maximum amount and in no event shall the State be obligated to provide funding in excess of $43,900,000 in each Fiscal Year. Furthermore, such annual appropriations will be set each Fiscal Year at the actual amounts needed for the Board to make Rental payments and payments relating to the Outstanding LCTCS Bonds.

The State agrees that the Corporation may use said funds to fulfill its obligations as set forth in Section 4.2 hereof to provide the Facilities for the accomplishment of the goals of this Agreement in accordance with the provisions hereof, provided that no state funds shall be dispersed until such time as the Ground Lease and the Facilities Lease are fully executed and are in full force and effect. The State, Corporation, and Board hereby acknowledge that the State's obligation to fund the requirements set forth in this Section are subject to Legislative discretion and that the source of funding of the appropriation and the agency designated to receive such appropriation could vary during the term of this Agreement. Nonetheless, the State hereby expressly agrees to request such funding in the Board's budget each year through the term hereof and, if appropriated to a successor agency of the Board, to facilitate the transfer of such funds as required hereby.

The State further agrees that when and as required by the Rule, it shall report such financial and operational data or other information as may be required to be provided to the MSRB through EMMA, as provided by the Rule.

Section 4.4. Tax Covenant. The Parties hereto agree to take no action which could adversely affect the tax-exempt status of the Bonds.

Section 4.5. Facility Planning and Control Oversight. In accordance with La. R.S. 17:3361(A)(2), the design and construction of the Facilities shall be subject to the oversight of FP&C. This oversight shall be accomplished through participation on the Advisory Committee. The review and acceptance of the Plans and Specifications shall include the right to review for compliance with applicable building codes, space standards, where appropriate, and standards ensuring quality of construction. FP&C shall also have the right to conduct periodic inspections during construction.

FP&C shall be advised in advance of all project meetings and given the option to attend. FP&C shall be advised of the project scheduling and progress payments. Nothing in this Agreement shall be deemed, however, to mean that FP&C is the project manager, which responsibility rests with the Corporation and the Board.

Section 4.6. Contracts and Subcontracts. The Corporation hereby agrees that all contracts and subcontracts related to the Facilities to be constructed shall contain a stipulation that the Board shall have the right to enforce all provisions of the contract on behalf of the Corporation, including, but not limited to, default, defects, and damage claims.

Section 4.7 Changes to Facilities and Funding Sources. The Parties hereby acknowledge and agree that Act No. 35 does not require the financing of the Facilities described herein with the Bonds and that other funding sources may be used for such purposes to the extent they are available. In addition, in accordance with Act No. 35, the Board may amend the list of projects described in the definition of Facilities herein to include any project it deems necessary or advisable to address facility needs or facilitate economic development.

ARTICLE V
APPROPRIATIONS

Section 5.1. Appropriations. All payment obligations of the State under this Agreement shall be subject to appropriation by the Legislature of sufficient funds therefor and the availability of funds following Legislative appropriation. The State, through the Commissioner of Administration of the Division and the Board agree to request, in the Executive Budget, the appropriation necessary to meet the requirements of Section 4.3 hereof but make no representations, warranties, or covenants, express or implied, that the Legislature will make such appropriations. A failure by the Legislature to appropriate sufficient funds to satisfy the obligation of the State under this Agreement shall not constitute a Default under this Agreement, and this Agreement shall continue in full force and effect as if the appropriation had been made.

ARTICLE VI
AUDIT MATTERS AND REPORTING

Section 6.1. Audit. The Corporation shall arrange for an annual financial audit of funds received pursuant to this Agreement by an independent certified public accountant of all books and records of the Corporation related to this Agreement and to the Ground Lease and Facilities Lease, and shall make such audit, books, and records available to the Legislative Auditor of the state of Louisiana during reasonable business hours as required by La. R.S. 24:513, and shall retain such books and records for three (3) years after the close of the year in which the books and records were created or generated.

Section 6.2. Reporting. The Corporation shall provide to the Board the Project Budget, an estimated completion date of the Project and a plan showing specific Goals and Objectives for the use of

such funds, including Performance Measures. The Project Budget shall identify all estimated Project Costs. If the aggregate estimate of Project Costs should change at any time, the Corporation shall immediately submit to the Board a revised Project Budget.

Section 6.3. Contract Monitoring. The Board's Contract Monitor shall monitor the performance of this contract by reviewing the quarterly progress reports required by Section 6.2 and the annual contract compliance audit required by Section 6.1. The Contract Monitor shall meet with a representative of the Corporation on a quarterly basis to review the quarterly progress reports and inspect the Facilities.

ARTICLE VII
ASSIGNMENT

Section 7.1. Assignment. The Parties hereto shall not transfer or assign this Agreement or transfer or assign any or all of their rights or delegate any or all of their duties hereunder without the consent of each of the other Parties to this Agreement and the owners of the Bonds, provided, however, that the Corporation may pledge and assign as security for the Bonds its right hereunder to receive from the State the payments made pursuant to by Section 4.3 hereof.

ARTICLE VIII
TERM AND TERMINATION

Section 8.1. Term. The term of this Agreement shall extend for as long as the term of the Facilities Lease or for as long as the Bonds or the Outstanding LCTCS Bonds remain outstanding, whichever is longer.

Section 8.2. Termination. The State may terminate this Agreement for cause based upon the failure of the Corporation to comply with the terms and/or conditions of this Agreement provided that the State shall give the Corporation written notice specifying the Corporation's failure. If, after ninety (90) days from receipt of such notice, the Corporation shall not have either corrected such failure or commenced efforts to correct such failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Corporation in Default and this Agreement shall terminate, at the option of the State, on the date specified in such notice. The Corporation may exercise any rights available to it under State law to terminate for cause upon the failure of any other Party hereto to comply with the terms and conditions of this Agreement; provided that the Corporation shall give all other Parties hereto written notice specifying the failure and a reasonable opportunity, in no event less than ninety (90) days from receipt of such notice, to cure the defect.

ARTICLE IX
AFFIRMATIVE COVENANTS

Section 9.1. Covenants. Until this Agreement terminates and all obligations of the Corporation under or in respect of this Agreement and the Loan Agreement are satisfied in full the Corporation will pursue with due diligence the Goals and Objectives and the Performance Measures. In addition, the Corporation will furnish or cause to be furnished to the Board:

A. Upon the occurrence of any failure or Default or event, act, or omission which, with the giving of notice, the lapse of time, or both, would constitute a Default under this Agreement, a certificate of the Corporation setting forth, to the best of its knowledge, the details thereof and the action that the Corporation is taking or proposes to take with respect thereto;

B. As promptly as practicable, written notice of all litigation filed against the Corporation and all proceedings before any court or governmental authority which, if adversely determined, would materially adversely affect the operations or the financial condition of the Corporation;

C. Such other information regarding the performance of the Corporation under this Agreement and the Project Documents as the State, Board or Trustee may from time to time request, in their sole discretion; and

D. When and as required by the Rule, such financial and operational data or other information as may be required to be provided to the MSRB.

ARTICLE X
DEFAULT

Section 10.1 Default. Failure by the Board, or by the State in the event sufficient funds have been appropriated therefor, to make such payments as required by Section 4.3 hereof, respectively, or a breach of any of the terms of this Agreement for a period of more than ninety (90) days, during which period the Corporation shall have the opportunity to cure such failure or breach, shall constitute a default hereunder (a "*Default*").

Section 10.2 Remedies. Upon a default under Section 10.1 above, each Party may proceed to protect and enforce its rights by suits in equity or at law, whether for the specific performance of any obligation, covenant or agreement contained in this Agreement or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable remedy, as it shall deem most effectual to protect and enforce the obligations of the other hereunder, except for consequential damages, including, but not limited to, loss of sales, income or profit, which shall not be recoverable by a Party from the others.

ARTICLE XI
MISCELLANEOUS

Section 11.1. Severance. To the fullest extent possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any 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 11.2. Amendments. This Agreement may be amended only upon the written consent of all Parties.

Section 11.3. No Personal Liability of the Corporation or State Officials. 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 any Party hereto in his individual capacity, and neither the officers of any Party hereto nor any official executing this Agreement shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason of the execution and delivery of this Agreement except to the extent required by law.

Section 11.4. Approvals. Should approval be necessary for any purpose as required by this Agreement, such approval shall be considered effective when received for the State by the Commissioner of Administration; for the Board by its President; or for the Corporation by its President.

Section 11.5. 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 11.6. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which when taken together shall be deemed one and the same Agreement.

Section 11.7. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State.

Section 11.8. Further Assurances. From time to time hereafter, the Corporation shall execute and deliver such additional instruments, certificates, or documents and take all such actions as the State may reasonably request for the purpose of fulfilling its obligations hereunder.

Section 11.9. Addresses for Notices. Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be either hand delivered or mailed, postage prepaid by first class mail, registered or certified, return receipt requested, or by private, commercial carrier, express mail, such as Federal Express, or sent by telex, telegram, telecopy, or other similar form of rapid transmission confirmed by written confirmation mailed (postage prepaid by first class mail, registered or certified, return receipt requested or private, commercial carrier, express mail, such as Federal Express) at substantially the same time as such rapid transmission, or personally delivered to an officer of the receiving Party. All such communications shall be mailed, sent, or delivered to the address or numbers set forth below, or as to each Party at such other address or numbers as shall be designated by such party in written notice to the other Party.

If to the State: (Post Office Address for U. S. Postal Service Delivery)

Division of Administration
Attention: Commissioner
P. O. Box 94095
Baton Rouge, LA 70804-9095
Telephone: (225) 342-7000
Telecopy: (225) 342-1057

AND

Facility Planning and Control
Attention: Director
P. O. Box 94095
Baton Rouge, LA 70804-9095
Telephone: (225) 342-0820
Telecopy: (225) 342-7624

(Street Address for Courier or Express Mail Delivery)

Division of Administration
Attention: Commissioner
1201 North 3rd Street, Suite 7-230
Baton Rouge, LA 70802

AND

Facility Planning and Control
Attention: Director
1201 North 3rd Street, Suite 7-160
Baton Rouge, LA 70802

If to the Board:

Louisiana Community and Technical College System
Attention: System President
Office of the Board of Supervisors
265 S. Foster Drive
Baton Rouge, LA 70806-4104
Telephone: (225) 922-1643
Telecopy: (225) 922-2392

with copies to:

Louisiana Community and Technical College System
Attention: Vice President of Administration
265 S. Foster Drive
Baton Rouge, LA 70806-4104
Telephone: (225) 922-1635
Facsimile: (225) 922-1485

If to the Corporation:

President
LCTCS Facilities Corporation
c/o Sisung Group
3850 North Causeway Blvd., Suite 1930
Metairie, LA 70002
Telephone: (504) 544-7713
Facsimile: (504) 544-7701

with copies to:

LCTCS Facilities Corporation
c/o Eric Landry
Breazeale, Sachse & Wilson, L.L.P.
One American Place, 23rd Floor
Baton Rouge, Louisiana 70825

Section 11.10. Delay or Omission. No delay or omission in the exercise of any right or remedy accruing to the State upon any breach by the Corporation under this Agreement shall impair such right or remedy or be construed as a waiver of any breach theretofore or thereafter occurring. The waiver of any condition or the breach of any term, covenant, or condition herein or therein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or any other term, covenant, or condition herein or therein contained.

Section 11.11. Venue. The 19th Judicial District Court, East Baton Rouge Parish, State of Louisiana, shall be deemed to be the exclusive court of jurisdiction and venue for any litigation, special proceeding, or other proceeding as between the Parties that may be brought, or arise out of, in connection with or by reason of this Agreement.

Section 11.12. Bondholders as Third-Party Beneficiaries. The rights and obligations set forth herein shall inure to the benefit of the Parties hereto and to their respective successors and assigns to the

extent permitted by Section 7.1 hereof, and to the benefit of the owners of the Bonds, who shall be considered as third-party beneficiaries of this Agreement.

Section 11.13. Tax Liability. The Corporation agrees that the responsibility for payment of taxes from the funds thus received under this Agreement shall be the Corporation's obligation and identified under Federal Tax ID number 26-1871311.

Section 11.14. Public Liability. The Corporation hereby agrees to protect, defend, indemnify, save and hold harmless the State, the Board, and all other State departments, agencies, boards, and commissions, their officers, agents, servants, and employees, including volunteers, from and against any and all claims, demands, expenses, and liability arising out of injury or death to any person or the damage, loss, or destruction of any property which may occur or in any way grow out of any negligent act or omission of the Corporation, its agents, servants, and employees or any and all costs, expenses, and/or attorneys' fees incurred by the Corporation as a result of any claims, demands, and/or causes of action except for those claims, demands, and/or causes of action arising out of the negligence of the State, all other State departments, agencies, boards, commissions, its agents, representatives, and/or employees. The Corporation agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demands, or suit at its sole expense and agrees to bear all other costs and expenses related thereto, even if such claims are groundless, false, or fraudulent.

Section 11.15. Discrimination Clause. The Corporation agrees to abide by the requirements of Title VI and VII of the Civil Rights Act of 1964, as amended, by the Equal Opportunity Act of 1972, Federal Executive Order 11146, the Federal Rehabilitation Act of 1973, as am ended, and the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, and the Age Discrimination Act of 1975. In addition, the Corporation agrees to abide by the requirements of the Americans with Disabilities Act of 1990. The Corporation agrees not to discriminate against participants due to race, color, religion, sex, sexual orientation, disabilities, or national origin. The Corporation agrees to ensure that all services will be delivered without discrimination due to race, color, religion, sex, sexual orientation, national origin, or disabilities.

Section 11.16. Effective Date. This Agreement shall not become a valid contract until executed by all of the Parties to this Agreement.

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This Cooperative Endeavor Agreement has been executed by the Parties on the dates indicated but effective on the date of full execution by the Parties hereto, in the presence of the undersigned witnesses.

BOARD OF SUPERVISORS OF THE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM

By: _____
Richard Nelson, President

Date: 4/22/26

LCTCS FACILITIES CORPORATION

By: _____
Stephen C. Smith, President

Date: 4/28/26

STATE OF LOUISIANA

By: _____
Taylor Barras, Commissioner of Administration

Date: _____

This Cooperative Endeavor Agreement has been executed by the Parties on the dates indicated but effective on the date of full execution by the Parties hereto, in the presence of the undersigned witnesses.

BOARD OF SUPERVISORS OF THE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM

By: _____
Richard Nelson, President

Date: _____

LCTCS FACILITIES CORPORATION

By: _____
Stephen C. Smith, President

Date: _____

STATE OF LOUISIANA

By: _____
Taylor Barras, Commissioner of Administration

Date: 4/22/26

FORM OF
GROUND LEASE AGREEMENT

by and between

BOARD OF SUPERVISORS OF THE LOUISIANA COMMUNITY
AND TECHNICAL COLLEGE SYSTEM
(as Lessor)

and

LCTCS FACILITIES CORPORATION
(as Lessee)

Dated as of _____ 1, 2026

in connection with:

Louisiana Local Government Environmental Facilities
and Community Development Authority Revenue Bonds
(LCTCS Act 35 Project)

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GROUND LEASE AGREEMENT

This GROUND LEASE AGREEMENT (together with any amendments hereto or supplements hereof, this "*Ground Lease*") dated as of _____ 1, 2026, is entered into by and between the BOARD OF SUPERVISORS OF THE LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM, a public constitutional corporation organized and existing under the laws of the State of Louisiana, represented herein by the Board Representative, Richard Nelson (the "*Board*") and the LCTCS FACILITIES CORPORATION, a Louisiana a nonprofit corporation represented herein by its President, Stephen C. Smith, (the "*Corporation*").

WITNESSETH:

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State of Louisiana and the Colleges (as hereinafter defined) are institutions under its management pursuant to Louisiana Revised Statutes 17:3217.1;

WHEREAS, the Corporation is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201 *et seq.*), whose purpose is to support and benefit the educational, scientific, research and public service missions of the Board;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3366, the Board is authorized to lease to a private entity, such as the Corporation, any portion of the campuses of the Colleges or other immovable property under its supervision and management, provided that the Corporation is thereby obligated to provide capital improvements for furthering the educational, scientific, research or public service functions of the Board;

WHEREAS, in order to further these functions of the Board, the Corporation shall cause the development, acquisition, purchase, construction, renovation, improvement, or expansion of certain public facilities of the Board, as such project is further described or authorized under Act 35 of the 2025 Regular Session of the Louisiana Legislature, including all furnishings, fixtures and equipment incidental or necessary in connection therewith (collectively, the "*Facilities*") to be located on immovable property owned by, to be owned by, leased by, to be leased by, or under the supervision and management of the Board, which Facilities shall be owned by the Board (the "*Project*");

WHEREAS, the Board shall lease such immovable property and the Facilities as they are constructed and/or renovated to the Corporation and the Corporation shall lease space in the Facilities to the Board;

WHEREAS, the Board and the Corporation have agreed that the Corporation, for the benefit of the Board, shall develop and construct the Facilities on such immovable property and the Corporation shall lease back space in the Facilities to the Board pursuant to an Agreement to Lease With Option to Purchase of even date herewith (the "*Facilities Lease*") for use by students, faculty and staff of the Colleges and such other persons as set forth in the Facilities Lease;

WHEREAS, pursuant to and in accordance with the provisions of Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended, R.S. 33:4548.1 to 4548.6, (the "*Act*"), Louisiana Local Government Environmental Facilities and Community Development Authority (the "*Authority*") will enter into a Trust Indenture dated as of _____ 1, 2026 (the "*Indenture*"), authorizing the Authority's issuance of the Parity Bonds (as defined herein) to finance the Project (as defined herein); and

WHEREAS, pursuant to a Loan and Assignment Agreement dated as of _____ 1, 2026 by and

between the Authority and the Corporation (the "*Loan Agreement*"), the Authority will loan to the Corporation the proceeds of the Parity Bonds for the purpose of: (a) financing the development, acquisition, purchase, construction, renovation, improvement, or expansion of the Project; (b) paying capitalized interest on the Parity Bonds and (c) paying costs of issuance on the Parity Bonds.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements which follow, the parties hereby agree as follows:

ARTICLE 1
LEASE OF PROPERTY - TERMS OF LEASE

Section 1.1 Lease of Property. The Board does hereby lease, let, demise, and rent unto the Corporation, and the Corporation does hereby rent and lease from the Board, the Property, including the improvements thereon, all existing and future improvements, alterations, additions and attached fixtures located or to be located on the Property, and the right of uninterrupted access to and from all streets and roads now or hereafter adjoining the Property for vehicular and pedestrian ingress and egress. The Corporation, by execution of this Ground Lease, accepts the leasehold estate herein demised subject only to the permitted encumbrances described on Exhibit B attached hereto.

Section 1.2 Habendum. To have and to hold the Property together with all and singular the rights, privileges, and appurtenances thereto attaching or anywise belonging, exclusively unto the Corporation, its successors and assigns, for the term set forth in Section 1.3 below, subject to the covenants, agreements, terms, provisions, and limitations herein set forth.

Section 1.3 Term. Unless sooner terminated as herein provided, this Ground Lease shall continue and remain in full force and effect for a term commencing on the Commencement Date hereof and ending at midnight on _____ 1, 20__ (the "*Expiration Date*") or on the date that all other amounts owed under the Indenture have been paid; but this Ground Lease shall be automatically extended in the event that on the Expiration Date there is outstanding any unpaid principal and premium, if any, or interest on the Parity Bonds, until such time as all such amounts owed under the Indenture have been paid. Notwithstanding the foregoing, this Ground Lease shall terminate prior to the Expiration Date upon the happening of either the events set forth in Section 2(a)(i) and (ii) of the Facilities Lease.

ARTICLE 2
DEFINITIONS

Section 2.1 Definitions. In addition to such other defined terms as may be set forth in this Ground Lease, the following terms shall have the following meanings:

"*Act 35*" shall mean Part IX-A of Chapter 26 of Title 17 of the Louisiana Revised Statutes of 1950, comprised of R.S. 17:3394.1 through 3394.3, as amended by Act No. 35 of the 2025 Regular Session of the Louisiana Legislature.

"*Additional Bonds*" means parity bonds, if any, issued in one or more series pursuant to Article 5 of the Indenture.

"*Advisory Committees*" means those persons appointed by the Corporation to advise the Corporation regarding design and construction issues of the Facilities and other issues as well as selection of the Construction Contractor, bid documents and change orders.

"*Affiliate*" means, with respect to a designated Person under this Ground Lease, any other Person

that, directly or indirectly, controls, is controlled by, or is under common control with such designated Person. For purposes of this definition, the term "*control*" (including the correlative meanings of the terms "*controlled by*" and "*under common control with*"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person.

"*Applicable Laws*" means all present and future statutes, regulations, ordinances, resolutions and orders of any Governmental Authority that are applicable to the parties performing their obligations under this Ground Lease.

"*Award*" means any payment or other compensation received or receivable as a consequence of a Taking from or on behalf of any Governmental Authority or any other Person vested with the power of eminent domain.

"*Board*" means the Board of Supervisors of the Louisiana Community and Technical College System, or its legal successor as the management board of the Colleges.

"*Board Representative*" means any one of the persons designated and authorized in writing from time to time by the Board to represent the Board in exercising the Board's rights and performing the Board's obligations under this Ground Lease; the Board Representative shall be the President of the Louisiana Community and Technical College System, or his or her designee, of whom the Corporation has been notified in writing, or the Vice President for Administration of the Louisiana Community and Technical College System, or his or her designee of whom the Corporation has been notified in writing.

"*Board's Interest*" means the Board's ownership interest or leasehold interest in and to the Property.

"*Business Day*" means any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York or Baton Rouge, Louisiana are authorized or required not to be open for the transaction of regular banking business, or (d) a day on which the New York Stock Exchange is closed.

"*Cooperative Endeavor Agreement*" means the Cooperative Endeavor Agreement by and among the Board, the Corporation and the State dated as of _____ 1, 2026, providing for the payment of Appropriated Funds by the State to the Board, and including any amendments of and supplements to the Cooperative Endeavor Agreement as permitted thereunder.

"*Colleges*" means the various campuses under the supervision of the Board referenced in Exhibit A to the Facilities Lease, each individually, a "*College*".

"*Commencement of Construction*" means the date on which the first design, construction and equipping of the Facilities is begun, which date shall occur not later than fifteen (15) days following issuance, delivery and closing of the sale of the first series of the Parity Bonds.

"*Commencement Date*" means the date on which the first series of Parity Bonds are delivered and payment therefor is received by the Louisiana Local Government Environmental Facilities and Community Development Authority.

"*Construction Contract*" means any contract or agreement by and between the Corporation and any Construction Contractor providing for the construction, renovation or design of any of the Facilities.

"*Construction Contractor*" means any contractor, architect, engineer, supplier or other party performing work or providing goods and services relative to the Facilities under a Construction Contract.

"*Contract Monitor*" shall mean the employee of the Board appointed to monitor the performance of the Corporation under the Cooperative Endeavor Agreement.

"*Corporation*" shall mean LCTCS Facilities Corporation, a Louisiana nonprofit corporation organized exclusively to promote, assist and benefit the mission of the Board by acquiring, renovating, rehabilitating, repairing, constructing, developing, managing, leasing as lessor or lessee, mortgaging, and/or conveying classroom, administrative and other facilities on the campuses of designated Board institutions, or their successor or assigns, as provided in Act 35.

"*Event of Default*" means any matter identified as an event of default under Section 11.1 hereof.

"*Expiration Date*" means midnight on _____ 1, 20__ or the date that all amounts owed under the Indenture have been paid.

"*Facilities*" means the facilities, that are to be designed, constructed, renovated and equipped with the proceeds of the Parity Bonds, including all furnishings, fixtures and equipment incidental or necessary in connection therewith, and the administrative offices of the Board on the campuses of the Colleges.

"*Facilities Lease*" means that certain Agreement to Lease with Option to Purchase dated as of _____ 1, 20__ by and between the Board, as Lessee, and the Corporation, as Lessor, whereby the Corporation will lease the Facilities to the Board, both on its own behalf (for administrative offices) and on behalf of the Colleges, including any supplements and amendments thereto and thereof.

"*Force Majeure*" means any: (a) act of God, landslide, lightning, earthquake, hurricane, tornado, blizzard and other adverse and inclement weather, fire, explosion, flood, act of a public enemy, act of terrorism, war, blockade, insurrection, riot, or civil disturbance; (b) labor dispute, strike, work slowdown, or work stoppage; (c) order or judgment of any Governmental Authority, if not the result of willful or negligent action of the Corporation; (d) adoption of or change in any Applicable Laws after the date of execution of this Ground Lease; or (e) any actions by the Board which may cause delay.

"*FP&C*" means the Office of Facility Planning and Control of the Division of Administration, State of Louisiana.

"*Governmental Authority*" means any federal, State, parish, regional, or local government, political subdivision, any governmental agency, department, authority, instrumentality, bureau, commission, board, official, or officer, any court, judge, examiner, or hearing officer, any legislative, judicial, executive, administrative, or regulatory body or committee or official thereof or private accrediting body.

"*Ground Lease*" means this Ground Lease Agreement, including the Exhibits attached hereto, and any amendment or supplement hereto entered into from time to time in accordance with the terms hereof.

"*Loan Agreement*" means the Loan and Assignment Agreement dated as of _____ 1, 20__, between the Corporation and the Louisiana Local Government Environmental Facilities and Community Development Authority, including any amendments and supplements thereof and thereto as permitted thereunder.

"*Mortgage*" means, collectively, individually and interchangeably, each Act of Leasehold Mortgage, Assignment of Leases and Security Agreement granted by the Corporation in favor of the

Trustee, mortgaging the Corporation's leasehold interest pursuant to the Ground Lease, and any amendment or supplement thereto entered into in accordance with the terms therein.

"*Parity Bonds*" means collectively, all bonds issued on a parity basis pursuant to the Indenture.

"*Permitted Encumbrances*" means:

(a) any lien arising by reason of any good faith deposit with the Corporation in connection with any lease of real estate, bid or contract (other than any contract for the payment of money);

(b) any lien arising by reason of any deposit with or giving of security to any Governmental Corporation agency as a condition to the transaction of any business or the participation by the Corporation in any funds established to cover insurance risk or in connection with worker's compensation, unemployment insurance, pension plans or other social security;

(c) any right reserved to any municipality or other public authority by the terms of any franchise, grant, license or provision of law affecting any property of the Corporation and any lien on any property of the Corporation for taxes, assessments or other municipal charges so long as such charges are not due and payable or not delinquent (or, if due or delinquent, the amount or validity of such charges is being contested in good faith with due diligence and execution of any such lien is stayed);

(d) mechanics' and materialmen's liens in connection with any property of the Corporation so long as any amounts secured by such lien are not due and payable or not delinquent (or, if due or delinquent, the amount or validity of such charges is being contested in good faith with due diligence and execution of any such lien is stayed);

(e) the Indenture, the Loan Agreement, the Ground Lease, the Facilities Lease or the Mortgage;

(f) any lien on property received by the Corporation through a gift, grant or bequest constituting a restriction imposed by the donor, grantor or testator on such gift, grant or bequest (or the income therefrom), provided that any such lien may not be extended, renewed or modified in any way or applied to any additional property of the Corporation unless it would otherwise qualify as a Permitted Encumbrance;

(g) any security interest in personal property securing all or a portion of the purchase price thereof (provided that this Permitted Encumbrance shall not be construed to permit the incurrence of indebtedness secured by such a security interest, it being understood that any such indebtedness may be incurred only to the extent expressly permitted by the other applicable provisions of the Indenture or the Loan Agreement);

(h) such easements, rights-of-way, servitudes, restrictions and other defects, liens and encumbrances as are determined not to materially impair the use of the Corporation's facilities for their intended purposes or the value of such facilities, such determination to be made in a certificate of an authorized officer of the Corporation supported by an opinion of independent counsel or a report or opinion of an independent management consultant; and

(i) liens incurred or assumed primarily for the acquisition or use of personal property and equipment (including equipment which is not treated as personal property under applicable state law) under the terms of installment purchase contracts, loans secured by purchase money mortgages or security interests in the financed property, lease purchase agreements or capital leases of the financed property.

In addition, encumbrances in existence as of the date of issuance of the Commencement Date as set forth in Exhibit B hereof are hereby qualified as Permitted Encumbrances. Any such existing encumbrance may not be extended, renewed or modified in any way or applied to any additional Properties of the Corporation unless it would otherwise qualify as a Permitted Encumbrance.

"*Person*" means an individual, a trust, an estate, a Governmental Authority, partnership, joint venture, corporation, company, firm or any other entity whatsoever.

"*Plans and Specifications*" means the plans and specifications or design documents for the construction of the Facilities as approved by the Corporation, as amended from time to time as permitted in Section 5.1 hereof.

"*Program Manager*" means the architecture, engineering, or construction management firm retained by the Corporation for the purpose of providing construction project planning, management, and monitoring.

"*Project Completion Date*" means the date on which the Corporation certifies to the Trustee and the Authority in writing that construction of all of the Projects financed with a series of the Parity Bonds is substantially complete, as required by Section 3.7 of the Loan Agreement.

"*Property*" means the immovable property more particularly described on Exhibit A attached hereto and such additional immovable property which may be included, from time to time, through amendments to this Ground Lease and all improvements now or thereafter located thereon, together with all other rights and interests leased pursuant to Section 1.1 hereof.

"*Taking*" means the actual or constructive condemnation, or the actual or constructive acquisition by condemnation, eminent domain or similar proceeding by or at the direction of any Governmental Authority or other Person with the power of eminent domain.

"*Term*" means the term of this Ground Lease as set forth in Section 1.3 hereof.

ARTICLE 3
RENT

Section 3.1 Rent. Commencing on the Commencement Date and continuing throughout the Term the Corporation shall pay to the Board, at the address set forth in Section 18.2 or such other place as the Board may designate from time to time in writing, as annual rent for the Property ("*Rent*"), the sum of $1.00 per year. Rent shall be due and payable annually in advance, with the first such payment of Rent being due on the Commencement Date and a like installment due on each anniversary thereafter during the Term.

Section 3.2 Additional Obligations. As further consideration for the entering into of this Ground Lease by the Board, the Corporation agrees to perform its construction obligations as set forth in Article 5 herein, and to execute and perform its obligations under the Facilities Lease and all other documents contemplated by and ancillary to this Ground Lease and the Facilities Lease.

ARTICLE 4
USE OF PROPERTY

Section 4.1 Purpose of Ground Lease. The Corporation enters into this Ground Lease for the purpose of developing and constructing the Facilities for the Board in accordance with the Plans and

Specifications and leasing the Facilities to the Board in accordance with the Facilities Lease. Except as otherwise provided herein, the Facilities are to be used for no other purpose.

Section 4.2 Benefit of the Board and the Colleges. The Board shall own and lease back the Facilities for the support, maintenance, and benefit of the Board and the Colleges. The Facilities shall be owned and leased for a public purpose related to the performance of the duties and functions of the Board and the Colleges.

Section 4.3 Data and Voice Communication Systems. The Board, at its expense, agrees to provide or cause to be provided to the Facilities appropriate IT infrastructure to integrate its computer system into the Facilities. The Board, at its expense, shall provide to the Facilities or cause to be provided to the Facilities access to its computer system. The internal installation of the necessary IT infrastructure computer wiring within the Facilities in accordance with the Plans and Specifications shall be at the expense of the Corporation. The Corporation agrees that its IT infrastructure shall be compatible with the IT infrastructure currently in use by the Colleges.

Section 4.4 Compliance with Statutory Requirements. Section 3361 et seq. of Title 17 of the Louisiana Revised Statutes prescribes the legal requirements for leases of any portion of the campus by a college or university. By execution of this Ground Lease, the Board represents that it has complied with applicable statutory requirements of such Title 17 including, without limitation:

(a) the waiver by written consent of the formulation and adoption of rules, regulations and requirements, if any, relative to the erection, construction and maintenance of the Facilities referenced in Section 3362(A) of Title 17 of the Louisiana Revised Statutes, other than those set forth in this Ground Lease or specifically referenced in this Ground Lease;

(b) the waiver by written consent of the Board's right to require removal of the Facilities referenced in Section 3362(B) of Title 17 of the Louisiana Revised Statutes, except as set forth in this Ground Lease; and

(c) the waiver by written consent of the Board's right to adopt such rules or regulations as it deems necessary or desirable relative to the conduct and social activities of people in structures erected on the leased grounds referenced in Section 3364 of Title 17 of the Louisiana Revised Statutes, except as may be specified in this Ground Lease.

ARTICLE 5
CONSTRUCTION, RENOVATION, IMPROVEMENT AND EQUIPPING OF THE FACILITIES

Section 5.1 The Corporation's Obligations.

(a) The Corporation will develop, design, construct, renovate and equip the Facilities on the Property at its own cost and expense. The Corporation shall lease the Facilities to the Board pursuant to the Facilities Lease. The Board shall not have any financial obligation or other obligation of any kind under this Ground Lease except to review and approve the Corporation's activities and as specifically set forth herein.

(b) The Corporation shall furnish or cause to be furnished all supervision, tools, implements, machinery, labor, materials and accessories such as are necessary and proper for the construction of the Facilities, shall pay all applicable permit and license fees, and shall construct, build, and complete the Facilities in a good, substantial and workmanlike manner all in accordance with this Ground Lease and in

compliance with the plans and specifications and all documents executed pursuant hereto and thereto. The Corporation and the Board agree to cooperate fully to the end that fee and permit exemptions available with respect to the Facilities under applicable law are obtained by the party or parties entitled thereto.

(c) Subject to the provisions of this Section 5.1 and Section 4.5 of the Cooperative Endeavor Agreement, all decisions regarding design and construction matters shall be made by the Corporation with oversight of FP&C through participation on the Advisory Committees. The respective Advisory Committees will provide input and advice during the planning and construction of the Projects through review of the work of the designers, contractors or design/build team. The Corporation shall select the designers and any Construction Contractor, the members of which shall comply with licensing requirements of Louisiana law. All construction, alterations, or additions to the Facilities undertaken by the Corporation shall be in conformance with all applicable laws, codes, rules and regulations, and amendments thereto, including 1988 Standard Building Code with 1989 and 1990 revisions, ANSIA 1117.1 1986 edition, and NFPA 101 Life Safety Code and all local and state building codes. The Corporation shall have the right to contest any such codes for reasonable grounds by ordinary and proper procedures. The review and acceptance of the Plans and Specifications by FP&C shall include the right to review for compliance with applicable building codes, space standards, where appropriate, and standards ensuring quality of construction. FP&C shall also have the right to conduct periodic inspections during construction.

(d) The Corporation shall have supervision of the construction process of the Facilities, including change orders, if any, with input and advice from the Advisory Committees. The Corporation shall employ a Program Manager for day to day supervision and authority over the design and construction process. The Program Manager will be the Corporation's liaison with the Advisory Committees and with FP&C. The Program Manager will also facilitate the review by the Corporation and the Advisory Committees of all plans and specifications prior to the commencement of construction including coordinating with designers and contractors of any changes as may be required. Program Manager will also coordinate and facilitate any efforts by FP&C to conduct inspections during construction and at completion to obtain acceptance of the completed work by the State.

(e) The parties hereto acknowledge that FP&C shall be advised in advance of all project meetings and given the option to attend. FP&C shall be advised of the project scheduling and progress payments.

(f) Subject to Force Majeure, the Corporation covenants that the Corporation shall proceed with diligence to complete the construction of the Facilities as soon as practically possible.

(g) Prior to the commencement of construction, the Corporation and the Program Manager, shall meet with the Advisory Committees to coordinate the construction activity. Upon commencement of construction, the Corporation shall deliver to the Advisory Committees, (i) a copy of the signed Construction Contract, and (ii) a copy of the labor and materials payment and performance bonds in an amount equal to the cost of construction set forth in the Construction Contract issued by a company qualified, permitted or admitted to doing business in the State of Louisiana and approved by the Board. The Corporation shall take the action specified by La. R.S. 9:4802(C) to be taken by an Owner to protect the premises from any liens related to the design or construction of the Facilities.

(h) The Program Manager shall provide a standard errors and omissions policy in an amount of $2,000,000, with such additional provisions as may be approved by counsel to the Corporation.

(i) Any performance bond, labor and material payment bond, or completion bond provided by a member of the Construction Contractor hired by the Corporation shall be for 100% of the amount of the contract with such contractor, and shall contain a dual obligee rider in favor of the Board; subject, however,

to the reasonable underwriting guidelines of the surety issuing the bond and rules of the governmental authorities regulating the surety.

(j) The Board's Contract Monitor shall monitor the performance of the Cooperative Endeavor Agreement by reviewing the quarterly progress reports required by Section 6.2 thereof and the annual contract compliance audit required by Section 6.1 thereof. The Contract Monitor shall meet with a representative of the Corporation on a quarterly basis to review the quarterly progress reports and inspect the Facilities.

(k) The Corporation shall inspect the Property and arrange for boundary surveys, topographical surveys, soil borings and other site investigations at its expense to the extent these things have not been done by the Board. The Board does not guarantee that the Property is suitable for the Facilities. Subject to the permitted encumbrances shown on Exhibit B attached to this Ground Lease, the Corporation accepts the Property in its present condition. However, the Board represents that to the best of its knowledge and belief there are no Hazardous Materials or other materials on or under the Property that would materially impact the construction of the Facilities.

(l) The cost of construction and renovation of the Facilities shall include all costs necessary for the Construction Contractor or applicable utility company to bring lines for all such utilities to the Facilities so that such utilities will be available when required for construction and operation of the Facilities.

Section 5.2 Provisions of Cooperative Endeavor Agreement Controlling. To the extent that any provisions of this Article 5 are inconsistent with the provisions of the Cooperative Endeavor Agreement, the provisions of the Cooperative Endeavor Agreement shall control.

ARTICLE 6
ENCUMBRANCES

Section 6.1 Mortgage of Ground Leasehold or the Facilities. The Corporation shall not mortgage, lien or grant a security interest in the Corporation's interest in the Property or any other right of the Corporation hereunder without the prior written consent of the Board except pursuant to the Mortgage, the Loan Agreement and the Facilities Lease.

ARTICLE 7
MAINTENANCE AND REPAIR

Section 7.1 Maintenance, Repairs and Renovations. The Board shall maintain and repair the Facilities in accordance with Section 8 of the Facilities Lease.

ARTICLE 8
CERTAIN LIENS PROHIBITED

Section 8.1 No Mechanics' Liens. Except as permitted in Section 8.2 hereof, the Corporation shall not suffer or permit any mechanics' liens or other liens to be enforced against the Board's ownership interest or leasehold interest in the Property nor against the Corporation's leasehold interest in the Property by reason of a failure to pay for any work, labor, services, or materials supplied or claimed to have been supplied to the Corporation or to anyone holding the Property or Facilities or any part thereof through or under the Corporation.

Section 8.2 Release of Recorded Liens. If any such mechanics' liens or materialmen's liens shall be recorded against the Property or Facilities, the Corporation shall cause the same to be released of record or, in the alternative, if the Corporation in good faith desires to contest the same, the Corporation shall be privileged to do so, but in such case the Corporation hereby agrees to indemnify and save the Board harmless from all liability for damages occasioned thereby and shall in the event of a judgment of foreclosure on said mechanics' lien, cause the same to be discharged and released prior to the execution of such judgment. In the event the Board reasonably should consider the Board's interest endangered by any such liens and should so notify the Corporation and the Corporation should fail to provide adequate security for the payment of such liens, in the form of a surety bond, cash deposit or cash equivalent, or indemnity agreement reasonably satisfactory to the Board within thirty (30) days after such notice, then the Board, at the Board's sole discretion, may discharge such liens and recover from the Corporation immediately as Additional Rent under this Ground Lease the amounts paid, with interest thereon from the date paid by the Board until repaid by the Corporation at the rate of ten percent (10%) per annum.

Section 8.3 Memorandum of Recitals. The memorandum of lease to be filed pursuant to Section 18.4 of this Ground Lease shall state that any third party entering into a contract with the Corporation for improvements to be located on the Property, or any other party claiming under said third party, shall be on notice that neither the Board nor the Board's property shall have any liability for satisfaction of any claims of any nature in any way arising out of a contract with the Corporation.

ARTICLE 9
OPERATION AND MANAGEMENT OF FACILITIES

Section 9.1 Management of Facilities. The Board shall operate and manage the Facilities or cause the Facilities to be operated and managed in accordance with Section 8 of the Facilities Lease.

Section 9.2 Reserved.

Section 9.3 Audits. The Board may, at its option and at its own expense, and during customary business hours, conduct internal audits of the books, bank accounts, records and accounts of the Corporation. Audits may be made on either a continuous or a periodic basis or both, and may be conducted by employees of the Board, by the Auditor for the Division of Administration of the State, by the Louisiana Legislative Auditor or by independent auditors retained by the Board desiring to conduct such audit, but any and all such audits shall be conducted without materially or unreasonably or unnecessarily interrupting or interfering with the normal conduct of business affairs by the Corporation.

ARTICLE 10
INDEMNIFICATION

Section 10.1 Indemnification by the Corporation. Excluding the acts or omissions of the Board, its employees, agents or contractors, the Corporation shall and will indemnify and save harmless the Board, its agents, officers, and employees, from and against any and all liability, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions, and causes of action of any and every kind and nature arising or growing out of or in any way connected with the Corporation's construction of the Facilities. This obligation to indemnify shall include reasonable fees of legal counsel and third-party investigation costs and all other reasonable costs, expenses, and liabilities from the first notice that any claim or demand has been made; however, the Corporation and the Board shall use the same counsel if such counsel is approved by the Board, which approval shall not be unreasonably withheld or delayed. If the Board does not approve such counsel then the Board may retain independent counsel at the Board's sole cost and expense. It is expressly understood and agreed that the Corporation is and shall be deemed to be

an independent contractor and operator responsible to all parties for its respective acts or omissions and that the Board shall in no way be responsible therefor.

Section 10.2 Contributory Acts. Whenever in this Ground Lease any party is obligated to pay an amount or perform an act because of its negligence or misconduct (or that of its agents, employees, contractors, guests, or invitees), such obligations shall be mitigated to the extent of any comparative fault or misconduct of the other party (or that of its agents, employees, contractors, guests, or invitees) as determined by a court of law, and in any disputes damages shall be apportioned based on the relative amounts of such negligence or willful misconduct as determined by a court of law.

ARTICLE 11
TERMINATION, DEFAULT AND REMEDIES

Section 11.1 Events Of Default. Any one of the following events shall be deemed to be an "*Event of Default*" by the Corporation under this Ground Lease.

(a) The Corporation shall fail to pay any sum required to be paid to the Board under the terms and provisions of this Ground Lease and such failure shall not be cured within thirty (30) days after the Corporation's receipt of written notice from the Board of such failure.

(b) The taking by execution of the Corporation's leasehold estate for the benefit of any Person, except for any Person exercising remedies due to a default by the Board under the Facilities Lease or a default due to non-payment of the Parity Bonds.

(c) The Corporation shall fail to perform any other covenant or agreement, other than the payment of money, to be performed by the Corporation under the terms and provisions of this Ground Lease and such failure shall not be cured within ninety (90) days after receipt of written notice from the Board of such failure; provided that if during such ninety (90) day period, the Corporation takes action to cure such failure but is unable, by reason of the nature of the work involved, to cure such failure within such period and continues such work thereafter diligently and without unnecessary delays, such failure shall not constitute an Event of Default hereunder until the expiration of a period of time after such ninety (90) day period as may be reasonably necessary to cure such failure.

(d) The Corporation, after Commencement of Construction but prior to the Project Completion Date, abandons (with no intent to continue) construction for a period of forty-five (45) consecutive days.

Section 11.2 The Board's Rights Upon Default. Upon the occurrence and during the continuance of an Event of Default, the Board may at its option seek any and all damages occasioned by the Event of Default or may seek any other remedies available at law or in equity, including specific performance.

Section 11.3 Termination of Right of Occupancy. Notwithstanding any provision of law or of this Ground Lease to the contrary, except as set forth in Section 1.3 hereof, the Board shall not have the right to terminate this Ground Lease prior to the Expiration Date hereof. However, in the event there is an Event of Default by the Corporation hereunder, the Board shall have the right to terminate the Corporation's right to occupancy of the Property, except that the Facilities, at the option of the Board, shall remain thereon. The Board shall have the right to take possession of the Property and to re-let the Property or take possession in its own right for the remaining Term of the Ground Lease upon such terms and conditions as the Board is able to obtain. Upon such re-letting, the Corporation hereby agrees to convey all of its right, title and interest in and to the Facilities and all of its rights under this Ground Lease and the Facilities Lease to the new lessee of the Property or to the Board, if the Board wishes to remain in possession on its own behalf in

consideration for the new lessee (or the Board as applicable) agreeing to assume all of the Corporation's obligations under this Ground Lease, the Facilities Lease and under any debt incurred by the Corporation in connection with the construction of the Facilities.

Section 11.4 Rights of The Board Cumulative. All rights and remedies of the Board provided for and permitted in this Ground Lease shall be construed and held to be cumulative, and no single right or remedy shall be exclusive of any other which is consistent with the former. The Board shall have the right to pursue any or all of the rights or remedies set forth herein, as well as any other consistent remedy or relief which may be available at law or in equity, but which is not set forth herein. No waiver by the Board of a breach of any of the covenants, conditions or restrictions of this Ground Lease shall be construed or held to be a waiver of any succeeding or preceding breach of the same or of any other covenant, condition or restriction herein contained. The failure of the Board to insist in any one or more cases upon the strict performance of any of the covenants of this Ground Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of future breaches of such covenant or option.

ARTICLE 12
TITLE TO THE FACILITIES

Section 12.1 Title to Facilities. Title to the Facilities as they are constructed and upon completion thereof shall be vested in the Board during the Term of this Ground Lease. The Board's right to obtain title to the Facilities unencumbered by the leasehold interest of the Corporation granted hereunder shall be set forth in the Facilities Lease. All furniture, fixtures, equipment and furnishings permanently affixed to the Facilities shall be the property of the Board upon termination of the Ground Lease whether such termination be by expiration of the Term or an earlier termination under any provision of this Ground Lease.

Section 12.2 The Board's Option to Require Demolition. Upon the Expiration Date of the Term or earlier termination hereof, in the event the Facilities are no longer suitable for the Board's purposes, the Board in its sole discretion may require the Corporation to demolish the Facilities and remove the Facilities from the Property, and restore the Property to substantially the same condition as it existed on the date of this Ground Lease, to be accomplished within one hundred eighty (180) days of such Expiration Date or earlier Termination hereof. However, such demolition and removal of the Facilities shall be at the Board's sole cost and expense. In the event of such election upon the expiration of the Term, the Board shall notify the Corporation no later than six (6) months prior to the expiration of the Term. If this Ground Lease is terminated earlier, the Board shall notify the Corporation within thirty (30) days after the termination.

ARTICLE 13
CONDEMNATION

Section 13.1 Condemnation. Upon the permanent Taking of all the Property and the Facilities, this Ground Lease shall terminate and expire as of the date of such Taking, and both the Corporation and the Board shall thereupon be released from any liability thereafter accruing hereunder except for Rent and all other amounts secured by this Ground Lease owed to the Board apportioned as of the date of the Taking or the last date of occupancy, whichever is later. The Corporation shall receive notice of any proceedings relating to a Taking and shall have the right to participate therein.

Section 13.2 Partial Condemnation. Upon a temporary Taking or a Taking of less than all of the Property, the Board, at its election, may terminate this Ground Lease by giving the Corporation notice of its election to terminate at least sixty (60) days prior to the date of such termination if the Board reasonably determines that the Facilities cannot be economically and feasibly used by the Board for its intended purposes under the Facilities Lease. Upon any such termination, the Rent accrued and unpaid hereunder

shall be apportioned to the date of termination. In the event there is a partial condemnation of the Property and the Board decides not to terminate this Ground Lease, the Board and the Corporation shall either amend this Ground Lease or enter into a new lease so as to cover an adjacent portion of property, if necessary to restore or replace any portion of the Property and/or Facilities.

Section 13.3 Facilities Lease. If this Ground Lease is terminated under either Section 13.1 or 13.2 hereof but the Board decides to restore or replace the Facilities in accordance with the Facilities Lease, the Board and the Corporation agree to enter into a new lease of a portion of property necessary to place thereon the Facilities and to enter into a new Facilities Lease covering such replacement Facilities.

Section 13.4 Payment of Awards. Upon the Taking of all or any portion of the Property and the Facilities (a) the proceeds of the Award allocable to the value of the Facilities shall be disbursed in accordance with the provisions of the Facilities Lease, and (b) the Board shall be entitled (free of any claim by the Corporation) to the Award for the value of the Board's Interest (such value to be determined as if this Ground Lease were in effect and continuing to encumber the Board's Interest).

ARTICLE 14
ASSIGNMENT, SUBLETTING, AND TRANSFERS OF THE CORPORATION'S INTEREST

Section 14.1 Assignment of Leasehold Interest. Except as expressly provided for in this Article 14, the Corporation shall not have the right to sell or assign the leasehold estate created by this Ground Lease or the other rights of the Corporation hereunder to any Person without the prior written consent of the Board.

Section 14.2 Subletting. The Corporation is not authorized to sublet the leasehold estate to any entity other than the Board.

Section 14.3 Transfers of the Corporation's Interest. Except as otherwise expressly provided herein, any Person succeeding to the Corporation's interest as a consequence of any permitted conveyance, transfer or assignment shall succeed to all of the obligations of the Corporation hereunder and shall be subject to the terms and provisions of this Ground Lease.

Section 14.4 Assignment to Trustee. The Corporation shall, concurrently with the execution hereof, assign all of its right, title and interest in and to this Ground Lease to the Trustee pursuant to the Indenture and the Loan Agreement (each as defined in the Facilities Lease). The parties hereto further agree to execute any and all documents necessary and proper in connection therewith.

ARTICLE 15
COMPLIANCE CERTIFICATES

Section 15.1 The Corporation's Compliance. The Corporation agrees, at any time and from time to time upon not fewer than thirty (30) days prior written notice by the Board, to execute, acknowledge and deliver to the Board or to such other party as the Board shall request, a statement in writing certifying: (a) that this Ground Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications); (b) to the best of its knowledge, whether or not there are then existing any offsets or defenses against the enforcement of any of the terms, covenants or conditions hereof upon the part of the Corporation to be performed (and if so specifying the same); (c) the dates to which the Rent and other charges have been paid; and (d) the dates of commencement and expiration of the Term, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective purchaser of the Board's Interest or by any other Person.

Section 15.2 The Board's Compliance. The Board agrees, at any time and from time to time, upon not fewer than thirty (30) days prior written notice by the Corporation, to execute, acknowledge and deliver to the Corporation a statement in writing addressed to the Corporation or to such other party as the Corporation shall request, certifying: (a) that this Ground Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications); (b) the dates to which the Rent and other charges have been paid; (c) to the best of its knowledge after due inquiry, whether an Event of Default has occurred and is continuing hereunder (and stating the nature of any such Event of Default); (d) during the construction period, the status of construction of the Facilities and the estimated date of completion thereof; and (e) the dates of commencement and expiration of the Term, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective (and permitted) assignee, sublessee or mortgagee of this Ground Lease or by any assignee or prospective assignee of any such permitted mortgage or by any undertenant or prospective undertenant of the whole or any part of the Facilities, or by any other Person, as approved by the Board.

ARTICLE 16
TAXES AND LICENSES

Section 16.1 Payment of Taxes. The Board shall pay, and, upon request by the Corporation, shall provide evidence of payment to the appropriate collecting authorities of, all federal, state and local taxes and fees, which are now or may hereafter be, levied upon the Corporation's interest in the Property or in the Facilities or upon any of the Corporation's property used in connection therewith or upon the Board or the Board's Interest. The Board may pay any of the above items in installments if payment may be so made without penalty other than the payment of interest. The obligations of the Board to pay taxes and fees under this Section 16.1 shall apply only to the extent that the Board or the Corporation are not exempt from paying such taxes and fees and to the extent that such taxes and fees are not otherwise abated. The Board and the Corporation agree to cooperate fully with each other to the end that tax exemptions available with respect to the Property and the Facilities under applicable law are obtained by the party or parties entitled thereto.

Section 16.2 Contested Tax Payments. The Board shall not be required to pay, discharge or remove any such taxes or assessments so long as the Board is contesting the amount or validity thereof by appropriate proceeding which shall operate to prevent or stay the collection of the amount so contested. The Corporation shall cooperate with the Board in completing such contest and the Corporation shall have no right to pay the amount contested during the contest. The Corporation, at the Board's expense, shall join in any such proceeding if any law shall so require.

ARTICLE 17
FORCE MAJEURE

Section 17.1 Discontinuance During Force Majeure. Whenever a period of time is herein prescribed for action to be taken by the Corporation, the Corporation shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to Force Majeure. The Board shall not be obligated to recognize any delay caused by Force Majeure unless the Corporation shall within ten (10) days after the Corporation is aware of the existence of an event of Force Majeure, notify the Board thereof.

ARTICLE 18
MISCELLANEOUS

Section 18.1 Nondiscrimination, Employment and Wages. Any discrimination by the Corporation or its agents or employees on account of race, color, sex, age, religion, national origin or handicap, in employment practices or in the performance of the terms, conditions, covenants and obligations of this Ground Lease, is prohibited.

Section 18.2 Notices.

(a) Notices or communications to the Board or the Corporation required or appropriate under this Ground Lease shall be in writing, sent by (i) personal delivery, or (ii) expedited delivery service with proof of delivery, or (iii) registered or certified United States mail, postage prepaid, or (iv) prepaid telecopy if confirmed by expedited delivery service or by mail in the manner previously described, addressed as follows:

If to the State: (Post Office Address for U. S. Postal Service Delivery)

Division of Administration	AND	Facility Planning and Control
Attention: Commissioner		Attention: Director
P. O. Box 94095		P. O. Box 94095
Baton Rouge, LA 70804-9095		Baton Rouge, LA 70804-9095
Telephone: (225) 342-7000		Telephone: (225) 342-0820
Telecopy: (225) 342-1057		Telecopy: (225) 342-7624

(Street Address for Courier or Express Mail Delivery)

Division of Administration	AND	Facility Planning and Control
Attention: Commissioner		Attention: Director
1201 North 3rd Street, Suite 7-230		1201 North 3rd Street, Suite 7-160
Baton Rouge, LA 70802		Baton Rouge, LA 70802

If to the Board:

Louisiana Community and Technical College System
Attention: System President
Office of the Board of Supervisors
265 S. Foster Drive
Baton Rouge, LA 70806-4104
Telephone: (225) 922-1643
Telecopy: (225) 922-2392

with copies to:

Louisiana Community and Technical College System
Attention: Vice President of Administration
265 S. Foster Drive
Baton Rouge, LA 70806-4104
Telephone: (225) 922-1635
Facsimile: (225) 922-1485

If to the Corporation:

President
LCTCS Facilities Corporation
c/o Sisung Group
3850 North Causeway Blvd., Suite 1930
Metairie, LA 70002
Telephone: (504) 544-7713
Facsimile: (504) 544-7701

with copies to:

LCTCS Facilities Corporation
c/o _____
Breazeale, Sachse & Wilson, LLP
One American Place
301 Main Street, 23rd Floor
Baton Rouge, LA 70801

or to such other address or to the attention of such other person as hereafter shall be designated in writing by such party. Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of delivery service or mail, as of the date of deposit in the mail in the manner provided herein, or in the case of telecopy, upon receipt.

Section 18.3 Relationship of Parties. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties hereto. It is understood and agreed that no provision contained herein nor any acts of the parties hereto creates a relationship other than the relationship of the Board and the Corporation.

Section 18.4 Memorandum of Ground Lease. Neither the Board nor the Corporation shall file this Ground Lease for record in any public place without the written consent of the other. In lieu thereof the Board and the Corporation agree to execute in recordable form a memorandum of this Ground Lease in the form of Exhibit C attached hereto. Such memorandum shall be filed for record in the Louisiana parishes in which the leased immovable property is located and any public place as may be deemed necessary with respect to the Property.

Section 18.5 Legal Proceedings.

(a) If either party is required to commence legal proceedings relating to this Ground Lease, the prevailing party shall be entitled to receive reimbursement for its reasonable attorneys' fees and costs of suit.

(b) The Corporation waives trial by jury in any action, proceeding, or counterclaim brought by either of the Parties to this Ground Lease against the other on any matters whatsoever arising out of or in any way connected with this Ground Lease, the relationship of the Corporation and the Board, the Board's or the Colleges' use or occupancy of the Facilities, or any other Claims arising hereunder.

Section 18.6 Louisiana Law to Apply. This Ground Lease shall be construed under and in accordance with the laws of the State of Louisiana, and all obligations of the parties created hereunder are

performable in Baton Rouge, Louisiana. The 19th Judicial District Court, East Baton Rouge Parish, State of Louisiana, shall be deemed to be the exclusive court of jurisdiction and venue for any litigation, special proceeding or other proceeding as between the parties that may be brought, or arise out of, in connection with, or by reason of this Ground Lease.

Section 18.7 Warranty of Peaceful Possession. The Board covenants that the Corporation, on paying the Rent and performing and observing all of the covenants and agreements herein contained and provided to be performed by the Corporation, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Property during the Term and may exercise all of its rights hereunder; and the Board agrees to warrant and forever defend the Corporation's right to such occupancy, use, and enjoyment and the title to the Property against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof subject only to the provisions of this Ground Lease and the matters listed on Exhibit B attached hereto.

Section 18.8 Curative Matters. Except for the express representations and warranties of the Board set forth in this Ground Lease, any additional matters necessary or desirable to make the Property usable for the Corporation's purpose shall be undertaken, in the Corporation's sole discretion, at no expense to the Board. The Corporation shall notify the Board in writing of all additional matters (not contemplated by the Plans and Specifications) undertaken by the Corporation to make the Property usable for the Corporation's purpose.

Section 18.9 Non-waiver. No waiver by the Board or the Corporation of a breach of any of the covenants, conditions, or restrictions of this Ground Lease shall constitute a waiver of any subsequent breach of any of the covenants, conditions or restrictions of this Ground Lease. The failure of the Board or the Corporation to insist in any one or more cases upon the strict performance of any of the covenants of the Ground Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant or option. A receipt by the Board or acceptance of payment by the Board of Rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach. No waiver, change, modification or discharge by the Board or the Corporation of any provision of this Ground Lease shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged.

Section 18.10 Terminology. Unless the context of this Ground Lease clearly requires otherwise: (a) pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character; (b) the singular shall include the plural wherever and as often as may be appropriate; (c) the word "includes" or "including" shall mean "including without limitation"; (d) the word "or" shall have the inclusive meaning represented by the phrase "and/or"; (e) the words "hereof", "herein," "hereunder," and similar terms in this Ground Lease shall refer to this Ground Lease as a whole and not to any particular section or article in which such words appear. The section, article and other headings in this Ground Lease and the Table of Contents to this Ground Lease are for reference purposes and shall not control or affect the construction of this Ground Lease or the interpretation hereof in any respect. Article, section and subsection and exhibit references are to this Ground Lease unless otherwise specified. All exhibits attached to this Ground Lease constitute a part of this Ground Lease and are incorporated herein. All references to a specific time of day in this Ground Lease shall be based upon Central Standard Time (or the other standard of measuring time then in effect in Baton Rouge, Louisiana).

Section 18.11 Counterparts. This agreement may be executed in multiple counterparts, each of which shall be declared an original.

Section 18.12 Severability. If any clause or provision of this Ground Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Ground Lease, then and in that

event, it is the intention of the parties hereto that the remainder of Ground Lease shall not be affected thereby.

Section 18.13 Authorization. By execution of this Ground Lease, the Corporation and the Board each represent to the other that they are entities validly existing, duly constituted and in good standing under the laws of the jurisdiction in which they were formed and in which they presently conduct business; that all acts necessary to permit them to enter into and be bound by this Ground Lease have been taken and performed; and that the persons signing this Ground Lease on their behalf have due authorization to do so.

Section 18.14 Ancillary Agreements. In the event it becomes necessary or desirable for the Board to approve in writing any ancillary agreements or documents concerning the Property or concerning the construction, operation or maintenance of the Facilities or to alter or amend any such ancillary agreements between the Board and the Corporation or to give any approval or consent of the Board required under the terms of this Ground Lease, all agreements, documents or approvals shall be forwarded to the Board Representative.

Section 18.15 Amendment. No amendment, modification, or alteration of the terms of this Ground Lease shall be binding unless the same be in writing dated on or subsequent to the date hereof and duly executed by the parties hereto and consented to, to the extent required by Article 8 of the Loan Agreement.

Section 18.16 Successors and Assigns. All of the covenants, agreements, terms and conditions to be observed and performed by the parties hereto shall be applicable to and binding upon their respective successors and assigns including any successor by merger or consolidation of any of the Colleges into another educational institution or the Board into another educational management board.

Section 18.17 Entire Agreement. This Ground Lease, together with the exhibits attached hereto, contains the entire agreement between the parties hereto with respect to the Property and contains all of the terms and conditions agreed upon with respect to the Ground Lease of the Property, and no other agreements, oral or otherwise, regarding the subject matter of this Ground Lease shall be deemed to exist or to bind the parties hereto; it being the intent of the parties that neither shall be bound by any term, condition, or representations not herein written.

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IN WITNESS WHEREOF, the undersigned representative has signed this Ground Lease Agreement on behalf of the Board of Supervisors of the Louisiana Community and Technical College System on the _____ day of _____, 2026.

WITNESSES:

BOARD OF SUPERVISORS OF THE LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM

_____
Print Name: _____

By: _____
Richard Nelson, President

_____
Print Name: _____

IN WITNESS WHEREOF, the undersigned representative has signed this Ground Lease Agreement on behalf of LCTCS Facilities Corporation, on the ____ day of _____, 2026.

WITNESSES:

LCTCS FACILITIES CORPORATION

_____
Print Name: _____

By: _____
Stephen C. Smith, President

_____
Print Name: _____

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

BE IT KNOWN, that on this _____ day of _____, 2026, before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

RICHARD NELSON

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the duly appointed President of the Board of Supervisors of the Louisiana Community and Technical College System (the "*Board*"), that the aforesaid instrument was signed by him, on this date, on behalf of the Board and that the above named person acknowledges said instrument to be the free act and deed of the Board.

WITNESSES:

_____ _____
Print Name: _____ Richard Nelson, President

_____
Print Name: _____

_____
NOTARY PUBLIC
PRINTED NAME: _____
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA
NOTARY ID NUMBER_____

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

BE IT KNOWN, that on this _____ day of _____, 2026, before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

STEPHEN C. SMITH

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the President of LCTCS Facilities Corporation (the "*Corporation*"), and that the aforesaid instrument was signed by him, on this date, on behalf of the Corporation and that the above named person acknowledges the approval of said instrument to be the free act and deed of the Corporation.

WITNESSES:

_____ _____

Print Name: _____ Stephen C. Smith, President

_____

Print Name: _____

_____

NOTARY PUBLIC

PRINTED NAME: _____

PARISH OF EAST BATON ROUGE

STATE OF LOUISIANA

NOTARY ID NUMBER_____

EXHIBIT A

PROPERTY DESCRIPTION

[TO COME]

EXHIBIT B

PERMITTED ENCUMBRANCES

Reservation by the Board of its rights to all oil, gas and associated hydrocarbons, and all other minerals, mineral substances, and mineral deposits of any kind or character, whether solid, liquid, or gaseous; provided, however, that the Board hereby has waived all rights to the use of the surface of the Property in connection with the exploration, development, production or transport of said oil, gas and minerals during the term of the Ground Lease.

EXHIBIT C

FORM OF
MEMORANDUM OF GROUND LEASE AGREEMENT

STATE OF LOUISIANA §
§ KNOW ALL MEN BY THESE PRESENTS:
PARISH OF _____ §

MEMORANDUM OF LEASE

This Memorandum of Lease (this "*Memorandum*") is entered into by and between the Board of Supervisors of the Louisiana Community and Technical College System ("*Lessor*") and LCTCS Facilities Corporation ("*Lessee*").

RECITALS

A. Lessor and Lessee have entered into a Ground Lease Agreement dated as of _____ 1, 2026 (the "*Lease*"), whereby Lessor did lease to Lessee, and Lessee did lease from Lessor, the immovable property more particularly described on Exhibit A attached hereto and incorporated herein (the "*Land*") and the facilities which are and will be located on the Land as more particularly described in the Lease.

B. Lessor and Lessee desire to enter into this Memorandum, which is to be recorded in order that third parties may have notice of the parties' rights under the Lease.

LEASE TERMS

Specific reference is hereby made to the following terms and provisions of the Lease:

1. The term of the Lease commenced on _____ 1, 2026 and shall continue until midnight on _____ 1, 20__, unless sooner terminated or extended as provided in the Lease.

2. Pursuant to Section 8.3 of the Lease, any third party entering into a contract with the Corporation for improvements to be located on the Land, or any other party claiming under said third party, is hereby put on notice that neither the Board nor the Board's property shall have any liability for satisfaction of any claims of any nature in any way arising out of a contract with the Corporation.

3. Additional information concerning the provisions of the Lease can be obtained from the parties at the following addresses:

Lessor: Board of Supervisors of the Louisiana
Community and Technical College System
Office of the Board of Supervisors
265 S. Foster Drive
Baton Rouge, Louisiana 70806-4104
Attention: System President

Lessee: LCTCS Facilities Corporation
c/o Sisung Group
3850 North Causeway Blvd., Suite 1930
Metairie, LA 70002
Telephone: (504) 544-7713
Facsimile: (504) 544-7701
Attention: President

This Memorandum is executed for the purpose of recordation in the public records of _____ Parish, Louisiana in order to give notice of all the terms and provisions of the Lease and is not intended and shall not be construed to define, limit, or modify the Lease. All of the terms, conditions, provisions and covenants of the Lease are incorporated into this Memorandum by reference as though fully set forth herein, and both the Lease and this Memorandum shall be deemed to constitute a single instrument or document.

THUS DONE AND PASSED on the ____ day of _____, 2026, in Baton Rouge, Louisiana, in the presence of the undersigned, both competent witnesses, who herewith sign their names with Stephen C. Smith, President of LCTCS Facilities Corporation and me, Notary.

WITNESSES:

LCTCS FACILITIES CORPORATION

_____

_____ By:_____
Stephen C. Smith, President

_____
NOTARY PUBLIC
Name: _____
Notary ID/Bar Roll No. _____
My Commission Expires _____

THUS DONE AND PASSED on the ____ day of _____, 2026, in Baton Rouge, Louisiana, in the presence of the undersigned, both competent witnesses, who herewith sign their names with Richard Nelson, President of the Board of Supervisors of the Louisiana Community and Technical College System, and me, Notary.

WITNESSES:

STATE OF LOUISIANA THROUGH THE
BOARD OF SUPERVISORS OF THE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM

_____

_____ By:_____
Richard Nelson, President

_____
NOTARY PUBLIC
Name: _____
Notary ID/Bar Roll No. _____
My Commission Expires _____

EXHIBIT B

FORM OF
AGREEMENT TO LEASE WITH OPTION TO PURCHASE

FORM OF
AGREEMENT TO LEASE WITH OPTION TO PURCHASE

by and between

LCTCS FACILITIES CORPORATION
(as Lessor)

and

BOARD OF SUPERVISORS OF THE LOUISIANA COMMUNITY
AND TECHNICAL COLLEGE SYSTEM
(as Lessee)

Dated as of _____ 1, 2026

in connection with:

Louisiana Local Government Environmental Facilities
and Community Development Authority Revenue Bonds
(LCTCS Act 35 Project)

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AGREEMENT TO LEASE WITH OPTION TO PURCHASE

This AGREEMENT TO LEASE WITH OPTION TO PURCHASE (together with any amendments hereto or supplements hereof, this "*Facilities Lease*") dated as of _____ 1, 2026, is entered into by and between the LCTCS FACILITIES CORPORATION, a Louisiana nonprofit corporation represented herein by its President, Stephen C. Smith (the "*Corporation*") and the BOARD OF SUPERVISORS OF THE LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM, a public constitutional corporation organized and existing under the laws of the State of Louisiana, represented herein by its duly authorized President, Richard Nelson (the "*Board*").

WITNESSETH:

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State of Louisiana and the Colleges (as hereinafter defined) are colleges under its management pursuant to Louisiana Revised Statutes 17:3217.1;

WHEREAS, the Board owns, will own, leases, will lease, or has under its supervision and management, the ground on which the Colleges' existing and proposed additional facilities are to be located;

WHEREAS, the Corporation is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201 et seq.), whose purpose is to support and benefit the educational, scientific, research and public service missions of the Board;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3366, the Board is authorized to lease to a private entity, such as the Corporation, any portion of the campus or other immovable property under the supervision and management of the Board, provided that the Corporation is thereby obligated to construct improvements for furthering the educational, scientific, research or public service functions of the Board;

WHEREAS, the Board and the Corporation have agreed to enter into a Ground Lease Agreement dated of even date herewith (the "*Ground Lease*") whereby the Board will lease the Property (as defined therein) to the Corporation;

WHEREAS, in order to further these functions of the Board, the Corporation shall cause the development, acquisition, purchase, construction, renovation, improvement, or expansion of certain public facilities of the Board, as such project is described or authorized under Act 35 of the 2025 Regular Session of the Louisiana Legislature, including all furnishings, fixtures and equipment incidental or necessary in connection therewith (collectively, the "*Facilities*") to be located on immovable property owned by, to be owned by, leased by, to be leased by, or under the supervision and management of the Board, which Facilities shall be owned by the Corporation and leased to the Board; and

WHEREAS, the Corporation and the Board have agreed that the Corporation, for the benefit of the Board, shall develop and construct or cause to be developed and constructed the Facilities in accordance with Construction Contracts (as defined in the Ground Lease), and lease back space in the Facilities to the Board.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of and as used in this Facilities Lease, have the meanings as set forth below. All

other capitalized terms used herein without definition shall have the meanings as set forth in the Indenture (as hereinafter defined). Other terms shall have the meanings assigned to them in other Sections of this Facilities Lease.

"*Additional Bonds*" shall mean parity bonds, if any, issued in one or more series pursuant to Section 27 hereof and Article 5 of the Indenture.

"*Additional Rental*" means the amounts specified as such in Section 7(d) of this Facilities Lease.

"*Administrative Expenses*" means the necessary, reasonable and direct out-of-pocket expenses incurred by the Authority or the Trustee pursuant to the Indenture and the Loan Agreement, the compensation of the Trustee under the Indenture (including, but not limited to any annual administrative fee charged by the Trustee), the compensation of the Authority, and the necessary, reasonable and direct out-of-pocket expenses of the Trustee incurred by the Trustee in the performance of its duties under the Indenture.

"*Appropriated Funds*" means funds appropriated by the State Legislature to the Board pursuant to the Cooperative Endeavor Agreement.

"*Authority*" means the Louisiana Local Government Environmental Facilities and Community Development Authority.

"*Base Rental*" means the amounts referred to as such in Section 7(c) of this Facilities Lease (as such amounts may be adjusted from time to time in accordance with the terms hereof) but does not include Additional Rental.

"*Board*" means the Board of Supervisors of the Louisiana Community and Technical College System or its legal successor as management board of the College, acting herein on behalf of the College and on its own behalf.

"*Board Documents*" means the Cooperative Endeavor Agreement, the Ground Lease and the Facilities Lease.

"*Board Representative*" means any one of the persons designated and authorized in writing from time to time by the Board to represent the Board in exercising the Board's rights and performing the Board's obligations under this Facilities Lease or the Ground Lease; the Board Representative shall be the President of the Louisiana Community and Technical College System, or his or her designee, of whom the Corporation has been notified in writing, or the Senior Vice President for Finance and Administration of the Louisiana Community and Technical College System, or his or her designee, of whom the Corporation has been notified in writing.

"*Bond Documents*" means the Trust Indenture and the Loan Agreement.

"*Budget*" means the Board's and the Colleges' budget as approved by the Board for any Fiscal Year during the Term.

"*Business Day*" means any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York, or Baton Rouge, Louisiana, are authorized or required not to be open for the transaction of regular banking business, or (d) a day on which the New York Stock Exchange is closed.

"*CERCLA*" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§9601 et seq.).

"*Claim*" collectively means any claim, liability, demand, loss, damage, deficiency, litigation, cause of action, penalty, fine, judgment, defense, imposition, fee, lien, bonding cost, settlement, disbursement, penalty, cost or expenses of any and every kind and nature (including without limitation Litigation Expenses), whether known or unknown, incurred or potential, accrued, absolute, direct, indirect, contingent or otherwise and whether imposed by strict liability, negligence, or otherwise, and consequential, punitive and exemplary damage claims.

"*Code*" means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

"*Colleges*" means the various campuses under the supervision of the Board referenced in Exhibit A hereto, each individually, a "*College*".

"*Commencement Date*" means the date on which a series of Parity Bonds are first delivered and payment therefor is received by the Authority.

"*Cooperative Endeavor Agreement*" means the Cooperative Endeavor Agreement by and among the Board, the Corporation and the State dated as of _____ 1, 2026, providing for the payment of Appropriated Funds by the State to the Board, and including any amendments of and supplements to the Cooperative Endeavor Agreement as permitted thereunder.

"*Corporation*" means LCTCS Facilities Corporation, a nonprofit corporation organized and existing under the laws of the State for the benefit of the Colleges and also includes every successor corporation and transferee of the Corporation until payment or provision for payment of all the Parity Bonds.

"*Date of Opening*" means the first date that any of the Facilities that are financed by the Parity Bonds are occupied.

"*Debt Service Fund*" means the Debt Service Fund created by Section 4.1 of the Indenture.

"*Debt Service Requirements*" means, for any particular Fiscal Year, an amount equal to the sum of (a) all interest payable during such Fiscal Year on all Outstanding Parity Bonds, plus (b) the Principal Installment on Outstanding Parity Bonds falling due during such Fiscal Year, and (c) any other requirements relating to credit enhancement, if any.

"*Default or Delay Rental*" means and shall consist of: (a) all amounts, fees or expenses that the Corporation may be legally obligated to pay to Other Parties by reason of any default of the Board hereunder or any delay in payment of any sums due by the Board hereunder; and (b) all costs, expenses and charges, including reasonable counsel fees, incurred by the Corporation whether by suit or otherwise, in collecting sums payable hereunder or in enforcing any covenant or agreement of the Board contained in this Agreement or incurred in obtaining possession of the Facilities after default by the Board that shall be due not later than thirty (30) days from notification that such Default or Delay Rentals are owed.

"*Encumbrance*" means any lien, mortgage, encumbrance, privilege, charge, option, right of first refusal, conditional sales contract, security interest, mechanic's and materialmen's liens, or any lien or encumbrance securing payment of any Claims, including environmental Claims, or of any charges for labor, materials, supplies, equipment, taxes, or utilities, excluding the Option granted to the Board herein.

"*Environmental Requirements*" means all State, federal, local, municipal, parish, and regional laws, statutes, rules, regulations, ordinances, codes, permits, approvals, plans, authorizations, concessions, investigation results, guidance documents; all legislative, judicial, and administrative judgments, decrees, orders, rules, rulings, and regulations; and all agreements and other restrictions and requirements in effect on or prior to the Commencement Date, of any Governmental Authority, including, without limitation, federal, state, and local authorities, relating to the regulation or protection of human health and safety, natural resources, conservation, the environment, or the storage, treatment, disposal, processing, release, discharge, emission, use, remediation, transportation, handling, or other management of industrial, gaseous, liquid or solid waste, hazardous waste, hazardous or toxic substances or chemicals, or pollutants, and including without limitation the following environmental laws: The Clean Air Act (42 U.S.C.A. §1857); the Federal Water Pollution Control Act (33 U.S.C. §1251); the Resource Conservation and Recovery Act of 1976, (42 U.S.C. §6901); CERCLA, as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub.L. 99-499, l00 Stat. 1613); the Toxic Substances Control Act (15 U.S.C. §2601); the Clean Water Act (33 U.S.C. §1251); the Safe Drinking Water Act (42 U.S.C. §30); the Occupational Safety and Health Act (29 U.S.C. §651); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §135); the Louisiana Environmental Quality Act (La. R.S. 30:2001); and the Louisiana Air Quality Regulations (La. C. 33:III.2595) including any amendments or extensions thereof and any rules, regulations, standards or guidelines issued pursuant to or promulgated under any of the foregoing.

"*Event of Default*" means any default specified in and defined as such by Section 22 hereof.

"*Expiration Date*" means midnight on _____ 1, 20__ or the date that all amounts owed under the Indenture have been paid.

"*Facilities*" means the facilities described in Exhibit A attached hereto, and to the Loan Agreement, as amended and supplemented in accordance therewith, that are to be designed, constructed, renovated and equipped with the proceeds of the Parity Bonds, including all furnishings, fixtures and equipment incidental or necessary in connection therewith.

"*Facilities Lease*" means this Agreement to Lease with Option to Purchase, including the Exhibits attached hereto, and any amendment or supplement hereto entered into from time to time in accordance with the terms hereof.

"*Fiscal Year*" means the fiscal year of the State, which at the date of this Facilities Lease is the period from July 1 to and including the following June 30.

"*Governmental Authority*" means any federal, state, parish, regional, or local government, political subdivision, any governmental agency, department, authority, instrumentality, bureau, commission, board, official, or officer, any court, judge, examiner, or hearing officer, any legislative, judicial, executive, administrative, or regulatory body or committee or official thereof or private accrediting body.

"*Governmental Regulations*" means any and all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, writs, injunctions, rules, regulations, restrictions, permits, plans, authorizations, concessions, investigation, reports, guidelines, and requirements or accreditation standards of any Governmental Authority having jurisdiction over the Corporation and/or the Board, or affecting the Facilities.

"*Ground Lease*" means that certain Ground Lease Agreement dated as of _____ 1, 2026 by and between the Board, as lessor, and the Corporation, as lessee, whereby the Property (as defined therein) is leased by the Board to the Corporation, including any amendment or supplement thereto entered into from time to time in accordance with the terms thereof.

"*Indenture*" means the Trust Indenture dated as of _____ 1, 2026, between the Authority and the Trustee, pursuant to which the Parity Bonds have been issued and are secured, including any amendments and supplements thereof and thereto as permitted thereunder.

"*Interest Payment Date*" or "*interest payment date*", when used with respect to the Parity Bonds, means each April 1, and October 1, commencing ___ 1, 20__.

"*Legal Expenses*" means the reasonable fees and charges of attorneys and of legal assistants, paralegals, law clerks and other persons and entities used by attorneys and under attorney supervision and all costs incurred or advanced by any of them irrespective of whether incurred in or advanced prior to the initiation of any legal, equitable, arbitration, administrative, bankruptcy, trial or similar proceedings and any appeal from any of same.

"*Litigation Expenses*" means all out-of-pocket costs and expenses incurred as a result of a Default, or in connection with an indemnification obligation, including Legal Expenses, the reasonable fees and charges of experts and/or consultants, and all court costs and expenses.

"*Loan Agreement*" means the Loan and Assignment Agreement dated as of _____ 1, 2026 between the Corporation and the Authority, including any amendments and supplements thereof and thereto as permitted thereunder.

"*Maintenance Reserve Fund Annual Funding Requirement*" means six-tenths of one percent (0.6%) of the construction costs of each of the Facilities financed by the Bonds and leased by the Corporation to the Board pursuant to this Facilities Lease.

"*Notice*" shall have the meaning set forth in Section 52 hereof.

"*Option to Purchase*" or "*Option*" means the option to purchase the Corporation's interest in the Facilities granted in Section 24 of this Facilities Lease.

"*Other Parties*" means a Person other than the Parties.

"*Outstanding*" or "*outstanding*", when used with reference to Parity Bonds, means all Parity Bonds which have been authenticated and issued under the Indenture except:

(a) Parity Bonds canceled by the Trustee pursuant to the Indenture;

(b) Parity Bonds for the payment of which moneys or Defeasance Obligations shall be held in trust for their payment by the Trustee as provided in the defeasance provisions of the Indenture;

(c) Parity Bonds that have been duly called for redemption and for which the redemption price thereof is held in trust by the Trustee as provided in the Indenture;

(d) Parity Bonds in exchange for which other Parity Bonds shall have been authenticated and delivered by the Trustee as provided in the Indenture; and

(e) for all purposes regarding consents and approvals or directions of Bondholders under the Loan Agreement or the Indenture, Parity Bonds held by or for the Authority, the Corporation or any person controlling, controlled by or under common control with either of them.

"*Parity Bonds*" means collectively, all bonds issued on a parity basis pursuant to the Indenture.

"*Parties*" means, collectively, the Corporation and the Board.

"*Permitted Sublessees*" means Persons who lease, license or otherwise use any portion of the Facilities in connection with their trade or business and as to which the Board has received an opinion of Bond Counsel that such lease, license or other use will not cause interest on the Parity Bonds to be included in the gross income of the owners of the Parity Bonds for federal income tax purposes.

"*Permitted Use*" means the operation of the Facilities for purposes related to the mission of the Colleges.

"*Person*" means all juridical persons, whether corporate or natural, including individuals, firms, trusts, corporations, associations, joint ventures, partnerships, and limited liability companies or partnerships.

"*Program Manager*" means the architecture, engineering, or construction management firm retained by the Corporation for the purpose of providing construction project planning, management, and monitoring.

"*Project Funds*" means all of the project funds created under Section 4.1 of the Indenture, each individually, a Project Fund.

"*Remediation*" means any and all costs incurred due to any investigation of the Facilities or any remediation, response, cleanup, removal, or restoration required by any Governmental Regulation or Governmental Authority or by Environmental Requirements.

"*Rental*" means and includes the Base Rental and Additional Rental.

"*State*" means the State of Louisiana.

"*State Legislature*" means the legislative body of the State in any given year.

"*Term*" means the term of this Facilities Lease, as provided in Section 2 hereof.

"*Trustee*" means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under the Indenture that may be designated (originally or as a successor) as Trustee for the owners of the Parity Bonds issued and secured under the terms of the Indenture, initially Whitney Bank.

Section 2. Agreement to Lease: Term of Facilities Lease.

(a) The Corporation hereby leases the Facilities to the Board and the Board hereby leases the Facilities from the Corporation effective as of the Commencement Date of this Facilities Lease, and the Board agrees upon completion of construction and renovation of the Facilities to accept possession of the Facilities, as constructed and agrees to pay the Base Rental and the Additional Rental as provided herein for the use and occupancy of the Facilities, all on the terms and conditions set forth herein. The Board agrees that it will take immediate possession of the Facilities, as constructed under the terms and provisions of the Ground Lease upon the Date of Opening. The Board understands and agrees that Rental shall accrue from the Commencement Date hereof in consideration of the mutual covenants and agreements entered by the Parties under the Ground Lease and the Loan Agreement, notwithstanding the fact that the Facilities have yet to be constructed or renovated. No delay in the Date of Opening of the Facilities beyond the time set forth in the Ground Lease will extend the Term. The Term of this Facilities Lease begins on the

Commencement Date and ends on the Expiration Date; but this Facilities Lease is automatically renewable for an additional term of up to five (5) years in the event that on the Expiration Date there is outstanding any unpaid principal and premium, if any, or interest on the Parity Bonds, provided, however, this Facilities Lease shall terminate prior to the Expiration Date upon the happening of any of the following events:

(i) repayment of the Parity Bonds in full, including principal, premium, if any, interest and all Administrative Expenses with respect to the Parity Bonds as set forth in the Indenture;

(ii) the exercise by the Board of the Option to Purchase and the purchase of the Corporation's interest in the Facilities pursuant to the Option; or

(iii) the Corporation's exercise of its option to terminate upon the happening of any event described in this Facilities Lease with respect to which the Corporation has such option, including without limitation a Default by the Board, and the failure of the State Legislature to make available Appropriated Funds in an amount necessary to pay the Base Rental, all as set forth in Sections 22 and 30 hereof.

(b) Upon the termination of this Facilities Lease under the circumstances set forth in Section 2(a)(i) above, at the Board's option, all right and interest of the Corporation in and to the Ground Lease and the Facilities Lease in the Facilities shall be transferred to the Board, and the Corporation hereby agrees to execute any documents necessary to effectuate such transfer, or the Board may require the demolition of the Facilities as set forth in Section 12.2 of the Ground Lease.

Section 3. Acknowledgments, Representations and Covenants of the Board. The Board represents and covenants and agrees as follows:

(a) The Board has full power and authority to enter into the Board Documents and the transactions contemplated thereby and agrees to perform all of its obligations under the Board Documents;

(b) The Board has been duly authorized to execute and deliver the Board Documents and further represents and covenants that the Board Documents constitute the valid and binding obligations of the Board and that all requirements have been met and procedures have occurred in order to ensure the enforceability of the Board Documents and the Board has complied with all constitutional and other statutory requirements as may be applicable to the Board in the authorization, execution, delivery and performance of the Board Documents;

(c) The execution and delivery of the Board Documents, and compliance with the provisions thereof, will not conflict with or constitute on the part of the Board a violation of, breach of, or default under any constitutional provision, statute, law, resolution, bond indenture or other financing agreement or any other agreement or instrument to which the Board is a party or by which the Board is bound, or any order, rule or regulation of any court or Governmental Authority or body having jurisdiction over the Board or any of its activities or properties with respect to the Facilities; and all consents, approvals or authorizations required of the Board for the consummation of the transactions contemplated hereby have been obtained or timely will be obtained;

(d) Other than that which was previously disclosed to the Corporation as set forth in Exhibit B hereto, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or threatened against or affecting the Board, wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated hereunder or that in any way would adversely affect the validity or enforceability of the Board Documents;

(e) The Board will not take or permit to be taken any action that would have the effect, directly or indirectly, of causing interest on any of the Parity Bonds to be included in gross income for federal income tax purposes;

(f) The Board agrees to cause the Facilities to be used for the Permitted Use and shall not allow the Facilities to be used for any other use. No more than five percent (5%) of the gross area of the Facilities will be subleased by the Board or by any Permitted Sublessee or assigns of the Board to, or otherwise used by, private business and the Board agrees to take all action, to the extent it is legally authorized and able to do so, necessary to prevent the Parity Bonds from being deemed "private activity bonds" within the meaning of Section 141 of the Code.

(g) The use of the Facilities is essential to the operation of the Colleges by providing modern education facilities for students, faculty and staff of the Colleges. The Board presently intends to make all payments for use of the Facilities. There are no alternative facilities available for use as contemplated for the Facilities.

Section 4. Representations and Covenants of the Corporation. The Corporation makes the following representations and covenants:

(a) The Corporation has been validly created under the Louisiana Nonprofit Corporation Law, is currently in good standing under the laws of the State, has the power to enter into the transactions contemplated by, and to carry out its obligations under the Board Documents and Bond Documents. The Corporation is not in breach of or in default under any of the provisions contained in any contract, instrument or agreement to which it is a party or in any other instrument by which it is bound. By proper action of its Board of Directors, the Corporation has been duly authorized to execute and deliver the Board Documents and the Loan Agreement;

(b) The execution and delivery of the Board Documents, and compliance with the provisions thereof and hereof, will not conflict with or constitute on the part of the Corporation a violation of, breach of, or default under any statute, indenture, mortgage, declaration or deed of trust, agreement or other agreement or instrument to which the Corporation is a party or by which the Corporation is bound or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Corporation or any of its activities or properties; and all consents, approvals and authorizations that are required of the Corporation for the consummation of the transactions contemplated thereby and hereby have been or timely will be obtained;

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or threatened against or affecting the Corporation, wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated hereunder or that in any way would adversely affect the validity or enforceability of the Board Documents, the Loan Agreement or any agreement or instrument to which the Corporation is a party; and

(d) The Corporation will not take or permit to be taken any action which would have the effect, directly or indirectly, of causing interest on any of the Parity Bonds to be included in gross income for federal income tax purposes.

Section 5. Waiver and Disclaimer of Warranties.

(a) The Board acknowledges that the Corporation has not made any representations or warranties as to the suitability or fitness of the Facilities for the needs and purposes of the Board or for any other purpose.

(b) The Board further declares and acknowledges that the Corporation in connection with this Facilities Lease, does not warrant that the Facilities will be upon completion of construction free from redhibitory or latent defects or vices and releases the Corporation of any liability for redhibitory or latent defects or vices under Louisiana Civil Code Articles 2520 through 2548 and Louisiana Civil Code Article 2695. The Board declares and acknowledges that it does hereby waive the warranty of fitness for intended purposes and guarantee against hidden or latent redhibitory defects and vices under Louisiana law, including Louisiana Civil Code Articles 2520 through 2548 and Louisiana Civil Code Article 2695, and the warranty imposed by Louisiana Civil Code Articles 2476 and 2695, and waives all rights in redhibition pursuant to Louisiana Civil Code Articles 2520, et seq. The Board further declares and acknowledges that this waiver has been brought to the attention of the Board and explained in detail and that the Board has voluntarily and knowingly consented to this waiver of warranty of fitness and/or warranty against redhibitory defects and vices for the Facilities.

(c) The Corporation disclaims and the Board waives any warranties and representations with respect to compliance with Governmental Regulations, including Environmental Requirements, or the disposal of, or existence in, on, under, or about the Facilities of any Hazardous Substance. The Board acknowledges that the Corporation reserves in this Facilities Lease all rights to recover from the Board all costs and expenses imposed on the Corporation to bring the Facilities into compliance with any Environmental Requirement, and all costs of Remediation or cleanup of such Hazardous Substance imposed on the Corporation or the Board, which shall be payable by the Board as Additional Rental hereunder to the extent imposed upon the Corporation. The Board affirmatively reserves its rights against all parties except the Corporation in this regard.

Section 6. Reserved.

Section 7. Rental.

(a) The Board, for and in consideration of the Corporation entering into the Ground Lease, constructing the Facilities in accordance with the Ground Lease and subleasing the Facilities to the Board pursuant to the terms hereof, hereby covenants and agrees to pay the Base Rental and Additional Rental in the amounts, at the times and in the manner set forth herein, such amounts constituting in the aggregate the total of the Rental payable under this Facilities Lease.

(b) Payments of Base Rental shall be due on the dates and in the amounts as hereinafter provided:

(i) Semiannually, on each [**March 15 and September 15**] during the term of this Facilities Lease, commencing _____ 15, 20__ in an amount equal to the sum of the principal of, premium, if any, and interest due and payable on the Parity Bonds on the following [**April 1 or October 1**], as the case may be;

(ii) On the dates required in the Indenture, into any of the funds established in the Indenture, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by the Indenture; and

(iii) Amounts required to pay for initial furnishings and equipment.

(c) In addition to the Base Rental set forth herein, the Board agrees to pay as Additional Rental any and all expenses, of every nature, character, and kind whatsoever, incurred in the management,

operation, ownership, and/or maintenance of the Facilities, including but not limited to the following costs and expenses:

(i) all taxes, assessments and impositions against the Facilities, including without limitation ad valorem taxes attributed to the Corporation on behalf of the Board or to the Board (and any tax levied in whole or in part in lieu of or in addition to ad valorem taxes);

(ii) any costs incurred by the Corporation, if any, in maintaining the Facilities for the Board and making any alterations, restorations and replacements to the Facilities;

(iii) insurance premiums and other charges for insurance obtained with respect to the Facilities including insurance premiums, if any, on all insurance required under the provisions of Section 10 of this Facilities Lease;

(iv) any Default or Delay Rentals;

(v) all costs incurred by the Corporation in connection with its performance of its obligations relating to the Facilities and/or the Property under the Ground Lease and the Cooperative Endeavor Agreement;

(vi) all Administrative Expenses owed to the Authority or the Trustee;

(vii) Litigation Expenses, if any, incurred pursuant to Section 43 hereof;

(viii) any reimbursement amounts payable pursuant to Section 20 hereof or pursuant to any other provision hereof;

(ix) all costs sustained or incurred by the Corporation resulting from any and all Encumbrances, demands or liabilities arising on account of the work;

(x) any and all professional fees and expenses incurred by the Corporation, including legal fees;

(xi) On the dates required by the Indenture, into the Maintenance Reserve Fund an amount sufficient to satisfy the Maintenance Reserve Fund Annual Funding Requirement; and

(xii) any other costs, charges, and expenses commonly regarded as ownership, maintenance, and operating expenses, if any, incurred by the Corporation under this Facilities Lease.

Amounts constituting Additional Rental payable hereunder shall be paid by the Board directly to the person or persons to whom such amounts shall be due. The Board shall pay all such amounts when due or within ninety (90) days after notice in writing from the Trustee to the Board stating the amount of the Additional Rental then due and the purpose thereof.

(d) The Board shall be entitled to a credit against and reduction of each Base Rental payment in an amount equal to any amounts derived from the following sources:

(i) Accrued interest derived from the sale of the Parity Bonds;

(ii) Any capitalization of interest from the proceeds of the Bonds contained in the Capitalized Interest Fund under the Indenture;

(iii) Surplus moneys (including investment earnings) contained in the Funds and Accounts held by the Trustee under the Indenture, including the Debt Service Fund.

(e) Notwithstanding any other provision of the Facilities Lease, the obligation of the Board to make payments under this Facilities Lease, including payments of Base Rental, shall be from Appropriated Funds only. The Board shall include in the Budget for the Colleges those Appropriated Funds sufficient to make the payments of Base Rental described herein. The Board shall request that the State make payment of Base Rental pursuant to the Cooperative Endeavor Agreement directly to the Trustee. The Board also shall include in the Budget for the Colleges sufficient funds to make payment of the Additional Rental described herein. Subject to the foregoing and Section 30 hereof, the obligations of the Board to make payments pursuant to this Facilities Lease, and to perform and observe the other agreements and covenants on its part contained herein, shall be absolute and unconditional and shall not be subject to any diminution, abatement, set-off, or counterclaim. Subject to the foregoing and Section 30 hereof, until such time as the principal of, premium, if any, and interest on the Parity Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with this Facilities Lease, the Board shall not suspend or discontinue payment of Rental or any other payments pursuant to this Facilities Lease for any cause, and shall continue to perform and observe all of its agreements contained in this Facilities Lease. The Corporation and the Board acknowledge and agree that the obligation of the Board to pay Rental shall constitute a current expense of the Board payable by the Board from funds budgeted and appropriated in accordance with law for and in consideration of the right to use the Facilities during the Term and that such obligation shall not in any manner be construed to be a debt of the Board in contravention of any constitutional or statutory limitations or requirements concerning indebtedness of the Board and nothing contained herein shall constitute a pledge, lien or encumbrance upon any specific tax or other revenues of the Board.

(f) The payments of Base Rental and Additional Rental under this Facilities Lease for each Fiscal Year or portion thereof during the Term shall constitute the total Rental for such Fiscal Year or portion thereof and shall be paid by the Board for and in consideration of the undertaking by the Corporation to construct the Facilities and the right to the use and occupancy of the Facilities by the Board for and during such Fiscal Year or portion thereof.

(g) Amounts necessary to pay each Base Rental payment shall be deposited by the Board on the dates set forth in Section 7(b) hereof in lawful money of the United States of America at the office of the Trustee or at such other place or places as may be established by the Corporation and/or Trustee in accordance with the Indenture. Any amount necessary to pay any Base Rental payment or portion thereof which is not so deposited shall remain due and payable until received by the Trustee. Notwithstanding any dispute between the Board and the Corporation hereunder, the Board shall make all Rental payments when due and shall not withhold payment of any Rental pending the final resolution of such dispute or for any other reason whatsoever.

(h) This Facilities Lease is intended to be a triple net lease. The Board agrees that the Rental provided for herein shall be an absolute net return to the Corporation free and clear of any expenses, charges, taxes or set-offs whatsoever of any kind, character or nature; it being understood and agreed by the Board that the Board shall bear responsibility for the payment of all costs and expenses associated with the ownership, operation, and maintenance of the Facilities. Under no circumstances will the Corporation be required to make any payment on the Board's behalf or for the Board's benefit under this Facilities Lease, or assume any monetary obligation of the Board under this Facilities Lease, or with respect to the Facilities.

(i) The obligation of the Board to pay the Base Rental, to make all other payments provided for herein and to perform and observe the other agreements and covenants on its part herein contained shall be absolute and unconditional, subject to the provisions of Section 30 below, irrespective of any rights of

set-off, recoupment or counterclaim it might otherwise have against the Corporation. The Board will not suspend, discontinue, reduce or defer any such payment or fail to perform and observe any of its other agreements and covenants contained herein or (except as expressly authorized herein) terminate this Facilities Lease for any cause, including, without limiting the generality of the foregoing, the failure of the Corporation to complete the acquisition, construction and installation of the Facilities or any other part of the Colleges, any acts or circumstances that may deprive the Board of the use and enjoyment of the Colleges and/or the Facilities, failure of consideration or commercial frustration of purpose, or any damage to or destruction of the Colleges and/or the Facilities, or any change in the tax or other laws, rules and regulations of the United States of America or the State of Louisiana, or any failure of the Corporation to perform and observe any agreement or covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with this Facilities Lease. The parties hereto agree there shall be no claim of confusion with respect to the property leased pursuant to this lease and the property leased pursuant to the Ground Lease by and between the Board and the Corporation.

Section 8. Operation, Alterations, Maintenance, Repair, Replacement and Security Service.

(a) The Board and/or the Colleges shall be responsible for procuring and maintaining or cause to be procured and maintained all services necessary or required in order to adequately operate the Facilities in accordance with the Permitted Use. The Board and/or the Colleges shall continuously operate or cause to be operated the Facilities from the Date of Opening and continuing for the remainder of the Term for the Permitted Use, and in accordance with all Governmental Regulations.

(b) The Board and/or the Colleges shall be responsible for maintaining the Facilities and shall make or contract or cause to be made or contracted with a suitable contractor for the making of all alterations, repairs, restorations, and replacements to the Facilities, including without limitation the heating, ventilating, air conditioning, mechanical, electrical, elevators, plumbing, fire, sprinkler and theft systems, air and water pollution control and waste disposal facilities, structural roof, walls, and foundations, fixtures, equipment, and appurtenances to the Facilities as and when needed to preserve them in good working order, condition and repair (ordinary wear and tear excepted), regardless of whether such repairs, alterations, restorations or replacements are ordinary or extraordinary, foreseeable or unforeseeable, or are at the fault of the Corporation or some Other Party. All alterations, repairs, restorations or replacements shall be of a quality and class equal to or better than the quality and class presently located in the Facilities.

(c) The Board and/or the Colleges shall have the right during the Term to cause the Corporation or some Other Party to make or construct any additions or improvements to the Facilities, alter the Facilities, attach fixtures, structures, or signs to or on the Facilities, and affix personal property to the Facilities without the Corporation's prior written consent to the extent allowed under the terms of any insurance covering the Facilities. All such alterations, improvements, additions, attachments, repairs, restorations, and replacements of all or any portion of the Facilities shall: (i) be at the sole cost and expense of the Board; (ii) not reduce the then fair market value of the Facilities; (iii) be constructed in a good and workmanlike manner; and (iv) be in compliance with all Governmental Regulations.

(d) The Board and/or the Colleges shall provide or cause to be provided all security service, custodial service, janitorial service, trash disposal, maintenance of grounds and all other services necessary for the proper upkeep and maintenance of the Facilities as required herein. The Board acknowledges that the Corporation has made no representation or warranty with respect to systems and/or procedures for the security of the Facilities, any persons occupying, using or entering the Facilities, or any equipment, furnishings, or contents of the Facilities. It is the responsibility of the Board, through the Colleges to cause to be provided or to provide for the security of persons on or entering the Facilities and/or property located at the Facilities, in accordance with reasonable and prudent business practices.

Section 9. Utilities.

(a) All utilities which are used or consumed in or upon or in connection with the Facilities during the Term, including, without limitation water, gas, electricity, sewerage, garbage, or trash removal, light, cable, heat, telephone, power, computer data and other utilities necessary for the operation of the Facilities ("*Utility Service*") shall be the responsibility of the Board and/or the Colleges. Payments for Utility Services provided to the entire Facilities under such contract or contracts therefor as the Board or the Colleges may make shall be made by the Board or the Colleges directly to the respective utility companies furnishing such Utility Services.

(b) The Corporation shall not be in Default under this Facilities Lease or be liable to the Board or any other Person for direct or consequential damage, or otherwise, for any failure in supply of any Utility Service, heat, air conditioning, elevator service, cleaning service, lighting, security, or for surges or interruptions of electricity.

Section 10. Insurance.

(a) The Board shall cause to be secured and maintained at the Board's expense:

(i) A policy or policies covering the Facilities against loss or damage by fire, lightning, earthquake, collapse, vandalism and malicious mischief, flood and storm surge, and against such other perils as are included in so-called "extended coverage" and against such other insurable perils as, under good insurance practice, from time to time are insured for properties of similar character and location, which insurance shall be not less than the greater of the amount of the Parity Bonds Outstanding or one hundred percent (100%) of the replacement costs of the Facilities, without deduction for depreciation. If the Board self-insures the Property, then in the event that the Facilities are not repaired or replaced, insurance proceeds may be no greater than the actual cash value (replacement cost less depreciation) of the Facilities at the time of loss. Otherwise, in no event shall the amount of the insurance be at any time less than the full replacement costs of the Facilities adjusted to comply with any applicable co-insurance provisions of such insurance policy. Full payment of insurance proceeds shall not be contingent on the degree of damage sustained at other facilities leased by the Corporation. The policy or policies covering such loss must explicitly waive any co-insurance penalty.

(ii) A policy of comprehensive public liability insurance with respect to the Facilities and the operations related thereto, whether conducted on or off the Facilities, against liability for personal injury (including bodily injury and death) and property damage, of not less than $5,000,000 in combined single limit liability coverage. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability, water damage legal liability, motor vehicle liability for all owned and non-owned vehicles, including rented or leased vehicles.

(iii) Boiler and machinery insurance coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus, but only if steam boilers, pressure vessels or similar apparatus are installed on the Facilities, in an amount not less than $5,000,000 with deductible provisions not exceeding $100,000 per accident.

(iv) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State, or any act hereafter enacted as an amendment thereto or in lieu thereof, such worker's compensation insurance to cover full liability for compensation under any such act aforesaid.

(v) [Cyber insurance placeholder].

(b) The Corporation shall cause to be secured and maintained:

(i) a policy of title insurance insuring the Corporation's leasehold interest under the Ground Lease in an amount equal to the par amount of the Parity Bonds; and

(ii) The Construction Contractor (as defined in the Ground Lease) to secure and maintain:

(1) Comprehensive or Commercial General Liability insurance;

(2) Errors and Omissions insurance;

(3) Automobile Liability insurance;

(4) Worker's Compensation insurance;

(5) an all Risk Builder's Policy upon the construction on the Property;

(6) boiler and machinery or additional property insurance; and

(7) [Cyber insurance placeholder].

all as required by the terms of the Construction Contract (as defined in the Ground Lease).

(c) The Board may acquire and maintain self-insurance through the State of Louisiana Office of Risk Management ("*ORM*"), provided that: (i) the self-insurance program be maintained on an actuarially sound basis; and (ii) in the event that the self-insurance program is discontinued, the actuarial soundness of any successor insurance program be maintained.

(d) All insurance required in this Section and all renewals of such insurance (excepting self-insurance or commercial insurance, through ORM) shall be issued by commercial insurers authorized to transact business in the State, and rated at least A by Best's Insurance Reports (property/liability) or in the two highest rating categories of S&P and Moody's. All commercial insurance policies provided to the Board shall expressly provide that the policies shall not be canceled or altered without thirty (30) days' prior written notice to the Board; and shall, to the extent obtainable, provide that no act or omission of the Board that would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained.

(e) All policies of liability insurance that the Board is obligated to maintain according to this Facilities Lease (other than any policy of worker's compensation insurance) will name the Corporation, the Trustee and such other Persons or firms as the Board may be required to name from time to time as additional insureds. All public liability, property damage liability, and casualty policies maintained by the Board shall be written as primary policies.

(f) Proceeds of insurance received and/or the amount of any loss that is self-insured with respect to destruction of or damage to any portion of the Facilities by fire, earthquake or other casualty or event shall be paid to the Trustee (or, in the case of ORM insurance, to the Board for delivery in full to the Trustee) for application in accordance with the provisions of Section 12 of this Facilities Lease and the Indenture.

Section 11. Condemnation, Casualty and Other Damage. The risk of loss or decrease in the enjoyment and beneficial use of the Facilities due to any damage or destruction thereof by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion or otherwise (collectively "*Casualty*") or in consequence of any foreclosures, attachments, levies or executions; or the taking of all or any portion of the Facilities by condemnation, expropriation, or eminent domain proceedings (collectively "*Expropriation*") is expressly assumed by the Board. The Corporation and the Trustee shall in no event be answerable, accountable or liable therefor, nor shall any of the foregoing events entitle the Board to any abatements, set-offs or counter claims with respect to its Base Rental, Additional Rental or any other obligation hereunder.

Section 12. Application of Insurance Proceeds: Condemnation Award.

(a) If during construction, all or any portion of the Facilities is damaged or destroyed by a Casualty, or is taken by Expropriation proceedings, the Board shall instruct the Corporation, as expeditiously as possible, to continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof; provided however, that the Corporation shall in no way be liable for any costs of the repair, restoration or replacement of the Facilities in excess of the proceeds of any insurance or of any Expropriation award received because of such Casualty or Expropriation. Following the completion of construction and acceptance of the Facility by the Board on behalf of the Corporation, the Board shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted, the repair, restoration, or replacement thereof. The proceeds of any insurance, including the proceeds of any self-insurance fund, or of any Expropriation award or payment in lieu of Expropriation, received on account of any damage, destruction or taking of all or any portion of the Facilities shall be delivered to the Trustee (or in the case of self-insurance, to the Board for delivery in full to the Trustee) and held by the Trustee in a special account to be established upon receipt of any such funds and held by the Trustee in trust, and shall be made available for, and to the extent necessary be applied to, such restoration, repair and replacement. Any amounts so held by the Trustee shall be disbursed to pay the costs of restoration, replacement and repair of the Facilities with respect to which they are held, in each case promptly after receipt of a written request of the Corporation stating that the amount to be disbursed pursuant to such request will be used to pay costs of replacing or repairing or restoring the Facilities and that no amount previously has been disbursed by the Trustee for payment of the costs to be so paid. In making such payments, the Trustee may conclusively rely upon such written requests and shall have no liability or responsibility to investigate any matter stated therein, or for any inaccuracy or misstatement therein. In no event shall the Trustee be responsible for the adequacy of the plans and specifications or construction contract relating to the replacement, restoration, or repair of the Facilities, or for the improper use of moneys properly disbursed pursuant to request made under this Section. Any proceeds remaining on deposit with Trustee following completion of the repairs, restoration or replacement of the Facilities shall be paid by Trustee in accordance with the terms of the Indenture.

(b) In the event the proceeds of any insurance, and any additional funds deposited with the Trustee, are insufficient to fully repair, restore or replace the Facilities, the proceeds shall be paid to the Trustee and used to redeem the Outstanding Parity Bonds.

(c) In the event it is necessary to restore or replace the Facilities in a different location because of the Expropriation of all or a portion of the Facilities, the Corporation and the Board agree to amend or enter into a new Facilities Lease and Ground Lease in accordance with Sections 13.2 and 13.3 of the Ground Lease. In the event the Board, pursuant to the Ground Lease, decides not to repair, restore or replace the Facilities for any reason, all insurance proceeds received or payable as a result of such Casualty, or all proceeds received or payable as a result of Expropriation proceedings (including payments received or payable in lieu of Expropriation) shall be paid to the Trustee and applied to the prepayment of the Parity

Bonds in accordance with the terms of the Indenture, and this Facilities Lease and the Ground Lease shall terminate.

Section 13. Encumbrances.

(a) *Payment by the Board*. The Board shall pay or cause to be paid all costs and charges for alterations, improvements, additions, repairs and maintenance ("*Work*") done by the Board or caused to be done by the Board in or to the Facilities, and for all materials furnished for or in connection with such Work. The Corporation reserves all rights to collect for any loss or damage sustained or incurred by the Corporation resulting from any and all Encumbrances, demands or liabilities arising on account of the Work, which shall be payable by the Board as Additional Rental pursuant to Section 7 hereof. In the event the loss or damage sustained by the Corporation resulting from any and all Encumbrances is the responsibility of a contractor or subcontractor, the Corporation shall recover such amounts from said contractor or subcontractor. The Corporation hereby agrees that all contracts and subcontracts related to the Facilities to be constructed shall contain a stipulation that the Board shall have the right to enforce all provisions of the contract on behalf of the Corporation, including but not limited to default, defects and damage claims.

(b) *Failure to Discharge*. If the Board fails to pay any charge for which an Encumbrance has been filed, and the Facilities or any portion thereof is placed in imminent danger of being seized, the Corporation may, but shall not be obligated to, pay such charge and related costs and interest, and the amount so paid, together with reasonable Legal Expenses incurred in connection with such Encumbrance, will be immediately due from the Board to the Corporation as Additional Rental. Nothing contained in this Lease will be deemed the consent or agreement of the Corporation to subject the Corporation's interest in the Facilities to liability under any Encumbrance, or any mechanics', materialman's or other lien law. If the Board receives written notice that an Encumbrance has been or is about to be filed against the Facilities, or that any action affecting title to the Facilities has been commenced on account of Work done by or for the Board or for materials furnished to or for the Board, it shall immediately give the Corporation Notice of such notice.

(c) *Notice of Non-responsibility*. The Corporation will have the right to post notices of Non-responsibility or similar written notices on the Facilities in order to protect the Facilities against any such claimants.

Section 14. Assignment and Sublease.

(a) Neither this Facilities Lease nor any interest of the Board herein shall be mortgaged, pledged, assigned or transferred by the Board by voluntary act or by operation of law, or otherwise; provided, however, the Board may sublease all or any portion of the Facilities, or grant concessions involving the use of all or any portion of the Facilities, whether such concessions purport to convey a leasehold interest or a license to use all or a portion of the Facilities, to any Permitted Sublessee. The Board shall, however, at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Facilities Lease (including, without limitation, the payment of Base Rental and Additional Rental), notwithstanding any subletting or granting of concessions which may be made. Nothing herein contained shall be construed to relieve the Board from its obligations to pay Base Rental and Additional Rental as provided in this Facilities Lease or to relieve the Board from any other obligations contained herein. In no event will the Board sublease or permit the use of all or any part of the Facilities to any Permitted Sublessee without an opinion of Bond Counsel that such will not cause interest on the Parity Bonds to be included in the gross income of the owners of the Parity Bonds for federal income tax purposes.

(b) The Corporation shall, concurrently with the execution hereof, assign all of its right, title and interest in and to this Facilities Lease, including without limitation its right to receive Base Rental payable hereunder, to the Authority pursuant to the Loan Agreement, and the Authority will in turn assign its rights under this Facilities Lease to the Trustee pursuant to the Indenture. The parties hereto further agree to execute any and all documents necessary and proper in connection therewith. Anything required or permitted to be done by the Corporation under this Facilities Lease may be done by the Trustee under the Indenture.

(c) Except as set forth in Section 14(b), the Corporation shall not sell or assign its interest in the Facility or this Facilities Lease without the prior written consent of the Board.

Section 15. Additions and Improvements; Release of Facilities.

(a) At the expiration of the Term or the earlier termination of this Lease, all alterations, fixtures, improvements, and additions made to, in, or on the Facilities by the Board or the Colleges, and all equipment placed upon the Facilities that are incorporated into or made component parts of the Facilities shall remain on the Facilities without compensation to the Corporation.

(b) Title to all property, furniture, equipment, fixtures, and other property installed at or placed upon the Facilities by the Board that is not incorporated into or made a component part of the Facilities shall remain the property of the Board. The Board hereby agrees to replace such property from time to time as such property becomes worn out, obsolete, inadequate, unsuitable or undesirable. The Board may add to or remove such property from time to time, provided that the Board repairs any damage to the Facilities caused by such removal.

(c) Facilities may be released from this Lease from time to time upon the payment in full of the Parity Bonds that financed such Facilities in accordance with Section 24 hereof.

Section 16. Right of Entry. Representatives of the Corporation shall, subject to reasonable security precautions, and upon giving the Board not fewer than twenty-four (24) hours advance Notice, have the right to enter upon the Facilities during reasonable business hours (and in emergencies without Notice and at all times) accompanied by a Board Representative or a Colleges' Representatives (a) to inspect the same, (b) for any purpose connected with the rights or obligations of the Corporation under this Facilities Lease, or (c) for all other lawful purposes.

Section 17. Mortgage Prohibition. Except as set forth in the Indenture and any supplemental indentures executed in connection with the issuance of Parity Bonds, the Corporation shall not be entitled to mortgage or grant a security interest in the Facilities.

Section 18. Sale of Facilities; Attornment; and Conveyance and Transfer of the Corporation's Interest.

(a) If a person other than the Corporation shall succeed to the rights of the Corporation hereunder, upon the declaration of the successor to the Corporation's interest in this Facilities Lease, the Board agrees to fully attorn to and recognize any such successor as the Board's landlord under this Facilities Lease upon the then existing terms of this Facilities Lease, provided that such successor shall agree in writing to accept the Board's attornment and not to disturb the Board's possession so long as the Board shall observe the provisions and all covenants of this Facilities Lease. This attornment provision shall inure to the benefit of any such successor and shall be self-operative upon the election and declaration by such successor, and no further instrument shall be required to give effect to the provisions. However, the Board

agrees to evidence and confirm the foregoing attornment provisions by the execution and delivery of instruments in recordable form satisfactory to such successor.

(b) If the Facilities, or any part thereof, shall be sold or otherwise transferred by sale, assignment, transfer or other contract, or by operation of law or otherwise (with an opinion of Bond Counsel that such action will not cause interest on the Parity Bonds to be included in the gross income of the owners of the Parity Bonds for federal income tax purposes), and if such written consent specifically so provides, the Corporation shall be automatically and entirely released and discharged to the extent of the interest in or the portion of the Facilities sold, assigned or transferred from and after the effective date of such sale, assignment or transfer of all liability for the performance of any of the covenants of this Facilities Lease on the part of the Corporation thereafter to be performed. The purchaser, assignee or other transferee of the Facilities shall be deemed to have agreed to perform such covenants of the Corporation from and after the date of such assignment or sale during such transferee's period of ownership of the Corporation's interest under this Facilities Lease all without further agreement between the Corporation, its successor and the Board, including to operate the Facilities as a campus for the Colleges. The Corporation's transferee shall not be held responsible for the performance of any of the covenants of this Facilities Lease on the part of the Corporation required to be performed prior to such sale and transfer, the Board reserving its rights against the Corporation for any unperformed covenants prior to such sale or transfer.

Section 19. Quiet Enjoyment. The Corporation covenants that the Board, on paying the Rental and performing and observing all of the covenants and agreements herein contained and provided to be performed by the Board or the Colleges, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Facilities during the Term and may exercise all of its rights hereunder; and the Corporation agrees to warrant and forever defend the Board's right to such occupancy, use, and enjoyment of the interest in the Facilities against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof subject only to the provisions of this Lease.

Section 20. Environmental Compliance and Indemnity.

(a) *Environmental Compliance*. The Board or the Colleges shall operate or cause to be operated the Facilities in compliance with all Environmental Requirements continuously during the Term, and for such periods of time prior to the Commencement Date and after the Expiration Date, as long as the Board is in possession of the Facilities, in whole or in part. The Board shall not cause or permit any Hazardous Substance to be brought upon, kept, or used in or about the Facilities, except for such Hazardous Substance as is necessary or useful to the operation of the Facilities.

(b) *The Board's Liability*. If the Board fails to comply with any of the foregoing warranties, representations, and covenants, and removal or Remediation of any Hazardous Substance found on the Facilities is required by Environmental Requirements or Governmental Authority, the Board shall promptly undertake the removal or Remediation of such Hazardous Substance, at the Board's sole cost and expense. In the event the Board fails or refuses to undertake such removal or Remedial actions, the Corporation may cause the removal or Remediation (or other cleanup reasonable acceptable to the Corporation) of any such Hazardous Substance from the Facilities. The reasonable costs of removal, Remediation, or any other cleanup (including transportation and storage costs) will be considered as Additional Rental under this Facilities Lease, whether or not a court has ordered the cleanup, and those costs will become due and payable within ninety (90) days of written demand by the Corporation. In connection therewith, the Board will give the Corporation, its agents, and employees access to the Facilities to remove, remediate, or otherwise clean up any Hazardous Substance. The Corporation, however, has no affirmative obligation to remove, remediate, or otherwise clean up any Hazardous Substance, and this Facilities Lease will not be construed as creating any such obligation. The Board hereby agrees that it shall be fully liable for all costs

and expenses related to the use, storage, and disposal of any Hazardous Substance located in or about the Facilities by the Board.

Section 21. The Corporation's Reservation of Rights.

(a) The Corporation hereby reserves all of its rights to recover from the Board for any and all Claims asserted against the Corporation, including Litigation Expenses arising out of or by reason of:

(i) any injury to or death of any person or damage to property occurring on or about the Facilities occasioned by or growing out of or arising or resulting from any tortuous or negligent act on the part of the Board in connection with the lease, the operation and management of the Facilities; or

(ii) any failure, breach, or default on the part of the Board in the performance of or compliance with any of the obligations of the Board under the terms of this Facilities Lease.

(b) Notwithstanding the fact that it is the intention of the parties that the Corporation shall not incur any pecuniary liability by reason of the terms of this Facilities Lease or the undertakings required of the Corporation hereunder, nevertheless, if the Corporation should incur any such pecuniary liability, then in that event, the Corporation shall be entitled to assert all rights and remedies granted in law or in equity to recover from the Board the amount of any pecuniary liability incurred by the Corporation, plus all Litigation Expenses incurred in defense of such liability to the extent subject to indemnification pursuant to Subsection (a) above.

(c) No recourse shall be had for the enforcement of any obligation, covenant, or agreement of the Corporation contained in this Facilities Lease or any Claim based thereon against the Corporation or of any successor thereto or member thereof, either directly or through the Corporation whether by virtue of any constitutional provision, statute, or rule of law. This Facilities Lease and the obligations of the Corporation thereunder, and any Claim asserted against the Corporation are solely corporate obligations, and the enforcement of any obligation or Claim shall be limited solely to the Corporation's interest in the Facilities. No personal liability shall attach to, or be incurred by, any officer, director, agent, employee or member of the Corporation and the Board acknowledges that all personal liability of any character against every such officer, director, agent, employee or member by the execution of this Facilities Lease, is expressly waived and released, except to the extent that such liability relates to any criminal acts, intentional misconduct, or fraud. The immunity of any officer, director, agent, employee or member of the Corporation under the provisions contained in this Section 21 shall survive any acquisition of the Facilities by the Board and the expiration or other termination of this Facilities Lease.

Section 22. Default by the Board.

(a) If (i) the Board, on behalf of the Colleges, shall fail to deposit with the Trustee any Base Rental payment required to be so deposited pursuant to Section 7 hereof by the close of business on the day such deposit is required pursuant to Section 7 hereof, or (ii) the Board shall fail to pay or discharge any monetary obligation under this Lease (other than the payment of Base Rental) as and when due, or within thirty (30) days after receipt of Notice from the Corporation that such sums are due and owing; or (iii) the Board shall breach any non-monetary terms, covenants or conditions herein, and shall fail to remedy any such breach with all reasonable dispatch within a reasonable period of time (or such longer period as the Trustee may approve) after written Notice thereof from the Corporation and/or the Colleges to the Board, then and in any such event the Board shall be deemed to be in default hereunder, and the Corporation shall have the right, at its option, without any further demand or Notice, to terminate this Facilities Lease on the earliest date permitted by law or on any later date specified in any Notice given to the Board, in which case the Board's right to possession of the Facilities will cease and this Facilities Lease will be terminated,

without, however, waiving the Corporation's right to collect all Rental and other payments due or owing for the period up to the time the Corporation regains possession (and which have been appropriated for payment to the Corporation under this Facilities Lease, but not paid to the Corporation), and to enforce other obligations of the Board which survive termination of this Facilities Lease, and in such event the Corporation may without any further demand or notice re-enter the Facilities and eject all parties in possession thereof. The foregoing remedies of the Corporation are in addition to and not exclusive of any other remedy of the Corporation available at law. Any such re-entry shall be allowed by the Board without hindrance, and the Corporation shall not be liable in damages for any such re-entry or be guilty of trespass. The Corporation understands and agrees that upon its termination of the Board's right to possession of the Facilities or termination of this Facilities Lease, the Corporation upon its re-entry of the Facilities shall only be allowed to use the Facilities for the Permitted Use and shall be subject to all applicable Governmental Regulations heretofore or hereafter enacted by any Governmental Authority relating to the use and operation of the Facilities.

(b) Notwithstanding any other provision of this Facilities Lease in no event shall the Corporation have the right to accelerate the payment of any Base Rental payment hereunder.

(c) Notwithstanding anything contained in this Section 22 to the contrary, a failure by the Board to pay when due any payment required to be made under this Facilities Lease or a failure by the Board to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Facilities Lease, resulting from a failure by the State Legislature to make available to the Board the Appropriated Funds shall not constitute an Event of Default under this Section 22 and the Corporation shall not have any of the remedial rights set forth in this Section 22; provided, however, in such event the Board acknowledges that the Facilities Lease shall terminate and the Board shall immediately vacate the Facilities, and deliver the Facilities to the Corporation.

Section 23. Cumulative Remedies. Each right and remedy provided for in this Facilities Lease is cumulative and is in addition to every other right or remedy provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Corporation of any one or more of the rights or remedies provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by the Corporation of any or all other rights or remedies provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise. All costs incurred by the Corporation in collecting any amounts and damages owing by the Board pursuant to the provisions of this Facilities Lease or to enforce any provision of this Facilities Lease, including reasonable Litigation Expenses from the date any such matter is turned over to an attorney, whether or not one or more actions are commenced by the Corporation, will also be recoverable by the Corporation from the Board. The waiver by the Corporation of any breach by the Board and the waiver by the Board of any breach by the Corporation of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

Section 24. Option to Purchase. For and in consideration of the obligations of the Board under the Facilities Lease, the mutual undertakings of the parties, the receipt and adequacy of which is hereby acknowledged, the Corporation grants to the Board an exclusive and irrevocable option to purchase for the price and on the terms, provisions, stipulations and conditions hereinafter set forth, all but not less than all of the Corporation's interest all of the Facilities financed with any series of the Parity Bonds.

(a) *Effective Date*. The effective date of this Option agreement shall be the Commencement Date.

(b) *Term of Option.* The Option shall expire at midnight Central Standard Time, on the Expiration Date, or upon the termination of this Facilities Lease, whichever occurs first.

(c) *Limitation on Exercise of Option.* The Board may not exercise the Option, and the Option shall be voidable, at the sole election of the Corporation, if a Default by the Board has occurred and is continuing under the Facilities Lease, and the applicable time period in which the Board may cure such default has expired. Notwithstanding any provision of this Option to the contrary, the Board shall be entitled to exercise the Option as long as the Board is legally obligated to make payments of Base Rental under this Facilities Lease.

(d) *Exercise of Option*. The Board may exercise the Option herein granted at any time on or before expiration of the Term of the Option, on any Interest Payment Date or on the date all of the Parity Bonds of a series are defeased pursuant to Article 12 of the Indenture, by Notice to the Corporation of its election to exercise the Option and purchase the Corporation's interest in the Facilities financed with such series of the Parity Bonds given not fewer than sixty (60) days prior to the date on which the Board desires to purchase the Facilities financed with such series of the Parity Bonds and deposit the Purchase Price (as hereinafter defined) with the Trustee.

(e) *Purchase Price*. The purchase price shall be equal to the principal of the series of Parity Bonds then Outstanding that financed such Facilities plus the interest to accrue on such Parity Bonds until the purchase date, plus any prepayment penalties, charges or costs for early prepayment or defeasance of the Parity Bonds and any Administrative Expenses owed prior to the purchase date (collectively, the "*Purchase Price*").

(f) *Effect on Facilities Lease and Ground Lease*. Upon the purchase of the Corporation's interest in any of the Facilities by the Board pursuant to this Option, this Facilities Lease and the Ground Lease shall terminate as to such Facilities and all of the Corporation's interest in the Property related to such Facilities shall terminate.

(g) *Payment of Purchase Price*. The Board, concurrently with the giving of notice of its intention to exercise the Option herein granted, shall deposit an amount equal to the Purchase Price with the Trustee.

(i) *Conveyance*. In the event of and upon the payment of the Purchase Price and any other sums due under this Facilities Lease by the Board, the Corporation will on the purchase date execute and deliver to the Board a written cancellation of the Ground Lease and the Facilities Lease with respect to the Facilities that were purchased.

(ii) *Assignment of Contract Rights and Obligations*. The conveyance of the Corporation's interest in any of the Facilities shall also effect a transfer and assignment of all rights, warranties and liability of the Corporation under then existing contracts of any nature with respect to such Facilities.

(h) *Closing*. In the event that the Board elects to exercise the Option timely, notice of the Board's election to the Corporation shall constitute an irrevocable conversion of the Option into a binding obligation of the Corporation to sell its interest in any of the Facilities and the Board to buy the same under the terms and conditions set forth in this Section 24, and in such event, the Corporation and the Board shall have the right to demand specific performance of this agreement by the other. The Closing shall occur at the offices of the Board or its counsel, or at such other place as agreed upon by the Corporation and the Board.

(i) *Closing Costs*. The Board shall pay all closing costs and charges incident to the conveyance of any of the Facilities.

(j) *No Warranty*. The Corporation shall convey its interest in such Facilities without any warranty whatsoever of any nature. The conveyance shall be without any warranty as to fitness and condition, as set forth in Section 5 of this Facilities Lease. Language substantially similar to the language contained in Section 5 of this Facilities Lease shall be incorporated into and made a part of any act translative of title. In no event shall the Corporation be responsible for any defects in title.

(k) *Default under the Option*:

(i) In the event the Option is exercised, and the Corporation fails to consummate the transactions contemplated herein for any reason, except default by the Board or the failure of the Board to satisfy any of the conditions set forth herein, the Board may, in addition to any other rights and remedies which may otherwise be available to the Board, enforce this agreement by specific performance. The Board's remedies under this Section are expressly subject to the provisions of Section 31 of this Facilities Lease.

(ii) In the event the Option is exercised, and the Board fails to consummate the transactions contemplated herein for any reason, except default by the Corporation or the failure of the Corporation to satisfy any of the conditions set forth herein, the Corporation (a) may enforce this agreement by specific performance and in such action shall have the right to recover damages suffered by reason of the Board's delay, or (b) may bring suit for damages for breach of this agreement.

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

(l) *Attorney's Fees*. Should either party employ an attorney or attorneys to enforce any of the provisions hereof, or to protect its interest in any matter arising under this agreement, or to recover damages for the breach of this agreement, the party prevailing in any final judgment shall have the right to collect from the losing party all Litigation Expenses incurred in enforcing such rights.

(m) *Notices*. Any notices required or permitted hereunder shall be in writing and delivered either in person to the other party, or the other party's authorized agent, or by United States Certified Mail, return receipt requested, postage prepaid, to the address set forth in Section 52 of this Facilities Lease, or to such other address as either party may designate in writing and delivered as herein provided.

(n) *Assignability*. The Option may not be assigned by the Corporation or the Facilities sold to any Person or entity without the Board's prior written consent, which consent may be withheld by the Board in its sole discretion.

(o) *Brokerage Commission*. The Corporation and the Board mutually warrant to one another that neither has incurred the services of a broker, realtor, or other person in the negotiation or confection of this agreement.

(p) *Time of Essence*. Time is of the essence of this Option.

(q) *Binding Effect*. This Option shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, successors and assigns.

Section 25. Severability. If any provisions of this Facilities Lease shall be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable, to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections contained in this Facilities Lease shall not affect the remaining portions of this Facilities Lease, or any part thereof.

Section 26. Redemption of Parity Bonds. The Corporation agrees that it will not exercise its option to redeem any Parity Bonds pursuant to the Loan Agreement unless the Board consents to such redemption or such redemption is to be effected with moneys derived from a source other than payments made by the Board under this Facilities Lease, however, in no event shall the mandatory redemption of any Parity Bonds pursuant to the Indenture require the consent of the Board. The Corporation further agrees that if requested by the Board it will take all actions necessary to redeem all or any portion of the Parity Bonds designated by the Board on the first date that it may do so under the terms of the Indenture so long as the Board agrees to provide funds in an amount, and at the time, required to effect such redemption.

Section 27. Additional Bonds. Upon the request and at the expense of the Board, the Corporation shall take action as may be required to effect the issuance of Additional Bonds in such amount as the Board may request as permitted by and in accordance with the provisions of the Indenture for any purpose permitted thereby.

Section 28. Execution. This Facilities Lease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same Facilities Lease.

Section 29. Law Governing. This Facilities Lease is made in the State under the Constitution and laws of the State and is to be governed by the laws of the State.

Section 30. Nonappropriation of Funds. In the event no Appropriated Funds or insufficient Appropriated Funds are made available in any Fiscal Year to effect the payment of Rental payments due during the next succeeding Fiscal Year, the Board will immediately notify the Corporation of such occurrence. On the last day of the Fiscal Year during which the payment of Rental can be made in full from Appropriated Funds, the Corporation shall have the option, at its discretion, to effect the termination of this Facilities Lease without penalty or expense to the Board of any kind whatsoever, except as to the portions of Base Rental and Additional Rental payments herein agreed upon for Fiscal Years for which Appropriated Funds are available. In the event of such termination, the Board agrees peaceably to surrender possession of the Facilities to the Corporation on the date of such termination in its original condition (normal wear and tear excepted). The Corporation will have all legal and equitable rights and remedies to take possession of the Facilities and re-let or sell the Facilities as the Corporation determines and as granted in this Facilities Lease, provided, however, that any new lessee covenants to assume and perform all obligations of the Corporation herein, including to operate the Facilities as a campus for the Colleges. The Board acknowledges that the Corporation's rights to take possession and to re-sublet the Facilities under this Section 30 may be assigned to the Trustee for the benefit of the owners of the Parity Bonds, and the Board agrees that the Trustee shall be entitled to exercise all of the rights of the Corporation under this Section 30. This provision is operative notwithstanding any provisions of this Facilities Lease to the contrary. The Board shall be considered in default hereunder if Appropriated Funds sufficient for the payment of Rental

required under this Facilities Lease have been appropriated and the Board fails to use such Appropriated Funds for the payment of Rental. In such event, the Corporation shall be entitled to the rights and remedies set forth in Section 22 hereof.

Section 31. Exculpatory Provision.

(a) In the exercise of the powers of the Corporation and its trustees, officers, directors, employees and agents under this Facilities Lease and the Indenture, the Corporation shall not be accountable or liable to the Board (i) for any actions taken or omitted by it or its officers, directors, employees or agents in good faith and believed by it or them to be authorized or within their discretion or rights or powers conferred upon them, or (ii) for any claims based on this Facilities Lease against any officer, director, employee or agent of the Corporation in his or her personal capacity, all such liability, if any, being expressly waived by the Board by the execution of this Facilities Lease, except to the extent that such liability relates to any criminal act, intentional misconduct or fraud. Nothing in this Facilities Lease or the Indenture is intended to require or obligate, nor shall anything herein or therein be interpreted to require or obligate, the Corporation for any purpose or at any time whatsoever, to provide, apply or expend any funds coming into the hands of the Corporation other than the funds derived from the issuance of the Parity Bonds under the Indenture and moneys derived pursuant to the Indenture and this Facilities Lease.

(b) The Board specifically agrees to look solely to the Corporation's interest in the Facilities for the recovery of any judgments from the Corporation. It is agreed that the Corporation will not be personally liable for any such judgments, or incur any pecuniary liability as a result of this Facilities Lease to the Board, or the breach of its obligations hereunder. The Corporation's liability under this Facilities Lease is "*in rem*" as to its interest in the Facilities. The provisions contained in the preceding sentences are not intended to and will not limit any right that the Board might otherwise have to obtain injunctive relief against the Corporation or relief in any suit or action in connection with enforcement or collection of amounts that may become owing or payable under or on account of insurance maintained by the Corporation.

Section 32. Amendments. This Facilities Lease may be amended only as permitted in Article 8 of the Loan Agreement.

Section 33. Recording. The Corporation covenants and agrees that it will promptly record and from time to time re-record a memorandum in recordable form of this Facilities Lease and the Indenture and all supplements thereto and hereto in such manner and in such places as may be required by law in order to fully protect and preserve the security of the holders or owners of the Parity Bonds.

Section 34. No Construction Against Drafting Party. The Corporation and the Board acknowledge that each of them and their counsel have had an opportunity to review this Facilities Lease and that each Party was responsible for the drafting thereof.

Section 35. Time of the Essence. Time is of the essence of each and every provision of this Facilities Lease.

Section 36. No Waiver. The waiver by the Corporation of any agreement, condition, or provision contained in this Facilities Lease will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Facilities Lease, nor will any custom or practice that may arise between the Parties in the administration of the terms of this Facilities Lease be construed to waive or to lessen the right of the Corporation to insist upon the performance by the Board in strict accordance with the terms of this Facilities Lease. The subsequent acceptance of Rental by the Corporation will not be deemed to be a waiver of any preceding breach by the Board of any agreement,

condition, or provision of this Facilities Lease, other than the failure of the Board to pay the particular Rental so accepted, regardless of the Corporation's knowledge of such preceding breach at the time of acceptance of such Rental.

Section 37. Survival. To the extent permitted by law and to the extent such will not constitute the incurrence of debt by the Board, all of the Corporation's remedies and rights of recovery under Sections 20 and 21 of this Facilities Lease shall survive the Term and/or the purchase of the Corporation's interest in the Facilities by the Board under the Option.

Section 38. Estoppel Certificates. At any time and from time to time but within 10 days after prior written request by the Corporation, the Board will execute, acknowledge, and deliver to the Corporation, promptly upon request but only to the extent accurate, a certificate certifying: (a) that this Facilities Lease is unmodified and in full force and effect or, if there have been modifications, that this Facilities Lease is in full force and effect, as modified, and stating the date and nature of each modification; (b) the date, if any, to which Rental and other sums payable under this Facilities Lease have been paid; (c) that no Notice of any default has been delivered to the Corporation which default has not been cured, except as to defaults specified in said certificate; (d) that there is no Event of Default under this Facilities Lease or an event which, with Notice or the passage of time, or both, would result in an Event of Default under this Facilities Lease, except for defaults specified in said certificate; and (e) such other matters as may be reasonably requested by the Corporation. Any such certificate may be relied upon by any prospective purchaser or existing or prospective mortgagee of the Facilities or any part thereof. The Board's failure to notify the Corporation of any inaccuracies in the proposed certificate within the specified time period shall be conclusive evidence that the matters set forth in the certificate are accurate and correct.

Section 39. Waiver of Jury Trial. The Corporation waives trial by jury in any action, proceeding, or counterclaim brought by either of the Parties to this Facilities Lease against the other on any matters whatsoever arising out of or in any way connected with this Facilities Lease, the relationship of the Corporation and the Board, the Board's or the Colleges' use or occupancy of the Facilities, or any other Claims arising hereunder.

Section 40. Written Amendment Required. No amendment, alteration, modification of, or addition to the Facilities Lease will be valid or binding unless expressed in writing and signed by the Corporation and the Board.

Section 41. Entire Agreement. This Facilities Lease and the exhibits and addenda, if any, contain the entire agreement between the Corporation and the Board. No promises or representations, except as contained in this Facilities Lease, have been made to the Board respecting the condition or the manner of operating the Facilities.

Section 42. Signs. The Board or the Colleges may attach any sign on any part of the Facilities, or in the halls, lobbies, windows, or elevator banks of the Facilities, without the Corporation's approval. The Board may name the Facilities and change the name, number, or designation of the Facilities, without the Corporation's prior consent.

Section 43. Litigation Expenses. The Board will pay the Corporation as Additional Rental all reasonable Litigation Expenses and all other reasonable expenses which may be incurred by the Corporation in enforcing any of the obligations of the Board under this Facilities Lease, in exercising its rights to recover against the Board for loss or damage sustained in accordance with the provisions of this Facilities Lease, or in any litigation or negotiation in which the Corporation shall, without its fault, become involved through or because of this Facilities Lease.

Section 44. Brokers. The Corporation and the Board respectively represent and warrant to each other that neither of them has consulted or negotiated with any broker or finder with regard to the Facilities.

Section 45. No Easements for Air or Light. Any diminution or shutting off of light, air, or view by any structure that may be erected on any of the lands constituting the Facilities, or on lands adjacent to the Facilities, will in no way affect this Facilities Lease or impose any liability on the Corporation. This Facilities Lease does not grant any rights to light, view and/or air over the Facilities whatsoever.

Section 46. Binding Effect. The covenants, conditions, and agreements contained in this Facilities Lease will bind and inure to the benefit of the Corporation and the Board and their respective permitted assigns.

Section 47. Rules of Interpretation. The following rules shall apply to the construction of this Facilities Lease unless the context requires otherwise: (a) the singular includes the plural and the plural includes the singular; (b) words importing any gender include the other genders; (c) references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute to which reference is made and all regulations promulgated pursuant to such statutes; (d) references to "writing" include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible form; (e) the words "including", "includes" and "include" shall be deemed to be followed by words "without limitation"; (f) references to the introductory paragraph, preliminary statements, articles, sections (or subdivision of sections), exhibits, appendices, annexes or schedules are to those of this Facilities Lease unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments; (h) references to Persons include their respective successors and assigns to the extent successors or assigns are permitted or not prohibited by the terms of this Facilities Lease; (i) any accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles; (j) "or" is not exclusive; (k) provisions apply to successive events and transactions; (l) references to documents or agreements which have been terminated or released or which have expired shall be of no force and effect after such termination, release, or expiration; (m) references to mail shall be deemed to refer to first-class mail, postage prepaid, unless another type of mail is specified; (n) all references to time shall be to Baton Rouge, Louisiana time; (o) references to specific persons, positions, or officers shall include those who or which succeed to or perform their respective functions, duties, or responsibilities; and (p) the terms "herein," "hereunder," "hereby," "hereof," and any similar terms refer to this Facilities Lease as a whole and not to any particular articles, section or subdivision hereof.

Section 48. Relationship of Parties. The relationship of the Parties shall be one of lessor and lessee only, and shall not be considered a partnership, joint venture, license arrangement or unincorporated association. The Corporation is not controlled by the Board or under the control of any Person also in control of the Board.

Section 49. Law Between the Parties. This Facilities Lease shall constitute the law between the Parties, and if any provision of this Facilities Lease is in conflict with the provisions of "Title IX - Of Lease" of the Louisiana Civil Code, Articles 2669 through 2777, inclusive, the provisions of this Facilities Lease shall control.

Section 50. Essentiality. The Board hereby represents that the Facilities are essential to the operation of the Colleges.

Section 51. Notices.

(a) All notices, filings and other communications ("*Notice*") shall be in writing and shall be sufficiently given and served upon the other parties if delivered by hand directly to the persons at the addresses set forth below, or shall be sent by first class mail, postage prepaid, addressed as follows:

If to the State: (Post Office Address for U. S. Postal Service Delivery)

Division of Administration Attention: Commissioner P. O. Box 94095 Baton Rouge, LA 70804-9095 Telephone: (225) 342-7000 Telecopy: (225) 342-1057	AND	Facility Planning and Control Attention: Director P. O. Box 94095 Baton Rouge, LA 70804-9095 Telephone: (225) 342-0820 Telecopy: (225) 342-7624

(Street Address for Courier or Express Mail Delivery)

Division of Administration Attention: Commissioner 1201 North 3rd Street, Suite 7-230 Baton Rouge, LA 70802	AND	Facility Planning and Control Attention: Director 1201 North 3rd Street, Suite 7-160 Baton Rouge, LA 70802

If to the Board:

Louisiana Community and Technical College System
Attention: System President
Office of the Board of Supervisors
265 S. Foster Drive
Baton Rouge, LA 70806-4104
Telephone: (225) 922-1643
Telecopy: (225) 922-2392

with copies to:

Louisiana Community and Technical College System
Attention: Vice President of Administration
265 S. Foster Drive
Baton Rouge, LA 70806-4104
Telephone: (225) 922-1635
Facsimile: (225) 922-1485

If to the Corporation:

President
LCTCS Facilities Corporation
c/o Sisung Group
3850 North Causeway Blvd., Suite 1930
Metairie, LA 70002
Telephone: (504) 544-7713
Facsimile: (504) 544-7701

with copies to:

LCTCS Facilities Corporation
c/o _____
Breazeale, Sachse & Wilson, LLP
One American Place
301 Main Street, 23rd Floor
Baton Rouge, LA 70801

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IN WITNESS WHEREOF, the undersigned representative has signed this Agreement to Lease with Option to Purchase on behalf of LCTCS Facilities Corporation, on the ____ day of _____, 2026.

WITNESSES:

_____
Print Name: _____

_____
Print Name: _____

LCTCS FACILITIES CORPORATION

By: _____
Stephen C. Smith, President

IN WITNESS WHEREOF, the undersigned representative has signed this Ground Lease Agreement on behalf of the Board of Supervisors of the Louisiana Community and Technical College System on the _____ day of _____, 2026.

WITNESSES:

_____
Print Name: _____

_____
Print Name: _____

BOARD OF SUPERVISORS OF THE LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM

By: _____
Richard Nelson, President

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

BE IT KNOWN, that on this _____ day of _____, 2026, before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

STEPHEN C. SMITH

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the President of LCTCS Facilities Corporation (the "*Corporation*"), and that the aforesaid instrument was signed by him, on this date, on behalf of the Corporation and that the above named person acknowledges the approval of said instrument to be the free act and deed of the Corporation.

WITNESSES:

_____ _____

Print Name: _____ Stephen C. Smith, President

_____

Print Name: _____

_____

NOTARY PUBLIC

PRINTED NAME: _____

PARISH OF EAST BATON ROUGE

STATE OF LOUISIANA

NOTARY ID NUMBER_____

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

BE IT KNOWN, that on this _____ day of _____, 2026, before me, the undersigned authority, duly commissioned, qualified and sworn within and for the State and Parish aforesaid, personally came and appeared:

RICHARD NELSON

to me known to be the identical person who executed the above and foregoing instrument, who declared and acknowledged to me, Notary, in the presence of the undersigned competent witnesses, that he is the duly appointed President of the Board of Supervisors of the Louisiana Community and Technical College System (the "*Board*"), that the aforesaid instrument was signed by him, on this date, on behalf of the Board and that the above named person acknowledges said instrument to be the free act and deed of the Board.

WITNESSES:

_____ _____

Print Name: _____ Richard Nelson, President

_____

Print Name: _____

_____

NOTARY PUBLIC

PRINTED NAME: _____

PARISH OF EAST BATON ROUGE

STATE OF LOUISIANA

NOTARY ID NUMBER_____

EXHIBIT A

DESCRIPTION OF THE FACILITIES AND THE PROPERTY

THE FACILITIES

shall mean the hereinafter described Capital Improvements and related facilities, as outlined within Act No. 35, and which are subject to change by the Board from time to time in accordance with the provisions of Act No. 35, to be constructed by the Corporation in accordance with the Ground Lease and the Plans and Specifications on LCTCS campuses with proceeds of the Bonds and an additional twelve percent (12%) match of the total project cost, and which may include an additional fifteen percent (15%) contingency, together with other requirements including, but not limited to, costs of issuance, capitalized interest, if any, credit enhancement, and related costs:

A. Northshore Technical Community College-Hammond Area Campus;

B. River Parishes Community College-Donaldsonville Campus;

C. SOWELA Technical Community College-Lamar Salter Campus;

D. Northwest Louisiana Technical Community College-Shreveport Campus;

E. Louisiana Delta Community College-Bastrop Campus;

F. Central Louisiana Technical Community College-Rod Brady Campus;

G. Central Louisiana Technical Community College-Ward H. Nash Avoyelles Campus;

H. South Louisiana Community College-T.H. Harris Opelousas Campus; and

I. Such other projects designated by the Board pursuant to Act 35.

THE PROPERTY

[TO COME]

EXHIBIT B

PENDING OR THREATENED LITIGATION

None.

EXHIBIT C

FORM OF
MEMORANDUM OF FACILITIES LEASE

STATE OF LOUISIANA §
§ KNOW ALL MEN BY THESE PRESENTS:
PARISH OF _____ §

MEMORANDUM OF LEASE

This Memorandum of Lease (this "*Memorandum*") is entered into by and between the LCTCS Facilities Corporation ("*Lessor*") and the Board of Supervisors of the Louisiana Community and Technical College System ("*Lessee*").

RECITALS

A. Lessor and Lessee have entered into an Agreement to Lease with Option to Purchase dated as of _____ 1, 2026 (the "*Lease*"), whereby Lessor did lease to Lessee, and Lessee did lease from Lessor, the new campus facilities, related facilities and other campus improvements which are and will be located on the land more particularly described on Exhibit A attached hereto and incorporated herein (the "*Facilities*").

B. Lessor and Lessee desire to enter into this Memorandum, which is to be recorded in order that third parties may have notice of the parties' rights under the Lease.

LEASE TERMS

Specific reference is hereby made to the following terms and provisions of the Lease:

1. The term of the Lease commenced on _____ 1, 2026 and shall continue until midnight on _____ 1, 20__, unless sooner terminated or extended as provided in the Lease.

2. Lessor has the right under the Lease to purchase Lessee's leasehold interest in the Facilities at any time during the term of the Lease in accordance with the provisions thereof.

3. Additional information concerning the provisions of the Lease can be obtained from the parties at the following addresses:

Lessor: LCTCS Facilities Corporation
c/o Sisung Group
3850 North Causeway Blvd., Suite 1930
Metairie, LA 70002
Telephone: (504) 544-7713
Facsimile: (504) 544-7701
Attention: President

Lessee: Board of Supervisors of the Louisiana
Community and Technical College System
Office of the Board of Supervisors
265 S. Foster Drive
Baton Rouge, Louisiana 70806-4104
Attention: System President

This Memorandum is executed for the purpose of recordation in the public records of _____ Parish, Louisiana in order to give notice of all the terms and provisions of the Lease and is not intended and shall not be construed to define, limit, or modify the Lease. All of the terms, conditions, provisions and covenants of the Lease are incorporated into this Memorandum by reference as though fully set forth herein, and both the Lease and this Memorandum shall be deemed to constitute a single instrument or document.

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THUS DONE AND PASSED on the ____ day of _____, 2026, in Baton Rouge, Louisiana, in the presence of the undersigned, both competent witnesses, who herewith sign their names with Richard Nelson, President of the Board of Supervisors of the Louisiana Community and Technical College System, and me Notary.

WITNESSES:

BOARD OF SUPERVISORS OF THE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM

_____
Print Name:

_____
Print Name:

_____
Richard Nelson, President

_____

NOTARY PUBLIC
Name: _____
Notary ID/Bar Roll No. _____
My Commission Expires _____

THUS DONE AND PASSED on the ____ day of _____, 2026, in Baton Rouge, Louisiana, in the presence of the undersigned, both competent witnesses, who herewith sign their names with Stephen C. Smith, President of the LCTCS Facilities Corporation, and me Notary.

WITNESSES:

LCTCS FACILITIES CORPORATION

_____
Print Name:

_____
Stephen C. Smith, President

_____
Print Name:

_____

NOTARY PUBLIC
Name: _____
Notary ID/Bar Roll No. _____
My Commission Expires _____

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FORM OF

TRUST INDENTURE

by and between

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL
FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY

and

HANCOCK WHITNEY BANK
(as Trustee)

Dated as of August 1, 2026

in connection with:

$_____
Louisiana Local Government Environmental Facilities
and Community Development Authority Revenue Bonds
(LCTCS Act 35 Project)
Series 2026

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TRUST INDENTURE

This TRUST INDENTURE dated as of August 1, 2026 (this "*Indenture*"), is between the LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY, a political subdivision of the State of Louisiana (the "*Authority*"), and HANCOCK WHITNEY BANK, a state banking corporation organized and existing by virtue of the laws of the State of Mississippi and duly authorized to accept and execute trusts, as trustee (the "*Trustee*").

WITNESSETH:

WHEREAS, the Authority is a political subdivision established for public purposes under and pursuant to the provisions of Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 to 4548.16, inclusive) (the "*Act*"), and other constitutional and statutory authority;

WHEREAS, the Act empowers the Authority to issue bonds to provide funds for and to fulfill and achieve its authorized public functions or corporate purposes as set forth in the Act;

WHEREAS, the Board of Supervisors of the Louisiana Community and Technical College System (the "*Board*") is a public constitutional corporation organized and existing under the laws of the State of Louisiana and the Colleges (as defined herein) are colleges under its management pursuant to Louisiana Revised Statutes 17:3217.1;

WHEREAS, LCTCS Facilities Corporation (the "*Corporation*") is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201 *et seq*.), whose purpose is to support and benefit the educational, scientific, research, and public service missions of the Louisiana Community and Technical College System (the "*System*") governed by the Board;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3366, the Board is authorized to lease to a private entity, such as the Corporation, any portion of a campus or other immovable property under its supervision and management, provided that the Corporation is thereby obligated to provide capital improvements for furthering the educational, scientific, research, or public service functions of the Board;

WHEREAS, in order to further these functions of the Board, the Corporation is causing the development, acquisition, purchase, construction, renovation, improvement, or expansion of certain public facilities of the System, including all furnishings, fixtures, and facilities incidental or necessary in connection therewith (the "*Facilities*"), for various community and technical college campuses, such Facilities located on land owned or to be owned or leased or to be leased by the Board, all in accordance with Act 35 of the 2025 Regular Session of the Louisiana Legislature (the "*Projects*");

WHEREAS, the Authority is authorized under the provisions of the Act and other constitutional and statutory authority to issue revenue bonds for such purposes and the Authority has determined that it is most advantageous to the Authority and necessary for it to issue its Parity Bonds (as hereinafter defined) as hereinafter provided for such purposes; and

WHEREAS, the Corporation has requested that the Authority issue $_____ of Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (LCTCS Act 35 Project) Series 2026 (the "*Series 2026 Bonds*"), the proceeds of the sale of which shall be loaned to the Corporation pursuant to a Loan and Assignment Agreement dated as of August 1, 2026 by

and between the Authority and the Corporation (the "*Loan Agreement*") for the purpose of: (a) financing a portion of the costs associated with the development, acquisition, purchase, construction, renovation, improvement, or expansion of the Projects; (b) paying capitalized interest on the Series 2026 Bonds; and (c) paying costs of issuance on the Series 2026 Bonds, including the premium for a bond insurance policy;

WHEREAS, pursuant to the Loan Agreement, the Corporation has assigned its rights under that certain Facilities Lease (as defined herein) pursuant to which the Corporation is leasing the Facilities to the Board, including its right to all Base Rentals (as defined in the Facilities Lease) received thereunder, to the Authority, and has agreed to make payments in an amount sufficient to make timely payments of principal of, premium, if any, and interest on the Parity Bonds and to pay such other amounts as are required by the Loan Agreement;

WHEREAS, the fully registered Series 2026 Bonds and the certificate of authentication by the Trustee to be endorsed thereon for the Series 2026 Bonds are to be in substantially the form attached as Exhibit A hereto with all necessary and appropriate variations, omissions and insertions as permitted or required under this Indenture;

WHEREAS, all acts, conditions and things required by the laws of the State to happen, exist and be performed precedent to and in the execution and delivery of this Indenture have happened, exist and have been performed as so required in order to make this Indenture a valid and binding agreement in accordance with its terms;

WHEREAS, the execution and delivery of this Indenture have been duly authorized by the Authority and the Trustee; and

WHEREAS, each of the parties hereto represents that it is fully authorized to enter into and perform and fulfill the obligations imposed upon it under this Indenture and the parties are now prepared to execute and deliver this Indenture.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Authority and the Trustee hereby covenant and agree as follows:

ARTICLE 1
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. Except as provided in Sections 1.2 and 1.3 below, capitalized terms not otherwise defined herein shall have the meanings assigned thereto in this Indenture or in the Loan Agreement. In addition to words and terms elsewhere defined in this Indenture, the following words and terms as used herein shall have the following meanings, unless some other meaning is plainly intended:

"*Accounts*" shall mean the accounts and subaccounts created pursuant to Article 4 hereof.

"*Acquisition Costs*" shall mean costs, fees, and expenses incurred by the Corporation in connection with the acquisition of land, existing facilities, rights thereto, rights-of-way, servitudes, easements, or other interests to be used for the Projects, whether by purchase, grant, donation, lease, or otherwise. Acquisition Costs shall include the cost of the land or existing facilities themselves, as well as costs for related items, including, without limitation, surveys, inspections, tests, borings, engineering reports, environmental reports, environmental remediation costs, title work, title insurance, and closing

costs. Acquisition Costs shall not include any Administrative Costs. Acquisition Costs shall be specifically allocated to an individual College.

"*Act*" shall mean, collectively, Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 to 4548.16, inclusive), and all future acts supplemental thereto and amendatory thereof.

"*Act No. 35*" shall mean Part IX-A of Chapter 26 of Title 17 of the Louisiana Revised Statutes of 1950, comprised of R.S. 17:3394.1 through 3394.3, as amended by Act No. 35 of the 2025 Regular Session of the Louisiana Legislature, as the same may be further amended from time to time.

"*Additional Bonds*" means parity bonds, if any, issued in one or more series pursuant to Article 5 of this Indenture.

"*Administrative Costs*" shall mean general and administrative costs, fees, and expenses incurred by the Corporation in connection with the completion of the Projects and the implementation and administration of Act No. 35, including without limitation costs, fees, and expenses of the program manager, the program administrator, the trustee, accountants, auditors, rebate analysts, investment advisors, and attorneys (other than for title work).

"*Administrative Fund*" means the Fund of that name created pursuant to Article 4 of this Indenture.

"*Appropriated Funds*" means funds appropriated by the State Legislature to the Board pursuant to the Cooperative Endeavor Agreement.

"*Authority*" means the Louisiana Local Government Environmental Facilities and Community Development Authority, a political subdivision of the State of Louisiana, created by the provisions of the Act, or any agency, board, body, commission, department, or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Authority by said provisions shall be given by law.

"*Authorized Authority Representative*" means the Chairman, Vice Chairman, Executive Director or Assistant Secretary of the Authority or any of the person(s) at the time designated to act under the Loan Agreement and this Indenture on behalf of the Authority by a written certificate furnished to the Corporation and the Trustee containing the specimen signature of such person(s) and signed on behalf of the Authority by the Chairman, Vice Chairman, Executive Director or Assistant Secretary of the Authority. Such certificate may designate an alternate or alternates.

"*Authorized Corporation Representative*" means the person(s) at the time designated to act under the Loan Agreement and this Indenture on behalf of the Corporation by a written certificate furnished to the Authority and the Trustee containing the specimen signature of such person(s) and signed on behalf of the Corporation by the President or Secretary/Treasurer of the Corporation. Such certificate may designate an alternate or alternates.

"*Authorized Denomination*" means $5,000 or any integral multiple thereof.

"*Beneficial Owner*" means, so long as a book-entry system of registration is in effect pursuant to Section 3.13 hereof, the actual purchaser of the Parity Bonds.

"*Board*" means the Board of Supervisors of the Louisiana Community and Technical College System or its legal successor as the management board of the Colleges.

"*Board Documents*" means the Cooperative Endeavor Agreement, the Ground Lease, and the Facilities Lease.

"*Bond Documents*" means the Indenture and the Loan Agreement.

"*Bond Proceeds Fund*" means the fund of that name created under Section 4.1 of this Indenture.

"*Bond Register*" means, when used with respect to the Parity Bonds, the registration books maintained by the Trustee pursuant to Section 3.9 of this Indenture.

"*Bond Year*" means the period beginning on October 2 and ending on October 1 of the next succeeding year.

"*Bondholder*" or "*owner*," when used with reference to a Parity Bond, means the registered owner of any outstanding Parity Bond.

"*Business Day*" means any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York, or Baton Rouge, Louisiana, are authorized or required not to be open for the transaction of regular banking business, or (d) a day on which the New York Stock Exchange is closed.

"*Capitalized Interest Fund*" means the fund of that name created under Section 4.1 of this Indenture.

"*Code*" means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

"*Colleges*" means the various campuses under the supervision of the Board referenced in Exhibit A to the Facilities Lease, each individually, a "*College*."

"*Construction Contract*" means any contract or agreement by and between the Corporation and any Construction Contractor providing for the construction, renovation, or design of any of the Facilities.

"*Construction Contractor*" means any contractor, architect, engineer, supplier, or other party performing work or providing goods and services relative to the Facilities under a Construction Contract.

"*Construction Costs*" shall mean costs, fees, and expenses incurred by the Corporation under a Construction Contract in connection with the construction, renovation, or design of any of the Facilities, including, without limitation, labor, materials, services, machinery, equipment, utility infrastructure, landscaping, demolition, and land clearing. Construction Costs shall not include any Administrative Costs. Construction Costs shall be specifically allocated to an individual College.

"*Cooperative Endeavor Agreement*" means the Cooperative Endeavor Agreement by and among the Board, the Corporation and the State dated as of May 1, 2026 providing for the funding of the Lease Payments (as defined in the Cooperative Endeavor Agreement) by the State under the Facilities Lease

from Appropriated Funds and including any amendments of and supplements to the Cooperative Endeavor Agreement as permitted thereunder.

"*Corporation*" shall mean LCTCS Facilities Corporation, a Louisiana nonprofit corporation organized exclusively to promote, assist and benefit the mission of the Board by acquiring, renovating, rehabilitating, repairing, constructing, developing, managing, leasing as lessor or lessee, mortgaging, and/or conveying classroom, administrative, and other facilities on the campuses of designated Board institutions, or their successor or assigns.

"*Costs of Issuance*" all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale, and issuance of the Parity Bonds including, but not limited to, publication costs, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, the Authority, or any other fiduciary, legal fees and charges, fees and disbursements of consultants and professionals and any other cost, charge, or fee in connection with the original sale and issuance of the Parity Bonds.

"*Costs of Issuance Fund*" means the fund of that name created under Section 4.1 of this Indenture.

"*Debt Service Fund*" means the fund of that name created under Section 4.1 of this Indenture.

"*Defeasance Obligations*" means noncallable direct obligations of the United States of America (including direct obligations of the United States of America that have been stripped by the Treasury itself, such as CATS, TIGRS and similar securities) or obligations the payment of principal of and interest on which are unconditionally guaranteed by the United States of America.

"*DTC*" or "*Securities Depository*" means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depositories appointed pursuant to this Indenture.

"*Facilities*" means the facilities described in Exhibit A attached to the Facilities Lease and to the Loan Agreement, as amended and supplemented in accordance therewith, that are to be designed, constructed, renovated, and equipped with the proceeds of the Parity Bonds, including all furnishings, fixtures, and equipment incidental or necessary in connection therewith.

"*Facilities Lease*" means that certain Agreement to Lease with Option to Purchase dated as of August 1, 2026, by and between the Board, as Lessee, and the Corporation, as Lessor, whereby the Facilities are leased by the Corporation to the Board, including any supplements and amendments thereto and thereof.

"*Fiscal Year*" means any period of twelve consecutive months adopted by the Corporation as its Fiscal Year for financial reporting purposes, currently the period beginning on January 1 and ending on December 31 of each year.

"*Funds*" shall mean the funds created pursuant to Article 4 hereof.

"*Ground Lease*" means that certain Ground Lease Agreement dated as of August 1, 2026, by and between the Board, as Lessor, and the Corporation, as Lessee, whereby the Property is leased by the

Board to the Corporation, including any amendment or supplement thereto entered into from time to time in accordance with the terms thereof.

"*Hard Construction Costs*" means that portion of Construction Costs excluding costs paid for architecture, engineering, general contractors profit, planning, testing, surveying, and other similar costs.

"*Indenture*" means this Trust Indenture dated as of August 1, 2026 between the Authority and the Trustee, as it may be amended or supplemented from time to time by supplemental indentures in accordance with provisions herein.

"*Interest Account*" means the Interest Account within the Debt Service Fund created pursuant to Article 4 of this Indenture.

"*Interest Payment Date*" or "*interest payment date*" when used with respect to the Parity Bonds, means each April 1 and October 1, commencing April 1, 2027.

"*Issuance Advice Letter*" means the Issuance Advice Letter required to be delivered by the Authority in connection with the issuance of Additional Bonds pursuant to Article 5 hereof.

"*Late Payment Rate*" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 5%, and (ii) the then applicable highest rate of interest on the Series 2026 Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as BAM, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to BAM shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

"*Loan*" means the aggregate amount of moneys loaned to the Corporation pursuant to the Loan Agreement.

"*Loan Agreement*" means the Loan and Assignment Agreement dated as of August 1, 2026 between the Corporation and the Authority, including any amendments and supplements thereof and thereto as permitted thereunder.

"*Maintenance Reserve Fund*" means the fund of that name held by the Trustee pursuant to Article 4 of this Indenture.

"*Maintenance Reserve Fund Requirement*" means an amount equal to 0.60% of the Hard Construction Costs (which shall not include professional services and fees).

"*Match Pooled Investment Fund*" means the Match Pooled Investment Fund created pursuant to Article 4 of this Indenture.

"*Moody's*" means Moody's Investors Service, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating

agency, "*Moody's*" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority with the approval of the Corporation.

"*Mortgage*" means, collectively, individually, and interchangeably, each Act of Leasehold Mortgage, Assignment of Leases, and Security Agreement granted by the Corporation in favor of the Trustee mortgaging the Corporation's leasehold interest pursuant to the Ground Lease and any amendment or supplement thereto entered into in accordance with the terms therein.

"*Mortgaged Property*" means all the property mortgaged, pledged, transferred, and assigned to the Trustee by the Corporation pursuant to the Mortgage as security for the Obligations (as defined in the Mortgage).

"*Operating Expenses*" means the current expenses of operation, maintenance, and current repair of the Facilities, as calculated in accordance with Generally Accepted Accounting Principles, and includes, without limiting the generality of the foregoing, insurance premiums, reasonable accounting and legal fees, and expenses relating to the Facilities and the ownership thereof by the Corporation, payments with respect to worker's compensation claims not otherwise covered by insurance, any payments due from the Board under the Facilities Lease, the Loan Agreement, or the Indenture, any Rebate Amount, amounts payable by the Corporation under the Loan Agreement or the Mortgage (other than the principal of, premium, if any, and interest on the Parity Bonds), administrative expenses of the Authority (including fees and expenses of the Trustee and counsel fees and expenses) relating solely to the Facilities, the cost of materials and supplies used for current operations, and taxes and charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but are such as may reasonably be expected to be incurred in accordance with sound accounting practice. "*Operating Expenses*" will not include: (a) the principal of and interest on the Parity Bonds; (b) any allowance for depreciation or replacements of capital assets of the Facilities; or (c) amortization of financing costs.

"*Outstanding*" or "*outstanding*," when used with reference to the Parity Bonds, means all such bonds that have been authenticated and issued under the Indenture except those:

(a) canceled by the Trustee pursuant to the Indenture;

(b) for the payment of which moneys or Defeasance Obligations shall be held in trust for their payment by the Trustee as provided in the defeasance provisions of the Indenture;

(c) that have been duly called for redemption and for which the redemption price thereof is held in trust by the Trustee as provided in the Indenture;

(d) in exchange for which other Parity Bonds shall have been authenticated and delivered by the Trustee as provided in this Indenture; and

(e) for all purposes regarding consents and approvals or directions of Bondholders under the Loan Agreement or the Indenture, held by or for the Authority, the Corporation or any person controlling, controlled by or under common control with either of them.

"*Parity Bonds*" means collectively, the Series 2026 Bonds and any Additional Bonds secured on a parity with the Series 2026 Bonds.

"*Participant*" means any broker-dealer, bank and other financial institution from time to time for which DTC holds Parity Bonds as securities depository.

"*Payments*" means the amounts of repayments under the Loan Agreement with respect to the Parity Bonds to be made by the Corporation as provided in Article 4 of the Loan Agreement.

"*Permitted Investments*" means and includes any of the following securities or investments, but only to the extent that they are eligible for investment by the Trustee under applicable State law:

(a) (i) Cash (fully insured by the Federal Deposit Insurance Corporation), (ii) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("*U.S. Treasury Obligations*"), (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (iv) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (v) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated. THE ABOVE REFERENCED OBLIGATIONS MAY CONSTITUTE DEFEASANCE OBLIGATIONS.

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

(b) Federal Housing Administration debentures.

(c) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

(i) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(ii) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;

(iii) Federal Home Loan Banks (FHL Banks) consolidated debt obligations; and

(iv) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts).

(d) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 365 days) of any bank the short-term obligations of which are rated "A-1+" or better by S&P and "Prime-1" by Moody's.

(e) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks which have capital and surplus of at least $15 million.

(f) Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's.

(g) Money market funds rated "Aam" or "AAm-G" by S&P, or better and if rated by Moody's rated "Aa2" or better.

(h) "State Obligations," which means:

(i) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated at least "A3" by Moody's and at least "A-" by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(ii) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P and "MIG-1" by Moody's.

(iii) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (b) above and rated "AA-" or better by S&P and "Aa3" or better by Moody's.

(i) Pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's meeting the following requirements:

(i) the municipal obligations are (A) not subject to redemption prior to maturity or (B) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(ii) the municipal obligations are secured by cash or U.S. Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(iii) the principal of and interest on the U.S. Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (the "*Verification Report*");

(iv) the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

(v) no substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report; and

(vi) the cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

(j) Repurchase agreements: with (i) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A-" by S&P and "A3" Moody's; or (ii) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A-" by S&P and "A3" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (iii) any other entity rated at least "A-" by S&P and "A3" Moody's (each an "*Eligible Provider*"), provided that:

(A) (i) permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers), and (ii) collateral levels must be at least 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA's and 104% of the total principal when the collateral type is FNMA and FHLMC (the "*Eligible Collateral*");

(B) the Trustee or a third party acting solely as agent therefore or for the Authority (the "*Custodian*") has possession of the collateral or the collateral has been transferred to the Custodian in accordance with applicable state and federal laws (other than by means of entries on the transferor's books) and such collateral shall be marked to market;

(C) the collateral shall be marked to market on a daily basis and the provider or Custodian shall send monthly reports to the Trustee and the Authority setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

(D) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof;

(E) the repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, notify the Authority and the Trustee within five (5) days of receipt of such notice. Within ten (10) days of receipt of such notice, the provider shall either: (1) post Eligible Collateral or (2) assign the agreement to an Eligible Provider. If the provider does not perform a remedy within ten (10) business days, the provider shall, at the direction of the trustee repurchase all collateral and terminate the repurchase agreement, with no penalty or premium to the Authority or the Trustee.

(k) Bonds, debentures, notes or other indebtedness issued by domestic United States corporations and rated "Aa3" or higher by Moody's and "AA-" or higher by S&P.

"*Principal Account*" means the Principal Account within the Debt Service Fund created pursuant to Article 4 of this Indenture.

"*Program Management Fund*" means the Fund of that name created pursuant to Article 4 of this Indenture.

"*Project Completion Date*" means the date on which the Corporation certifies to the Trustee and the Authority in writing that construction of all of the Projects financed with the Series 2026 Bonds or a series of Additional Bonds is substantially complete, as required by Section 3.7 of the Loan Agreement.

"*Project Costs*" means Acquisition Costs and Construction Costs incurred to complete the Projects. Project Costs shall not include any Administrative Costs.

"*Project Funds*" means all of the project funds created under Section 4.1 of this Indenture, each individually, a Project Fund.

"*Project Match*" means the twelve percent (12%) match required for each Project pursuant to Act No. 35, if any.

"*Project Pooled Investment Fund*" means the Project Pooled Investment Fund created pursuant to Article 4 of this Indenture.

"*Projects*" shall mean the projects identified in Act No. 35, each individually a "*Project*."

"*Property*" means the immovable property more particularly described on Exhibit A to the Ground Lease and all improvements now or thereafter located thereon, including the Facilities as they are constructed and located or renovated thereon under the Construction Contract, together with all other rights and interests leased pursuant to Section 1.1 of the Ground Lease.

"*Rebate Fund*" means the fund of that name created under Section 4.1 of this Indenture.

"*Receipts Fund*" means the fund of that name held by the Trustee pursuant to Article 4 of this Indenture.

"*Record Date*", when used with respect to the Parity Bonds, means the fifteenth calendar day of the month next preceding an Interest Payment Date, or, if such day shall not be a Business Day, the next preceding Business Day.

"*Security Documents*" shall mean the Indenture, the Loan Agreement, the Ground Lease, the Facilities Lease, the Series 2026 Bonds and/or any additional supplemental document executed in connection with the Series 2026 Insured Obligations.

"*Series 2026 Bond Insurance Policy*" means the municipal bond insurance policy issued by the Series 2026 Bond Insurer that guarantees the scheduled payment of principal of and interest on the Series 2026 Bonds when due.

"*Series 2026 Bond Insurer*" or "*BAM*" means Build America Mutual Assurance Company, or any successor thereto or assignee thereof, as bond insurer for the Series 2026 Bonds.

"*Series 2026 Bonds*" means the $_____ Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (LCTCS Act 35 Project) Series 2026, and such bonds issued in exchange for those issued pursuant to this Indenture, or in replacement for those issued pursuant to this Indenture, which bonds have been mutilated, destroyed, lost or stolen.

"*Series 2026 Closing Date*" means the date on which the Series 2026 Bonds are delivered and payment therefor is received by the Authority.

"*Series 2026 Insured Obligations*" shall mean the Series 2026 Bonds.

"*S&P*" or "*Standard & Poor's Ratings Group*" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "*S&P*" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority with the approval of the Corporation.

"*State*" means the State of Louisiana.

"*State Legislature*" means the legislature of the State in any given year.

"*Tax Regulatory Agreement*" means the Tax Regulatory Agreement and Arbitrage Certificate dated the Series 2026 Closing Date, among the Trustee, and the Authority, including the certificate executed by the Corporation and the Board attached thereto.

"*Trust Estate*" means all the property assigned by the Authority to the Trustee pursuant to the Indenture as security for the Parity Bonds.

"*Trustee*" means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture that may be designated (originally or as a successor) as Trustee for the owners of the Parity Bonds issued and secured under the terms of this Indenture, initially Hancock Whitney Bank.

Section 1.2 Rules of Construction. The following rules shall apply to the construction of this Indenture unless the context requires otherwise: (a) the singular includes the plural and the plural, the singular; (b) words importing any gender include the other genders; (c) references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute to which reference is made and all regulations promulgated pursuant to such statutes; (d) references to "writing" include printing, photocopying, typing, lithography and other means of reproducing words in a tangible visible form; (e) the words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation;" (f) references to the introductory paragraph, preliminary statements, articles, sections (or subdivisions of sections), exhibits, appendices, annexes, or schedules are to those of this Indenture unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent that such amendments and other modifications are permitted or not prohibited by the terms of this Indenture; (h) references to Persons include their respective successors and assigns permitted or not prohibited by the terms of this Indenture; (i) an accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles; (j) "or" is not exclusive; (k) provisions apply to successive events and transactions; (l) references to documents or agreements which have been terminated or released or which have expired shall be of no force and effect after such termination, release, or expiration; (m) references to mail shall be deemed to refer to first-class, postage prepaid, unless another type of mail is specified; (n) all references to time shall be to Baton Rouge, Louisiana time; (o) references to specific persons, positions or officers shall include those who or which succeed to or perform their respective functions, duties or responsibilities referred to in the Bond

proceedings; (p) the terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms refer to this Indenture as a whole and not to any particular article, section, or subdivision hereof; and the term "heretofore" means before the date of adoption of this Indenture, the term "now" means at the date of adoption of this Indenture, and the term "hereafter" means after the date of adoption of this Indenture; and (q) references to payments of principal include any premium payable on the same date.

ARTICLE 2
GRANTING CLAUSES

Section 2.1 Granting Clauses. In consideration of the acceptance by the Trustee of the trusts and duties set forth in this Indenture on behalf of the owners of all Parity Bonds issued and secured hereunder; of the purchase and acceptance of the Parity Bonds issued and secured by this Indenture by the owners thereof; of the payment of the purchase price of the Parity Bonds to the Trustee for application as provided hereinafter; and in order to secure the payment of any and all Parity Bonds at any time outstanding hereunder, according to the tenor and effect thereof and the premium and interest thereon, the payment of all costs, fees, and charges specified herein, and the payment of all other sums if any, from time to time due to the owners of all Parity Bonds secured hereunder and to the Trustee or its successors and assigns, or to others, according to the intent and meaning of all such Parity Bonds and this Indenture, up to a maximum amount of Five Hundred Million and No/100 Dollars ($500,000,000.00) and for the purpose of securing the performance and observance by the Authority of all the covenants and conditions herein contained, the Authority does hereby TRANSFER, ASSIGN, AND DELIVER TO AND IN FAVOR OF the Trustee, and its successor or successors in trust, for the benefit of the owners of all Parity Bonds secured hereunder, its interest in the following described properties, rights, interests, and benefits, together with the Mortgaged Property, which are collectively called the "*Trust Estate*" for purposes of the Indenture:

All right, title, and interest of the Authority in, to, and under the Loan Agreement (except for rights relating to exculpation, indemnification, and payment of expenses thereunder), all payments, proceeds, revenues, income, receipts, issues, benefits and other moneys received or derived by the Authority under the Loan Agreement including, without limitation, the Payments to be paid by the Corporation to the Trustee for the account of the Authority pursuant to Section 4.2 of the Loan Agreement;

All right, title, and interest of the Authority in, to, and under the Facilities Lease assigned by the Corporation to the Authority under the Loan Agreement (except for payments of Additional Rental made under the Facilities Lease) and all proceeds of insurance received or receivable by the Corporation, on behalf of the Board, as a result of any damage to or destruction of the Facilities, or any part thereof, all amounts received or receivable by the Corporation, on behalf of the Board, as compensation for the taking or transfer of the Facilities, or any part thereof, in lieu of a taking or use of the Facilities, under the powers of eminent domain, but only to the extent that such proceeds, award, or compensation is not used for the restoration, repair, or reconstruction of the Facilities to which such proceeds, award, or compensation is attributable, all amounts received or receivable by the Corporation, on behalf of the Board, from the sale of the Facilities, or any part thereof, all amounts collected under payment and performance bonds, if any, maintained with respect to the Facilities, and any and all additional revenues, income, receipts and other payments (including, without limitation, grants, donations, gifts, and appropriations received from any private or public source) that hereafter are received by the Corporation, on behalf of the Board, for or relating to the Facilities or that hereafter may be assigned by the

Corporation pursuant to the Loan Agreement, which receipt shall not affect the tax-exempt status of the Parity Bonds;

All cash, moneys, securities, and investments that may at any time and from time to time, pursuant to the provisions of the Indenture, be paid to the Trustee or be in the hands of the Trustee (with the exception of the Maintenance Reserve Fund, the Match Pooled Investment Fund and the Rebate Fund), except as the interest of said Trustee in such cash, moneys, securities, and investments may otherwise appear in the Indenture, provided, however, that nothing in the Indenture shall be construed to affect any property held by the Trustee in any capacity other than as Trustee hereunder; and

To the extent not covered by the clauses above, all proceeds of any and all of the foregoing.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successor or successors and assigns forever; in trust, nevertheless subject to the terms and conditions and trusts herein set forth, for the equal benefit, security and protection of all and singular the present and future owners of all of the Parity Bonds issued under and secured by this Indenture, without preference, priority, or distinction as to lien or otherwise, except as may otherwise be provided herein, of any one Parity Bond over any other Parity Bond or of principal over interest or interest over principal, all as herein provided, and for the uses and purposes, and upon the terms, agreements and conditions set forth herein.

The Trust Estate assigned hereunder is also assigned to secure the payment of any and all sums which the Trustee may expend or become obligated to expend (including, but not limited to, court costs and attorneys' fees) to preserve and protect any of the Trust Estate or to cure any default of the Corporation under the Loan Agreement or arising out of any such default or incident of delay in payment of sums and the performance of obligations thereunder, or in pursuing or exercising any right, rights, remedy, or remedies consequent upon the default of the Corporation thereunder.

PROVIDED, HOWEVER, that if the Authority, its successors or assigns, shall well and truly pay, or cause to be paid, or provide for the payment pursuant to the provisions of this Indenture, the principal of the Parity Bonds, premium, if any, and the interest due or to become due thereon, at the times and in the manner set forth in the Parity Bonds and this Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform, and observe all the covenants and agreements as provided in and pursuant to the terms of this Indenture to be kept, performed, and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such performance and payments this Indenture and the rights created hereby shall cease, terminate, and be void as provided in Article 12 hereof; otherwise this Indenture shall be and remain in full force and effect.

The Authority hereby covenants and agrees with, and does hereby covenant unto the Trustee, that it has good right and lawful authority to transfer and assign the Trust Estate to the extent and in the manner herein provided; that the Authority will not suffer any lien or encumbrance to exist upon the Trust Estate, or any part thereof, superior to the security or lien to accrue or be created under this Indenture; or do or suffer any act or thing whereby the security hereof may be diminished or impaired; and the Authority further does covenant, and by these presents hereby covenants and agrees to defend or cause to be defended forever the title to each and every part of said Trust Estate against the claims and demands of all persons whomsoever.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared that all Parity Bonds issued and secured hereunder are to be issued, authenticated, and delivered and all of said Trust Estate hereby conveyed, transferred, assigned, confirmed, pledged, and encumbered is to be dealt with and disposed of under, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the Authority has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective owners, from time to time, of the Parity Bonds, or any part thereof as follows:

ARTICLE 3
AUTHORIZATION, TERMS AND CONDITIONS OF SERIES 2026 BONDS

Section 3.1 Series 2026 Bonds Issuable Under this Article Only. No Series 2026 Bonds may be issued under the provisions of this Indenture except in accordance with the provisions of this Article.

Section 3.2 Authorization of Series 2026 Bonds.

(a) There is hereby authorized and issued under this Indenture $_____ aggregate principal amount of bonds to be known as "Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (LCTCS Act 35 Project) Series 2026" on a parity with any Additional Bonds issued in various series from time to time, for the purpose of (i) financing the Projects, (ii) paying capitalized interest on the Series 2026 Bonds and (iii) paying the costs of issuance of the Series 2026 Bonds, including the premium for a bond insurance policy.

(b) The Series 2026 Bonds are issuable as fully registered bonds, without coupons, in Authorized Denominations and shall be numbered from No. R-1 upwards for each series. The Series 2026 Bonds shall be dated the date of delivery, shall mature (subject to prior redemption as hereinafter set forth) on October 1, of the years and in the principal amounts and shall bear interest from the date thereof, payable on April 1 and October 1 of each year, commencing April 1, 2027, at the rates per annum (using a year of 360 days comprised of twelve 30-day months) as follows:

Year (October 1)	Principal Amount	Interest Rate

(c) The principal of, and premium, if any, of the Series 2026 Bonds shall be payable to the registered owners thereof upon surrender of the Series 2026 Bonds at the principal corporate trust office of the Trustee. The interest on the Series 2026 Bonds, when due and payable, shall be paid by check or draft mailed by the Trustee on such due date to each person in whose name a Bond is registered, at the address(es) as they appear on the Bond Register maintained by the Trustee at the close of business on the applicable Record Date irrespective of any transfer or exchange of the Series 2026 Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the Authority shall default in payment of interest due on such Interest Payment Date, provided that the owners of $1,000,000 or more in aggregate principal amount of Series 2026 Bonds may request payment by wire transfer if such owners have requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to

the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of any such default, such defaulted interest shall be payable on a payment date established by the Trustee to the persons in whose names the Series 2026 Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of the Series 2026 Bonds not fewer than fifteen (15) days preceding such special record date. Payment as aforesaid shall be made in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts.

Section 3.3 Form of Series 2026 Bonds. The Series 2026 Bonds issued under this Indenture shall be substantially in the form set forth in Exhibit A attached hereto and made a part hereof with such appropriate variations, additions, omissions and insertions as are permitted or required by this Indenture. All Series 2026 Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Series 2026 Bonds may be listed or any usage or requirement of law with respect thereto. All Series 2026 Bonds may bear identifying CUSIP numbers, but any failure to include such numbers or any error in any CUSIP number so included shall not in any way affect the validity of the Series 2026 Bonds.

Section 3.4 Redemption of Series 2026 Bonds.

(a) Optional Redemption.

(i) The Series 2026 Bonds maturing on or after October 1, 20__ are subject to redemption prior to maturity at the option of the Corporation, upon written direction to the Authority, on or after October 1, 20__ as a whole at any time, or in part on any Interest Payment Date, the maturity of said Series 2026 Bonds to be redeemed to be designated by the Corporation and selected within a maturity by the Trustee by lot, at par plus accrued interest to the redemption date.

(ii) During the terms of the Ground Lease and the Facilities Lease, consent of the Board is required for optional redemption. To exercise such option, the Corporation shall give written notice to the Authority and the Trustee and shall specify therein the date of such prepayment, which prepayment date shall not be fewer than thirty-five (35) days from the date such notice is received by the Trustee. The Authority and the Trustee shall make all necessary arrangements satisfactory to the Trustee for the redemption of Series 2026 Bonds to be redeemed under the Indenture in accordance with the provisions thereof.

(b) *Mandatory Redemption*. The Series 2026 Bonds shall be redeemed as a whole on any Interest Payment Date on or after October 1, 20__ in the event the Board exercises its option to purchase the Corporation's interest in the Facilities financed with the Series 2026 Bonds pursuant to Section 24 of the Facilities Lease, at a price equal to the then-outstanding principal amount of the Series 2026 Bonds plus accrued and unpaid interest to the date of redemption.

(c) Extraordinary Redemption.

(i) The Series 2026 Bonds are subject to redemption in part at the option of the Corporation, upon written direction to the Authority, on any Interest Payment Date from amounts transferred by the Trustee from any Project Fund to the Principal Account of the Debt Service Fund upon completion of Facilities in accordance with Section 4.19 hereof. The maturity of the Series 2026 Bonds to

be redeemed shall be designated by the Corporation and selected within a maturity by the Trustee by lot, at a price equal to the principal of the Series 2026 Bonds so redeemed plus accrued and unpaid interest to the date of redemption.

(ii) The Series 2026 Bonds shall be redeemed as a whole or in part (in an integral multiple of $5,000) on the first Interest Payment Date at least thirty (30) days after the Trustee receives notice that any insurance proceeds, condemnation award, or payment in lieu of condemnation with respect to any portion of the Facilities will not be applied to the restoration, repair, or reconstruction of such Facilities at a price equal to the principal amount of the Series 2026 Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award, or payment in lieu of condemnation not used for restoration, repair, or reconstruction. If in part, the maturity of said Series 2026 Bonds to be redeemed shall be designated by the Corporation and selected within a maturity by the Trustee by lot. If the amount of any insurance proceeds, condemnation award, or payment in lieu of condemnation to be applied in redemption of the Series 2026 Bonds is not an integral multiple of $5,000, the principal amount of Series 2026 Bonds to be redeemed pursuant to this subparagraph (c) shall be decreased to the next lower multiple of $5,000.

(d) Mandatory Sinking Fund Redemption.

The Series 2026 Bonds maturing October 1, 20__ shall be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

Year	Principal Amount

*Final Maturity.

The Series 2026 Bonds maturing October 1, 20__ shall be subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

Year	Principal Amount

*Final Maturity.

(e) Any Additional Bonds issued under the provisions of Article 5 of this Indenture may be made subject to redemption, either in whole or in part and at such times and prices, as may be provided in the resolution or resolutions of the Authority authorizing the issuance of such Additional Bonds.

(f) Unless otherwise specified above, if fewer than all of the Series 2026 Bonds shall be called for redemption, the maturity of said Series 2026 Bonds to be redeemed shall be designated by the Corporation and selected within a maturity by the Trustee by lot; provided, however, that the portion of any Series 2026 Bond to be redeemed shall be in the principal amount of an Authorized Denomination. If a portion of any Series 2026 Bond shall be called for redemption, a new Series 2026 Bond in principal

amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

(g) At least thirty (30) days before the redemption date of any Series 2026 Bonds to be redeemed other than by mandatory sinking fund redemption, the Trustee shall cause a notice of any such redemption to be mailed, postage prepaid, to all Bondholders of record owning Series 2026 Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if fewer than all of the Series 2026 Bonds then Outstanding shall be called for redemption, the numbers of such Series 2026 Bonds to be redeemed and, in the case of Series 2026 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Series 2026 Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Series 2026 Bond, a new Series 2026 Bond in principal amount equal to the unredeemed portion of such Series 2026 Bond will be issued. In the case of Series 2026 Bonds redeemed by mandatory sinking fund redemption, notice of redemption and surrender and presentation of such Series 2026 Bonds shall not be required.

(h) On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided and money for payment of the redemption price being held in the Debt Service Fund in trust for the owners of the Series 2026 Bonds or portions thereof to be redeemed, the Series 2026 Bonds or portions of Series 2026 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2026 Bonds or portions of Series 2026 Bonds on such date, interest on the Series 2026 Bonds or portions of Series 2026 Bonds so called for redemption shall cease to accrue, such Series 2026 Bonds or portions of Series 2026 Bonds shall cease to be entitled to any benefit or security under this Indenture, and the owners of such Series 2026 Bonds or portions of Series 2026 Bonds shall not have rights in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the next paragraph, to receive Series 2026 Bonds for any unredeemed portions of Series 2026 Bonds.

(i) In case part, but not all, of an Outstanding Series 2026 Bond shall be selected for redemption, the registered owner thereof or his legal representative shall present and surrender such Series 2026 Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the Trustee shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Series 2026 Bond so surrendered, a new Series 2026 Bond.

(j) Series 2026 Bonds and portions of Series 2026 Bonds that have been duly called for redemption under the provisions of this Article, or with respect to which irrevocable instructions to call for redemption have been given to the Trustee in form satisfactory to it, and for the payment of the redemption price for which moneys, or Defeasance Obligations, shall be held by the Trustee in a segregated account in trust for the owners of the Series 2026 Bonds or portions thereof to be redeemed, shall not thereafter be deemed to be outstanding under the provisions of this Indenture and shall cease to be entitled to any security or benefit under this Indenture other than the right to receive payment from such moneys.

Section 3.5 Execution; Limitation of Liability. The Series 2026 Bonds shall be executed on behalf of the Authority with the manual or facsimile signatures of an Authorized Authority

Representative, and shall have impressed or imprinted thereon the official seal of the Authority or a facsimile thereof. The Series 2026 Bonds, together with interest and premium, if any, thereon, shall not constitute a debt of the State or any political subdivision thereof. The Series 2026 Bonds, together with interest thereon, shall be limited and special obligations of the Authority and shall be secured by and payable solely out of revenues derived from the Payments made pursuant to the Loan Agreement and Trust Estate pledged hereunder. The Authority shall not be obligated to pay the principal of the Series 2026 Bonds or the interest or premium, if any, thereon or other costs incidental thereto except from payments made pursuant to the Loan Agreement. In case any officer of the Authority whose signature or whose facsimile signature shall appear on the Series 2026 Bonds shall cease to be such officer before the delivery of such Series 2026 Bonds, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery. THE SERIES 2026 BONDS ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE PAYMENTS RECEIVED BY THE AUTHORITY FROM THE CORPORATION PURSUANT TO THE LOAN AGREEMENT. THE SERIES 2026 BONDS DO NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OF THE AUTHORITY OR THE CORPORATION AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE STATE, THE BOARD, THE COLLEGES, OR ANY POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE AUTHORITY). THE BOARD HAS AGREED, PURSUANT TO THE FACILITIES LEASE, TO MAKE PAYMENTS OF BASE RENTAL TO THE CORPORATION ON BEHALF OF THE COLLEGES, PROVIDED THAT ANY BASE RENTAL PAYABLE BY THE BOARD IS SUBJECT TO ANNUAL APPROPRIATION BY THE LEGISLATURE. THE PAYMENTS TO BE RECEIVED BY THE AUTHORITY FROM THE CORPORATION UNDER THE LOAN AGREEMENT ARE LIMITED TO THE AMOUNT OF BASE RENTAL RECEIVED BY THE CORPORATION FROM THE BOARD. THE AUTHORITY HAS NO POWER TO TAX.

Section 3.6 Authentication. No Series 2026 Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until a certificate of authentication substantially in the form set forth in Exhibit A attached hereto and made a part hereof shall have been duly executed by a duly authorized representative of the Trustee, and such executed certificate of the Trustee upon any such Series 2026 Bond shall be conclusive evidence that such Series 2026 Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Series 2026 Bond shall be deemed to have been executed by it if signed by an authorized representative of the Trustee, but it shall not be necessary that the same representative sign the certificate of authentication on all of the Series 2026 Bonds issued hereunder.

Section 3.7 Mutilated, Lost, Stolen or Destroyed Series 2026 Bonds. In the event any outstanding Series 2026 Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Authority may execute and, upon its request, the Trustee may authenticate a new Series 2026 Bond of the same principal amount and of like tenor as the mutilated, lost or stolen or destroyed Series 2026 Bond; provided that, in the case of any mutilated Series 2026 Bond, such mutilated Series 2026 Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Series 2026 Bond, there shall be first furnished to the Authority and the Trustee evidence of such loss, theft or destruction in form satisfactory to the Authority and the Trustee, together with indemnity satisfactory to them. In the event any such Series 2026 Bond shall have matured, instead of issuing a substitute Series 2026 Bond the Authority may authorize the payment of the same. The Authority and the Trustee may charge the owner of such Series 2026 Bond with their reasonable fees and expenses in this connection. Any Series 2026 Bond issued under the provisions of this Section 3.7 in lieu of any Series 2026 Bond alleged to be

destroyed, lost or stolen shall constitute an original additional contractual obligation on the part of the Authority, whether or not the Series 2026 Bond so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture together with all other Series 2026 Bonds in substitution for which such Series 2026 Bonds were issued.

Section 3.8 Registration of Series 2026 Bonds.

(a) The Trustee shall be the bond registrar for the Series 2026 Bonds. So long as any of the Series 2026 Bonds shall remain outstanding, there shall be maintained and kept for the Authority, at the principal corporate trust office of the Trustee, the Bond Register for the registration and transfer of the Series 2026 Bonds and, upon presentation thereof for such purpose at said office, the Trustee shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Series 2026 Bond.

(b) Each Series 2026 Bond shall be transferable only upon the Bond Register at the principal corporate trust office of the Trustee at the written request of the registered owner thereof or his legal representative duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his legal representative duly authorized in writing. Upon the transfer of any such Series 2026 Bond, the Trustee shall issue in the name of the transferee, in authorized denominations, one or more Series 2026 Bonds of the same aggregate principal amount as the surrendered Series 2026 Bonds.

Section 3.9 Persons Treated as Owners.

(a) The Authority and the Trustee may, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on any Series 2026 Bond and for all other purposes, deem and treat the person in whose name such Series 2026 Bond shall be registered upon the Bond Register as the absolute owner of such Series 2026 Bond, whether or not such Series 2026 Bond is overdue, and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

(b) Payment made to the person deemed to be the owner of any Series 2026 Bond for the purpose of such payment in accordance with the provisions of this Section 3.9 shall be valid and effectual, to the extent of the sum or sums so paid, to satisfy and discharge the liability upon such Series 2026 Bond in respect of which such payment was made.

Section 3.10 Exchange and Transfer of Series 2026 Bonds.

(a) As long as any of the Series 2026 Bonds remain outstanding, there shall be permitted the exchange of Series 2026 Bonds at the principal corporate trust office of the Trustee. Any Series 2026 Bond or Series 2026 Bonds upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Series 2026 Bonds in Authorized Denominations.

(b) For every such exchange or transfer of Series 2026 Bonds, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting

such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(c) The Trustee shall not be required to register the transfer or exchange of (i) any Series 2026 Bonds during the fifteen (15) day period next preceding the selection of Series 2026 Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Series 2026 Bonds selected for redemption, or (ii) any Series 2026 Bonds selected, called or being called for redemption in whole or in part, except in the case of any Series 2026 Bond to be redeemed in part, the portion thereof not so to be redeemed.

Section 3.11 Cancellation and Destruction of Surrendered Series 2026 Bonds. Upon the surrender to the Trustee of any temporary or mutilated Series 2026 Bonds, or Series 2026 Bonds transferred or exchanged for other Series 2026 Bonds, or Series 2026 Bonds paid at maturity by the Authority, the same shall forthwith be canceled and destroyed by the Trustee, and the Trustee, upon the request of the Authority, shall deliver its certificate of such destruction to the Authority.

Section 3.12 Delivery of the Series 2026 Bonds.

(a) Upon the execution and delivery of this Indenture, the Authority shall execute and deliver to the Trustee, and the Trustee shall authenticate the Series 2026 Bonds and deliver them to the purchasers thereof as shall be directed by the Authority as hereinafter in this Section provided.

(b) Prior to or simultaneously with the delivery by the Trustee of the Series 2026 Bonds there shall be filed with the Trustee:

(i) A copy, duly certified by an Authorized Authority Representative, of the resolution or resolutions adopted by the Authority authorizing the execution and delivery of this Indenture and the Loan Agreement, as amended, and all other instruments contemplated thereby and the authorization, issuance, sale and delivery of the Series 2026 Bonds;

(ii) A copy, duly certified by an Authorized Corporation Representative, of the resolution or resolutions of the Corporation authorizing the execution and delivery of the Loan Agreement, and all other instruments contemplated thereby and approving this Indenture and the authorization, issuance, sale and delivery of the Series 2026 Bonds;

(iii) Original executed counterparts of this Indenture, the Loan Agreement, the Ground Lease, the Facilities Lease, and the Cooperative Endeavor Agreement;

(iv) Signed copies of all opinions of counsel required in connection with the issuance of the Series 2026 Bonds and the transactions contemplated thereby;

(v) A request and authorization to the Trustee on behalf of the Authority and signed by an Authorized Authority Representative to authenticate and deliver the Series 2026 Bonds to the purchasers thereof and specifying the amounts to be deposited among the Funds and Accounts set forth in Article 4 hereof on the Series 2026 Closing Date;

(vi) A certificate signed by an Authorized Corporation Representative certifying that the Project Match has been obtained for each Project to be funded with the proceeds of the Series 2026 Bonds;

(vii) A signed copy of the approving opinion of Bond Counsel to the effect that (A) interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and (B) under the Act, the Series 2026 Bonds, together with the interest thereof, income therefrom, and gain upon the sale thereof are exempt from all State and local taxes; and

(viii) A signed copy of the legal opinion of Bond Counsel, addressed to the Trustee, to the effect that (A) the Series 2026 Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, and this Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (B) authorizing the Trustee to rely upon Bond Counsel's approving opinion as if it were addressed to the Trustee.

(c) The Authority hereby authorizes and directs the Trustee to execute and deliver the Tax Regulatory Agreement dated the Series 2026 Closing Date, among the Authority, the Trustee and the Corporation.

Section 3.13 Book-Entry Registration of Series 2026 Bonds.

(a) The Series 2026 Bonds shall be initially issued in the name of Cede & Co., as nominee for DTC, as registered owner of the Series 2026 Bonds, and held in the custody of DTC (or the Trustee as the agent of DTC under the F.A.S.T. delivery system). The Authority and the Trustee acknowledge that the Authority has executed and delivered a Blanket Letter of Representations with DTC and that the terms and provisions of said Letter of Representations shall govern in the event of any inconsistency between the provisions of this Indenture and said Letter of Representations. A single bond certificate for each maturity of Series 2026 Bonds will be issued and delivered to DTC. The Beneficial Owners will not receive physical delivery of Series 2026 Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Series 2026 Bond acquired. For so long as DTC shall continue to serve as securities depository for the Series 2026 Bonds as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Series 2026 Bonds is to receive, hold or deliver any Series 2026 Bond certificate.

(b) For every transfer and exchange of the Series 2026 Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner's allocable share of any tax, fee or other governmental charge that may be imposed in relation thereto.

(c) The Authority, the Corporation and the Trustee will recognize DTC or its nominee as the Bondholder for all purposes, including notices and voting.

(d) Neither the Authority, the Trustee, the Corporation nor the Board is responsible for the performance by DTC of any of its obligations, including, without limitation, the payment of moneys received by DTC, the forwarding of notices received by DTC or the giving of any consent or proxy in lieu of consent.

(e) Whenever during the term of the Series 2026 Bonds the beneficial ownership thereof is determined by a book entry at DTC, the requirements of this Indenture of holding, delivering or transferring Series 2026 Bonds shall be deemed modified to require the appropriate person to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

(f) DTC may determine to discontinue providing its services with respect to the Series 2026 Bonds at any time by giving notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(g) The Authority, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2026 Bonds if the Authority determines that (i) DTC is unable to discharge its responsibilities with respect to the Series 2026 Bonds, or (ii) a continuation of the requirement that all of the outstanding Series 2026 Bonds be registered on the registration books kept by the Trustee in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of the Series 2026 Bonds.

(h) Upon the termination of the services of DTC with respect to the Series 2026 Bonds pursuant to the above two paragraphs, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Authority is willing and able to undertake such functions upon reasonable and customary terms, the Authority is obligated to deliver Series 2026 Bonds to the owner, at the expense of the said owner as described in this Indenture, and the Series 2026 Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names holders transferring or exchanging Series 2026 Bonds shall designate in accordance with the provisions of this Indenture.

(i) Notwithstanding any other provision of this Indenture to the contrary, so long as any Series 2026 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Series 2026 Bond and all notices with respect to such Series 2026 Bond shall be made and given, respectively, in the manner provided in the Blanket Letter of Representations of the Authority dated May 24, 2019 and delivered to DTC.

(j) If at any time DTC ceases to hold the Series 2026 Bonds, all references herein to DTC shall be of no further force or effect.

(k) Neither the Authority nor the Trustee shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds regarding accuracy of any records maintained by DTC or DTC participants, the payments by DTC or DTC participants of any amount in respect of principal, redemption price or interest on the Bonds, any notice which is permitted or required to be given to or by Owners hereunder (except such notice as is required to be given by the Authority to the Trustee or to DTC), or any consent given or other action taken by DTC as Bondholder.

Section 3.14 Series 2026 Bond Insurance Provisions. Notwithstanding anything herein to the contrary, the following provisions shall apply as long as the Series 2026 Bond Insurance Policy is in effect:

(a) Notice and Other Information to be given to BAM. The Authority, the Board or the Corporation will provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Series 2026 Insured Obligations or the Trustee under the Security Documents.

The notice address of BAM is: Build America Mutual Assurance Company, 28 Liberty Street, 59th Floor, New York, NY 10005, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 962-2500, Telecopier: (212) 235-1524, Email: notices@buildamerica.com. In each case in which notice or

other communication refers to an event of default or a claim on the Series 2026 Bond Insurance Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(b) Defeasance. The investments in defeasance escrows relating to the Series 2026 Insured Obligations shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by BAM.

At least (three) 3 Business Days prior to any defeasance with respect to the Series 2026 Insured Obligations, the Authority shall deliver to BAM draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Series 2026 Insured Obligations, a verification report (a "*Verification Report*") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to BAM and shall be in form and substance satisfactory to BAM. In addition, the escrow agreement shall provide that:

(i) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion (if interest on the Series 2026 Insured Obligations is excludable) from gross income of the holders of the Series 2026 Insured Obligations of the interest on the Series 2026 Insured Obligations for federal income tax purposes and the prior written consent of BAM, which consent will not be unreasonably withheld.

(ii) The Authority, the Board, and the Corporation will not exercise any prior optional redemption of Series 2026 Insured Obligations secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to BAM a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(iii) The Authority, the Board, and the Corporation shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of BAM.

(c) Trustee and Paying Agent.

(i) BAM shall receive prior written notice of any name change of the Trustee or, if applicable, the paying agent (the "*Paying Agent*") for the Series 2026 Insured Obligations or the resignation or removal of the Trustee or, if applicable, the Paying Agent. Any Trustee must be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least $250 million of assets, (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least $1 billion of assets, or (C) otherwise approved by BAM in writing.

(ii) No removal, resignation or termination of the Trustee or, if applicable, the Paying Agent shall take effect until a successor, meeting the requirements above or acceptable to BAM, shall be qualified and appointed.

(d) Amendments, Supplements and Consents. BAM's prior written consent is required for all amendments and supplements to the Security Documents, with the exceptions noted below. The Authority, the Board and the Corporation shall send copies of any such amendments or supplements to BAM and the rating agencies which have assigned a rating to the Series 2026 Insured Obligations.

(i) *Consent of BAM*. Any amendments or supplements to the Security Documents shall require the prior written consent of BAM with the exception of amendments or supplements:

(A) To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereto, or

(B) To grant or confer upon the holders of the Series 2026 Insured Obligations any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Series 2026 Insured Obligations, or

(C) To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Security Documents other conditions, limitations and restrictions thereafter to be observed, or

(D) To add to the covenants and agreements of the Authority, the Board or the Corporation in the Security Documents other covenants and agreements thereafter to be observed by the Authority, the Board or the Corporation or to surrender any right or power therein reserved to or conferred upon the Authority, the Board or the Corporation;

(E) To issue additional parity debt in compliance with the terms of the Security Documents; or

(F) To add additional immovable property for the Facilities as permitted by Section 8.3 of the Loan Agreement.

(ii) *Consent of BAM in Addition to Bondholder Consent*. Whenever any Security Document requires the consent of holders of Series 2026 Insured Obligations, BAM's consent shall also be required. In addition, any amendment, supplement, modification to, or waiver of, any of the Security Documents that adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.

(iii) *Insolvency*. Any reorganization or liquidation plan with respect to the Authority, the Board or the Corporation must be acceptable to BAM. The Trustee and each owner of the Series 2026 Insured Obligations hereby appoint BAM as their agent and attorney-in-fact with respect to the Series 2026 Insured Obligations and agree that BAM may at any time during the continuation of any proceeding by or against the Authority or Corporation under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "*Insolvency Proceeding*") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any

claim or enforcement proceeding in connection with an Insolvency Proceeding (a "*Claim*"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each owner of the Series 2026 Insured Obligations delegate and assign to BAM, to the fullest extent permitted by law, the rights of the Trustee and each owner of the Series 2026 Insured Obligations with respect to the Series 2026 Insured Obligations in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

(iv) *Control by BAM Upon Default*. Anything in the Security Documents to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, BAM shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Series 2026 Insured Obligations or the Trustee or Paying Agent for the benefit of the holders of the Series 2026 Insured Obligations under any Security Document. No default or event of default may be waived without BAM's written consent.

(v) *BAM as Owner*. Upon the occurrence and continuance of a default or an event of default, BAM shall be deemed to be the sole owner of the Series 2026 Insured Obligations for all purposes under the Security Documents, including, without limitations, for purposes of exercising remedies and approving amendments.

(vi) *Consent of BAM for acceleration.* BAM's prior written consent is required as a condition precedent to and in all instances of acceleration.

(vii) *Grace Period for Payment Defaults*. No grace period shall be permitted for payment defaults on the Series 2026 Insured Obligations. No grace period for a covenant default shall exceed 30 days without the prior written consent of BAM.

(viii) *Special Provisions for Insurer Default*. If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraphs (d)(i)-(v) above to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Series 2026 Bond Insurance Policy, to the extent of such payment BAM shall be treated like any other holder of the Series 2026 Insured Obligations for all purposes, including giving of consents, and (2) if BAM has not made any payment under the Series 2026 Bond Insurance Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Series 2026 Bond Insurance Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, "*Insurer Default*" means: (A) BAM has failed to make any payment under the Series 2026 Bond Insurance Policy when due and owing in accordance with its terms; or (B) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Series 2026 Bond Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

(e) Loan/Lease/Financing Agreement.

(i) The security for the Series 2026 Insured Obligations shall include a pledge and assignment of any agreement with any underlying obligor that is a source of payment for the Series 2026 Insured Obligations (a "Financing Agreement") and a default under any Financing Agreement shall constitute an Event of Default under the Security Documents. In accordance with the foregoing, any such Financing Agreement is hereby pledged and assigned to the Trustee for the benefit of the holders of the Series 2026 Insured Obligations.

(ii) Any payments by the Board under the Financing Agreement that will be applied to the payment of debt service on the Series 2026 Insured Obligations shall be made directly to the Trustee at least fifteen (15) days prior to each debt service payment date for the Series 2026 Insured Obligations.

(f) BAM As Third Party Beneficiary. BAM is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

(g) Payment Procedure Under the Series 2026 Bond Insurance Policy.

(i) In the event that principal and/or interest due on the Series 2026 Insured Obligations shall be paid by BAM pursuant to the Series 2026 Bond Insurance Policy, the Series 2026 Insured Obligations shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Authority, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Authority to the registered owners shall continue to exist and shall run to the benefit of BAM, and BAM shall be subrogated to the rights of such registered owners.

(ii) In the event that on the second (2^{nd}) business day prior to any payment date on the Series 2026 Insured Obligations, the Paying Agent or Trustee has not received sufficient moneys to pay all principal of and interest on the Series 2026 Insured Obligations due on such payment date, the Paying Agent or Trustee shall immediately notify BAM or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent or Trustee shall so notify BAM or its designee.

(iii) In addition, if the Paying Agent or Trustee has notice that any holder of the Series 2026 Insured Obligations has been required to disgorge payments of principal of or interest on the Series 2026 Insured Obligations pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Paying Agent or Trustee shall notify BAM or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of BAM.

(iv) The Paying Agent or Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Series 2026 Insured Obligations as follows:

(A) If there is a deficiency in amounts required to pay interest and/or principal on the Series 2026 Insured Obligations, the Paying Agent or Trustee shall (i) execute and deliver

to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holders of the Series 2026 Insured Obligations in any legal proceeding related to the payment and assignment to BAM of the claims for interest on the Series 2026 Insured Obligations, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Series 2026 Bond Insurance Policy payment from BAM with respect to the claims for interest so assigned, (iii) segregate all such payments in a separate account (the "*BAM Policy Payment Account*") to only be used to make scheduled payments of principal of and interest on the Series 2026 Insured Obligation, and (iv) disburse the same to such respective holders; and

(B) If there is a deficiency in amounts required to pay principal of the Series 2026 Insured Obligations, the Paying Agent or Trustee shall (i) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such holder of the Series 2026 Insured Obligations in any legal proceeding related to the payment of such principal and an assignment to BAM of the Series 2026 Insured Obligations surrendered to BAM, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Series 2026 Bond Insurance Policy payment therefore from BAM, (iii) segregate all such payments in the BAM Policy Payment Account to only be used to make scheduled payments of principal of and interest on the Series 2026 Insured Obligation, and (iv) disburse the same to such holders.

(v) The Trustee shall designate any portion of payment of principal on Series 2026 Insured Obligations paid by BAM, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2026 Insured Obligations registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Obligation to BAM, registered in the name directed by BAM, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Obligation shall have no effect on the amount of principal or interest payable by the Authority on any Insured Obligation or the subrogation or assignment rights of BAM.

(vi) Payments with respect to claims for interest on and principal of Series 2026 Insured Obligations disbursed by the Paying Agent or Trustee from proceeds of the Series 2026 Bond Insurance Policy shall not be considered to discharge the obligation of the Authority with respect to such Series 2026 Insured Obligations, and BAM shall become the owner of such unpaid Series 2026 Insured Obligations and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise. The Security Documents shall not be discharged or terminated unless all amounts due or to become due to BAM have been paid in full or duly provided for.

(vii) Irrespective of whether any such assignment is executed and delivered, the Authority, the Board, the Corporation and the Paying Agent and Trustee agree for the benefit of BAM that:

(A) They recognize that to the extent BAM makes payments directly or indirectly (*e.g.*, by paying through the Paying Agent or Trustee), on account of principal of or interest on the Series 2026 Insured Obligations, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Authority, Board or the Corporation, with interest thereon, as provided and solely from the sources stated in the Security Documents and the Series 2026 Insured Obligations; and

(B) They will accordingly pay to BAM the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Series 2026 Insured Obligations, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Series 2026 Insured Obligations to holders, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

(h) Additional Payments.

(i) The Authority, the Board and the Corporation agree unconditionally that they will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Security Documents ("*Administrative Costs*"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Authority, the Board and the Corporation agree that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

(ii) Notwithstanding anything herein to the contrary, the Authority agrees to pay to BAM (i) a sum equal to the total of all amounts paid by BAM under the Series 2026 Bond Insurance Policy ("*BAM Policy Payment*"); and (ii) interest on such BAM Policy Payments from the date paid by BAM until payment thereof in full by the Authority, payable to BAM at the Late Payment Rate per annum (collectively, "*BAM Reimbursement Amounts*") compounded semiannually. Notwithstanding anything to the contrary, including without limitation the post default application of revenue provisions, BAM Reimbursement Amounts shall be, and the Authority hereby covenants and agrees that the BAM Reimbursement Amounts are, payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Series 2026 Insured Obligations on a parity with debt service due on the Series 2026 Insured Obligations.

(i) Exercise of Rights by BAM. The rights granted to BAM under the Security Documents to request, consent to or direct any action are rights granted to BAM in consideration of its issuance of the Series 2026 Bond Insurance Policy. Any exercise by BAM of such rights is merely an exercise of the BAM's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Series 2026 Insured Obligations and such action does not evidence any position of BAM, affirmative or negative, as to whether the consent of the holders of the Series 2026 Insured Obligations or any other person is required in addition to the consent of BAM.

(j) BAM shall be entitled to pay principal or interest on the Series 2026 Insured Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Authority (as such terms are defined in the Series 2026 Bond Insurance Policy) and any amounts due on the Series 2026 Insured Obligations as a result of acceleration of the maturity thereof in accordance with the Security Documents, whether or not BAM has received a claim upon the Series 2026 Bond Insurance Policy.

(k) So long as the Series 2026 Insured Obligations are outstanding or any amounts are due and payable to BAM, the Board and the Corporation shall not sell, lease, transfer, encumber or otherwise

dispose of the Property or any material portion thereof, except upon obtaining the prior written consent of BAM.

(l) No contract shall be entered into or any action taken by which the rights of BAM or security for or source of payment of the Series 2026 Insured Obligations may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of BAM.

(m) If an event of default occurs under any agreement pursuant to which any Obligation of the Authority, the Board or the Corporation has been incurred or issued and that permits the holder of such Obligation or trustee to accelerate the Obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Series 2026 Insured Obligations or BAM, as BAM may determine in its sole discretion, then an event of default shall be deemed to have occurred under the Indenture and the related Security Documents for which BAM or the Trustee, at the direction of BAM, shall be entitle to exercise all available remedies under the Security Documents, at law and in equity. For purposes of the foregoing "*Obligation*" shall mean any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Series 2026 Insured Obligations.

ARTICLE 4
FUNDS AND ACCOUNTS; FLOW OF FUNDS; INVESTMENTS; DEPOSITS; AND ARBITRAGE

Section 4.1 Creation and Use of Funds and Accounts. Upon delivery of and payment for the Parity Bonds, the following special trust funds and accounts (except as qualified in this Section 4.1) shall be established and maintained with the Trustee as provided in this Article 4:

(a) Bond Proceeds Fund;

(i) Series 2026 Account;

(b) Costs of Issuance Fund;

(i) Series 2026 Account;

(c) Capitalized Interest Fund;

(i) Series 2026 Account;

(d) Debt Service Fund, and the following accounts therein:

(i) Interest Account;

(ii) Principal Account;

(e) Each of the following Project Funds:

(i) NTCC #1 – Hammond Area Campus;

(ii) NWLTC #1 – Shreveport Campus;

(iii) LDCC #1 – Bastrop Campus;

(iv) SLCC #1 – T.H. Harris Opelousas Campus;

(v) SLCC #2 – Morgan City Campus;

(vi) SOWELA #1 – Lake Charles Campus;

(f) Contingency Fund;

(g) Administrative Fund;

(h) Program Management Fund;

(i) Receipts Fund;

(j) Maintenance Reserve Fund;

(k) Project Pooled Investment Fund;

(l) Match Pooled Investment Fund; and

(m) Rebate Fund.

Section 4.2 Bond Proceeds Fund. The Series 2026 Account of the Bond Proceeds Fund shall be used to receive the proceeds of the Series 2026 Bonds and a cash contribution from the Board. On the Series 2026 Closing Date, the Trustee shall disburse amounts held in the Series 2026 Account of the Bond Proceeds Fund as follows:

(a) to the Administrative Fund the amount set forth in the request and authorization described in Section 3.12(b)(v) hereof;

(b) to the Program Management Fund in the amount set forth in the request and authorization described in Section 3.12(b)(v) hereof;

(c) to the Series 2026 Account of the Costs of Issuance Fund in the amounts set forth in the request and authorization described in Section 3.12(b)(v) hereof;

(d) to the Project Pooled Investment Fund in the amount set forth in the request and authorization described in Section 3.12(b)(v) hereof; and

(e) to the Series 2026 Account of the Capitalized Interest Fund in such amount as set forth in the request and authorization described in Section 3.12(b)(v) hereof.

Section 4.3 Costs of Issuance Fund. Amounts deposited on the Series 2026 Closing Date into the Series 2026 Account of the Costs of Issuance Fund shall be disbursed, pursuant to the written instructions of the Authority, to pay Costs of Issuance. Any amounts remaining in the Series 2026 Account of the Costs of Issuance Fund 180 days after delivery of the Series 2026 Bonds (and not

specifically committed to pay additional Costs of Issuance) shall be transferred into the Contingency Fund.

Section 4.4 Capitalized Interest Fund. The Series 2026 Account of the Capitalized Interest Fund shall be funded on the Series 2026 Closing Date from the proceeds of the Series 2026 Bonds in the amount set forth in the request and authorization described in Section 3.12(b)(v) hereof. The amounts on deposit in the Series 2026 Account of the Capitalized Interest Fund shall be transferred by the Trustee as necessary for deposit to the Interest Account of the Debt Service Fund to be used to pay interest on the Series 2026 Bonds in the amount of $_____ on October 1, 2027, in the amount of $_____ on April 1, 2028, in the amount of $_____ on October 1, 2028, and the remainder of the balance shall be applied towards the April 1, 2029 interest payment. Earnings on amounts in the Series 2026 Account of the Capitalized Interest Fund shall be retained in such fund. Any amounts remaining in the Series 2026 Account of the Capitalized Interest Fund after payment of the April 1, 2029 debt service payment shall be transferred to the Contingency Fund.

Section 4.5 Debt Service Fund.

(a) The Trustee shall deposit into the applicable account of the Debt Service Fund the amounts required by Section 4.10 of this Indenture.

(b) Moneys on deposit in the Interest Account of the Debt Service Fund shall be used solely to pay the interest on the Parity Bonds as it becomes due and payable, whether on an Interest Payment Date, at maturity or upon acceleration.

(c) Moneys on deposit in the Principal Account of the Debt Service Fund shall be used solely to pay the principal of the Parity Bonds as it becomes due and payable, whether at maturity, prior redemption or upon scheduled sinking fund redemption; and, if funds are available for such purpose and at the written direction of the Authority, to effect the redemption of the Parity Bonds prior to their maturity in accordance with the redemption provisions hereof or the purchase of Parity Bonds prior to their maturity in the open market at a price not in excess of the then applicable redemption price (the principal amount thereof, premium, if any, plus accrued interest).

Section 4.6 Project Funds.

(a) Project Funds and Accounts, as applicable, have been established for each Project and each shall be maintained by the Trustee in trust and each shall be used to receive the transfer from the proceeds of the Parity Bonds.

(b) Moneys in the Project Funds shall be applied to the payment of the Project Costs pursuant to the procedure established in Section 4.17 hereof and pending such application, shall be subject to a lien and charge in favor of the Parity Bondholders for the further security of such Bondholders until paid out or transferred as herein provided.

(c) Some or all of the Project Funds shall be funded with the proceeds of the Series 2026 Bonds in the amounts set forth in the request and authorization described in Section 3.12(b)(v) hereof.

Section 4.7 Contingency Fund. The Contingency Fund shall be funded from portions of the proceeds of the Parity Bonds and from amounts transferred to the Contingency Fund as set forth in Section 4.3, Section 4.4, and Section 4.13. The amounts on deposit in the Contingency Fund shall be

transferred to the Project Funds, the Administrative Fund, or the Debt Service Fund pursuant to the written instructions of the Corporation.

Section 4.8 Administrative Fund. Moneys in the Administrative Fund shall be applied to the payment of Administrative Costs pursuant to the procedure established in Section 4.17 hereof and pending such application, shall be subject to a lien and charge in favor of the Parity Bondholders for the further security of such Parity Bondholders until paid out or transferred as herein provided. The Trustee shall deposit funds to the Administrative Fund from time to time pursuant to the written instructions of the Corporation.

Section 4.9 Program Management Fund. Moneys in the Program Management Fund shall be applied to the payment of Administrative Costs relating to the management of the construction of the Projects pursuant to the procedure established in Section 4.17 hereof and pending such application, shall be subject to a lien and charge in favor of the Parity Bondholders for the further security of such Parity Bondholders until paid out or transferred as herein provided.

Section 4.10 Receipts Fund. All Base Rental received by the Corporation from the Board under the Facilities Lease shall be deposited into the Receipts Fund held by the Trustee and established under the Indenture. The Trustee shall send notice to the Board by September 1 of each Fiscal Year stating the amount necessary to make all Base Rental payments for such Fiscal Year on behalf of the Board pursuant to the Cooperative Endeavor Agreement and providing instructions regarding payment of such amount to the Trustee. The Trustee will transfer the amount so deposited in the Receipts Fund to the Debt Service Fund. Moneys on deposit in the Receipts Fund will be withdrawn by the Trustee in accordance with the requirements of the Indenture and applied in the following priority:

(a) At such time as may be required by the Tax Regulatory Agreement but not less often than annually, to the Rebate Fund, the amount required to be deposited thereunder;

(b) Semiannually, on March 15 and September 15 commencing March 15, 2027, to the Interest Account of the Debt Service Fund, an amount equal to the interest due and payable on the Parity Bonds on the following April 1 or October 1 as the case may be;

(c) Annually, on September 15 commencing September 15, 2039, to the Principal Account of the Debt Service Fund, an amount equal to the principal of and premium, if any, due and payable on the Parity Bonds on the next succeeding October 1;

(d) Annually, on September 15 commencing September 15, 2029, an amount equal to the Maintenance Reserve Fund Requirement to the Maintenance Reserve Fund;

(e) At such time designated by the Corporation, an amount specified by the Corporation into the Administrative Fund; and

(f) Annually, on October 1 commencing October 1, 2027, any amounts remaining in the Receipts Fund shall be transferred to the Contingency Fund. Beginning on the first October 1 following the Project Completion Date, any excess amount remaining in the Receipts Fund shall be transferred to the Principal Account of the Debt Service Fund.

Section 4.11 Maintenance Reserve Fund. The Maintenance Reserve Fund shall be maintained with the Trustee as provided in this Indenture and used to fund the cost of replacing any worn out,

obsolete, inadequate, unsuitable, or undesirable property, furniture, fixtures, or equipment of Lessee placed upon or used in connection with the Facilities. The Maintenance Reserve Fund shall be held for the sole benefit of the Board and is not pledged under this Indenture; the Maintenance Reserve Fund shall not constitute a part of the Trust Estate. Withdrawals from the Maintenance Reserve Fund for the purposes set forth above shall be made by the Trustee upon its receipt of a requisition from the Board or Corporation substantially in the form attached hereto as Exhibit C.

Section 4.12 Rebate Fund. Moneys deposited and held in the Rebate Fund shall be used to make all rebate payments owed to the United States under the Code, and shall not be subject to the pledge of this Indenture. The Corporation shall make the calculation(s) required by the Code and the Tax Regulatory Agreement and Arbitrage Certificate and shall direct the Trustee to make deposits to and make disbursements from the Rebate Fund that the Corporation determines are in accordance therewith. The Tax Regulatory Agreement and any provisions of this Indenture governing deposits to the Rebate Fund may be superseded or amended by the Corporation (except the requirement of annual calculations and deposits to the Rebate Fund, if required) if accompanied by an opinion of Bond Counsel addressed to the Corporation and the Trustee to the effect that the use of the new Tax Regulatory Agreement will not cause the interest on the Parity Bonds to become includable in gross income of the recipient thereof for federal tax purposes.

Section 4.13 Investments.

(a) Moneys contained in the Funds and Accounts held by the Trustee shall be continuously invested and reinvested by the Trustee at the direction of the Corporation in Permitted Investments, to the extent practicable, that shall mature (or be readily convertible to cash) not later than the respective dates, as estimated by the Corporation, when the moneys in said Funds and Accounts shall be required for the purposes intended, and:

(i) No such investment shall be required to be made unless the cash at the time available therefor is at least equal to $1,000;

(ii) The Trustee shall be authorized, to the extent necessary to enable the Trustee to discharge or perform its obligations hereunder, at any one or more times to sell any part or all of the investments whenever it may, for any reason or purpose whatsoever, deem any such sale to be desirable;

(iii) Any income derived from and any profit or loss on any such investment of moneys on deposit in any such fund or account shall be credited or debited, as the case may be, to the respective fund or account in which earned; and

(iv) No Permitted Investments in any fund or account may mature beyond the latest maturity date of any Parity Bonds outstanding at the time such Permitted Investments are deposited.

(b) An Authorized Corporation Representative shall give to the Trustee written directions respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Article and Article 5 of the Loan Agreement, and the Trustee shall then invest such money under this Section as so directed. The Trustee may conclusively rely upon the written directions of the Authorized Corporation Representative as to both the suitability and legality of the directed investments. The Trustee shall in no event have any liability for any loss resulting from the investment of moneys in accordance with the directions of the Authorized Corporation Representative. The Trustee

shall furnish the Authority annually with a written copy and the Corporation with a written copy for the Board, on at least a monthly basis, of the types, amounts, yield, and maturities of all such investments.

(c) All cash investments shall be valued by the Trustee as frequently as deemed necessary by the Trustee, but not less often than annually, at the market value thereof. Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value shall be restored no later than the succeeding valuation date.

(d) The Trustee shall maintain the Project Pooled Investment Fund in order to provide for the pooled investment of monies held in any of the Project Funds or the Contingency Fund. The Project Pooled Investment Fund shall only be used to provide for the pooled investment of monies and investments and the Trustee shall not pay any requisitions directly from the Project Pooled Investment Fund. Amounts on deposit in the Project Funds or the Contingency Fund shall, at the written direction of the Corporation or its designee, be transferred from time to time to the Project Pooled Investment Fund. Amounts on deposit in the Project Pooled Investment Fund shall, at the written direction of the Corporation or its designee, be transferred from time to time to any of the Project Funds or the Contingency Fund in order to fulfill the requirements of the Indenture. Earnings on funds held in the Project Pooled Investment Fund shall be retained in the Project Pooled Investment Fund for the benefit of the Contingency Fund.

(e) The Trustee shall maintain the Match Pooled Investment Fund in order to provide for the pooled investment of deposits received from the Corporation from time to time in amounts sufficient to satisfy the match requirements for each Project as set forth in Act No. 35 (each, a "*Match Deposit*"). The Match Pooled Investment Fund shall only be used to provide for the pooled investment of monies and investments and the Trustee shall not pay any requisitions directly from the Match Pooled Investment Fund. Amounts on deposit in the Match Pooled Investment Fund shall, at the written direction of the Corporation or its designee, be transferred from time to time to the Project Fund for the underlying Project for which the Match Deposit is made in order to fulfill the requirements of the Indenture. Earnings on funds held in the Match Pooled Investment Fund shall be retained in the Match Pooled Investment Fund for the benefit of the Project Funds. The Match Pooled Investment Fund shall be held for the sole benefit of the Board and is not pledged under this Indenture; the Match Pooled Investment Fund shall not constitute a part of the Trust Estate.

Section 4.14 Depository of Moneys and Security for Deposits. All of the funds and accounts established hereunder (except for the Maintenance Reserve Fund and the Rebate Fund) shall be special trust accounts held by the Trustee in trust for the benefit of the owners of the Parity Bonds and shall not be subject to lien or attachment by any creditors of the Trustee, the Authority, the Corporation, or the Board. Uninvested sums in these funds and accounts shall be continually secured as are deposits of uninvested sinking funds of political subdivisions of the State or in the manner prescribed by Federal law for securing any Federal trust funds as may be prescribed from time to time by the Comptroller of the Currency.

Section 4.15 Arbitrage. Notwithstanding all the provisions hereof, neither the Authority nor the Corporation shall direct the investment of moneys in the various funds and accounts created hereunder in a manner that would result in the loss of exclusion from gross income of interest on the Parity Bonds for Federal income tax purposes or in such manner which would result in the Parity Bonds becoming "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 4.16 Payments From Project Funds.

(a) Payment of the Project Costs shall be made from the Project Funds. Transfers to the Project Funds for the payment of Project Costs shall be made first from the Project Pooled Investment Fund and second from the Match Pooled Investment Fund pursuant to this Indenture. All payments from the Project Funds shall be subject to the provisions and restrictions set forth in this Article, and the Authority covenants that it will not cause or permit to be paid from the Project Funds any sums except in accordance with such provisions and restrictions.

(b) Moneys in the Project Funds shall be used to pay the Project Costs; provided that if an Event of Default under the Loan Agreement or Indenture has occurred and is continuing, the Trustee shall transfer moneys in the Project Funds to the Debt Service Fund for the purpose of paying the principal of, premium, if any, and interest on the Parity Bonds.

Section 4.17 Requisitions from the Project Funds, the Administrative Fund and the Program Management Fund.

(a) Payments from the Project Funds, the Administrative Fund and the Program Management Fund shall be made in accordance with the provisions of this Section. In connection with a payment from the Project Funds, the Administrative Fund or the Program Management Fund, there shall be filed with the Trustee a requisition, substantially in the form of Exhibit B attached hereto and made a part hereof, signed by an Authorized Corporation Representative, stating:

(i) the fund being requisitioned and the item number of each such payment,

(ii) the name of the person, firm or corporation to whom each such payment is due, or, if such payment has been made by the Corporation, that the Trustee is to reimburse the Corporation directly for such payment, along with instructions as to whether such payment is to be made by check, wire or other method,

(iii) the respective amounts to be paid,

(iv) the purpose by general classification for which each obligation to be paid was incurred,

(v) that obligations in the stated amounts have been incurred by the Corporation and are either (A) presently due and payable or (B) have been paid by the Corporation and that each item thereof is a proper charge against the Project Fund and has not been the subject of any prior requisition,

(vi) that such requisition contains no item representing payment on account of any retainage to which the Corporation is entitled at the date of such requisition,

(vii) a certification that all work, materials, supplies and equipment which are the subject of such requisition have been properly performed or delivered, and

(viii) invoices or other supporting documentation as appropriate.

(b) Upon receipt of each requisition and accompanying certificate and information, the Trustee shall pay the obligations set forth in such requisition out of the money in the particular Project

Fund, the Administrative Fund or the Program Management Fund, and each such obligation shall be paid by check signed by one or more officers or employees of the Trustee designated for such purpose by the Trustee or by wire transfer or credit to an account of the Corporation held by the Trustee or in such other manner as may be agreed on by the Corporation and the Trustee. In making such payments the Trustee may rely upon such requisitions. If for any reason the Corporation should decide prior to the payment of any item in a requisition not to pay such item, it shall give written notice of such decision to the Trustee and thereupon the Trustee shall not make such payment.

Section 4.18 Reliance upon Requisitions.

(a) All requisitions and opinions received by the Trustee as conditions of payment from any of the Funds and Accounts may be relied upon by the Trustee and shall be retained by the Trustee, subject at all reasonable times to examination by the Authority, the Board and the Corporation.

(b) The Trustee shall rely fully on any such request and certificate delivered pursuant to this Section and shall not be required to make any investigation in connection therewith. The Trustee shall be under no duty or obligation to analyze or verify any documentation supporting the payments or reimbursements by the obligor, but shall hold and provide to Parity Bondholders upon request such documentation supporting the payments or reimbursements requested by the obligor, solely as a repository for the benefit of Parity Bondholders.

(c) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that (i) the Corporation, subsequent to such transmission of written instructions, shall provide the originally executed instructions or directions to the Trustee in a timely manner, (ii) such originally executed instructions or directions shall be signed by a person as may be designated and authorized to sign for the Corporation or in the name of the Corporation, by an Authorized Corporation Representative, and (iii) the Corporation shall provide to the Trustee an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Corporation elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Corporation agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 4.19 Completion of the Projects and Disposition of Project Fund Balance. On the Project Completion Date, the balance in the Project Funds shall be transferred by the Trustee to the Principal Account of the Debt Service Fund (subject to the provisions of Section 4.5 hereof) and applied to redeem the Parity Bonds in accordance with the provisions of Section 3.4 hereof.

Section 4.20 Amounts Remaining in Funds; Releases. It is agreed by the parties hereto that any amounts remaining in the Funds and Accounts existing pursuant to this Indenture upon the expiration or sooner cancellation or termination of the Loan Agreement, as provided therein, after payment in full of all Parity Bonds then outstanding under this Indenture (or provisions for the payment thereof having been

made in accordance with Article 12 of this Indenture), and the fees, charges and expenses of the Authority and the Trustee and all other amounts required to be paid under the Loan Agreement and under this Indenture, other than amounts payable as arbitrage rebate under Section 148(f) of the Code, shall belong to and be paid to the Board.

Section 4.21 Application of Insurance Proceeds; Condemnation Award.

(a) If all or any portion of the Facilities is damaged or destroyed by a Casualty (as defined in the Facilities Lease), or is taken by Expropriation (as defined in the Facilities Lease) proceedings, the Board shall instruct the Corporation, as expeditiously as possible, to continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof; provided however, that the Corporation shall in no way be liable for any costs of the repair, restoration or replacement of the Facilities in excess of the proceeds of any insurance or of any Expropriation award received because of such Casualty or Expropriation. The proceeds of any insurance, including the proceeds of any self-insurance fund, or of any Expropriation award or payment in lieu of Expropriation, received on account of any damage, destruction or taking of all or any portion of the Facilities shall be delivered to the Trustee and held by the Trustee in a special account to be established upon receipt of any such funds and held by the Trustee in trust or in the case of self-insurance through ORM, as set forth in paragraph (c) below; and shall be made available for, and to the extent necessary be applied to, such restoration, repair and replacement. Any amounts so held by the Trustee shall be disbursed to pay the costs of restoration, replacement and repair of the Facilities with respect to which they are held, in each case promptly after receipt of a written request of the Corporation as advised by the Board stating that the amount to be disbursed pursuant to such request will be used to pay costs of replacing or repairing or restoring the Facilities and that no amount previously has been disbursed by the Trustee for payment of the costs to be so paid. In making such payments, the Trustee may conclusively rely upon such written requests and shall have no liability or responsibility to investigate any matter stated therein, or for any inaccuracy or misstatement therein. In no event shall the Trustee be responsible for the adequacy of the plans and specifications or construction contract relating to the replacement, restoration, or repair of the Facilities, or for the improper use of moneys properly disbursed pursuant to request made under this Section. Any proceeds remaining on deposit with Trustee following completion of the repairs, restoration or replacement of the Facilities shall be paid by Trustee to the Corporation for the Board.

(b) In the event the Board decides not to repair, restore or replace any of the Facilities for any reason, all insurance proceeds received or payable as a result of Casualty with respect to such Facilities, or all proceeds received or payable as a result of Expropriation proceedings with respect to such Facilities (including payments received or payable in lieu of Expropriation) shall be paid to the Trustee and applied to the redemption of the Parity Bonds in accordance with Section 3.4(c)(ii) of this Indenture.

(c) In the event that ORM insures the Facilities, the Board shall cause the Corporation to use the insurance proceeds received from ORM in accordance with Policy and Procedure Memorandum Number 10 (requiring invoices to be submitted to ORM for payment to vendors, or alternatively, production of invoices paid by the Board to ORM for reimbursement of vendor payments) to effect the repair, restoration or replacement of the Facilities.

Section 4.22 Application of Money in Maintenance Reserve Fund.

(a) The Trustee shall, in accordance with Section 4.10(d) hereof, withdraw such amounts from the Receipts Fund each year, beginning September 15, 2029 and each September 15 thereafter, as are needed to fund the Maintenance Reserve Fund to satisfy the Maintenance Reserve Fund Requirement.

(b) All moneys in the Maintenance Reserve Fund shall be held for the benefit of the Board, are not pledged under this Indenture and may be drawn on and used by the Board to (i) replace any worn out, obsolete, inadequate, unsuitable or undesirable property, furniture, equipment, fixtures and other property owned by the Board or Corporation and located on the Facilities and (ii) maintain the Facilities and to make all alterations, repairs, restorations and replacements to the Facilities as and when needed to preserve the Facilities in good working order, condition and repair, each as required by the Facilities Lease. Withdrawals from the Maintenance Reserve Fund for the purposes set forth above shall be made by the Trustee upon its receipt of a requisition from the Board or Corporation substantially in the form attached hereto as Exhibit C.

(c) Any funds remaining in the Maintenance Reserve Fund at the time the Parity Bonds are paid in full or provision for their payment is made in accordance with Article 12 hereof shall be paid to the Board.

Section 4.23 Application of Moneys in the Rebate Fund. Moneys in the Rebate Fund shall be used to make any rebate payments required to be made to the United States under the Code. The Rebate Fund shall be held for the sole benefit of the United States of America and is not pledged under this Indenture. Moneys required to be paid to the United States shall be deposited in the Rebate Fund by the Board as Base Rental under the Facilities Lease as required thereby and by this Indenture.

ARTICLE 5
ADDITIONAL BONDS

Section 5.1 Additional Bonds.

(a) Additional Bonds may be issued in one or more series by the Authority as Parity Bonds at the request of the Corporation under a supplement to this Indenture to pay all or part of the cost of the Facilities so long as:

(i) The total principal and interest due on the outstanding Parity Bonds and any Additional Bonds during any Bond Year does not exceed the maximum appropriation available from the State to pay Base Rental in such Bond Year pursuant to the Cooperative Endeavor Agreement;

(ii) The Additional Bonds are payable as to principal on October 1st and payable as to interest on April 1st and October 1st of each year;

(iii) No Event of Default under this Indenture has occurred and is then continuing;

(iv) There shall have been filed with the Trustee an opinion of an attorney or firm of attorneys generally recognized as having expertise in matters relating to municipal bonds to the effect that the exclusion from gross income for Federal income tax purposes of the interest on the Parity Bonds then outstanding under this Indenture shall not be adversely affected; and

(v) The Authority shall deliver an Issuance Advice Letter substantially in the form attached hereto as Exhibit D.

(b) Such series of Additional Bonds shall be appropriately designated, shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered, shall have such paying agents and shall have such maturities and redemption provisions, all as may be provided in the supplement to the Indenture or the separate indenture authorizing the issuance of such series of Additional Bonds.

Section 5.2 Refunding Bonds. Refunding Bonds may be issued under and secured by a supplement to this Indenture for the purpose of providing funds for the refunding of the Parity Bonds, upon compliance with Section 5.1 above.

ARTICLE 6
COSTS OF ISSUANCE

Section 6.1 Payment of Costs of Issuance. There shall be paid into the Series 2026 Account of the Costs of Issuance Fund the amounts required to be so paid from the Series 2026 Account of the Bond Proceeds Fund pursuant to Section 4.2(a) of this Indenture; any additional costs of issuance shall be paid solely by the Corporation. The Trustee shall make payments from the Costs of Issuance Fund upon receipt of statements from the parties entitled to be paid therefrom accompanied by a written request of the Authority directing the Trustee to pay such statements.

ARTICLE 7
ENFORCEMENT OF LOAN AGREEMENT AND FACILITIES LEASE

Section 7.1 Assignment of Loan Agreement and Facilities Lease. The Authority has assigned all of its right, title and interest in, to and under the Loan Agreement (except for rights relating to exculpation, indemnification and payment of expenses thereunder), including the interest of the Authority in and to the Facilities Lease assigned by the Corporation to the Authority thereunder (except for payments of Additional Rentals made thereunder), to the Trustee as security for the Parity Bonds and hereby agrees that the Loan Agreement and the Facilities Lease may be enforced by the Trustee and/or the owners of the Parity Bonds issued hereunder in accordance with the terms hereof and thereof. Notwithstanding such assignment, the Authority agrees to cause the Corporation to comply with the terms contained in the Loan Agreement and the Facilities Lease and the rights of the Bondholders and the Trustee shall be governed by the provisions of this Indenture, the Loan Agreement and the Facilities Lease.

Section 7.2 Trustee or Bondholders to Enforce Loan Agreement, Facilities Lease and Mortgage. The Trustee may, and upon request of the owners of a majority in aggregate principal amount of the Parity Bonds then outstanding shall, subject to the provisions of Section 8.11 and Article 9 hereof, strictly and promptly enforce the provisions of the Loan Agreement, the Facilities Lease and Mortgage so long as any of the Parity Bonds remain outstanding under the Indenture. All rights of action (including the right to file proof of claims) to enforce the Loan Agreement, the Facilities Lease and Mortgage under the Indenture or under any of the Parity Bonds may be enforced by the Trustee without the possession of the Parity Bonds and without their production in any trial or other proceeding relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee for the Bondholders without the necessity of joining as plaintiffs or defendants any of the Bondholders.

ARTICLE 8
EVENTS OF DEFAULT; REMEDIES

Section 8.1 No Extension of Time for Payment of Principal, Premium or Interest. The Trustee shall not be authorized to extend the time for any payment of principal, premium or interest without the prior written consent or authorization by the owner of every Parity Bond so affected.

Section 8.2 Events of Default.

(a) Each of the following events is hereby declared to be an "*Event of Default*":

(i) The payment of any installment of interest on any of the Parity Bonds shall not be made when the same shall become due and payable;

(ii) The payment of the principal of or premium, if any, on any of the Parity Bonds shall not be made when the same shall become due and payable, whether at maturity or by proceedings for redemption or by acceleration or otherwise;

(iii) An "Event of Default" under Article 9 of the Loan Agreement shall have occurred and shall not have been cured within the applicable cure period, EXCEPT that the failure of the Corporation to make the payments described in Section 4.2(b)(iv) of the Loan Agreement as a result of the Legislature's failure to appropriate funds necessary for the Maintenance Reserve Fund shall NOT constitute a Default under this Indenture;

(iv) A default shall occur under Section 22 of the Facilities Lease, EXCEPT that the failure of the Board to make that portion of the payment of Base Rental necessary for the Maintenance Reserve Fund due to the Legislature's failure to appropriate funds for the Maintenance Reserve Fund shall NOT constitute a Default under this Indenture;

(v) If by action or inaction of the Authority, the Board or the Corporation the interest on the Parity Bonds shall become includable in gross income for Federal income tax purposes; or

(vi) Default by the Authority in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Parity Bonds or in this Indenture on the part of the Authority to be performed, if such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority, the Board and the Corporation by the Trustee, which notice shall be given at the written request of the owners of not less than a majority in principal amount of the Parity Bonds then outstanding. Such default shall not become an Event of Default if said default be of the nature that (A) it cannot be corrected within the thirty (30) day period after receipt of notice, but the Authority (or the Corporation pursuant to the provisions of Section 8.14 of this Indenture) promptly shall institute and diligently pursue corrective action until such default is cured or (B) the Trustee shall determine that such default is not curable but such default does not affect the validity or enforceability of the Parity Bonds, this Indenture or the Loan Agreement, an event of nonperformance shall not have occurred under the Loan Agreement (other than as a result of the cross-default provisions), and such default does not impair the security or the obligations provided for or under the Parity Bonds, this Indenture or the Loan Agreement.

(b) The word "*default*," as used herein, means failure of performance when due, exclusive of any period of grace, if any, allowed to correct any such failure.

Section 8.3 Remedies. Upon the occurrence of an Event of Default, the Authority, the Trustee and, subject to Sections 8.10 and 8.11, the Bondholders shall have all the rights and remedies as may be allowed by law, this Indenture, or pursuant to the provisions of the Loan Agreement and/or the Facilities Lease by virtue of their assignment hereunder, including but not limited to, acceleration of the maturity of all Parity Bonds, or suit at law or in equity to enforce or enjoin the action or inaction of parties under the provisions of this Indenture, the Loan Agreement or the Facilities Lease.

Section 8.4 Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of an Event of Default described in Section 8.2 of this Indenture the Trustee may, and upon the written request of a majority in aggregate principal amount of the Parity Bondholders shall, by notice in writing to the Authority, the Board and the Corporation declare the Parity Bonds then outstanding immediately due and payable, and such Parity Bonds shall become and be immediately due and payable, anything in such Parity Bonds or in the Loan Agreement or this Indenture to the contrary notwithstanding, and, subject to Article 9, the Trustee may exercise any remedies granted to it herein. In such event, there shall be due and payable on the Parity Bonds an amount equal to the principal amount of all the Parity Bonds then outstanding plus all interest accrued thereon and which will accrue thereon to the date of payment; and

(b) At any time after the principal of the Parity Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Indenture, the Loan Agreement or the Facilities Lease, the Trustee shall annul such declaration and its consequences with respect to the Parity Bonds if (i) moneys shall have been deposited in the Debt Service Fund sufficient to pay all matured installments of principal (other than principal due solely because of acceleration) and interest; (ii) moneys shall be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Authority and the Trustee; (iii) all other amounts then payable by the Authority or the Corporation under this Indenture or the Loan Agreement shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every Event of Default known to the Authority or the Trustee (other than a default in the payment of the principal of the Parity Bonds due only because of such declaration) shall have been remedied to the satisfaction of the Authority and the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 8.5 Insufficiency in the Debt Service Fund; Application of Moneys.

(a) Anything in this Indenture to the contrary notwithstanding, if at any time the moneys in the Debt Service Fund shall not be sufficient to pay the interest on, premium, if any, or the principal of the Parity Bonds as the same shall become due and payable (either by their terms or by acceleration of maturities), such moneys, together with any other moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall, subject to the provisions of Sections 9.2 and 9.4 hereof, be applied as follows:

(i) Unless the principal of all the Parity Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST, to the payment to the persons entitled thereto of all installments of interest then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay any particular installment, then to the payment

thereof, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Parity Bonds; then

SECOND, to the payment to the persons entitled thereto of the unpaid principal of any of the Parity Bonds which shall have become due and payable (other than Parity Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture) in the order of their due dates, with interest on the principal amount of such Parity Bonds due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Parity Bonds and their interest thereon, then to the payment thereof ratably, according to the amount of the interest due on such date, and next to the payment of the principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and then

THIRD, to the payment of the interest on and the principal of the Parity Bonds, to the purchase and retirement of Parity Bonds and to the redemption of Parity Bonds, all in accordance with the provisions of this Indenture.

(ii) If the principal of all the Parity Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Parity Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Parity Bond over any other Parity Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference; and

(iii) If the principal of all the Parity Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled, then, subject to the provisions of Section 8.5(a)(ii) above, in the event that the principal of all the Parity Bonds shall later become or be declared due and payable, then all such moneys shall be applied in accordance with the provisions of Section 8.5(a)(i) above.

(b) The Trustee shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give notice of the fixing of any such date and shall not be required to make payment to the owner of any Parity Bond until such Parity Bond shall be surrendered to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 8.6 Discontinuance of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case the Authority, the Trustee and the Parity Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

Section 8.7 Appointment of Receiver. Upon the occurrence of an Event of Default, and upon filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Parity Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or keeper pending such proceedings, with such powers as the court making such appointment shall confer.

Section 8.8 Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Parity Bondholders is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity on or after the date of adoption of this Indenture.

Section 8.9 Remedies Vested in Trustee. All rights of action under this Indenture, the Loan Agreement or under any of the Parity Bonds may be enforced by the Trustee without possession of the Parity Bonds and without their production in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee may be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Parity Bonds.

Section 8.10 Majority of Bondholders Control Proceedings. If an Event of Default shall have occurred and be continuing, notwithstanding anything in this Indenture to the contrary, the owners of at least a majority of the aggregate outstanding principal amount of Parity Bonds then outstanding shall have the right, at any time by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of this Indenture, provided the direction is in accordance with law and the provisions of this Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of Parity Bondholders not joining in such direction, and provided further, that nothing in this Section shall impair the right of the Trustee in its discretion to take any other action under this Indenture which it may deem proper and which is not inconsistent with the direction by Parity Bondholders.

Section 8.11 Individual Bondholder Action Restricted.

(a) No owner of any Parity Bond shall have any right to institute any suit, action or proceeding for the enforcement of this Indenture or for the execution of any trust hereunder or for any remedy under this Indenture unless:

(i) An Event of Default has occurred (other than under Sections 8.2(a)(i) or 8.2(a)(ii)) as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing; and

(ii) The owners of at least a majority of the aggregate outstanding principal amount of Parity Bonds outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in this Indenture or to institute an action, suit or proceeding in its own name; and these Parity Bondholders shall have offered the Trustee such indemnity as may be satisfactory to the Trustee, and the Trustee shall have failed or refused to exercise the powers granted in this Indenture or to institute an action, suit or proceeding in its own name for a period of sixty (60) days after receipt of the request and offer of indemnity.

(b) No one or more owners of Parity Bonds shall have any right in any manner whatsoever to disturb or prejudice the security of this Indenture or to enforce any right hereunder except in the manner herein provided and then only for the equal benefit of the owners of all outstanding Parity Bonds.

Section 8.12 Waiver and Non-Waiver of Event of Default.

(a) No delay or omission of the Trustee or of any owner of Parity Bonds to exercise any right or power accruing upon any Event of Default shall impair the right or power or shall be construed to be a waiver of an Event of Default or an acquiescence therein. Every power and remedy given by this Article

to the Trustee and to the owners of the Parity Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive any Event of Default that in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Indenture or before the completion of the enforcement of any other remedy under this Indenture.

(c) Notwithstanding anything contained in this Indenture to the contrary, the Trustee, upon written request of the owners of at least a majority of the aggregate principal amount of the Parity Bonds then outstanding shall waive any Event of Default and its consequences; provided, however, that a default in the payment of the principal of, premium, if any, and interest on any Bond, when due and payable or upon call for redemption, may not be waived after the date the same becomes due and payable without the written consent of the owners of all the Parity Bonds at the time outstanding.

(d) In case of a waiver by the Trustee of any Event of Default, the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights under this Indenture but no waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with this Section.

Section 8.13 Notice of Defaults.

(a) Within thirty (30) days after the receipt of notice of an Event of Default or the occurrence of an Event of Default of which the Trustee is deemed to have notice, the Trustee shall (unless the Event of Default has already been cured) give written notice of the Event of Default to the owners of all Parity Bonds then outstanding in the manner provided in Section 13.8 of this Indenture.

(b) The Trustee shall immediately notify, in writing, the Authority, the Board, and the Corporation of any Event of Default known to the Trustee.

Section 8.14 Opportunity of Corporation to Cure Certain Defaults. The Authority and the Trustee hereby grant the Corporation full authority on the account of the Board and/or the Authority to perform any covenant or obligation and to otherwise fulfill any condition the failure or non-performance of which is or is alleged to be a default under Section 8.2(a)(vi) of this Indenture, and the Trustee agrees that performance by the Corporation shall be deemed to be performance by the Board and/or the Authority.

ARTICLE 9
CONCERNING THE TRUSTEE

Section 9.1 Acceptance of Trusts. The Trustee hereby represents and warrants to the Authority (for the benefit of the Board, the Corporation and the Parity Bondholders as well as the Authority) that it is a state banking corporation duly organized and existing under the laws of the state of Mississippi and that it is duly authorized under such laws to accept and execute trusts of the character herein set out. The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Indenture including the following express terms and conditions, to all of which the parties hereto and the respective Owners of the Parity Bonds agree:

(a) Except during the continuance of an Event of Default within the purview of Section 8.2, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and the Trustee shall not be responsible for (i) the legality or enforceability of this Indenture (except with respect to performance of its obligations hereunder), the Loan Agreement (except with respect to performance of its obligations hereunder), the Ground Lease, the Facilities Lease (except with respect to performance of its obligations hereunder), the Tax Regulatory Agreement (except with respect to performance of its obligations thereunder), and any supplement thereto, the Parity Bonds (except as to the authentication of the Parity Bonds), or any instruments or documents related thereto (collectively, the "*Transaction Documents*") or (ii) the legality, perfection, sufficiency or priority of the Trust Estate or any lien purported to be granted thereon under any of the aforesaid documents or otherwise. No implied covenants or obligations shall be read into this Indenture against the Trustee.

(b) No provision of this Indenture shall be construed to relieve the Trustee from liability for its negligence or willful misconduct, except that:

(i) in the absence of bad faith on the part of the Trustee, the Trustee may rely upon the authenticity of, and the truth of the statements and the correctness of the opinions expressed in, and shall be protected fully from liability in relying or acting upon, any resolution, opinion of counsel, certificate, request, notice, consent, waiver, order, signature guaranty, notarial seal, stamp, acknowledgment, verification, appraisal, report or other paper or document believed by the Trustee to be genuine and to have been signed, affixed or presented by the proper party or parties; but in the case of any such certificates or opinions that by any provision hereby are specifically required to be furnished to the Trustee, as the case may be, the Trustee shall be under a duty to examine the same to determine whether or not they conform to requirements of this Indenture;

(ii) in the absence of bad faith on the part of the Trustee, whenever the Trustee, or any of its agents, representatives, experts or counsel, shall consider it necessary or desirable that any matter be proved or established, such matter shall be deemed to be conclusively proved and established by a certificate executed by an Authorized Authority Representative; provided, however, that the Trustee, or such agent, representative, expert or counsel may require, but is not obligated to require, such further and additional evidence and make such further investigation as it or they may consider reasonable;

(iii) the Trustee may consult with counsel and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and in accordance with such advice or opinion of counsel;

(iv) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith and in accordance with any direction or request of the Bondholders;

(v) the Trustee shall not be liable for any error of judgment made in good faith by an officer or employee of the Trustee unless the Trustee is negligent in ascertaining the pertinent facts;

(vi) the Trustee shall not be deemed to have knowledge of any Event of Default, except for the failure of the Corporation to make or cause to be made scheduled payments to the Trustee provided for in the Loan Agreement, until an officer of the Trustee who customarily handles corporate trusts and is assigned to supervise this Indenture shall have actual knowledge thereof or the Trustee shall have received written advice thereof from any Parity Bondholder;

(vii) anything in any of the Transaction Documents to the contrary notwithstanding, whether or not an Event of Default shall have occurred, the Trustee shall not be under any obligation to take any action under this Indenture that may involve it in any expense or liability, the payment of which within a reasonable time is not, in its opinion, assured to it by the security afforded to it by the terms of this Indenture, unless it is requested in writing to do so by one or more owners of the Parity Bonds outstanding hereunder and furnished, from time to time as it may require, with security and indemnity satisfactory to it;

(viii) the Trustee need not take any action or follow any direction from any one or more Bondholders if the Trustee shall be advised by counsel that the action or proceedings so directed may not lawfully be taken or would be prejudicial to Parity Bondholders not parties to such direction, or the Trustee in good faith believes following such direction would involve the Trustee in personal liability;

(ix) in no event shall the Trustee be liable to any person for special, indirect, punitive, exemplary or consequential damages, lost profits or loss of business arising under or in connection with this Indenture, even if previously informed of the possibility of such damages and regardless of the form of action; and

(x) anything to the contrary in the Transaction Documents notwithstanding, the permissive right of the Trustee to do anything enumerated or set forth in any of the Transaction Documents shall not be construed as a duty, and the Trustee shall not be held responsible or liable for other than its negligence or willful misconduct.

(c) In case an Event of Default within the purview of Section 8.2 hereof has occurred and is continuing and the Trustee has or is deemed to have knowledge of the Event of Default pursuant to (b)(vi) above, subject to the provisions of this Article 9, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the degree of care and skill in their exercise as a prudent man would exercise under the circumstances in the conduct of such prudent man's own affairs.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee, including without limitation Sections 9.3 and 9.4 hereof, shall be subject to the provisions of this Section 9.1. The Trustee also accepts, and agrees to do and perform, the duties and obligations imposed upon it by and under the Loan Agreement, and the Facilities Lease, but only upon the terms and conditions set forth in the Loan Agreement, the Facilities Lease, and this Indenture. The rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

Section 9.2 Trustee Entitled to Indemnity. The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Indenture or under the Loan Agreement, or to enter any appearance in or in any way defend against any suit, in which it may be made a defendant (except in the case of the Trustee's own negligence), or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder or under the Loan Agreement or the Facilities Lease, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the Authority shall reimburse the Trustee from funds available therefor under the Loan Agreement for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Authority shall

fail to make reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference over any of the Parity Bonds.

Section 9.3 Trustee Not Responsible for Insurance, Taxes, Execution of Indenture, Acts of the Authority or Application of Moneys Applied in Accordance with this Indenture.

(a) The Trustee shall not be under any obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Board or to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. The Trustee shall have no responsibility in respect of the validity, sufficiency, due execution or acknowledgment of this Indenture or the validity or sufficiency of the security provided hereunder or in respect of the validity of the Parity Bonds or the due execution or issuance thereof, except as to the authentication thereof.

(b) The Trustee shall not be under any obligation to see that any duties herein imposed upon any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed.

(c) The Trustee shall not be liable or responsible because of the failure of the Authority or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Authority or because of the loss of any moneys arising through the insolvency or the act or default or omission of any other depositary in which such moneys shall have been deposited under the provisions of this Indenture. The Trustee shall not be responsible for the application of any of the proceeds of the Parity Bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Indenture.

(d) The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

(e) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Parity Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Parity Bonds.

Section 9.4 Compensation. The Trustee shall be entitled to reasonable compensation for its ordinary services hereunder consistent with the results of the process by which the Trustee was selected and any extraordinary services rendered hereunder and to reimbursement for all expenses incurred in good faith hereunder, including the compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Trustee may employ in connection with the exercise and performance of its powers and duties hereunder. Subject to the provisions of any contract relating to the compensation of the Trustee, the Authority shall cause the Board to pay to the Trustee as administrative expenses its reasonable fees and charges as Additional Rent in accordance with the Facilities Lease upon the written request of the Trustee and provided the Authority shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Authority in connection therewith as such costs and expenses accrue. If the Board shall fail to make any payment required by this

Section, the Trustee may, but shall be under no obligation to, make such payment from any moneys in its possession under the provisions of this Indenture, and the Trustee shall be entitled to a preference therefor over any of the Parity Bonds Outstanding hereunder.

Section 9.5 Trustee to Preserve Records. All records and files pertaining to the Corporation in the custody of the Trustee shall be open at all reasonable times to the inspection of the Authority, the Board, the Corporation and their agents and representatives.

Section 9.6 Trustee May be Bondholder. The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Parity Bonds issued under and secured by this Indenture, and may join in the capacity of a Parity Bondholder in any action which any Parity Bondholder may be entitled to take with like effect as if such institution were not the Trustee under this Indenture.

Section 9.7 Trustee Not Responsible for Recitals. The recitals, statements and representations contained herein and in the Parity Bonds shall be taken and construed as made by and on the part of the Authority and not by the Trustee, and the Trustee shall not be under any responsibility for the correctness of the same.

Section 9.8 Trustee Responsible for Reinscription.

(a) The Trustee, as set forth in the Loan Agreement, is required to reinscribe the Mortgage at such times as shall be necessary to preserve the lien thereof. Under the Loan Agreement, the Corporation has covenanted to cooperate with the Trustee with regard to the foregoing.

(b) Notwithstanding anything to the contrary contained herein, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code. In addition, unless the Trustee shall have been notified in writing by the Authority or the Corporation that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in (i) relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto pursuant to this Section 9.8 and (ii) filing any continuation statements in the same filing offices as the initial filings were made. The Trustee shall cause to be filed a continuation statement with respect to each Uniform Commercial Code financing statement relating to the Parity Bonds which was filed at the time of the issuance thereof, in such manner and in such places as the initial filings were made, provided that a copy of the filed original financing statement is timely delivered to the Trustee. The Corporation shall be responsible for the reasonable costs incurred by the Trustee in the preparation and filing of all continuation statements hereunder.

Section 9.9 Trustee May Rely on Certificates. Subject to the provisions of Section 9.1(b), the Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of the Loan Agreement or this Indenture, or upon the written opinion of any attorney, engineer, accountant or other expert believed by it to be qualified in relation to the subject matter, and the

Trustee shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

Section 9.10 Qualification of the Trustee. There shall at all times be a Trustee hereunder. Any successor Trustee hereunder shall be a trust company or commercial bank (having trust powers) organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having unimpaired capital and surplus of at least $100,000,000, and subject to supervision or examination by Federal or state authority. If such trust company or bank publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the unimpaired capital and surplus of such association or corporation shall be deemed to be its unimpaired capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect specified in Section 9.11 hereof.

Section 9.11 Resignation and Removal of Trustee.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 9.12 hereof and until notice of resignation or removal and appointment, as the case may be, shall have been provided to the Corporation.

(b) The Trustee may resign at any time by giving written notice thereof to the Authority, the Board, the Corporation and the Parity Bondholders. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within thirty (30) days after the giving of such notice of resignation, the retiring Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed for cause at any time by an instrument or instruments in writing to the Trustee, with copies to the Authority, the Board and the Corporation, signed by the owners of not less than a majority in aggregate principal amount of the Parity Bonds then outstanding or by their attorneys, legal representatives or agents and delivered to the Trustee, the Authority, the Board and the Corporation (such instruments to be effective only when received by the Trustee).

(d) If at any time:

(i) the Trustee shall cease to be eligible under Section 9.10 hereof and shall fail to resign after written request therefor by the Corporation for the Board or by any Bondholder, or

(ii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, (A) the Authority, in its discretion and without obligation, may or the Corporation, on behalf of the Board, may remove the Trustee, or (B) any Parity Bondholder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor.

(e) If the Trustee shall be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause other than resignation (it being understood that no vacancy may

occur as a result of resignation since the Trustee may not resign unless a successor has been appointed) or if the Trustee tenders its resignation, the Authority with the approval of the Corporation, and the Board (whose consent shall not be unreasonably withheld) shall promptly appoint a successor provided the Authority shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Authority in connection therewith as such costs and expenses accrue. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by an instrument or concurrent instruments in writing executed by the owners of not less than a majority in aggregate principal amount of the Parity Bonds then outstanding and delivered to the Corporation for the Board and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Authority. If no successor Trustee shall have been so appointed by the Authority or the Parity Bondholders and accepted appointment in the manner hereinafter provided, any Parity Bondholder who has been a bona fide owner of a Bond for at least six (6) months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Authority shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to all Bondholders upon the written request of the Trustee and provided the Authority shall be furnished with sufficient funds to pay all costs and expenses (including attorney's fees) reasonably incurred by the Authority in connection therewith as such costs and expenses accrue. Each notice shall include the name and address of the principal corporate trust office of the successor Trustee.

Section 9.12 Successor Trustee.

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Authority and the Corporation for the Board, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessors; but such predecessor shall, nevertheless, on the written request of its successor or of the Authority and upon payment of the expenses, charges and other disbursements of such predecessor which are payable pursuant to the provisions of Section 9.4 hereof, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all property and moneys held by it hereunder to its successor, subject, nevertheless, to its preference, if any, provided for in Sections 9.2 and 9.4 hereof. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee any such instrument in writing shall and will be executed, acknowledged and delivered by the Authority upon the written request of the Trustee and provided the Authority shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Authority in connection therewith as such costs and expenses accrue.

(b) Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Indenture and otherwise qualified to act as Trustee hereunder with or into which the bank or trust company acting as Trustee may be merged or consolidated, or to which the corporate trust assets and corporate trust business of such bank or trust company may be sold, shall be deemed the successor of the Trustee.

Section 9.13 Co-Trustee.

(a) It is the purpose hereof that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banks or trust companies to transact business as trustee in such jurisdiction. It is recognized that in case of litigation hereunder and in particular in case of the enforcement of this Indenture upon the occurrence of an Event of Default, it may be necessary that the Trustee appoint an additional individual or institution as a separate Trustee or Co-Trustee. The following provisions of this Section are adapted to these ends.

(b) Upon the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers and trusts herein granted to the Trustee or to hold title to the trust estate or to take any other action that may be necessary or desirable in connection therewith, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in a separate Trustee or Co-Trustee appointed by the Trustee but only to the extent necessary to enable the separate Trustee or Co-Trustee to exercise such rights, powers and trusts, and every agreement and obligation necessary to the exercise thereof by such separate Trustee or Co-Trustee shall run to and be enforceable by either of them.

(c) Should any deed, conveyance or instrument in writing from the Authority be required by the separate Trustee or Co-Trustee so appointed by the Trustee in order to more fully and certainly vest in and confirm to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments shall, on request, be executed, acknowledged and delivered by the Authority upon the written request of the Trustee and provided the Authority shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Authority in connection therewith as such costs and expenses accrue. In case any separate Trustee or Co-Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate Trustee or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate Trustee or Co-Trustee.

Section 9.14 Disclosure Documents. The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or other disclosure material prepared or distributed with respect to the Parity Bonds, except as provided in Section 13.13 herein.

ARTICLE 10
INDENTURES

Section 10.1 Indentures Not Requiring Consent of Bondholders. The Authority and the Trustee may, without the consent of, or notice to, any of the Parity Bondholders, enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof and in the opinion of the Trustee shall not materially and adversely affect the interest of the Parity Bondholders for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Indenture;

(b) To grant to or confer upon the Trustee for the benefit of the Parity Bondholders any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Parity Bondholders or the Trustee or either of them;

(c) To subject to the lien and pledge of this Indenture additional revenues, properties or collateral;

(d) To provide for the issuance of Additional Bonds in conformity with the provisions of Article 5 of this Indenture and to fix all details with respect thereto or to provide further conditions, limitations or restrictions on the issuance of Additional Bonds;

(e) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof or thereof under any Federal statute hereafter in effect or under any state Blue Sky Law, and, in connection therewith, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted or required by any said Federal statute or Blue Sky Law; provided, that any such indenture supplemental hereto referred to in this Section 10.1 shall not, in the judgment of the Trustee, which may rely on an opinion of counsel, be to the prejudice of the owners of the Parity Bonds; or

(f) To provide any other modifications which, in the sole judgment of the Trustee, are not prejudicial to the interests of the Bondholders.

Section 10.2 Indentures Requiring Consent of Bondholders.

(a) Anything contained in this Indenture to the contrary notwithstanding, except for indentures supplemental hereto authorized by Section 10.1 of this Indenture and subject to the terms and provisions contained in this Section 10.2, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Parity Bonds then outstanding shall have the right from time to time, to consent to and approve the execution by the Authority and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any indenture supplemental hereto; provided, however, that nothing contained in this Section 10.2 shall permit, or be construed as permitting, without the consent of the owners of all the Parity Bonds then outstanding (i) an extension of the stated maturity or scheduled sinking fund redemption or reduction in the principal amount or premium of, or reduction in the rate or extension of the time of payment of interest on, any Parity Bonds, or (ii) the creation of any lien on the Trust Estate or any part thereof pledged under this Indenture prior to or on a parity with the lien of this Indenture, or (iii) a reduction in the aforesaid aggregate outstanding principal amount of Parity Bonds the owners of which are required to consent to any such indenture supplemental hereto. No such amendment shall modify the rights, duties or immunities of the Trustee without the written consent of the Trustee.

(b) If at any time the Authority shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section 10.2, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given to the Bondholders in the manner provided in Section 13.8 of this Indenture. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Parity Bondholders. If, within ninety (90) days or such longer period as shall be prescribed by the Authority following the giving of such notice, the owners of not less than a majority in aggregate principal amount

of the Parity Bonds outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no owner of any Parity Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section 10.2 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

(c) So long as no event of nonperformance under the Loan Agreement has occurred and is continuing, no such supplement shall become effective unless the Corporation, on behalf of the Board, shall have given its prior written approval.

Section 10.3 Filing. Copies of any supplemental indenture shall be filed with the Trustee and delivered to the Authority, the Corporation and the Board.

Section 10.4 Reliance on Counsel. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel satisfactory to the Trustee, who may be counsel for the Authority, as conclusive evidence that any such proposed supplemental indenture complies with the provisions of this Article prior to joining in the execution of such supplemental indenture.

Section 10.5 Supplement Binding. Upon the execution of any supplemental indenture pursuant to the provisions of this Article, this Indenture shall be deemed to be supplemented, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Trustee, the Authority, the Corporation, the Board and the owners of Parity Bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modification and amendment.

Section 10.6 Agreement. The Authority and the Corporation, with the approval of the Board and of the Trustee in certain events, may consent to supplemental loan agreements for the purposes and in the manner provided in Article 8 of the Loan Agreement and the Trustee agrees that it shall take the actions required of it as provided thereunder.

Section 10.7 Notice to Rating Agencies. No supplemental indenture shall be executed and delivered pursuant to Sections 10.1 or 10.2 hereof without prior written notice having been given by the Trustee, to any rating agency which rates the Parity Bonds of the Trustee's intention to execute such supplemental indenture not fewer than fifteen (15) days in advance of the execution of said supplemental indenture.

ARTICLE 11
COVENANTS OF AUTHORITY

Section 11.1 Payment of Principal, Premium and Interest. The Authority covenants that it will promptly pay, or cause to be paid, the principal of, premium, if any, and the interest on every Parity Bond at the places, on the dates and in the manner provided herein and in said Parity Bonds according to the true intent and meaning thereof but solely from the revenues of the Trust Estate and not from any other fund or source. The Authority further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Indenture, the Loan Agreement or in any Parity Bond executed, authenticated and delivered hereunder or in any proceedings of the Authority pertaining thereto.

Section 11.2 Additional Security. The Authority covenants, whenever and so often as reasonably required to do so by the Trustee, promptly to execute and deliver or cause to be delivered all such other and further instruments, documents or assurances, and to promptly do or cause to be done all such other further things, as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the owners of the Parity Bonds all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Indenture.

Section 11.3 Cure Title Defects. The Authority covenants to promptly, upon the request of the Trustee, from time to time, take or cause to be taken such action as may be necessary or proper to remedy or cure any material defect in or cloud upon the title to the Trust Estate or any part thereof, whether now existing or hereafter developing, and to prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and to indemnify and save the Trustee and every owner of Parity Bonds, solely from the Trust Estate, harmless from all loss, cost, damage and expense, including attorneys' fees, which they or either of them may ever incur by reason of any such defect, cloud, suit, action or proceedings.

Section 11.4 Defend Against Actions. The Authority covenants to defend or cause to be defended every suit, action or proceeding at any time brought against the Trustee or any owner of Parity Bonds upon any claim arising out of the receipt, application or disbursement of any of the revenues of the Trust Estate or involving the Authority's, the Trustee's or such Bondholders' rights under this Indenture or the Loan Agreement and to indemnify and save harmless, solely from the Trust Estate, the Trustee and Bondholders against any and all liability claimed or asserted by any person whomsoever, arising out of such receipt, application or disbursement of any such revenues; provided, however, that the Trustee or any owner of Parity Bonds at its or his election may appear in and defend against any such suit, action or proceeding; and notwithstanding any contrary provision hereof, this covenant shall continue and remain in full force and effect until all indebtedness, liabilities, obligations and other sums secured hereby have been fully paid and satisfied, and this Indenture has been released of record and the lien hereof discharged.

Section 11.5 Non-Impairment of Security. The Authority covenants that so long as any of the Parity Bonds issued pursuant to this Indenture are outstanding and unpaid, the Authority will not voluntarily consent to any amendment to the Loan Agreement or otherwise take any action which will reduce the amount of moneys made available thereunder to the Trustee, or which will in any manner impair or adversely affect the rights of the Authority or the Trustee or the security provided by this Indenture to the owners from time to time of the Parity Bonds.

Section 11.6 Authority's Obligation Limited. Nothing in the Loan Agreement or this Indenture is intended to require or obligate nor shall anything therein be interpreted to require or obligate the Authority for any purpose or at any time whatsoever, to provide, apply or expend any funds coming into the hands of the Authority other than from the Trust Estate.

ARTICLE 12
DEFEASANCE

Section 12.1 Payment.

(a) When all of the Parity Bonds shall have been paid and discharged, and there shall have been paid all fees and charges of the Trustee due or to become due through the date on which the last of the Parity Bonds is retired, then this Indenture shall cease, terminate and become null and void, and thereupon the Trustee shall release this Indenture including the cancellation and discharge of the lien hereof, and execute and deliver to the Authority such instruments in writing as shall be requisite to satisfy the lien hereof and, if necessary, to enter on the records such satisfaction and discharge and to re-convey to the Authority any property or interest therein or other rights hereby conveyed and such other instruments to evidence such release and discharge as may be reasonably required by the Authority, and the Trustee shall assign and deliver to the Authority any property at the time subject to the lien of this Indenture which may then be in its possession, except amounts in any Fund otherwise required to be paid by this Indenture and except such cash and investments as are held by the Trustee for the payment of interest and premium, if any, on and retirement of the Parity Bonds.

(b) Notwithstanding the foregoing, the obligation of the Corporation to pay the fees and expenses of the Trustee in accordance with the terms of this Indenture shall survive the defeasance of the Parity Bonds, the discharge of this Indenture and the termination of the Loan Agreement.

Section 12.2 Provision for Payment. Any Parity Bonds shall be deemed to have been paid and discharged within the meaning of Section 12.1, if the Trustee, or an escrow trustee, shall hold, in trust for and irrevocably committed thereto, moneys or Defeasance Obligations of such maturities and interest payment dates and bearing such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (likewise to be held in trust and committed, except as hereinafter provided), be sufficient for the payment of such Parity Bonds, at their maturity or redemption date, of the principal thereof, together with the redemption premium, if any, and interest accrued to the date of maturity or redemption, as the case may be, or if default in such payment shall have occurred on such date then to the date of the tender of such payment; provided, that if any Parity Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or provisions satisfactory to the Trustee shall have been duly made for the giving of such notice. Any moneys held in accordance with the provisions of this Section shall be invested only in Defeasance Obligations the maturities or redemption dates and interest payment dates of which, at the option of the owner, shall coincide as nearly as practicable with, but not later than, the time or times at which said moneys will be required for the aforesaid purposes. Any income or interest earned by the Defeasance Obligations held under this Section shall, as determined by the Trustee or the escrow trustee, to the extent not required for the purposes of this Section, be paid to the Corporation for the Board as overpayment of Payments.

Section 12.3 Certifications.

(a) The Authority and the Corporation covenant and agree that they will furnish to the Trustee:

(b) Certificates or opinions made by officers of the Authority and the Corporation required by this Indenture stating that provisions of this Article relating to the satisfaction and discharge of this Indenture have been fulfilled;

(c) An opinion of Bond Counsel to the effect that the payment of the Parity Bonds has been provided for in the manner set forth in this Indenture and the Loan Agreement and that all obligations of the Authority and the Corporation with respect to the Parity Bonds have been discharged and satisfied; and

(d) In the case of an advance refunding, a mathematical verification prepared by a nationally recognized law firm or firm of independent certified public accountants (or other verification agent satisfactory to the Trustee) that the Defeasance Obligations are sufficient to pay the principal of, premium, if any, and interest on the Parity Bonds which are defeased.

ARTICLE 13
MISCELLANEOUS

Section 13.1 Covenants of Authority Binds its Successors. In the event of the dissolution of the Authority, all of the covenants, stipulations, obligations and agreements contained in this Indenture by or on behalf of or for the benefit of the Authority shall bind or inure to the benefit of the successor or successors of the Authority from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the word "*Authority*," as used in this Indenture, shall include such successor or successors.

Section 13.2 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the Corporation, the Board and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

Section 13.3 Parties Interest Herein. Nothing in this Indenture expressed or implied, is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Authority, the Trustee, the Corporation and the Parity Bondholders, any right, remedy or claim or by reason of this Indenture or any covenant, agreement, condition or stipulation therein.

Section 13.4 No Recourse on the Parity Bonds. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Parity Bonds or for any claim based thereunder or under this Indenture against any trustee, director, officer, employee or agent of the Authority or of the Trustee.

Section 13.5 Severability. If any clause, provision or Section of this Indenture be held illegal or invalid by any court, the invalidity of such clause, provision or Section shall not affect any of the remaining clauses, provisions or Sections hereof and this Indenture shall be construed and enforced as if such illegal or invalid clause, provision or Section had not been contained herein. In case any agreement

or obligation contained in this Indenture be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Authority, the Corporation, or the Board, as the case may be, only to the extent permitted by law.

Section 13.6 Consents and Approvals. Whenever the written consent or approval of the Authority, the Trustee, the Corporation or the Board shall be required under the provisions of this Indenture, such consent or approval shall not be unreasonably withheld or delayed.

Section 13.7 Notices.

(a) All notices, demands and requests to be given or made hereunder to or by the Authority, the Trustee or the Corporation, or their designated successors, shall be in writing and shall be properly made if hand delivered or sent by United States mail, postage prepaid, and addressed as follows:

If to the Authority:
Louisiana Local Government Environmental
Facilities and Community Development Authority
5641 Bankers Ave., Bldg B
Baton Rouge, Louisiana 70808
Attention: Executive Director

If to the Corporation:
President
LCTCS Facilities Corporation
c/o Sisung Group
3850 North Causeway Blvd., Suite 1930
Metairie, Louisiana 70002

with a copy to:
LCTCS Facilities Corporation
c/o Eric Landry
One American Place
301 Main Street, 23rd Floor
Baton Rouge, Louisiana 70825

If to the Board:
Louisiana Community and Technical College System
Office of the Board of Supervisors
265 South Foster Dr.
Baton Rouge, Louisiana 70806-4104
Attention: System President

with a copy to:
Louisiana Community and Technical College System
Office of the Board of Supervisors
265 South Foster Dr.
Baton Rouge, Louisiana 70806-4104
Attention: Vice President of Administration

If to the Trustee:
Hancock Whitney Bank
445 North Blvd., Suite 201
Baton Rouge, Louisiana 70802
Attention: Corporate Trust

(b) Notice hereunder shall be deemed effective on the date of its receipt by the addressee. The above addresses may be changed at any time upon written notice of such change sent by United States mail, postage prepaid, to the other parties by the party effecting the change.

Section 13.8 Notices to Bondholders. Any notices or other communications required or permitted to be given to the Parity Bondholders pursuant to this Indenture shall be mailed by first class mail in a sealed envelope, postage prepaid, addressed to each such Parity Bondholder as his address last appears on the Bond Register. In case, by reason of the suspension of or irregularities in regular mail service, it shall be impractical to mail notice to the Parity Bondholders of any event when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be sufficient giving of such notice. Any notice herein required may be omitted if the owners of all the Parity Bonds entitled to such notice give to the Trustee a written waiver of such notice.

Section 13.9 Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State.

Section 13.10 Captions. The table of contents, captions and headings of the several articles and sections of this Indenture are for convenience only and shall not control, affect the meaning of or be taken as an interpretation of any provisions of this Indenture.

Section 13.11 Indenture to Constitute a Contract. This Indenture, upon execution by the Authority and the Trustee shall constitute a third party beneficiary contract between the Authority and the Trustee for the benefit of all Parity Bonds issued hereunder.

Section 13.12 Performance on Legal Holidays. In any case where the date of maturity of interest on or principal of the Parity Bonds or the date fixed for redemption or purchase of any Parity Bonds or the date fixed for the giving of notice or the taking of any action under this Indenture shall not be a Business Day, then payment of such interest, principal, purchase price and redemption premium, if any, the giving of such notice or the taking of such action need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or purchase, and no interest on such payment shall accrue for the period after such date.

Section 13.13 Continuing Disclosure Certificates. The State has undertaken to comply with continuing disclosure requirements, and the Authority shall have no liability to the holders of the Parity Bonds or any other person with respect to such disclosure matters. Notwithstanding any other provision of this Indenture, failure of the State to comply with the terms of its Continuing Disclosure Certificate shall not be considered an Event of Default hereunder; however, the Trustee may (and, at the request of the Underwriter (as defined in the Continuing Disclosure Certificate) or the holders of at least a majority in aggregate principal amount of Outstanding Parity Bonds, shall, upon being provided indemnity satisfactory to the Trustee, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the State to comply with its respective obligations under this Section 13.13. The Trustee shall have no responsibility for the failure of the State to report any material event and shall have no responsibility as to any determination by the State of whether any event would constitute material information for holders of the Parity Bonds.

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IN WITNESS WHEREOF, the Authority has caused this Trust Indenture to be executed by its Executive Director and has caused the seal of the Authority to be affixed hereto and attested by its Assistant Secretary and the Trustee has caused this Trust Indenture to be executed in its behalf by a Trust Officer, all as of the day and year above written.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

By: _____
Ty E. Carlos, Executive Director

ATTEST:

[SEAL]

By: _____
Amy K. Cedotal, Assistant Secretary

HANCOCK WHITNEY BANK, as Trustee

By: _____
Elizabeth H. Zeigler,
Senior Vice President & Trust Officer

EXHIBIT A

FORM OF SERIES 2026 BOND

No. __ $__,___,000

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("*DTC*") to the Authority or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Bond may be transferred in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

UNITED STATES OF AMERICA
STATE OF LOUISIANA

Louisiana Local Government Environmental Facilities
and Community Development Authority Revenue Bonds
(LCTCS Act 35 Project)
Series 2026

Interest Rate	Dated Date	Maturity Date	CUSIP
____%	August __, 2026	October 1, _____	_____

Registered Owner: Cede & Co.
TAX ID #13-2555119

Principal Amount: _____

The Louisiana Local Government Environmental Facilities and Community Development Authority (the "*Authority*"), a political subdivision organized and existing under and by virtue of the constitution and the laws of the State of Louisiana (the "*State*"), for value received, hereby promises to pay (but only out of the Trust Estate, as defined in the hereinafter described Indenture, and therefrom only to the extent provided for in the Indenture) to the Registered Owner (named above) or registered assigns, on the Maturity Date (stated above), the Principal Amount (stated above) subject to the rights of prior redemption as provided hereinafter, and interest on said Principal Amount from the Dated Date specified above or from the most recent Interest Payment Date (as hereinafter defined) on which interest has been paid or duly provided for, until payment of said Principal Amount has been made or duly provided for, at the Interest Rate specified above and on the dates set forth herein. The principal of and interest on this Bond are payable in such coin or currency of the United States of America as, at the respective times of

payment, is legal tender for the payment of public and private debts. The principal of this Bond shall be payable to the registered owner hereof or his assigns upon surrender hereof at the principal corporate trust office of Hancock Whitney Bank, in the City of Baton Rouge, Louisiana, as the Trustee (the "*Trustee*"). Interest on this Bond, when due and payable, shall be paid by check or draft mailed by the Trustee on the interest payment date to the person in whose name this Bond is registered, at the address as it appears on the Bond Register maintained by the Trustee at the close of business on March 15 or September 15, as the case may be next preceding such interest payment date, or if such day shall not be a business Day, the next preceding Business Day (the "*Record Date*") irrespective of any transfer or exchange of this Bond subsequent to such Record Date and prior to such interest payment date, unless the Authority shall default in payment of interest due on such interest payment date, provided that an owner of $1,000,000 or more in aggregate principal amount of Series 2026 Bonds may request payment by wire transfer if such owner has requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of a default, such defaulted interest shall be payable on a payment date established by the Trustee to the person in whose name this Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owner of this Bond not fewer than fifteen (15) days preceding such special record date.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by a duly authorized representative of the Trustee.

This Bond is one of the duly authorized issue of the Authority's Revenue Bonds (LCTCS Act 35 Project) Series 2026 (the "*Series 2026 Bonds*"), issued under and secured by the Indenture (hereinafter defined) pursuant to which the Authority is issuing $_____ aggregate principal amount of said revenue bonds on behalf of LCTCS Facilities Corporation, a nonprofit corporation (the "*Corporation*") for the purpose of: (a) financing the development, acquisition, purchase, construction, renovation, improvement or expansion of certain public facilities of the Louisiana Community and Technical College System including all furnishings, fixtures and facilities incidental or necessary in connection therewith (the "*Facilities*"), for various community and technical college campuses, such Facilities located on land owned or to be owned by the Board, all in accordance with Act No. 35 of the 2025 Regular Session of the Louisiana Legislature (the "*Projects*"); (b) funding capitalized interest; and (c) paying costs of issuance on the Series 2026 Bonds, including the premium for a bond insurance policy. The proceeds of the Series 2026 Bonds have been loaned to the Corporation pursuant to a Loan and Assignment Agreement dated as of August 1, 2026 by and between the Authority and the Corporation (together with all amendments and supplements thereto, the "*Loan Agreement*"), for the foregoing purposes. The Board has leased the immovable property upon which the Facilities will be constructed (the "*Property*") to the Corporation pursuant to a Ground Lease dated as of August 1, 2026 (the "*Ground Lease*"), and will lease the Facilities from the Corporation pursuant to an Agreement to Lease with Option to Purchase dated as of August 1, 2026 (the "*Facilities Lease*").

The Series 2026 Bonds are issued pursuant to the laws of the State, particularly Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 4548.16, inclusive) (the "*Act*"), and pursuant to a Trust Indenture dated as of August 1, 2026, between the Authority and the Trustee (together with all amendments and supplements thereto, the "*Indenture*"), a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, and to which Indenture reference is hereby made for a more complete description of the assigned revenues

constituting the Trust Estate, the nature and extent of the security, the terms and conditions under which the Series 2026 Bonds are issued and secured, the terms and conditions under which Additional Bonds may be issued and secured, the rights, duties and immunities of the Trustee and the rights of the registered owners of the Series 2026 Bonds. The registered owner of this Bond shall have no rights to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture, and by acceptance of this Bond, the owner hereof assents to all of the provisions of the Indenture and the Assignment (hereinafter defined). All capitalized terms not defined herein shall have the meanings assigned to them in the Indenture.

The Series 2026 Bonds are issuable as fully registered Bonds without coupons, in Authorized Denominations, and shall be numbered from No. R-1 upwards. The Series 2026 Bonds are limited and special revenue obligations of the Authority and are payable solely from (a) payments received by the Authority from the Corporation pursuant to the Loan Agreement (except however, the Authority's rights to exculpation, indemnification and payment of expenses by the Corporation under the Loan Agreement) and (b) all funds held by the Trustee under the Indenture and available for such payment, said payments and funds being herein referred to as the "*Trust Estate*." The Loan Agreement, a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, provides that the Corporation is unconditionally obligated to make Payments, but solely from the Base Rental (as defined in the Loan Agreement) in an aggregate amount sufficient, for the payment in full of the principal and interest of all Series 2026 Bonds issued and outstanding under the Indenture, to the date of payment thereof, and certain costs, expenses and charges of the Authority and the Trustee. The Loan Agreement imposes upon the Corporation certain obligations respecting the use and operation of its Facilities and the maintenance and repair of said Facilities.

THE SERIES 2026 BONDS AND THE INTEREST THEREON ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE PAYMENTS RECEIVED BY THE AUTHORITY FROM THE CORPORATION PURSUANT TO THE LOAN AGREEMENT. THE SERIES 2026 BONDS DO NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OF THE AUTHORITY OR THE CORPORATION AND DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE STATE, THE BOARD, THE COLLEGE, OR ANY POLITICAL SUBDIVISION OF THE STATE (OTHER THAN THE AUTHORITY). THE BOARD HAS AGREED, PURSUANT TO THE FACILITIES LEASE, TO MAKE PAYMENTS OF BASE RENTAL TO THE CORPORATION, PROVIDED THAT ANY BASE RENTAL PAYABLE BY THE BOARD IS SUBJECT TO ANNUAL APPROPRIATION BY THE LEGISLATURE. THE PAYMENTS TO BE RECEIVED BY THE AUTHORITY FROM THE CORPORATION UNDER THE LOAN AGREEMENT ARE LIMITED TO THE AMOUNT OF BASE RENTAL RECEIVED BY THE CORPORATION FROM THE BOARD. THE AUTHORITY HAS NO POWER TO TAX.

As long as any of the Series 2026 Bonds remain outstanding, there shall be permitted the exchange of Series 2026 Bonds at the principal corporate trust office of the Trustee. Any Series 2026 Bond or Bonds upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Series 2026 Bonds in Authorized Denominations.

For every such exchange or transfer of Series 2026 Bonds, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Trustee shall not be required to register the transfer or exchange of (a) any Series 2026 Bonds during the fifteen (15) day period next preceding the selection of Series 2026 Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Series 2026 Bonds selected for redemption, or (b) any Series 2026 Bonds selected, called or being called for redemption in whole or in part, except in the case of any Bond to be redeemed in part, the portion thereof not so to be redeemed.

The Series 2026 Bonds are subject to optional redemption, mandatory redemption, and extraordinary redemption as set forth in the Indenture. Any Additional Bonds issued under the provisions of Article 5 of the Indenture may be made subject to redemption, either in whole or in part and at such times and prices, as may be provided in the resolution or resolutions of the Authority authorizing the issuance of such Additional Bonds.

The Series 2026 Bonds maturing October 1, 20__ are subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

Year	Principal Amount

*Final Maturity.

The Series 2026 Bonds maturing October 1, 20__ are subject to mandatory redemption and payment prior to maturity on October 1 in each of the years set forth below, at 100% of the principal amounts plus accrued interest to the redemption date, without premium, as follows:

Year	Principal Amount

*Final Maturity.

Modifications or alterations of the Indenture or any agreement supplemental thereto or of the Loan Agreement or any agreement supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture and the Loan Agreement. So long as no event of nonperformance under the Loan Agreement has occurred and is continuing, no such supplement shall become effective unless the Corporation, on behalf of the Board, shall have given its prior written approval.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Indenture and the issuance of this Bond, do exist, have happened and have been performed in regular and due form as required by law.

IN WITNESS WHEREOF, the Louisiana Local Government Environmental Facilities and Community Development Authority has caused this Bond to be executed with the manual or facsimile signature of its Executive Director, and its corporate seal or a facsimile thereof to be hereto affixed or printed, and attested by the manual or facsimile signature of its Assistant Secretary on _____, 20__.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

By:_____
Executive Director

ATTEST:

SEAL

By: _____
Assistant Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2026 Bonds described in the within mentioned Indenture.

Date of Authentication: HANCOCK WHITNEY BANK, as Trustee

_____, 2026

By: _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address, including Zip Code, and Federal Taxpayer Identification or Social Security Number of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed by a Participant in the Securities Transfer Agent Medallion Program.

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration, enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED

STATEMENT OF INSURANCE

Build America Mutual Assurance Company ("*BAM*"), New York, New York, has delivered its municipal bond insurance policy (the "*Policy*") with respect to the scheduled payments due of principal of and interest on this Series 2026 Bond to Hancock Whitney Bank, Baton Rouge, Louisiana, or its successor, as trustee for the Series 2026 Bonds (the "*Trustee*"). Said Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from BAM or the Trustee. All payments required to be made under the Series 2026 Bond Insurance Policy shall be made in accordance with the provisions thereof. By its purchase of the Series 2026 Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Series 2026 Bond Insurance Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Indenture or this Series 2026 Bond, BAM shall be deemed to be the sole owner of the Series 2026 Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Series 2026 Bonds or the Trustee for the benefit of such owners under the Indenture, at law or in equity.

LEGAL OPINION CERTIFICATE

I, the undersigned Executive Director of the Louisiana Local Government Environmental Facilities and Community Development Authority, do hereby certify that attached hereto is a true copy of the complete legal opinion of Jones Walker LLP, Baton Rouge, Louisiana, Bond Counsel, the original of which were manually executed, dated and issued as of the date of payment for and delivery of the original bonds of the issue described therein and were delivered to the original purchaser thereof. I further certify that executed copies of the above-referenced legal opinions are on file in my office and that executed copies thereof have been furnished to the Paying Agent/Trustee for these Series 2026 Bonds.

By:_____
Executive Director

EXHIBIT B

FORM OF
PROJECT FUND, ADMINISTRATIVE FUND
OR PROGRAM MANAGEMENT FUND REQUISITION

EXHIBIT C

FORM OF MAINTENANCE RESERVE FUND REQUISITION

$_____
Louisiana Local Government Environmental Facilities
and Community Development Authority Revenue Bonds
(LCTCS Act 35 Project)
Series 2026

Hancock Whitney Bank, as Trustee
_____
_____
Attention: _____

Date: _____

Requisition Number:

The undersigned representative, acting for and on behalf of the Board pursuant to a Trust Indenture dated as of August 1, 2026 (the "*Indenture*") by and between the Louisiana Local Government Environmental Facilities and Community Development Authority (the "*Authority*") and Hancock Whitney Bank, as trustee, relating to the above captioned issues of Series 2026 Bonds (the "*Series 2026 Bonds*") hereby requests payment be made from amounts on deposit in the Maintenance Reserve Fund held by the Trustee pursuant to Section 4.11 of the Indenture to be used by the Board in the amount and for the purpose set forth below. Capitalized terms used herein shall have the meanings ascribed thereto in the Indenture.

Amount of Payment: $_____

Name and Address of Payee:

The Trustee is authorized and directed to pay the amounts set forth herein in accordance with the payment instructions set forth herein or in the respective invoices submitted to the Trustee herewith for payment.

Purpose of Payment pursuant to Section 4.11 of the Indenture: _____

_____

BOARD OF SUPERVISORS OF THE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM

By: _____
Name: _____
Title: _____

Approved on this ____ day of _____.

LCTCS FACILITIES CORPORATION

By: _____
Name: _____
Title: Authorized Corporation Representative
(Approving Signature Required for Trustee Payment if signed by Board Representative)

Date Paid: _____

Authorized Officer of Trustee:

_____

EXHIBIT D

FORM OF
ISSUANCE ADVICE LETTER

$_____
Louisiana Local Government Environmental
Facilities and Community Development Authority
Revenue Bonds
(LCTCS Act 35 Project)
Series ____

Hancock Whitney Bank
Baton Rouge, Louisiana

LCTCS Facilities Corporation
Baton Rouge, Louisiana

Ladies and Gentlemen,

This Issuance Advice Letter (this "*Letter*") is delivered by the Louisiana Local Government Environmental Facilities and Community Development Authority (the "*Issuer*") in connection with the issuance by the Issuer of the above-captioned bonds (the "*Series ____ Bonds*"). All capitalized terms not otherwise defined herein shall have the meanings assigned to them in that certain Trust Indenture dated as of August 1, 2026, as the same may be supplemented and amended from time to time in accordance with the provisions thereof (the "*Indenture*").

On August __, 2026, pursuant to the Indenture, the Issuer issued $_____ of Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (LCTCS Act 35 Project) Series 2026 (the "*Series 2026 Bonds*"). The proceeds of the sale of the Series 2026 Bonds were loaned to the LCTCS Facilities Corporation (the "*Corporation*") pursuant to a Loan and Assignment Agreement dated as of August 1, 2026 by and between the Issuer and the Corporation, as the same may be supplemented and amended from time to time in accordance with the provisions thereof (the "*Loan Agreement*"), for the purpose of: (a) financing a portion of the costs associated with the development, acquisition, purchase, construction, renovation, improvement, or expansion of certain public facilities of the Louisiana Community and Technical College System (the "*System*"), including all furnishings, fixtures and facilities incidental or necessary in connection therewith (the "*Facilities*"), for various community and technical college campuses in the State of Louisiana (the "*State*"), such Facilities located on land owned or to be owned by the State in the name of the Board of Supervisors of the System (the "*Board*"), all in accordance with Act 35 of the 2025 Regular Session of the Louisiana Legislature ("*Act 35*"); (b) paying capitalized interest on the Series 2026 Bonds; and (c) paying costs of issuance on the Series 2026 Bonds, including the premium for a bond insurance policy.

In connection with the issuance of the Series 2026 Bonds, the Board and the Corporation entered into a Ground Lease Agreement dated as of August 1, 2026, as the same may be supplemented or amended from time to time in accordance with the provisions thereof (the "*Ground Lease*"), whereby the Board has leased the Property (as defined therein) to the Corporation. Pursuant to an Agreement to Lease with Option to Purchase dated as of August 1, 2026 between the Corporation and the Board, as the same may be amended from time to time in accordance with the provisions thereof (the "*Facilities Lease*"), the

Corporation and the Board have agreed that the Corporation, for the benefit of the Board, shall develop and construct or cause to be developed and constructed the Facilities on the Property and lease back space in the Facilities to the Board. The Series 2026 Bonds are also entitled to the benefits of the Act of Mortgage, Assignment of Leases and Security Agreement dated and effective August 1, 2026, as the same may be amended from time to time in accordance with the provisions thereof (the "*Mortgage*"), executed by the Corporation in favor of the Trustee, pursuant to which the Corporation has mortgaged its leasehold interest in and to the Property.

The Indenture, the Loan Agreement, the Ground Lease, the Facilities Lease and the Mortgage are collectively referred to herein as the "*Bond Documents*".

In connection with the issuance of the Series ____ Bonds by the Issuer, the Issuer, based upon advice of Bond Counsel, hereby advises the addressees of this Letter of the following:

1. Pursuant to the Indenture, the Series ____ Bonds are being issued by the Issuer on a *pari passu* basis with the Series 2026 Bonds as Additional Bonds in accordance with Article V of the Indenture.

2. The Series ____ Bonds shall constitute Parity Bonds in accordance with the meaning given such term in the Bond Documents.

3. All of the provisions of the Bond Documents that apply to Parity Bonds shall also apply to the Series ____ Bonds.

4. The Board shall be obligated to make Rental payments under the Facilities Lease sufficient to allow the Corporation to make payments under the Loan Agreement required for the Series 2026 Bonds and the Series ____ Bonds.

5. The Corporation shall be obligated to pay debt service on the Series ____ Bonds in addition to the Series 2026 Bonds in accordance with the provisions of the Loan Agreement.

6. The Trustee is directed to deposit the proceeds of the sale of the Series ____ Bonds in accordance with the terms of the Indenture and to apply the provisions of the Indenture to the Series ____ Bonds as well as the Series 2026 Bonds.

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Very truly yours,

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

By: _____
Executive Director

Dated: _____, 20__

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FORM OF

LOAN AND ASSIGNMENT AGREEMENT

by and between

LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY

and

LCTCS FACILITIES CORPORATION

Dated as of August 1, 2026

in connection with:

Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (LCTCS Act 35 Project)

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LOAN AND ASSIGNMENT AGREEMENT

This LOAN AND ASSIGNMENT AGREEMENT dated as of August 1, 2026 (this "*Loan Agreement*") is between the LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY, a political subdivision of the State of Louisiana (the "*Authority*"), and LCTCS FACILITIES CORPORATION, a nonprofit corporation incorporated and existing under the laws of the State of Louisiana (the "*Corporation*").

WITNESSETH:

WHEREAS, the Authority is a political subdivision established for public purposes under and pursuant to the provisions of Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended, La. R.S. 33:4548.1 to 4548.16, inclusive) (the "*Act*"), and other constitutional and statutory authority, authorized by the provisions of the Act to issue revenue bonds payable out of the income, revenues, and receipts received by the Authority from its properties and facilities or from properties or facilities pledged to it or from contracts or agreements relating to such facilities, and to secure its revenue bonds and reimbursement obligations by a pledge of the foregoing revenues or from other moneys which, by law or contract, may be made available to the Authority;

WHEREAS, the Board of Supervisors of the Louisiana Community and Technical College System (the "*Board*") is a public constitutional corporation organized and existing under the laws of the State of Louisiana and the Colleges (as defined herein) are under its management pursuant to Louisiana Revised Statutes 17:3217.1;

WHEREAS, the Corporation is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201 *et seq.*), whose purpose is to support and benefit the educational, scientific, research, and public service missions of the Board;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3366, the Board is authorized to lease to a private entity, such as the Corporation, any portion of the campus or other immovable property under its supervision and management, provided that the Corporation is thereby obligated to provide capital improvements for furthering the educational, scientific, research, or public service functions of the Board;

WHEREAS, in order to further these functions of the Board, the Corporation is causing the development, acquisition, purchase, construction, renovation, improvement or expansion of certain public facilities of the Louisiana Community and Technical College System including all furnishings, fixtures and facilities incidental or necessary in connection therewith (the "*Facilities*") for various community and technical college campuses, such Facilities located on land owned or to be owned by the Board, all in accordance with Act 35 of the 2025 Regular Session of the Louisiana Legislature (the "*Project*");

WHEREAS, pursuant to a Trust Indenture dated of even date herewith (the "*Indenture*"), the Authority is issuing its Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (LCTCS Act 35 Project) in one or more series (the "*Parity Bonds*"), the proceeds of the sale of which shall be loaned to the Corporation pursuant to this Loan Agreement for the purpose of: (a) financing the development, acquisition, purchase, construction, renovation, improvement, or expansion of the Project; (b) paying capitalized interest on the Parity Bonds and (c) paying costs of issuance on the Parity Bonds, including the premiums for bond insurance policies insurance a series of the Parity Bonds, if applicable;

WHEREAS, the Corporation and the Authority are empowered to consummate the transactions contemplated hereunder and to do all acts and exercise all powers and assume all obligations necessary or incident thereto;

WHEREAS, in consideration of the issuance of the Parity Bonds by the Authority, the Corporation will (a) assign its rights under that certain Agreement to Lease With Option to Purchase dated as of August 1, 2026 (the "*Facilities Lease*"), pursuant to which the Corporation leases the Facilities on the Property that the Corporation leases from the Board pursuant to that certain Ground Lease Agreement dated as of August 1, 2026 (the "*Ground Lease*"), which assignment includes the Corporation's right to all Base Rental (as defined in the Facilities Lease) received thereunder, to the Authority, and (b) agree to make payments in an amount sufficient to make timely payments of principal of, premium, if any, and interest on the Parity Bonds and to pay such other amounts as are required by the Loan Agreement;

WHEREAS, the Authority has adopted a resolution authorizing the sale and the issuance of the Parity Bonds, the execution and delivery of instruments pertaining to the issuance thereof and other actions to be taken by the Authority in connection with the authorization, issuance, sale and delivery of the Parity Bonds and the application of the proceeds thereof;

WHEREAS, all acts, conditions and things required by the laws of the State of Louisiana (the "*State*") to happen, exist and be performed precedent to and in the execution and delivery of this Loan Agreement have happened, exist and have been performed as so required in order to make this Loan Agreement a valid and binding agreement in accordance with its terms;

WHEREAS, each of the parties hereto represents that it is fully authorized to enter into and perform and fulfill the obligations imposed upon it under this Loan Agreement and the parties are now prepared to execute and deliver this Loan Agreement; and

WHEREAS, in consideration of the respective representations and agreements contained herein, the parties hereto, recognizing that under the Act this Loan Agreement shall not in any way obligate the State or any public corporation thereof, including, without limitation, the Authority, to raise any money by taxation or use other public moneys for any purpose in relation to the Parity Bonds and that neither the State nor the Authority, shall pay or promise to pay any debt or meet any financial obligation to any person at any time in relation to the Parity Bonds except from moneys received or to be received under the provisions of this Loan Agreement and the Indenture or derived from the exercise of the rights of the Authority thereunder, agree as follows:

NOW, THEREFORE, THIS LOAN AGREEMENT WITNESSETH:

ARTICLE 1
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. All capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the preamble hereto or in the Indenture. In addition to words and terms elsewhere defined in this Loan Agreement, the following words and terms as used in this Loan Agreement shall have the following meanings, unless some other meaning is plainly intended:

"*Accounts*" shall mean the accounts and subaccounts created pursuant to Article 4 of the Indenture.

"*Acquisition Costs*" shall mean costs, fees and expenses incurred by the Corporation in connection with the acquisition of land, existing facilities, rights thereto, rights-of-way, servitudes, easements or other interests to be used for the Projects, whether by purchase, grant, donation, lease or otherwise. Acquisition Costs shall include cost of the land or existing facilities themselves, as well as costs for related items including without limitation surveys, inspections, tests, borings, engineering reports, environmental reports, environmental remediation costs, title work, title insurance and closing costs. Acquisition Costs shall not include any Administrative Costs. Acquisition Costs shall be specifically allocated to an individual College.

"*Act*" means Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 to 4548.16, inclusive), and all future acts supplemental thereto and amendatory thereof.

"*Act No. 35*" shall mean Part IX-A of Chapter 26 of Title 17 of the Louisiana Revised Statutes of 1950, comprised of R.S. 17:3394.1 through 3394.3, as enacted by Act No. 35 of the 2025 Regular Session of the Louisiana Legislature, as the same may be further amended from time to time.

"*Additional Bonds*" means parity bonds, if any, issued in one or more series pursuant to Article 5 of the Indenture.

"*Additional Rental*" means the amounts specified as such in Section 7(d) of the Facilities Lease.

"*Administrative Costs*" shall mean general and administrative costs, fees, and expenses incurred by the Corporation in connection with the completion of the Projects and the implementation and administration of Act No. 35, including without limitation costs, fees, and expenses of: the program manager, the program administrator, the trustee, accountants, auditors, rebate analysts, investment advisors and attorneys (other than for title work).

"*Appropriated Funds*" means fund appropriation by the State Legislature for the Board pursuant to the Cooperative Endeavor Agreement.

"*Authority*" means the Louisiana Local Government Environmental Facilities and Community Development Authority, a political subdivision of the State of Louisiana, created by the provisions of the Act, or any agency, board, body, commission, department, or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Authority by said provisions shall be given by law.

"*Authorized Authority Representative*" means the Chairman, Vice Chairman, Executive Director, or Assistant Secretary of the Authority and any person(s) at the time designated to act under this Loan Agreement and the Indenture on behalf of the Authority by a written certificate furnished to the Corporation and the Trustee containing the specimen signature of such person(s) and signed on behalf of the Authority by the Chairman, Vice Chairman, Executive Director, or Assistant Secretary of the Authority. Such certificate may designate an alternate or alternates.

"*Authorized Corporation Representative*" means the person(s) at the time designated to act under the Loan Agreement and this Indenture on behalf of the Corporation by a written certificate furnished to the Authority and the Trustee containing the specimen signature of such person(s) and signed on behalf of the Corporation by the President or Secretary/Treasurer of the Corporation. Such certificate may designate an alternate or alternates.

"*Base Rental*" shall mean the amounts referred to as such in Section 7(b) of the Facilities Lease (as such amounts may be adjusted from time to time in accordance with the terms thereof) and paid to the Corporation, but does not include Additional Rental.

"*Board*" means the Board of Supervisors of the Louisiana Community and Technical College System, or its legal successor as the management board of the Colleges.

"*Board Documents*" means the Cooperative Endeavor Agreement, the Ground Lease, and the Facilities Lease, as they may be amended or supplemented from time to time.

"*Bond Counsel*" means Jones Walker LLP or such other nationally recognized bond counsel as may be selected by the Authority and acceptable to the Corporation.

"*Bond Documents*" means the Indenture and the Loan Agreement, as each may be amended or supplemented from time to time.

"*Bondholder*" or "*owner*," when used with reference to a Parity Bond, means the registered owner of any outstanding Parity Bonds.

"*Business Day*" means any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York, or Baton Rouge, Louisiana, are authorized or required not to be open for the transaction of regular banking business, or (d) a day on which the New York Stock Exchange is closed.

"*Code*" means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

"*Colleges*" means the various campuses under the supervision of the Board referenced in Exhibit A to the Facilities Lease, each individually, a "*College*".

"*Construction Costs*" shall mean costs, fees and expenses incurred by the Corporation under a Construction Contract in connection with the construction, renovation or design of any of the Facilities, including without limitation: labor, materials, services, machinery, equipment, utility infrastructure, landscaping, demolition, land clearing. Construction Costs shall not include any Administrative Costs. Construction Costs shall be specifically allocated to an individual College.

"*Contaminant*" shall mean any waste, pollutant or hazardous substance, as those terms are defined in CERCLA, regulations promulgated thereunder and any applicable state statutes, and any toxic substance, solid or hazardous waste as defined in RCRA and any applicable state statutes, special waste, petroleum or petroleum-derived substance, radioactive material or waste, polychlorinated biphenyls (PCBs), asbestos, or any continuant of any such substances or wastes.

"*Continuing Disclosure Certificate*" means the Continuing Disclosure Certificate dated as of the Closing Date, by the State, acting by and through the Division of Administration, as the same may be amended or supplemented from time to time in accordance with its terms.

"*Construction Contract*" means any contract or agreement by and between the Corporation and any Construction Contractor providing for the construction, renovation or design of any of the Facilities.

"*Construction Contractor*" means any contractor, architect, engineer, supplier or other party performing work or providing goods and services relative to the Facilities under a Construction Contract.

"*Cooperative Endeavor Agreement*" means the Cooperative Endeavor Agreement by and among the Board, the Corporation and the State dated as of May 1, 2026 providing for the funding of the Lease Payments (as defined in the Cooperative Endeavor Agreement) by the State under the Facilities Lease

from Appropriated Funds, and including any amendments of and supplements to the Cooperative Endeavor Agreement as permitted thereunder.

"*Corporation*" shall mean LCTCS Facilities Corporation, a Louisiana nonprofit corporation organized exclusively to promote, assist, and benefit the mission of the Board by acquiring, renovating, rehabilitating, repairing, constructing, developing, managing, leasing as lessor or lessee, mortgaging, and/or conveying classroom, administrative, and other facilities on the campuses of designated Board institutions, or their successor or assigns, as provided in Act No. 35.

"*Debt Service Fund*" means the fund of that name created under Section 4.1 of the Indenture.

"*Defeasance Obligations*" means non-callable direct obligations of the United States of America (including direct obligations of the United States of America that have been stripped by the Treasury itself, such as CATS, TIGRS and similar securities) or obligations the payment of principal of and interest on which are unconditionally guaranteed by the United States of America.

"*Environmental Lien*" shall mean a lien in favor of any Governmental Corporation for (a) any liability under federal or state environmental laws or regulations or (b) damages arising from, or costs incurred by such Governmental Corporation in response to, a Release or threatened Release of a Contaminant into the environment.

"*Environmental Regulation*" shall mean any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to dangerous, toxic or hazardous pollutants, contaminants, chemical waste, materials or substances.

"*Facilities*" means the facilities described in Exhibit A attached to the Facilities Lease and to this Loan Agreement, as amended and supplemented in accordance therewith, that are to be designed, constructed, renovated and equipped with the proceeds of the Parity Bonds, including all furnishings, fixtures and equipment incidental or necessary in connection therewith, and the administrative offices of the Board on the campus of the Colleges.

"*Facilities Documents*" means collectively the Loan Agreement, the Ground Lease, the Facilities Lease and amendments thereto, other contract documents and agreements, and surety bonds and instruments pertaining to the Facilities.

"*Facilities Lease*" means that certain Agreement to Lease with Option to Purchase dated as of August 1, 2026, by and between the Board, as Lessee, and the Corporation, as Lessor, whereby the Facilities are leased by the Corporation to the Board, including any supplements and amendments thereto and thereof.

"*Fiscal Year*" means any period of twelve consecutive months adopted by the Corporation as its Fiscal Year for financial reporting purposes, currently the period beginning on January 1 and ending on December 31 of each year.

"*Funds*" shall mean the funds created pursuant to Article 4 of the Indenture.

"*Governmental Corporation*" shall mean any nation or government, any federal, state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"*Ground Lease*" means that certain Ground Lease Agreement dated as of August 1, 2026, by and between the Board, as Lessor, and the Corporation, as Lessee, whereby the Property is leased by the Board to the Corporation, and any amendment or supplemental thereto entered into from time to time in accordance with the terms thereof.

"*Hazardous Substances*" shall mean dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances as defined in Environmental Regulations, and also any urea formaldehyde, polychlorinated biphenyls, asbestos, asbestos-containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, material, substance, pollutant or contaminant which would subject the owner or mortgagee or any Holder to any damages, penalties or liabilities under any applicable Environmental Regulation.

"*Indenture*" means the Trust Indenture dated as of August 1, 2026, between the Authority and the Trustee, as it may be further amended or supplemented from time to time by supplemental indentures in accordance with the provisions thereof.

"*Initial Closing Date*" means the date on which any series of Parity Bonds are first delivered and payment therefor is received by the Authority.

"*Interest Account*" means the Interest Account within the Debt Service Fund created pursuant to Article 4 of the Indenture.

"*Interest Payment Date*" or "*interest payment date*", when used with respect to the Parity Bonds, means each April 1 and October 1, commencing April 1, 2027.

"*Liabilities and Costs*" shall mean all liabilities, obligations, responsibilities, losses, damages, costs and expenses (including, without limitation, attorney, expert and consulting fees and costs of investigation and feasibility studies), fines, penalties, monetary sanctions and interest.

"*Loan*" means the aggregate amount of the moneys loaned to the Corporation pursuant to this Loan Agreement.

"*Loan Agreement*" means this Loan and Assignment Agreement dated as of August 1, 2026, between the Corporation and the Authority, including any amendments and supplements hereof and hereto as permitted hereunder.

"*Maintenance Reserve Fund*" means the account of that name held by the Trustee to Article 4 of the Indenture.

"*Mortgage*" means, collectively, individually and interchangeably, each Act of Leasehold Mortgage, Assignment of Leases and Security Agreement granted by the Corporation in favor of the Trustee, mortgaging the Corporation's leasehold interest pursuant to the Ground Lease, and any amendment or supplement thereto entered into in accordance with the terms therein.

"*Officer's Certificate*" means a certificate signed by an Authorized Corporation Representative.

"*Operation and Maintenance Expenses*" means the expenses determined in accordance with generally accepted accounting principles of operating and maintaining the Project.

"*Outstanding*" or "*outstanding*", when used with reference to Parity Bonds, means all such bonds that have been authenticated and issued under the Indenture except those:

(a) canceled by the Trustee pursuant to the Indenture;

(b) for the payment of which moneys or Defeasance Obligations shall be held in trust for their payment by the Trustee as provided in the defeasance provisions of the Indenture;

(c) that have been duly called for redemption and for which the redemption price thereof is held in trust by the Trustee as provided in the Indenture;

(d) in exchange for which other Parity Bonds shall have been authenticated and delivered by the Trustee as provided in the Indenture; and

(e) for all purposes regarding consents and approvals or directions of Bondholders under the Loan Agreement or the Indenture, held by or for the Authority, the Corporation or any person controlling, controlled by or under common control with either of them.

"*Parity Bonds*" means collectively, all bonds issued on a parity basis pursuant to the Indenture.

"*Payments*" means the amounts of repayments under this Loan Agreement with respect to the Parity Bonds to be made by the Corporation as provided in Article 4 of this Loan Agreement.

"*Permitted Encumbrances*" means:

(a) any lien arising by reason of any good faith deposit with the Corporation in connection with any lease of real estate, bid or contract (other than any contract for the payment of money);

(b) any lien arising by reason of any deposit with or giving of security to any Governmental Corporation agency as a condition to the transaction of any business or the participation by the Corporation in any funds established to cover insurance risk or in connection with worker's compensation, unemployment insurance, pension plans or other social security;

(c) any right reserved to any municipality or other public authority by the terms of any franchise, grant, license or provision of law affecting any property of the Corporation and any lien on any property of the Corporation for taxes, assessments or other municipal charges so long as such charges are not due and payable or not delinquent (or, if due or delinquent, the amount or validity of such charges is being contested in good faith with due diligence and execution of any such lien is stayed);

(d) mechanics' and materialmen's liens in connection with any property of the Corporation so long as any amounts secured by such lien are not due and payable or not delinquent (or, if due or delinquent, the amount or validity of such charges is being contested in good faith with due diligence and execution of any such lien is stayed);

(e) the Indenture, this Loan Agreement, the Ground Lease, the Facilities Lease, or the Mortgage;

(f) any lien on property received by the Corporation through a gift, grant, or bequest constituting a restriction imposed by the donor, grantor or testator on such gift, grant, or bequest (or the income therefrom), provided that any such lien may not be extended, renewed, or modified in any way or applied to any additional property of the Corporation unless it would otherwise qualify as a Permitted Encumbrance;

(g) any security interest in personal property securing all or a portion of the purchase price thereof (provided that this Permitted Encumbrance shall not be construed to permit the incurrence of indebtedness secured by such a security interest, it being understood that any such indebtedness may be incurred only to the extent expressly permitted by the other applicable provisions of the Indenture or this Loan Agreement);

(h) such easements, rights-of-way, servitudes, restrictions and other defects, liens and encumbrances as are determined not to materially impair the use of the Corporation's facilities for their intended purposes or the value of such facilities, such determination to be made in a certificate of an authorized officer of the Corporation supported by an opinion of independent counsel or a report or opinion of an independent management consultant;

(i) liens incurred or assumed primarily for the acquisition or use of personal property and equipment (including equipment that is not treated as personal property under applicable state law) under the terms of installment purchase contracts, loans secured by purchase money mortgages or security interests in the financed property, lease purchase agreements or capital leases of the financed property; and

(j) any assignment, pledge, transfer, mortgage, lien, hypothecation, financing, lease or security interest in the initial furnishings, equipment and related items under the Facilities Lease as may be required to permit the financing of such furnishings, equipment and related items.

In addition, encumbrances in existence as of the date of issuance of the Parity Bonds as set forth in Exhibit B hereof are hereby qualified as Permitted Encumbrances. Any such existing encumbrance may not be extended, renewed or modified in any way or applied to any additional Properties of the Corporation unless it would otherwise qualify as a Permitted Encumbrance.

"*Principal Account*" means the Principal Account within the Debt Service Fund created pursuant to Section 4.1 of the Indenture.

"*Project Costs*" means Acquisition Costs and Construction Costs incurred to complete the Projects. Project Costs shall not include any Administrative Costs. Project Costs shall be specifically allocated to an individual College.

"*Project Funds*" means all of the project funds created under Section 4.1 of the Indenture, each individually, a Project Fund.

"*Projects*" shall mean the projects identified in Act No. 35, with such changes as are authorized in Act No. 35.

"*Properties*" shall mean any and all rights, title and interests in and to any and all of the Corporation's property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired, including its rights and interest in the Property. The term "*Properties*", without intending to limit the generality of the foregoing, as of any particular time, shall include all buildings, structures, fixtures, furnishings, equipment and other property, movable and immovable, and all franchises, land, rights-of-way, privileges, servitudes, easements, licenses, rights and any other interests in immovable property owned, leased, subleased or otherwise acquired by the Corporation and used or useful in connection with or incident to such facilities, or used or useful by the Corporation in connection with or incident to its authorized purposes.

"*Property*" means the immovable property more particularly described on Exhibit A to the Ground Lease and all improvements now or thereafter located thereon, together with all other rights and interests leased pursuant to Section 1.1 of the Ground Lease.

"*Release*" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing or dispersing into the indoor or outdoor environment or into or out of the Properties, including, but not limited to, the movement of Contaminants through or in the air, soil, surface water, groundwater or the Properties and the abandonment or discard or barrels, containers, and other open or closes receptacles containing any Contaminant.

"*Remedial Action*" shall mean actions related to (a) cleaning up, removing, treating or in any other way addressing Contaminants in the indoor or outdoor environment; (b) preventing or minimizing the Release or threat of Release of Contaminants so that Contaminants do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment; and (c) collecting environmental data or performing pre-remedial studies and investigations and performing operations and maintenance and post-remedial monitoring and care.

"*Requirement of Law*" shall mean any federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, and any provision or condition of any Permit or other binding determination of any Governmental Corporation.

"*Revenues*" means the Base Rental.

"*Short Term Debt*" means indebtedness with a term of one year or less, but not including accounts payable by the Corporation in the ordinary course of its operations.

"*State*" means the State of Louisiana.

"*State Legislature*" means the legislature of the State in any given year.

"*Tax Regulatory Agreement*" means the Tax Regulatory Agreement and Arbitrage Certificate dated as of the Closing Date by and among the Authority, the Corporation, the Board, and the Trustee.

"*Trust Estate*" means all the property assigned by the Authority to the Trustee pursuant to the Indenture as security for the Parity Bonds.

"*Trustee*" means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under the Indenture that may be designated (originally or as a successor) as Trustee for the owners of the Parity Bonds issued and secured under the terms of the Indenture, initially Hancock Whitney Bank.

Section 1.2 Rules of Construction.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) Unless the context shall otherwise indicate, the word "person" shall include the plural as well as the singular number, and "person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

(c) Provisions calling for the redemption of the Parity Bonds or the calling of Parity Bonds for redemption do not mean or include the payment of Parity Bonds at their stated maturity or maturities.

(d) All references in this Loan Agreement to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections and other subdivisions of this Loan Agreement. The words "herein," "hereof," "hereunder," and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section, or other subdivision.

ARTICLE 2
REPRESENTATIONS

Section 2.1 Representations by the Authority. The Authority represents and warrants as follows:

(a) The Authority is a political subdivision of the State.

(b) Under the provisions of the Act, the Authority is duly authorized to enter into, execute and deliver the Bond Documents, to undertake the transactions contemplated by the Bond Documents and to carry out its obligations hereunder and the Authority has duly authorized the execution and delivery of the Bond Documents and the Parity Bonds.

(c) The Authority agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence.

Section 2.2 Representations of the Corporation. The Corporation makes the following representations and warranties:

(a) The Corporation is a nonprofit corporation duly organized and existing in good standing under the laws of the State for the benefit of the Board, is duly qualified to do business and is duly authorized and licensed to operate all of the Properties, has power to execute and deliver the Board Documents, this Loan Agreement and the Tax Regulatory Agreement and by proper action has been duly authorized to execute and deliver the Board Documents, this Loan Agreement and the Tax Regulatory Agreement.

(b) Each of the statements made with respect to the Corporation in the recitals of this Loan Agreement is true, correct and complete.

(c) The Corporation is not in breach of or in default under any of the provisions of: (i) the Articles of Incorporation of the Corporation, as amended, or By-laws, as amended; (ii) any judgment, decree, order, statute, rule or regulation applicable to it or to its Properties; or (iii) any material provision of any material indenture, mortgage, loan agreement, financing agreement or other contract or instrument to which it is a party or by which it or any of its Properties are bound.

(d) The Corporation is not required in connection with the transactions contemplated by the Board Documents and this Loan Agreement to obtain any consent not already obtained.

(e) The Corporation has or timely will obtain as required all authority, permits, licenses, consents and authorizations as are necessary to own, lease and operate its Properties and to carry on its business and to carry out and consummate all the transactions contemplated by the Board Documents and this Loan Agreement.

(f) This Loan Agreement, the Cooperative Endeavor Agreement, the Ground Lease, the Facilities Lease and the Mortgage are legal, valid and binding obligations of the Corporation and enforceable against the Corporation in accordance with their terms, and the authorization, execution and delivery hereof and thereof and compliance with the provisions hereof and thereof do not conflict with or constitute on the part of the Corporation a violation of, breach of, or default under: (i) any provision of any indenture, mortgage, deed of trust, loan agreement or other contract or instrument to which the Corporation is a party or by which it or any of its Properties are bound; (ii) any order, injunction or decree of any court or governmental authority; or (iii) the provisions of its charter, as amended, or by-laws, as amended.

(g) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against the Corporation, wherein an unfavorable decision, ruling or finding would materially and adversely affect the validity or enforceability of the Board Documents or this Loan Agreement or any other agreement or instrument to which the Corporation is a party used in consummation of the transactions contemplated hereunder.

(h) The Corporation has obligated itself to construct and equip, or cause the construction and equipping of the Facilities pursuant to the Board Documents and this Loan Agreement, and the Corporation has the full power, right and authority to do so and has obtained, or timely will obtain, all permits, licenses and approvals of governmental agencies necessary to undertake and complete such construction, improvements and equipping generally as set forth in the Construction Contract.

Section 2.3 Environmental Representations.

(a) The Corporation has taken all steps necessary to determine and has determined that no Contaminants have been disposed of on the Property in any material manner and that there has been no Release of any Contaminant on, from, under or to the Property other than in compliance with applicable law.

(b) The operations or other activities of the Corporation will not result in the disposal or other Release of any Contaminant on or from the Facilities other than in all cases in compliance with applicable law.

(c) The Corporation has not received any notice or claim or information to the effect that it is or may be liable to any Person as a result of the Release or threatened Release of a Contaminant into the environment in violation of applicable law.

(d) No Environmental Lien has attached to the Property.

(e) The operations or other activities of the Corporation shall not result in the disposal or other Release of any Contaminant on or from the Facilities other than in compliance with all current and future applicable environmental laws and the Corporation shall not engage in any activities that will result in the violation of any current or future environmental laws. The Corporation shall obtain from time to time all permits required under any current or future environmental laws so that the operations of the Corporation will be in accordance with such laws.

(f) The Corporation will make available for inspection from time to time all documents and information in its possession and control regarding activities and conditions relating to the Facilities and other assets which may result in noncompliance with, or liability under, any Requirement of Law.

(g) The Corporation shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Facilities other than in accordance with all applicable Environmental Regulations, shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom other than in accordance with all applicable Environmental Regulations, shall not install or permit to be installed any underground storage tank therein or thereunder other than in accordance with all applicable Environmental Regulations, and shall comply with all Environmental Regulations which are applicable to the Facilities. The Corporation shall indemnify the Trustee and the Authority and shall hold the Trustee and the Authority harmless from, and shall reimburse the Trustee and the Authority for, any and all claims, demands, judgments, penalties, liabilities, costs, damages and expenses, including court costs and attorneys' fees directly or indirectly incurred by the Trustee or the Authority the payee and holder of any Bond (prior to trial, at trial and on appeal) in any action against or involving the Trustee or the Authority, resulting from any breach of the foregoing covenants, or from the discovery of any Hazardous Substance, in, upon, under or over, or emanating from, the Facilities, whether or not the Corporation is responsible therefor, it being the intent of the Corporation that the Trustee and the Authority shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean-up of, or other with respect to, Hazardous Substances by virtue of their interests, if any, in the Facilities created by the Indenture, and this Loan Agreement or otherwise, or hereafter created, or as the result of the Trustee or the Authority exercising any instrument, including but not limited to becoming the owner thereof by foreclosure or conveyance in lieu of foreclosure. The foregoing representations, warranties and covenants shall be deemed continuing covenants, representations and warranties for the benefit of the Trustee and the Authority and any successors and assigns thereof, including but not limited to any transferee of the title of the Trustee and any subsequent owner of the Facilities, and shall survive the satisfaction and release of the Indenture, and this Loan Agreement, or under any other instrument, and/or any acquisition of title to the Facilities or any part thereof by the Trustee or the Authority by deed in lieu of foreclosure or otherwise. Any amount covered by the foregoing indemnification shall bear interest from the date incurred at a rate of 1.0% above the highest rate of interest borne by any Bond during the 365 days prior to the date on which such indemnification obligation was incurred, or, if less, the maximum rate permitted by law, and shall be payable on demand.

ARTICLE 3
TERM, NATURE AND BENEFITS OF LOAN AGREEMENT; CONSTRUCTION OF FACILITIES

Section 3.1 Term. The term of this Loan Agreement shall commence on the Initial Closing Date, and shall terminate (unless discharged upon prepayment of all sums due hereunder by the Corporation prior thereto as hereinafter provided) on the date on which the Parity Bonds and all other sums secured hereunder shall have been paid or provision for their payment shall have been made in accordance herewith. Notwithstanding the foregoing, the indemnification provisions of this Loan Agreement shall survive the termination thereof and the defeasance of the Parity Bonds under the Trust Indenture.

Section 3.2 Nature and Benefits.

(a) This Loan Agreement has been executed and delivered in part to induce concurrently herewith the purchase by others of the Parity Bonds, and, accordingly, all covenants and agreements on the part of the Corporation and the Authority, as set forth therein and herein, are hereby declared to be for the benefit of the Trustee for the owners from time to time of the Parity Bonds. The Corporation consents and agrees to the assignment by the Authority to the Trustee under the Indenture of all of the Authority's

right, title and interest (except for certain rights relating to exculpation, indemnification and payment of expenses) in, to and under this Loan Agreement, including the interest of the Authority in and to the Facilities Lease assigned by the Corporation to the Authority hereunder, and agrees that the provisions hereof may be enforced by the Trustee under the provisions of the Indenture. The Corporation agrees to do all things within its power in order to comply with, and to enable the Authority to comply with, all requirements and to fulfill, and to enable the Authority to fulfill, all covenants of the Indenture and the Parity Bonds.

(b) This Loan Agreement is a limited obligation of the Corporation, payable solely from the Revenues, and this Loan Agreement shall remain in full force and effect until the Parity Bonds and the interest therein have been fully paid or otherwise provided for or discharged.

Section 3.3 Construction, Improvement and Equipping of the Facilities. The Corporation shall lease the Property and construct and equip, or cause to be constructed and equipped, the Facilities with all reasonable dispatch and in accordance with the Board Documents, and shall take all action necessary to enforce the provisions of the Board Documents.

Section 3.4 Revision of Facilities Documents.

(a) The Corporation may revise the Cooperative Endeavor Agreement (the "*Facilities Document*") without the consent of the Authority or the holders of the Parity Bonds; provided, however, that no such revision shall impair the exclusion from gross income of interest on the Parity Bonds for Federal income tax purposes nor reduce the amount of Appropriated Funds to an amount less than sufficient to make all required payments of Base Rental under the Facilities Lease.

(b) The Corporation may revise the Ground Lease, the Facilities Lease and the description of the Facilities in Exhibit A hereto as well as the description of the Property in Exhibit A to the Ground Lease from time to time (including, without limitation, the deletion or revision of any of the facilities included in the Facilities and/or the description of any of the properties included in the Property and/or the substitution therefor of other facilities or properties) without the consent of the Authority, the Trustee, the holders of the Parity Bonds; provided, however, that no such revision shall impair the exclusion from gross income of interest on the Parity Bonds for Federal income tax purposes. In the case of any change that would render materially inaccurate the description of the Facilities in Exhibit A hereto, there shall be delivered to the Trustee and the Authority a revised Exhibit A containing a description of the Facilities that reflects the change in the Facilities Documents, the accuracy of which shall have been certified by an Authorized Corporation Representative.

(c) Prior to effecting any change in or revision of the Facilities Documents, as described in Section 3.4(a) above, the Corporation shall deliver to the Authority evidence of all governmental or regulatory approvals required therefor.

Section 3.5 Disbursements from Project Funds. The money in the Project Funds shall be applied by the Trustee, and in connection therewith requisitions shall be presented by the Corporation signed by an Authorized Corporation Representative, for payment of the Project Costs in accordance with Article 4 of the Indenture and Article 3 of this Loan Agreement, and pending such application such money shall be invested and reinvested in accordance with Article 4 of the Indenture.

Section 3.6 Completion of Payment of Project Costs.

(a) At such time as the Corporation has notice that the funds on deposit in the Project Funds, together with the investment earnings thereon, are insufficient to pay the completion of any

Project Costs, the Corporation shall deliver to the Trustee and the Authority written estimates by an architect and an Authorized Corporation Representative of the additional funds required to pay the completion Project Costs, and such additional information and data as may be reasonably requested by the Authority and the Trustee. The Corporation shall complete the construction and equipping of the Facilities and pay that portion of the completion Project Costs of the Facilities as may be in excess of the money available therefor in the Project Funds. The obligation of the Corporation to pay in full the completion Project Costs shall be a limited obligation of the Corporation payable solely from the Revenues.

(b) Upon the request of the Corporation, the Authority will use its best efforts to issue and sell, upon terms and at prices acceptable to the Authority and the Corporation, one or more series of Additional Bonds for the purpose of financing the completion Project Costs; provided, however, that the failure of the Authority to issue such bonds shall not relieve the Corporation of its obligation to provide the additional money required to pay the completion Project Costs. If after exhaustion of the money in the Project Funds the Corporation should pay any portion of the Project Costs, it shall not be entitled to any reimbursement therefor from the Authority or from the Trustee, and shall not be entitled to any abatement, diminution or postponement of payments required to be made by it under this Loan Agreement.

Section 3.7 Establishment of Completion Date. The date upon which the construction and equipping of the Facilities financed with a series of the Parity Bonds are substantially complete shall be evidenced to the Authority and the Trustee by a certificate signed by an Authorized Corporation Representative. The certificate shall set forth the total Project Costs and state that, except for amounts not then due and payable, or the liability for the payment of which is being contested or disputed in good faith by the Corporation, (a) the construction and equipping of such Facilities have been completed generally as incorporated in the Construction Contract, and the Project Costs have been paid, and (b) all other facilities necessary in connection with the Facilities have been acquired, constructed and installed generally in accordance with the Construction Contract, therefor and all costs and expenses incurred in connection therewith have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or which may subsequently come into being.

Section 3.8 No Warranty of Condition or Suitability. The Corporation acknowledges its full familiarity with the Facilities and that the Authority has no responsibility for the Facilities Documents. The Authority makes no representation or warranty, either express or implied, and offers no assurance that the proceeds of the Parity Bonds will be sufficient to pay in full the Project Costs in accordance with the Facilities Documents.

ARTICLE 4
DISBURSEMENT OF PARITY BOND PROCEEDS; PAYMENTS; CREDITS; OBLIGATIONS UNCONDITIONAL; PREPAYMENT

Section 4.1 Disbursement of Parity Bond Proceeds. In order to provide funds for paying a portion of the Project Costs, the Authority, as soon as practicable after the execution of this Loan Agreement, at such times as may be requested by the Corporation, will proceed to issue, sell and deliver the Parity Bonds in one or more series to the purchasers thereof and will deposit the proceeds thereof as provided by Section 4.2 of the Indenture with the Trustee for disbursement in accordance with the provisions of the Indenture.

Section 4.2 Amounts Payable.

(a) Upon the terms and conditions of this Loan Agreement, the Authority shall lend to the Corporation the proceeds of the sale of the Parity Bonds. The proceeds of the Loan shall be deposited with the Trustee and applied in accordance with the Indenture.

(b) The Corporation, for and in consideration of the issuance of the Parity Bonds under the Indenture by the Authority and the application of the proceeds thereof by the Authority as provided in the Indenture for the benefit of the Corporation, hereby promises to repay the Loan, but solely from the Base Rental, by making the following payments (collectively called the "*Payments*") to or for the account of the Authority in an amount sufficient for the payment in full of all Parity Bonds from time to time issued under the Indenture and then outstanding, including (i) the total interest becoming due and payable on the Parity Bonds to the date of payment thereof, and (ii) the total principal amount of and premium, if any, on the Parity Bonds. The Payments with respect to the Parity Bonds shall be payable directly to the Trustee for the account of the Authority in installments as follows:

(i) At such time as may be required by the Tax Regulatory Agreement but not less often than annually, to the Rebate Fund, the amount required to be deposited thereunder;

(ii) Semiannually, on March 15 and September 15 commencing March 15, 2027, to the Interest Account of the Debt Service Fund, an amount equal to the interest due and payable on the Parity Bonds on the following April 1 or October 1 as the case may be;

(iii) Annually, on September 15 in each year commencing September 15, 2040, to the Principal Account of the Debt Service Fund, an amount equal to the principal of and premium, if any, due and payable on the Parity Bonds on the next succeeding October 1;

(iv) Annually on September 15 commencing September 15, 2029, an amount equal to the Maintenance Reserve Fund Requirement to the Maintenance Reserve Fund;

(v) At such time designated by the Corporation, an amount specified by the Corporation into the Administrative Fund; and

(vi) Annually on October 1 of each year beginning October 1, 2026, any amounts remaining in the Receipts Fund shall be transferred to the Contingency Fund. Beginning on the first October 1 following the Project Completion Date, any excess amount remaining in the Receipts Fund shall be transferred to the Principal Account of the Debt Service Fund.

(c) Each installment of the Payments payable by the Corporation hereunder shall be in an amount which, without regard to the payments required under Section 4.2(b)(iii), (iv) and (v) above, but including moneys in the Debt Service Fund then available, shall be designed to provide for the timely payment in full of the principal of, premium, if any, and interest on the Parity Bonds.

(d) Notwithstanding anything to the contrary contained herein, the Corporation promises that it will pay the Payments from the Base Rental at such times and in such amounts as to assure that no default in the payment of the principal of, premium, if any, or interest on the Parity Bonds shall at any time occur.

(e) Whenever the Corporation shall fail to pay the full amount of any installment of Payments payable under Sections 4.2(b)(i), (ii), (iii), (iv) or (v) above by the day of the month in which such installment is due, the Trustee shall give immediate telephonic notice thereof, promptly confirmed in writing, to an Authorized Corporation Representative.

(f) The Corporation shall also cause the Board to promptly pay when due under the Facilities Lease all amounts of Additional Rental owed by the Board thereunder, including, but not limited to, all Default or Delay Rentals and Administrative Expenses (each as defined in the Facilities Lease) owed to the Authority and/or the Trustee thereunder.

Section 4.3 Credits Against Payments. A credit against and reduction of the Payments shall be derived only from the following sources:

(a) Accrued interest, if any, derived from the sale of the Parity Bonds;

(b) Capitalized interest on the Parity Bonds; and

(c) Surplus moneys (including investment earnings) contained in the Funds and Accounts held by the Trustee under the Indenture, including the Debt Service Fund.

Section 4.4 Obligation to Make Payments.

(a) The obligation of the Corporation to repay the Loan by making the Payments from the Base Rental shall be absolute and unconditional and shall not be subject to, nor shall the Corporation be entitled to assert, any rights of abatement, deduction, reduction, deferment, recoupment, setoff, offset or counterclaim by the Corporation or any other person, nor shall the same be abated, abrogated, waived, diminished, postponed, delayed or otherwise modified under or by reason of any circumstance or occurrence that may arise or take place, irrespective of what statutory rights the Corporation may have to the contrary, including but without limiting the generality of the foregoing:

(i) Any damage to or destruction of part or all of the Facilities;

(ii) The taking or damaging of part or all of the Facilities or any temporary or partial use thereof by any public authority or agency in the exercise of the power of eminent domain, sequestration or otherwise;

(iii) Any assignment, novation, merger, consolidation, transfer of assets, leasing or other similar transaction of, by or affecting the Corporation, except as otherwise provided in this Loan Agreement;

(iv) Any change in the tax or other laws of the United States, the State or any governmental authority;

(v) The termination of the Ground Lease or the Facilities Lease, any failure of title or any lawful or unlawful prohibition of the Corporation's use of the Facilities or any portion thereof or the interference with such use by any person or any commercial frustration of purpose or loss or revocation of any permits, licenses or other authorizations required for the operation of the Facilities; and

(vi) Any failure of the Authority or the Trustee to perform and observe any agreement or covenant, expressed or implied, or any duty, liability or obligation arising out of or in connection with this Loan Agreement, the invalidity, unenforceability or disaffirmance of any of this Loan Agreement, the Indenture or the Parity Bonds or for any other cause similar or dissimilar to the foregoing.

(b) Furthermore, the Corporation covenants and agrees that it will remain obligated under this Loan Agreement in accordance with its terms, and that it will not take or participate or acquiesce in any action to terminate, rescind or avoid this Loan Agreement.

Section 4.5 Prepayment of Payments.

(a) The Corporation is obligated to prepay the Payments, in whole or in part, on any date on which the Parity Bonds are subject to optional redemption pursuant to the Indenture, including, without limitation, Section 3.4 thereof.

(b) The option to redeem the Parity Bonds under Section 3.4 of the Indenture can be exercised only upon written direction of the Corporation to the Authority as long as the Facilities Lease is outstanding. To exercise such option, the Corporation shall give written notice to the Authority and the Trustee and shall specify therein the date of such prepayment, which prepayment date shall be not fewer than thirty (30) days from the date such notice is received by the Trustee. The Authority and the Trustee shall make all necessary arrangements satisfactory to the Trustee for the redemption of Parity Bonds to be redeemed under the Indenture in accordance with the provisions thereof.

(c) The prepayment price payable by the Corporation, in the event of its exercise of the option granted in this Section, or in the case of its obligation to prepay the Payments shall be the sum of the following:

(i) An amount of money that, when added to the moneys and investments held by the Trustee pursuant to the provisions of the Indenture and available for such redemption, is sufficient to pay and discharge the Parity Bonds to be redeemed (including the total principal amount of such Parity Bonds and interest to accrue thereon to the date fixed for redemption of such Parity Bonds to be redeemed, plus a premium equal to the amount of premium required to be paid in connection with the redemption of such Parity Bonds) on the date fixed for redemption; plus

(ii) An amount of money equal to the fees and expenses of the Trustee and the Authority accrued and to accrue through such redemption.

Section 4.6 Assignment of Facilities Lease. In consideration for and in order to further secure the Corporation's obligation to repay the Loan up to the maximum amount of FIVE HUNDRED MILLION and No/100 Dollars ($500,000,000.00) the Corporation hereby transfers, assigns and pledges unto the Authority, all right, title and interest of the Corporation in, to and under the Facilities Lease (except for payments of Additional Rentals made under the Facilities Lease) and all proceeds of insurance received or receivable by the Corporation as a result of any damage to or destruction of the Facilities, or any part thereof, and all amounts received or receivable by the Corporation as compensation for the taking or the transfer of the Facilities, or any part thereof, in lieu of a taking or use of the Facilities, under the powers of eminent domain, but only to the extent that such proceeds, award or compensation is not used for the restoration, repair or reconstruction of the Facilities to which such proceeds, award or compensation is attributable, all amounts received or receivable by the Corporation from the sale of the Facilities, or any part thereof, all amounts collected under payment and performance bonds, if any, maintained with respect to the Facilities, and any and all additional revenues, income, receipts and other payments (including, without limitation, grants, donations, gifts and appropriations received from any private or public source) that hereafter are received by the Corporation for or relating to the Facilities or that hereafter may be assigned by the Corporation pursuant to this Loan Agreement.

ARTICLE 5
NON-ARBITRAGE

Section 5.1 Covenants as to Arbitrage.

(a) The Corporation hereby agrees to prepare and provide instructions to the Trustee as to the investment and reinvestment of moneys held as part of any fund or account relating to the Parity Bonds. Any such moneys so held as part of any fund or account shall be invested or reinvested by the Trustee in Permitted Investments as specified in Section 4.13 of the Indenture. The Corporation hereby covenants that it will comply with the terms of the Tax Regulatory Agreement and that it will make such use of the proceeds of the Parity Bonds and all other funds held by the Trustee under the Indenture, regulate the investment of such proceeds and other funds and take such other and further action as may be required so that the Parity Bonds will not constitute arbitrage bonds under Section 148 of the Code and the regulations promulgated thereunder. The Corporation agrees that it will comply with the terms of any letter of instructions provided to it by nationally recognized bond counsel relating to compliance with the provisions of Section 148 of the Code.

(b) If the Corporation determines that it is necessary to restrict or limit the yield on the investment of any money paid to or held by the Trustee hereunder or under the Indenture in order to avoid classification of the Parity Bonds as arbitrage bonds within the meaning of the Code, the Corporation may issue to the Trustee an instrument to such effect (along with appropriate written instructions), in which event the Trustee will take such action as is necessary to restrict or limit the yield on such moneys in accordance with such instrument and instructions.

ARTICLE 6
CERTAIN COVENANTS OF THE CORPORATION

Section 6.1 General Covenants of Corporation. The Corporation further expressly represents, covenants and agrees:

(a) To comply with the terms, covenants and provisions expressed or implied, of all contracts pertaining to, affecting or involving the Facilities or the business of the Corporation, the violation or breach of which would materially and adversely affect the ability of the Corporation to fulfill its obligations hereunder;

(b) Whenever and so often as requested so to do by the Trustee or the Authority, promptly to execute and deliver or cause to be executed and delivered all such other and further instruments and documents, and to promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Authority, the Trustee and the owners of the Parity Bonds all rights, interests, powers, benefits, privileges and advantages conferred upon them by this Loan Agreement and the Indenture;

(c) Promptly, upon the request of the Authority or the Trustee from time to time, to take such action as may be necessary or proper to remedy or cure any material defect in or cloud upon its interest in the Facilities or any part thereof, whether now existing or hereafter developing, to prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and to indemnify and save the Authority and the Trustee harmless from all loss, cost, damage and expense, including attorney's fees, which they or either of them may ever incur by reason of any such defect, cloud, suit, action or proceeding;

(d) To defend against every suit, action or proceeding at any time brought against the Authority or the Trustee based on any claim arising out of the receipt, application or disbursement of any of the Trust Estate or involving the Authority's or the Trustee's rights or obligations under this Loan Agreement or under the Indenture (except in the case of the Authority's or the Trustee's negligence or willful misconduct), to indemnify and hold harmless the Trustee and each officer, employee, agent, or other representative of the Trustee against claims arising out of the Trustee's responsibilities under this Loan Agreement, the Indenture or any other document entered into by the Trustee in connection with the Parity Bonds (except in the case of the Trustee's negligence or willful misconduct), to indemnify and hold harmless the Authority and any officer, employee, agent, servant or trustee of the Authority against claims during the term of this Loan Agreement that may be occasioned by any cause (other than the negligence or willful misconduct of the Authority, its officers, employees, agents, servants and trustees) pertaining to the construction, use, possession, operation, service, design or management or leasing or subleasing of the Facilities and any liabilities or losses resulting from violations by the Corporation of conditions, agreements and requirements of law affecting the Facilities or the ownership, occupancy or use thereof or arising from any defect in or from the operation of the Facilities, and to protect and insulate the Authority and the members of its Board of Trustees individually from any and all financial responsibility or liability whatsoever with respect to the Facilities;

(e) At all times to maintain the Corporation's rights to carry on the business of the Corporation and to duly procure all licenses and other authorizations required for the carrying on of its business and to provide all renewals and replacements and improvements to, and extensions of, the Facilities and to diligently maintain, preserve and renew all the rights, powers, privileges, approvals, licenses and franchises required for the carrying on of its business;

(f) To fulfill its obligations and to perform punctually its duties and obligations under this Loan Agreement and to otherwise carry on its business in accordance with the terms hereof to assure the continued proper operation, management, repair and maintenance of the Facilities;

(g) To cause compliance with all material provisions of applicable Federal, State and local laws;

(h) To pay, discharge, indemnify and save the Authority and the Trustee, except in the case of their negligence or willful misconduct, and their respective officers, agents, employees, servants and trustees harmless of, from and against any and all costs, claims, damages, expenses, liabilities, liens, obligations, penalties and taxes of every character and nature, by or on behalf of any person, firm, corporation, entity or governmental authority regardless of by whom advanced, asserted, held, imposed or made, which may be imposed upon, incurred by or asserted against the Authority and the Trustee and their respective officers, agents, employees, servants and trustees arising out of, resulting from or in any way connected with this Loan Agreement, the Parity Bonds or the Indenture excepting willful misconduct and negligence on the part of the Authority or the Trustee or their respective officers, agents, employees, servants and trustees. The Corporation also covenants and agrees, at its expense, to pay and to indemnify and to save the foregoing harmless of, from and against, all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand; and

(i) That it is an exempt organization under Section 501(c)(3) of the Code organized and operated exclusively for religious, charitable, scientific and educational purposes, and it shall not perform any act or enter into any agreement that shall adversely affect its ability to obtain such status as set forth in this Section.

Section 6.2 Covenants Regarding Operation and Maintenance by the Corporation of the Facilities. The Corporation acknowledges and agrees that it shall pay during the term hereof all Payments

and other sums required hereunder and shall cause the Board to pay, as Additional Rental under the Facilities Lease, all Operation and Maintenance Expenses. The Corporation also expressly covenants and agrees:

(a) That it shall cause the Board to maintain or cause to be maintained the Facilities, and each and every portion thereof, including all additions and improvements and all facilities adjoining and/or appurtenant thereto, in good operating order and condition, reasonable and ordinary wear and tear alone excepted, and make all necessary repairs thereto, interior and exterior, structural and non-structural, ordinary and extraordinary, foreseen and unforeseen, and otherwise to make all replacements, alterations, improvements and modifications to the Facilities necessary to ensure that the same at all times shall be suitable for the efficient operation thereof for the purpose intended;

(b) That the Authority, the Trustee and their agents shall have the right to inspect the Facilities at any reasonable time in a manner that will not interfere unreasonably with the Corporation's use thereof;

(c) That no undertakings, including the construction, improvement and installation of the Facilities, shall be commenced until the Corporation shall have first procured, so far as the same may be required from time to time, all necessary approvals and authorizations from municipal departments and governmental subdivisions having jurisdiction, and all construction undertakings shall be made and effected promptly and in a good and workmanlike manner and in full compliance with the Ground Lease and the Facilities Lease, all applicable permits, authorizations and laws and in accordance with all such requirements as insurers of the Properties, and all components thereof, may reasonably establish;

(d) That it shall cause the Board to pay, as Additional Rental under the Facilities Lease, as the same respectively become due, all taxes and assessments, whether general or special, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Facilities. The Corporation shall not allow any part of the Facilities to become and remain subjected to any mechanics', laborer's or materialmen's liens of record. Notwithstanding the foregoing, the Corporation may, at its own expense and in its own name, contest any such item of tax, assessment, liens or other governmental charge and, in the event of such contest, may permit the item so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority or the Trustee shall notify the Corporation that, in the opinion of nationally recognized bond counsel by nonpayment of any such items the security afforded the Parity Bonds pursuant to the terms of the Indenture or this Loan Agreement will be materially endangered, in which event such taxes, assessments or charges shall be paid forthwith. The Authority will cooperate to the extent reasonably necessary with the Corporation in any such claim, defense or contest. In the event the Corporation fails to do so, the Authority or the Trustee may, but shall be under no obligation to, pay any such item and any amounts so advanced therefor by the Authority or the Trustee shall become an additional obligation of the Corporation to the one making the advancement, which amount the Corporation agrees to pay together with interest thereon at the rate of the Trustee's prime lending rate, but solely from the Revenues;

(e) That it shall comply promptly with all material provisions of present and future laws, ordinances, orders, rules, regulations and requirements of every duly constituted governmental authority or agency and all material orders, rules and regulations of any regulatory, licensing, insurance underwriting or rating organization or other body exercising similar functions. The Corporation shall likewise perform and comply with all duties and obligations of any kind imposed by law, covenant, condition, agreement or easement and the requirements of all policies of insurance at any time in force with respect to the Facilities;

(f) That it shall not use or allow the Facilities to be used or occupied for any unlawful purpose or in violation of any private covenant, restriction, condition, easement or agreement covering or affecting the use of the Facilities. The Corporation likewise shall not suffer any act to be done or any condition to exist in the Facilities or any article to be brought therein or thereon which may be dangerous, unless safeguarded as required by law, or which, under law, constitutes a nuisance, public or private, or which may make void or voidable any insurance then in force with respect thereto;

(g) That it shall provide or cause to be provided all equipment, furnishings, supplies, facilities, services and personnel required for the proper construction, improvement and equipping of the Facilities in an economical and efficient manner, consistent with standards of operation and administration generally acceptable for facilities of comparable size and scope of operations; and

(h) That it shall take all action, if any, that may be required to obtain such consents, exceptions, exemptions or approvals of governmental authorities as may be necessary to permit it to comply fully with all covenants, stipulations, obligations and agreements of the Corporation contained in this Loan Agreement.

Section 6.3 Covenant as to Encumbrances. The Corporation covenants that, so long as any of the Parity Bonds remain outstanding, it shall not hereafter alienate and shall not hereafter create or suffer to be created any assignment, pledge, mortgage, hypothecation or lien on the Facilities, the Property, the Facilities Lease or any Base Rental under any circumstances, except for Permitted Encumbrances.

Section 6.4 Covenants, Representations and Warranties Relating to Federal Income Taxation. The Corporation covenants that it shall make such use of the proceeds of the Parity Bonds, regulate investment of proceeds thereof and take such other and further actions as may be required by the Code and applicable temporary, proposed and final Regulations and procedures, necessary to assure that interest on the Parity Bonds is excludable from gross income for Federal income tax purposes. Without limiting the generality of the foregoing covenant, the Corporation hereby covenants, represents and warrants, as follows:

(a) The Corporation will not take, fail to take or permit the commission of any action within its control necessary to be taken in order that interest on the Parity Bonds will continue to be excludable from gross income for Federal income tax purposes;

(b) The Corporation is an organization described in Section 501(c)(3) of the Code or corresponding provisions of prior law and is not a private foundation as defined in Section 509 of said Code; the Corporation shall not perform any act or enter into any agreement which shall adversely affect its ability to obtain such federal income tax status; the Corporation shall not perform any act, enter into any agreement or use or permit any property of the Corporation to be used in any manner (including any unrelated trade or business) that could adversely affect the exclusion from gross income of interest on the Parity Bonds for Federal income tax purposes pursuant to Section 103 of the Code; the Corporation shall not carry on or permit to be carried on in any property of the Corporation or permit any property of the Corporation to be used in or for any trade or business to the extent that such use of such property would adversely affect the exclusion from gross income of interest on the Parity Bonds for Federal income tax purposes; and the Corporation is duly organized and existing as a nonprofit corporation under the laws of the State and it will maintain, extend and renew its corporate existence under the laws of the State and will not do, suffer or permit any act or thing to be done whereby its right to transact its functions might or could be terminated or its activities restricted;

(c) The Corporation will timely file a statement with the United States of America setting forth the information required pursuant to Section 149(e) of the Code;

(d) The average term of each series of the Parity Bonds, calculated in proportion to the "issue price" (as defined in Section 1273 of the Code) of such Parity Bonds of each stated maturity of such Parity Bonds, will not exceed 120% of the average reasonably expected economic life of the Facilities financed with the proceeds of such Parity Bonds or the investment earnings thereon, weighted in proportion to the respective cost of each item comprising the Facilities financed with the proceeds of such Parity Bonds. For purposes of the preceding sentence, the reasonably expected economic life of property shall be determined as of the later of (i) the date on which each series of Parity Bonds is issued or (ii) the date on which such property is placed in service (or expected to be placed in service);

(e) The Corporation will not cause the Parity Bonds to be treated as "federally guaranteed" obligations within the meaning of Section 149(b) of the Code (as may be modified in any applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to "federally guaranteed" obligations described in Section 149(b) of the Code);

(f) Based upon all facts and estimates now known or reasonably expected to be in existence on the date the Parity Bonds are delivered, the Corporation reasonably expects that the proceeds of the Parity Bonds will not be used in a manner that would cause the Parity Bonds or any portion thereof to be an "arbitrage bond" within the meaning of Section 148 of the Code;

(g) As provided in Article 5 hereof, the Corporation will monitor the yield on the investment of the proceeds of the Parity Bonds and moneys pledged to the repayment of the Parity Bonds, other than amounts not subject to yield restriction and will restrict the yield on such investments to the extent required by the Code or the Regulations;

(h) The Corporation (or any "related person", within the meaning of the Code) shall not, pursuant to an arrangement, formal or informal, purchase the Parity Bonds in an amount related to the principal amounts advanced to the Corporation pursuant to this Loan Agreement; and

(i) The Corporation agrees to comply with all the terms and provisions of the Tax Regulatory Agreement executed in connection with the issuance and sale of the Parity Bonds, and to perform the covenants and duties imposed on it contained therein.

All officers, employees and agents of the Corporation are authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the Corporation as of the date the Parity Bonds are delivered. In complying with the foregoing covenants, the Corporation may rely from time to time upon an opinion issued by nationally-recognized bond counsel to the effect that any action by the Corporation or reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Parity Bonds to be includable in gross income for Federal income tax purposes under existing law.

Section 6.5 Information. The Corporation agrees, whenever reasonably requested by the Authority or the Trustee, to provide access to inspect, examine and make copies of any and all books, accounts and records of the Corporation and to provide and certify or cause to be provided and certified such information concerning the Properties, the Facilities, the Corporation, its finances, and other topics as the Authority or Trustee, as the case may be, considers necessary to enable counsel to the Authority or the Trustee, as the case may be, to issue its opinions and otherwise advise the Authority or the Trustee, as the case may be, as to the transaction or the legal capacity of the parties to enter into the same, or to enable it to make any reports required by law, governmental regulation or the Indenture. When any such information is provided by the Corporation pursuant to this Section 6.5 the Corporation shall provide such information to both the Authority and the Trustee.

Section 6.6 Source of Payments. The Corporation agrees to pay or cause to be paid the payments required by this Loan Agreement solely from the Base Rental in the manner and at the times provided by this Loan Agreement.

Section 6.7 Insurance. The Corporation shall cause the Board to maintain insurance covering such risks and in such amounts as is required by Section 10 of the Facilities Lease. Insurance proceeds and condemnation awards shall be applied in accordance with the Indenture.

Section 6.8 Annual Reports.

(a) Annually, within two hundred ten (210) days from the end of each Fiscal Year, the Corporation will have made a complete audit of its records and accounts by an independent certified public accountant. A signed counterpart of its audited financial statements shall be furnished to the Authority and the Trustee, and a copy thereof shall be furnished by the Corporation to any Bondholder who requests the same in writing.

(b) Any independent accountant that audits and reports on the Corporation's financial statements or provides any certificate, report or opinion under the Indenture and this Loan Agreement shall be a nationally recognized law firm or firm of independent certified public accountants.

Section 6.9 Merger or Consolidation.

(a) The Corporation shall not merge into, or consolidate with, one or more corporations, or allow one or more of such corporations to merge into it, or sell or convey all or substantially all of its assets to any person or entity or acquire all or substantially all of the assets of any person or entity (any such merger, consolidation, sale, conveyance or acquisition being referred to as a "*Merger*"), unless:

(i) Any successor corporation to the Corporation (including, without limitation, any purchaser of all or substantially all the Properties of the Corporation (the "*Successor Corporation*") is a corporation organized and existing under the laws of the United States of America or a state thereof and shall execute and deliver to the Trustee an appropriate instrument, satisfactory to the Authority and the Trustee, containing the agreement of such successor corporation to assume, jointly and severally and in solido, the due and punctual payment of the principal of, premium, if any, and interest on all obligations of the Corporation (including, without limitation, the Parity Bonds) according to their tenor and the due and punctual performance and observance of all the covenants and conditions of the Indenture and this Loan Agreement to be kept and performed by the Corporation, accompanied by an opinion of counsel as to the validity and enforceability of such assumption (which counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Authority and the Trustee);

(ii) Immediately after such Merger, there would not be a default in the performance or observance of any covenant or condition of the Board Documents and the Bond Documents; and

(iii) There shall be delivered to the Authority and the Trustee an opinion of Bond Counsel (which counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are acceptable to the Trustee) to the effect that under existing laws the consummation of such Merger, whether or not contemplated on the original date of delivery of the Parity Bonds, would not adversely affect the validity of the Parity Bonds or the exclusion otherwise available from gross income of interest on the Parity Bonds for federal or state income tax purposes.

(b) In case of any such Merger and upon any such assumption by the Successor Corporation, the Successor Corporation shall succeed to and be substituted for its predecessor, with the same effect as if it had been named in the Indenture and this Loan Agreement as the Corporation.

(c) So long as S&P provides a rating for any of the Parity Bonds, prior written notice shall be provided to S&P not less than fifteen (15) days prior to the completion of any such Merger.

Section 6.10 Revenue Transfer to Trustee. The Corporation hereby covenants:

(a) Upon the occurrence of an Event of Default under the Indenture or this Loan Agreement, all Revenues pledged as security for the obligations of the Authority and/or the Corporation under the Indenture or Loan Agreement then on hand shall be transferred immediately to the Trustee, and all such revenues received thereafter shall immediately, upon receipt, be transferred to the Trustee, and held for application pursuant to the Indenture or Loan Agreement solely to the payment obligations of the Authority and/or the Corporation under the Indenture or Loan Agreement and the payment of reasonable and necessary costs of operation of the Corporation's facilities.

(b) To execute all necessary documents in order to effect a filing and reinscription of all necessary financing statements in such a manner as will preserve the effect of the financing statements from the date of original filing thereof.

Section 6.11 Disposition of Assets. The Corporation covenants that, so long as any of the Parity Bonds remain outstanding, it shall not hereafter alienate and shall not hereafter create or suffer to be created, except for Permitted Liens, any assignment, pledge, hypothecation or lien on any Revenues or on the Facilities.

Section 6.12 Additional Corporation Representations.

(a) Each component of the Facilities is, or when acquired, will be located within the limits of the State of Louisiana.

(b) The Project is an "Authorized Project" under La. R.S. 33:4548.3(B) and the Corporation will operate the Project as an "Authorized Project" under La. R.S. 33:4548.3(B) for so long as the Parity Bonds remains outstanding.

(c) All material information given by the Corporation to the Authority concerning the Project, the Corporation and the Board was and is on the date of execution of this Loan Agreement true and correct.

Section 6.13 Additional Debt of the Corporation. So long as any of the Parity Bonds are rated by S&P, the Corporation shall not incur any indebtedness in addition to the Corporation's obligations under this Loan Agreement unless the additional indebtedness is nonrecourse to the Corporation other than a pledge and assignment of revenues (other than Base Rental) and does not constitute a claim against the Corporation to the extent such revenues are insufficient to pay such additional debt.

ARTICLE 7
ASSIGNMENT

Section 7.1 Assignment of this Loan Agreement.

(a) The rights of the Corporation under this Loan Agreement may be assigned as a whole or in part but no such assignment shall constitute a release of the Corporation from its obligations hereunder.

(b) Each transferee of the Corporation's interest in this Loan Agreement shall assume the obligations of the Corporation hereunder to the extent of the interest assigned, sold or leased, and the Corporation shall, not more than sixty (60) nor fewer than thirty (30) days prior to the effective date of any such assignment or lease, furnish or cause to be furnished to the Authority and the Trustee a true and complete copy of each such assignment or lease.

Section 7.2 Restrictions on Transfer of Authority's Rights. The Authority agrees that it will not during the term of this Loan Agreement sell, assign, transfer or convey its interests in this Loan Agreement except as provided in Section 7.3.

Section 7.3 Assignment by the Authority. It is understood, agreed and acknowledged that the Authority will assign to the Trustee pursuant to the Indenture certain of its rights, title and interests in and to this Loan Agreement (reserving its rights, however, pursuant to sections of this Loan Agreement providing that notices, reports and other statements be given to the Authority and also reserving its rights to reimbursement and payment of costs and expenses under Section 9.5 hereof, its rights to indemnification under Section 6.1(d) hereof and its individual and corporate rights to exemption from liability under Section 10.12 hereof), including the interest of the Authority in and to the Facilities Lease assigned by the Corporation to the Authority hereunder, and the Corporation hereby assents to such assignment and pledge.

ARTICLE 8
SUPPLEMENTS AND AMENDMENTS

Section 8.1 Amendment to Loan Agreement Without Consent. The Authority and the Corporation, with the consent of the Trustee with respect to Sections 8.1(d) and 8.1(e) hereof, but without the consent of the owners of any of the Parity Bonds Outstanding under the Indenture, may enter into supplements to the Loan Agreement that shall not be inconsistent with the terms and provisions hereof for any of the purposes heretofore specifically authorized in the Loan Agreement or the Indenture, and in addition thereto for the following purposes:

(a) To cure any ambiguity or formal defect, inconsistency or omission in the Loan Agreement or to clarify matters or questions arising hereunder;

(b) To add covenants and agreements for the purpose of further securing the obligations of the Corporation hereunder;

(c) To confirm as further assurance any mortgage or pledge of additional property, revenues, securities or funds;

(d) To conform the provisions of the Loan Agreement in connection with the provisions of any supplements or amendments to the Indenture entered into pursuant to the provisions of Section 10.1 thereof;

(e) To provide any other modifications which, in the sole judgment of the Trustee, are not prejudicial to the interests of the Bondholders; or

(f) to conform the covenants and provisions of the Corporation contained herein to any different financial statement presentation required by the Financial Accounting Standard Board that is different than the presentation required as of the date of issuance of the Parity Bonds so long as the effect of such conformed covenants and provisions is substantially identical to the effect of the covenants and provisions as in effect on the date of issuance of the Parity Bonds.

Section 8.2 Amendment to Loan Agreement Upon Approval of a Majority of Bondholders.

(a) The provisions of the Loan Agreement may be amended in any particular manner with the written consent of the owners of not less than a majority of the aggregate principal amount of Parity Bonds then Outstanding; provided, however, that no such amendment may be adopted that decreases the percentage of owners of Parity Bonds required to approve an amendment, or that permits a change in the date of payment of the principal of or interest on any Parity Bonds or of any redemption price thereof or the rate of interest thereon without the consent of the owners of all of the aggregate principal amount of the Parity Bonds.

(b) If at any time the Authority and the Corporation shall request the Trustee to consent to a proposed amendment for any of the purposes of this Section 8.2, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such proposed amendment to be given in the manner required by the Indenture to redeem the Parity Bonds. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the Authority following such notice, the owners of not less than a majority in aggregate principal amount of the Parity Bonds outstanding at the time of the execution of any such proposed amendment shall have consented to and approved the execution thereof as herein provided, no owner of any Parity Bonds, Parity Bonds or Additional Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee, the Corporation or the Authority from executing or approving the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such proposed amendment as in this Section permitted and provided, the Loan Agreement shall be and be deemed to be modified and amended in accordance therewith.

Section 8.3 Amendments to Facilities Lease or the Ground Lease Not Requiring Owner Consent. Subject to the terms and provisions of Section 8.5 and 8.7 of this Loan Agreement, the Facilities Lease or the Ground Lease may be amended or modified in any manner not inconsistent with the terms and provisions of this Loan Agreement, for any one or more of the following purposes: (a) to cure any ambiguity or formal defect or omission in the Facilities Lease or the Ground Lease that does not have an adverse effect upon the interest of the Owners; (b) to grant or confer upon the Authority or the Trustee, for the benefit of the Owners, any additional rights, remedies, powers or authorities that lawfully may be granted to or conferred upon the Authority or the Trustee; (c) to more clearly identify the Facilities or to add to or subtract from the Facilities any property; (d) to conform the provisions of the Facilities Lease or Ground Lease in connection with the provisions of any supplements or amendments to the Indenture entered into pursuant to the provisions of Section 10.1 thereof, (e) to amend or modify the Facilities Lease or the Ground Lease in any manner specifically required or permitted by the terms thereof, including as may be necessary to maintain the exclusion from gross income of interest on the Parity Bonds for federal income tax purposes; (f) to make any amendment or modification required as a condition to obtaining any rating by any rating agency with respect to the Parity Bonds; and (g) to amend or modify the Facilities

Lease or the Ground Lease in any other manner that, in the judgment of the Trustee, is not materially adverse to the interests of the owners of the Parity Bonds or the Trustee and that does not involve a change described in Section 8.5 hereof.

Section 8.4 Amendments to the Facilities Lease or the Ground Lease Requiring Owner Consent. Exclusive of amendments and modifications covered by Section 8.3 hereof, the Facilities Lease or the Ground Lease may be amended or modified only as provided in Section 8.4 and 8.5 of this Loan Agreement. Subject to the terms and provisions contained in Section 8.5 of this Loan Agreement, the Authority and the owners of not less than a majority in aggregate principal amount of the Parity Bonds then Outstanding shall have the right, from time to time, anything contained in this Loan Agreement to the contrary notwithstanding, to consent to and approve the amendment or modification of the Facilities Lease or the Ground Lease. If at any time there is a proposed amendment or modification to the Facilities Lease or the Ground Lease, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such modification or amendment to be mailed to each of the owners of the Parity Bonds at the address indicated on the registration books of the Trustee. Such notice shall briefly set forth the nature of the proposed amendment or modification and shall state that copies thereof are on file at the principal office of the Trustee for inspection by owners of all Outstanding Parity Bonds. If, within sixty (60) days, or such longer period as shall be prescribed by the Authority, following the mailing of such notice, the owners of the requisite percentage in aggregate principal amount of the Outstanding Parity Bonds at the time of the execution of any such amendment or modification shall have consented to and approved the execution thereof as herein provided, no owner of any Outstanding Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof; or to enjoin or restrain the parties thereto from executing the same or from taking any action pursuant to the provisions hereof.

Section 8.5 Consent Required Under Certain Circumstances for Amendment of Facilities Lease or Ground Lease. Nothing contained in Sections 8.3 and 8.4 of this Loan Agreement shall permit, or be construed as permitting, without the approval and consent of all of the owners of the Outstanding Parity Bonds, (a) a reduction in the amount of, or the extension of the time for, any payment of Base Rental due under the Facilities Lease; or (b) the termination of the Facilities Lease or the Ground Lease prior to the expiration of their stated term, other than in accordance with the provisions thereof.

Section 8.6 Opinion Required for Amendment of Facilities Lease or Ground Lease. Anything to the contrary herein notwithstanding, except for an amendment to add additional property for the Facilities, no amendment or modification of the Facilities Lease or the Ground Lease shall become effective unless and until the Trustee has been provided with an opinion of Bond Counsel to the effect that such amendment or modification will not have an adverse effect upon the validity of the Parity Bonds and to the effect that such amendment or modification will maintain the exclusion from gross income of interest on the Parity Bonds for federal income tax purposes.

Section 8.7 Consent of the Board. Anything herein to the contrary notwithstanding, an amendment to the Facilities Lease or the Ground Lease under this Article 8 shall not become effective unless and until the Board shall have consented to the execution and delivery of such amendment to the Facilities Lease or the Ground Lease, unless an Event of Default has occurred and is continuing, and no amendment to the Facilities Lease or the Ground Lease shall without the prior written consent of the Board affect the date or amounts of payments required on the Parity Bonds or required under the Facilities Lease. Consent of the Board shall not be required for an amendment to the Facilities Lease or Ground Lease in order to add to the Facilities any additional Property.

Section 8.8 Filing. Copies of any such supplement or amendment to this Loan Agreement, the Ground Lease or the Facilities Lease shall be filed with the Trustee and delivered to the Authority and the Corporation before such supplement or amendment may become effective.

Section 8.9 Reliance on Counsel. The Authority and the Trustee shall be entitled to receive, and shall be fully protected in relying upon the opinion of counsel satisfactory to the Trustee, who may be counsel for the Authority, as conclusive evidence that any such proposed supplement or amendment to this Loan Agreement, the Ground Lease or the Facilities Lease complies with the provisions of this Loan Agreement and the Indenture and that it is proper for the Authority and the Trustee under the provisions of this Article to execute or approve such supplement or amendment.

Section 8.10 Notice to Rating Agencies . No supplemental agreement or amendment to this Loan Agreement, the Ground Lease or the Facilities Lease shall be executed and delivered pursuant hereto without prior written notice having been given by the Corporation to each rating agency which rates the Parity Bonds of the Corporation's intention to execute such supplemental agreement or amendment thereof not fewer than fifteen (15) days in advance of the execution of said supplemental agreement or amendment.

ARTICLE 9
EVENTS OF DEFAULT AND REMEDIES

Section 9.1 Events of Default Defined. The terms "*Event of Default*" and "*Default*" shall mean any one or more of the following events:

(a) The Corporation shall default in the timely payment of any Payment pursuant to Article 4 of this Loan Agreement, EXCEPT that the failure of the Corporation to make the payments described in Section 4.2(b)(v) of this Loan Agreement as a result of the Legislature's failure to appropriate funds necessary for the Maintenance Reserve Fund shall NOT constitute a Default;

(b) An Event of Default shall exist under the Bond Documents, the Facilities Lease or the Tax Regulatory Agreement.

(c) The Corporation shall fail duly to perform, observe or comply with any other covenant, condition or agreement on its part under this Loan Agreement (other than a failure to make any payment required under this Loan Agreement), and such failure continues for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Corporation by the Trustee; provided, however, that if such performance, observation or compliance requires work to be done, action to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such thirty (30) day period, no Event of Default shall be deemed to have occurred or to exist if, and so long as the Corporation shall commence such performance, observation or compliance within such period and shall diligently and continuously prosecute the same to completion.

(d) The entry of a decree or order by a court having jurisdiction in the premises adjudging the Corporation a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Corporation under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, custodian, assignee, or sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days.

(e) The institution by the Corporation of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the United States Bankruptcy Code or any other similar applicable federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, custodian, assignee, trustee or sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due.

Section 9.2 Remedies. Whenever any Event of Default under Section 9.1 hereof shall have happened and be continuing, any one or more of the following remedial steps may be taken:

(a) The Authority or the Trustee may declare all installments of Payments under Section 4.2 hereof (except with respect to any failure of the Corporation to make the payments described in Section 4.2(b)(v) hereof as a result of the Legislature's failure to appropriate funds necessary for the Maintenance Reserve Fund), to be immediately due and payable, whereupon the same shall become immediately due and payable;

(b) The Authority or the Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the Payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Corporation under this Loan Agreement;

(c) The Authority or the Trustee (or the owners of the Parity Bonds in the circumstances permitted by the Indenture) may exercise any option and pursue any remedy provided by the Indenture.

Section 9.3 No Remedy Exclusive; Selective Enforcement. No remedy conferred upon or reserved to the Authority or the Trustee by this Loan Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement and as now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any event of nonperformance shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. In the event the Authority or the Trustee shall elect to selectively and successively enforce its rights under this Loan Agreement, such action shall not be deemed a waiver or discharge of any other lien, encumbrance or security interest securing payment of the indebtedness secured hereby or thereby until such time that it shall have been paid in full all sums secured hereunder and thereunder. The foreclosure of any lien provided pursuant to this Loan Agreement without the simultaneous foreclosure of all such liens shall not merge the liens granted which are not foreclosed with any interest which the Authority or the Trustee might obtain as a result of such selective and successive foreclosure.

Section 9.4 Indenture Overriding. All of the provisions of this Article are subject to and subordinate to the rights and remedies of the Bondholders and the Trustee pursuant to the Indenture. The Authority shall have no power to waive any event of default hereunder, except with respect to indemnification and its administrative payments, without the consent of the Trustee to such waiver.

Section 9.5 Loan Agreement to Pay Attorneys' Fees and Expenses. In any Event of Default, if the Authority or the Trustee employs attorneys or incurs other expenses for the collection of amounts payable hereunder or the enforcement of the performance or observance of any covenants or agreements

on the part of the Corporation herein contained, whether or not such suit is commenced, the Corporation agrees that it will on demand therefor pay to the Authority or the Trustee the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Authority or the Trustee.

Section 9.6 Authority and Corporation to Give Notice of Default. The Authority and the Corporation severally covenant that they will, at the expense of the Corporation, promptly give to the Trustee written notice of any Event of Default under this Loan Agreement of which they shall have actual knowledge or written notice, but the Authority shall not be liable (except as provided in Section 6.1(d) hereof) for failing to give such notice.

Section 9.7 Correlative Waivers. If an Event of Default under Section 8.2 of the Indenture shall be cured or waived and any remedial action by the Trustee rescinded, any correlative Default under this Loan Agreement shall be deemed to have been cured or waived.

ARTICLE 10
MISCELLANEOUS

Section 10.1 References to the Parity Bonds Ineffective After Parity Bonds Paid. Upon payment of the Parity Bonds, all references in this Loan Agreement to the Bondholders shall be ineffective and the Authority and any holder of the Parity Bonds shall not thereafter have any rights hereunder, excepting those that shall have theretofore vested.

Section 10.2 Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Funds and Accounts existing pursuant to the Indenture upon the expiration or sooner cancellation or termination of this Loan Agreement, as provided herein, after payment in full of all Parity Bonds then outstanding under the Indenture (or provisions for payment thereof having been made in accordance with the provisions of the Indenture), and the fees, charges and expenses of the Authority and the Trustee and all other amounts required to be paid hereunder and under the Indenture (other than amounts payable as arbitrage rebate pursuant to the Code), shall belong to and be paid to the Board.

Section 10.3 Notices.

(a) All notices, demands and requests to be given or made hereunder to or by the Authority, the Trustee or the Corporation, or their designated successors, shall be in writing and shall be properly made if hand delivered or sent by United States mail, postage prepaid, and addressed as follows:

If to the Authority:
Louisiana Local Government Environmental
Facilities and Community Development Authority
5641 Bankers Ave., Bldg. B
Baton Rouge, Louisiana 70808
Attention: Executive Director

If to the Corporation:
President
LCTCS Facilities Corporation
c/o Sisung Group
3850 North Causeway Blvd., Suite 1930
Metairie, Louisiana 70002

with a copy to:
LCTCS Facilities Corporation
c/o Eric Landry
One American Place
301 Main Street, 23rd Floor
Baton Rouge, Louisiana 70825

If to the Board:
Louisiana Community and Technical College System
Office of the Board of Supervisors
265 South Foster Dr.
Baton Rouge, Louisiana 70806-4104
Attention: System President

with a copy to:
Louisiana Community and Technical College System
Office of the Board of Supervisors
265 South Foster Dr.
Baton Rouge, Louisiana 70806-4104
Attention: Vice President of Administration

If to the Trustee:
Hancock Whitney Bank
445 North Blvd., Suite 201
Baton Rouge, Louisiana 70802
Attention: Corporate Trust

(b) Notice hereunder shall be deemed effective on the date of its receipt by the addressee. The Corporation, the Authority and the Trustee may, by notice given hereunder, designate any further or different addresses, counsel or counsel addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 10.4 Binding Effect. This Loan Agreement shall inure to the benefit and shall be binding upon the Authority, the Corporation and their respective successors and assigns, subject to the limitation that any obligation of the Authority created by or arising out of this Loan Agreement shall not be a general debt of the Authority, but shall be payable solely out of the proceeds derived from this Loan Agreement and the sale of the Parity Bonds under the Indenture.

Section 10.5 Performance on Legal Holidays. In any case where the date of maturity of interest on or principal of the Parity Bonds or the date fixed for redemption or purchase of any Parity Bonds or the date fixed for the giving of notice or the taking of any action under the Indenture shall not be a Business Day, then payment of such interest, principal, purchase price and redemption premium, if any, the giving of such notice or the taking of such action need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or purchase, and no interest on such payment shall accrue for the period after such date.

Section 10.6 Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument; provided, however, that upon the assignment and pledge to the Trustee provided for in Section 3.2 hereof, the Authority shall deliver to the Trustee an executed counterpart of this Loan Agreement which executed counterpart shall be deemed to be collateral of which the Trustee has taken possession and no other counterpart shall be deemed to be collateral for any other purpose.

Section 10.7 Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State.

Section 10.8 Severability. If any clause, provision or Section of this Loan Agreement be held illegal or invalid by any court, the invalidity of such clause, provision or Section shall not affect any of the remaining clauses, provisions or Sections hereof and this Loan Agreement shall be construed and enforced as if such illegal or invalid clause, provision or Section had not been contained herein. In case any agreement or obligation contained in this Loan Agreement be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Authority or the Corporation, as the case may be, only to the extent permitted by law.

Section 10.9 Captions. The table of contents, captions or headings of the several articles and sections of this Loan Agreement are for convenience only and shall not control, affect the meaning of or be taken as an interpretation of any provisions of this Loan Agreement.

Section 10.10 Consents and Approvals. Whenever the consent or approval of the Authority, the Corporation or the Trustee shall be required under the provisions of this Loan Agreement, such consent or approval shall not be unreasonably withheld or delayed.

Section 10.11 Third Party Beneficiaries. It is specifically agreed between the parties executing this Loan Agreement that it is not intended by any of the provisions of any part of this Loan Agreement to make the public or any member thereof, other than the Trustee and except as expressly provided herein or as contemplated in the Indenture, a third party beneficiary hereunder, or to authorize anyone not a party to this Loan Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Loan Agreement. The duties, obligations and responsibilities, if any, of the parties to this Loan Agreement with respect to third parties shall remain as imposed by law.

Section 10.12 Exculpatory Provision.

(a) In the exercise of the powers of the Authority, the Trustee and their respective trustees, directors, officers, employees and agents (each, an "*Indemnified Party*") under this Loan Agreement, each Indemnified Party shall not be accountable or liable to the Corporation (i) for any actions taken or omitted by such Indemnified Party in good faith and believed by it or them to be authorized or within their discretion or rights or powers conferred upon them (other than the negligence or willful misconduct of such Indemnified Party), or (ii) for any claims based on this Loan Agreement against any such Indemnified Party, all such liability, if any, being expressly waived by the Corporation by the execution of this Loan Agreement. The Corporation shall indemnify and hold harmless each Indemnified Party against any claim or liability based on the foregoing asserted by any other person.

(b) In case any action shall be brought against an Indemnified Party in respect of which indemnity may be sought against the Corporation, such Indemnified Party shall promptly notify the Corporation in writing and the Corporation shall assume the defense thereof, including the employment of counsel of the Corporation's choice and the payment of all expenses. Such Indemnified Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnified Party unless the employment of such counsel has been authorized by the Corporation. The Corporation shall not be liable for any settlement of any such action without its consent but if any such action is settled with the consent of the Corporation or if there be final judgment for the plaintiff of any such action, the Corporation agrees to indemnify and hold harmless such Indemnified Party from and against any loss or liability by reason of such settlement or judgment.

(c) No recourse shall be had for the payment of the principal of or premium or interest on any of the Parity Bonds or for any claim based thereon or upon any obligations, covenant or agreement contained in this Loan Agreement against any past, present or future officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees, or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Loan Agreement and the issuance of such Parity Bonds.

Section 10.13 Accounts and Audits. The Authority shall cause the Trustee to keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Parity Bonds. The Authority shall have access to the Corporation's books and records with respect to the Facilities upon written request after reasonable notice.

Section 10.14 Date of Loan Agreement. The dating of this Loan Agreement as of August 1, 2026 is intended as and for the convenient identification of this Loan Agreement and is not intended to indicate that this Loan Agreement was executed and delivered on said date, this Loan Agreement being executed on the dates of the respective acknowledgments hereto attached.

Section 10.15 Reliance. It is expressly understood and agreed by the parties to this Loan Agreement that:

(a) the Authority may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Authority by the Trustee, any Bondholder or the Corporation as to the existence of a fact or state of affairs required under this Loan Agreement to be noticed by the Authority;

(b) the Authority shall not be under any obligation to perform any recordkeeping or to provide any legal service, it being understood that such services shall be performed or caused to be performed by the Trustee or the Corporation; and

(c) none of the provisions of this Loan Agreement or the Mortgage shall require the Authority to expend or risk its own funds (apart from the proceeds of the Parity Bonds issued under the Indenture) or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights under this Loan Agreement or the Mortgage unless it first shall have been adequately indemnified to its satisfaction against the costs, expenses and liabilities which may be incurred by taking any such action.

Section 10.16 Authority Not Liable. Notwithstanding any other provision of this Loan Agreement, the Indenture, the Mortgage, the Continuing Disclosure Certificate, the Bond Purchase Loan Agreement or the Tax Regulatory Agreement, (a) the Authority shall not be required to take action under this Loan Agreement, the Indenture, the Mortgage, the Continuing Disclosure Certificate, the Bond Purchase Agreement or the Tax Regulatory Agreement unless the Authority (i) is requested in writing by an appropriate Person to take such action; and (ii) is assured of payment of or reimbursement for any expense incurred in taking such action, and (b) except with respect to any action for specific performance or any action in the nature or a prohibitory or mandatory injunction, neither the Authority nor any official, officer, member, director, agent, employee or servant of the Authority shall be liable to the Corporation, the Trustee or any other Person for any action taken by the Authority or by its officials, officers, members, directors, agents, employees, or servants, or for any failure to take action under this Loan Agreement, the Indenture, the Mortgage, the Continuing Disclosure Certificate, the Bond Purchase

Agreement, or the Tax Regulatory Agreement. In acting or in refraining from acting under this Loan Agreement, the Indenture, the Mortgage, the Continuing Disclosure Certificate, the Bond Purchase Agreement or the Tax Regulatory Agreement, the Authority may conclusively rely on the advise of its counsel.

Section 10.17 No Violations of Law. Any other term or provision in this Loan Agreement to the contrary notwithstanding:

(a) In no event shall this Loan Agreement be construed as:

(i) depriving the Authority of any right or privilege; or

(ii) requiring the Authority or any member, agent, employee, representative or advisor of the Authority to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else;

which deprivation or requirement would violate, or result in the Authority's being in violation of the Act or any other applicable state or federal law; and

(b) At no time and in no event with the Corporation permit, suffer or allow any of the proceeds of the Loan Agreement or the Parity Bonds to be transferred to any Person in violation of, or to be used in any manner that is prohibited by, the Act or any other state or federal law.

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IN WITNESS WHEREOF, the Authority has caused this Loan and Assignment Agreement to be executed by its Executive Director and has caused the seal of the Authority to be affixed hereto and attested by its Assistant Secretary and the Corporation has caused this Loan and Assignment Agreement to be executed in its behalf by its President, all as of the day and year above written.

LOUISIANA LOCAL GOVERNMENT
ENVIRONMENTAL FACILITIES AND
COMMUNITY DEVELOPMENT AUTHORITY

By: _____
Ty E. Carlos, Executive Director

ATTEST:

[SEAL]

By: _____
Amy K. Cedotal, Assistant Secretary

LCTCS FACILITIES CORPORATION

By: _____
Stephen C. Smith, President

EXHIBIT A

DESCRIPTION OF FACILITIES

The Facilities will include development, acquisition, purchase, construction, renovation, improvement or expansion of certain public facilities of the Louisiana Community and Technical College System including all furnishings, fixtures and facilities incidental or necessary in connection therewith for various community and technical college campuses, which will be located on land owned or to be owned by the Board, all in accordance with Act 35 of the 2025 Regular Session of the Louisiana Legislature, including but not limited to the following:

Description of the Facilities	**Location**
Northshore Technical Community College Hammond Area Campus	New construction on property constituting multiple parcels within 2700 West park Avenue, Hammond, LA 70404 and 2701 Del Mar Blvd, Hammond, LA 70403
Northwest Louisiana Technical College Shreveport Campus	On or adjacent to the existing campus at 2010 N. Market Street, Shreveport, LA 71107
Louisiana Delta Community College Bastrop Campus	New construction on property north of the intersection of Mer Rouge Road and Grabault Road, Bastrop, LA 71220
South Louisiana Community College T.H. Harris Opelousas Campus	On or adjacent to the existing campus at 332 East South St., Opelousas, LA 70570
South Louisiana Community College Morgan City Campus	On or adjacent to the existing campus at 900 Youngs Road, Morgan City, LA 70380
SOWELA Technical Community College Lake Charles Campus	On or adjacent to the existing campus at 3820 Sen. J. Bennett Johnston Ave., Lake Charles, LA 70615

EXHIBIT B

PERMITTED ENCUMBRANCES

Reservation by the Board of its rights to all oil, gas and associated hydrocarbons, and all other minerals, mineral substances, and mineral deposits of any kind or character, whether solid, liquid, or gaseous; provided, however, that the Board hereby has waived all rights to the use of the surface of the Property in connection with the exploration, development, production or transport of said oil, gas and minerals during the term of the Ground Lease.

FORM OF

GROUND LEASE AGREEMENT

by and between

BOARD OF SUPERVISORS OF THE LOUISIANA COMMUNITY
AND TECHNICAL COLLEGE SYSTEM
(as Lessor)

and

LCTCS FACILITIES CORPORATION
(as Lessee)

Dated as of August 1, 2026

in connection with:

Louisiana Local Government Environmental Facilities
and Community Development Authority Revenue Bonds
(LCTCS Act 35 Project)

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GROUND LEASE AGREEMENT

This GROUND LEASE AGREEMENT (together with any amendments hereto or supplements hereof, this "*Ground Lease*") dated as of August 1, 2026, is entered into by and between the BOARD OF SUPERVISORS OF THE LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM, a public constitutional corporation organized and existing under the laws of the State of Louisiana, represented herein by the Board Representative, Richard Nelson (the "*Board*") and the LCTCS FACILITIES CORPORATION, a Louisiana a nonprofit corporation represented herein by its President, Stephen C. Smith, (the "*Corporation*").

WITNESSETH:

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State of Louisiana and the Colleges (as hereinafter defined) are institutions under its management pursuant to Louisiana Revised Statutes 17:3217.1;

WHEREAS, the Corporation is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201 *et seq.*), whose purpose is to support and benefit the educational, scientific, research and public service missions of the Board;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3366, the Board is authorized to lease to a private entity, such as the Corporation, any portion of the campuses of the Colleges or other immovable property under its supervision and management, provided that the Corporation is thereby obligated to provide capital improvements for furthering the educational, scientific, research or public service functions of the Board;

WHEREAS, in order to further these functions of the Board, the Corporation shall cause the development, acquisition, purchase, construction, renovation, improvement, or expansion of certain public facilities of the Board, as such project is further described or authorized under Act 35 of the 2025 Regular Session of the Louisiana Legislature, including all furnishings, fixtures and equipment incidental or necessary in connection therewith (collectively, the "*Facilities*") to be located on immovable property owned by, to be owned by, leased by, to be leased by, or under the supervision and management of the Board, which Facilities shall be owned by the Board (the "*Project*");

WHEREAS, the Board shall lease such immovable property and the Facilities as they are constructed and/or renovated to the Corporation and the Corporation shall lease space in the Facilities to the Board;

WHEREAS, the Board and the Corporation have agreed that the Corporation, for the benefit of the Board, shall develop and construct the Facilities on such immovable property and the Corporation shall lease back space in the Facilities to the Board pursuant to an Agreement to Lease With Option to Purchase of even date herewith (the "*Facilities Lease*") for use by students, faculty and staff of the Colleges and such other persons as set forth in the Facilities Lease;

WHEREAS, pursuant to and in accordance with the provisions of Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended, R.S. 33:4548.1 to 4548.6, (the "*Act*"), Louisiana Local Government Environmental Facilities and Community Development Authority (the "*Authority*") will enter into a Trust Indenture dated as of August 1, 2026 (the "*Indenture*"), authorizing the Authority's issuance of the Parity Bonds (as defined herein) to finance the Project (as defined herein); and

WHEREAS, pursuant to a Loan and Assignment Agreement dated as of August 1, 2026 by and between the Authority and the Corporation (the "*Loan Agreement*"), the Authority will loan to the Corporation the proceeds of the Parity Bonds for the purpose of: (a) financing the development, acquisition, purchase, construction, renovation, improvement, or expansion of the Project; (b) paying capitalized interest on the Parity Bonds and (c) paying costs of issuance on the Parity Bonds, including the premiums for bond insurance policies insuring a series of the Parity Bonds, if applicable.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements which follow, the parties hereby agree as follows:

ARTICLE 1
LEASE OF PROPERTY - TERMS OF LEASE

Section 1.1 Lease of Property. The Board does hereby lease, let, demise, and rent unto the Corporation, and the Corporation does hereby rent and lease from the Board, the Property, including the improvements thereon, all existing and future improvements, alterations, additions and attached fixtures located or to be located on the Property, and the right of uninterrupted access to and from all streets and roads now or hereafter adjoining the Property for vehicular and pedestrian ingress and egress. The Corporation, by execution of this Ground Lease, accepts the leasehold estate herein demised subject only to the permitted encumbrances described on Exhibit B attached hereto.

Section 1.2 Habendum. To have and to hold the Property together with all and singular the rights, privileges, and appurtenances thereto attaching or anywise belonging, exclusively unto the Corporation, its successors and assigns, for the term set forth in Section 1.3 below, subject to the covenants, agreements, terms, provisions, and limitations herein set forth.

Section 1.3 Term. Unless sooner terminated as herein provided, this Ground Lease shall continue and remain in full force and effect for a term commencing on the Commencement Date hereof and ending at midnight on July 31, 2125 (the "*Expiration Date*") or on the date that all other amounts owed under the Indenture have been paid; but this Ground Lease shall be automatically extended in the event that on the Expiration Date there is outstanding any unpaid principal and premium, if any, or interest on the Parity Bonds, until such time as all such amounts owed under the Indenture have been paid. Notwithstanding the foregoing, this Ground Lease shall terminate prior to the Expiration Date upon the happening of either the events set forth in Section 2(a)(i) and (ii) of the Facilities Lease.

ARTICLE 2
DEFINITIONS

Section 2.1 Definitions. In addition to such other defined terms as may be set forth in this Ground Lease, the following terms shall have the following meanings:

"*Act 35*" shall mean Part IX-A of Chapter 26 of Title 17 of the Louisiana Revised Statutes of 1950, comprised of R.S. 17:3394.1 through 3394.3, as amended by Act No. 35 of the 2025 Regular Session of the Louisiana Legislature.

"*Additional Bonds*" means parity bonds, if any, issued in one or more series pursuant to Article 5 of the Indenture.

"*Advisory Committees*" means those persons appointed by the Corporation to advise the Corporation regarding design and construction issues of the Facilities and other issues as well as selection of the Construction Contractor, bid documents and change orders.

"*Affiliate*" means, with respect to a designated Person under this Ground Lease, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with such designated Person. For purposes of this definition, the term "*control*" (including the correlative meanings of the terms "*controlled by*" and "*under common control with*"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person.

"*Applicable Laws*" means all present and future statutes, regulations, ordinances, resolutions and orders of any Governmental Authority that are applicable to the parties performing their obligations under this Ground Lease.

"*Award*" means any payment or other compensation received or receivable as a consequence of a Taking from or on behalf of any Governmental Authority or any other Person vested with the power of eminent domain.

"*Board*" means the Board of Supervisors of the Louisiana Community and Technical College System, or its legal successor as the management board of the Colleges.

"*Board Representative*" means any one of the persons designated and authorized in writing from time to time by the Board to represent the Board in exercising the Board's rights and performing the Board's obligations under this Ground Lease; the Board Representative shall be the President of the Louisiana Community and Technical College System, or his or her designee, of whom the Corporation has been notified in writing, or the Vice President for Administration of the Louisiana Community and Technical College System, or his or her designee of whom the Corporation has been notified in writing.

"*Board's Interest*" means the Board's ownership interest or leasehold interest in and to the Property.

"*Business Day*" means any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York or Baton Rouge, Louisiana are authorized or required not to be open for the transaction of regular banking business, or (d) a day on which the New York Stock Exchange is closed.

"*Cooperative Endeavor Agreement*" means the Cooperative Endeavor Agreement by and among the Board, the Corporation and the State dated as of May 1, 2026, providing for the payment of Appropriated Funds by the State to the Board, and including any amendments of and supplements to the Cooperative Endeavor Agreement as permitted thereunder.

"*Colleges*" means the various campuses under the supervision of the Board referenced in Exhibit A to the Facilities Lease, each individually, a "*College*".

"*Commencement of Construction*" means the date on which the first design, construction and equipping of the Facilities is begun, which date shall occur not later than fifteen (15) days following issuance, delivery and closing of the sale of the first series of the Parity Bonds.

"*Commencement Date*" means the date on which the first series of Parity Bonds are delivered and payment therefor is received by the Louisiana Local Government Environmental Facilities and Community Development Authority.

"*Construction Contract*" means any contract or agreement by and between the Corporation and any Construction Contractor providing for the construction, renovation or design of any of the Facilities.

"*Construction Contractor*" means any contractor, architect, engineer, supplier or other party performing work or providing goods and services relative to the Facilities under a Construction Contract.

"*Contract Monitor*" shall mean the employee of the Board appointed to monitor the performance of the Corporation under the Cooperative Endeavor Agreement.

"*Corporation*" shall mean LCTCS Facilities Corporation, a Louisiana nonprofit corporation organized exclusively to promote, assist and benefit the mission of the Board by acquiring, renovating, rehabilitating, repairing, constructing, developing, managing, leasing as lessor or lessee, mortgaging, and/or conveying classroom, administrative and other facilities on the campuses of designated Board institutions, or their successor or assigns, as provided in Act 35.

"*Event of Default*" means any matter identified as an event of default under Section 11.1 hereof.

"*Expiration Date*" means midnight on July 31, 2125 or the date that all amounts owed under the Indenture have been paid.

"*Facilities*" means the facilities, that are to be designed, constructed, renovated and equipped with the proceeds of the Parity Bonds, including all furnishings, fixtures and equipment incidental or necessary in connection therewith, and the administrative offices of the Board on the campuses of the Colleges.

"*Facilities Lease*" means that certain Agreement to Lease with Option to Purchase dated as of August 1, 2026 by and between the Board, as Lessee, and the Corporation, as Lessor, whereby the Corporation will lease the Facilities to the Board, both on its own behalf (for administrative offices) and on behalf of the Colleges, including any supplements and amendments thereto and thereof.

"*Force Majeure*" means any: (a) act of God, landslide, lightning, earthquake, hurricane, tornado, blizzard and other adverse and inclement weather, fire, explosion, flood, act of a public enemy, act of terrorism, war, blockade, insurrection, riot, or civil disturbance; (b) labor dispute, strike, work slowdown, or work stoppage; (c) order or judgment of any Governmental Authority, if not the result of willful or negligent action of the Corporation; (d) adoption of or change in any Applicable Laws after the date of execution of this Ground Lease; or (e) any actions by the Board which may cause delay.

"*FP&C*" means the Office of Facility Planning and Control of the Division of Administration, State of Louisiana.

"*Governmental Authority*" means any federal, State, parish, regional, or local government, political subdivision, any governmental agency, department, authority, instrumentality, bureau, commission, board, official, or officer, any court, judge, examiner, or hearing officer, any legislative, judicial, executive, administrative, or regulatory body or committee or official thereof or private accrediting body.

"*Ground Lease*" means this Ground Lease Agreement, including the Exhibits attached hereto, and any amendment or supplement hereto entered into from time to time in accordance with the terms hereof.

"*Loan Agreement*" means the Loan and Assignment Agreement dated as of August 1, 2026, between the Corporation and the Louisiana Local Government Environmental Facilities and Community Development Authority, including any amendments and supplements thereof and thereto as permitted thereunder.

"*Mortgage*" means, collectively, individually and interchangeably, each Act of Leasehold Mortgage, Assignment of Leases and Security Agreement granted by the Corporation in favor of the

Trustee, mortgaging the Corporation's leasehold interest pursuant to the Ground Lease, and any amendment or supplement thereto entered into in accordance with the terms therein.

"*Parity Bonds*" means collectively, all bonds issued on a parity basis pursuant to the Indenture.

"*Permitted Encumbrances*" means:

(a) any lien arising by reason of any good faith deposit with the Corporation in connection with any lease of real estate, bid or contract (other than any contract for the payment of money);

(b) any lien arising by reason of any deposit with or giving of security to any Governmental Corporation agency as a condition to the transaction of any business or the participation by the Corporation in any funds established to cover insurance risk or in connection with worker's compensation, unemployment insurance, pension plans or other social security;

(c) any right reserved to any municipality or other public authority by the terms of any franchise, grant, license or provision of law affecting any property of the Corporation and any lien on any property of the Corporation for taxes, assessments or other municipal charges so long as such charges are not due and payable or not delinquent (or, if due or delinquent, the amount or validity of such charges is being contested in good faith with due diligence and execution of any such lien is stayed);

(d) mechanics' and materialmen's liens in connection with any property of the Corporation so long as any amounts secured by such lien are not due and payable or not delinquent (or, if due or delinquent, the amount or validity of such charges is being contested in good faith with due diligence and execution of any such lien is stayed);

(e) the Indenture, the Loan Agreement, the Ground Lease, the Facilities Lease or the Mortgage;

(f) any lien on property received by the Corporation through a gift, grant or bequest constituting a restriction imposed by the donor, grantor or testator on such gift, grant or bequest (or the income therefrom), provided that any such lien may not be extended, renewed or modified in any way or applied to any additional property of the Corporation unless it would otherwise qualify as a Permitted Encumbrance;

(g) any security interest in personal property securing all or a portion of the purchase price thereof (provided that this Permitted Encumbrance shall not be construed to permit the incurrence of indebtedness secured by such a security interest, it being understood that any such indebtedness may be incurred only to the extent expressly permitted by the other applicable provisions of the Indenture or the Loan Agreement);

(h) such easements, rights-of-way, servitudes, restrictions and other defects, liens and encumbrances as are determined not to materially impair the use of the Corporation's facilities for their intended purposes or the value of such facilities, such determination to be made in a certificate of an authorized officer of the Corporation supported by an opinion of independent counsel or a report or opinion of an independent management consultant; and

(i) liens incurred or assumed primarily for the acquisition or use of personal property and equipment (including equipment which is not treated as personal property under applicable state law) under the terms of installment purchase contracts, loans secured by purchase money mortgages or security interests in the financed property, lease purchase agreements or capital leases of the financed property.

In addition, encumbrances in existence as of the date of issuance of the Commencement Date as set forth in Exhibit B hereof are hereby qualified as Permitted Encumbrances. Any such existing encumbrance may not be extended, renewed or modified in any way or applied to any additional Properties of the Corporation unless it would otherwise qualify as a Permitted Encumbrance.

"*Person*" means an individual, a trust, an estate, a Governmental Authority, partnership, joint venture, corporation, company, firm or any other entity whatsoever.

"*Plans and Specifications*" means the plans and specifications or design documents for the construction of the Facilities as approved by the Corporation, as amended from time to time as permitted in Section 5.1 hereof.

"*Program Manager*" means the architecture, engineering, or construction management firm retained by the Corporation for the purpose of providing construction project planning, management, and monitoring.

"*Project Completion Date*" means the date on which the Corporation certifies to the Trustee and the Authority in writing that construction of all of the Projects financed with a series of the Parity Bonds is substantially complete, as required by Section 3.7 of the Loan Agreement.

"*Property*" means the immovable property more particularly described on Exhibit A attached hereto and such additional immovable property which may be included, from time to time, through amendments to this Ground Lease and all improvements now or thereafter located thereon, together with all other rights and interests leased pursuant to Section 1.1 hereof.

"*Taking*" means the actual or constructive condemnation, or the actual or constructive acquisition by condemnation, eminent domain or similar proceeding by or at the direction of any Governmental Authority or other Person with the power of eminent domain.

"*Term*" means the term of this Ground Lease as set forth in Section 1.3 hereof.

ARTICLE 3
RENT

Section 3.1 Rent. Commencing on the Commencement Date and continuing throughout the Term the Corporation shall pay to the Board, at the address set forth in Section 18.2 or such other place as the Board may designate from time to time in writing, as annual rent for the Property ("*Rent*"), the sum of $1.00 per year. Rent shall be due and payable annually in advance, with the first such payment of Rent being due on the Commencement Date and a like installment due on each anniversary thereafter during the Term.

Section 3.2 Additional Obligations. As further consideration for the entering into of this Ground Lease by the Board, the Corporation agrees to perform its construction obligations as set forth in Article 5 herein, and to execute and perform its obligations under the Facilities Lease and all other documents contemplated by and ancillary to this Ground Lease and the Facilities Lease.

ARTICLE 4
USE OF PROPERTY

Section 4.1 Purpose of Ground Lease. The Corporation enters into this Ground Lease for the purpose of developing and constructing the Facilities for the Board in accordance with the Plans and

Specifications and leasing the Facilities to the Board in accordance with the Facilities Lease. Except as otherwise provided herein, the Facilities are to be used for no other purpose.

Section 4.2 Benefit of the Board and the Colleges. The Board shall own and lease back the Facilities for the support, maintenance, and benefit of the Board and the Colleges. The Facilities shall be owned and leased for a public purpose related to the performance of the duties and functions of the Board and the Colleges.

Section 4.3 Data and Voice Communication Systems. The Board, at its expense, agrees to provide or cause to be provided to the Facilities appropriate IT infrastructure to integrate its computer system into the Facilities. The Board, at its expense, shall provide to the Facilities or cause to be provided to the Facilities access to its computer system. The internal installation of the necessary IT infrastructure computer wiring within the Facilities in accordance with the Plans and Specifications shall be at the expense of the Corporation. The Corporation agrees that its IT infrastructure shall be compatible with the IT infrastructure currently in use by the Colleges.

Section 4.4 Compliance with Statutory Requirements. Section 3361 et seq. of Title 17 of the Louisiana Revised Statutes prescribes the legal requirements for leases of any portion of the campus by a college or university. By execution of this Ground Lease, the Board represents that it has complied with applicable statutory requirements of such Title 17 including, without limitation:

(a) the waiver by written consent of the formulation and adoption of rules, regulations and requirements, if any, relative to the erection, construction and maintenance of the Facilities referenced in Section 3362(A) of Title 17 of the Louisiana Revised Statutes, other than those set forth in this Ground Lease or specifically referenced in this Ground Lease;

(b) the waiver by written consent of the Board's right to require removal of the Facilities referenced in Section 3362(B) of Title 17 of the Louisiana Revised Statutes, except as set forth in this Ground Lease; and

(c) the waiver by written consent of the Board's right to adopt such rules or regulations as it deems necessary or desirable relative to the conduct and social activities of people in structures erected on the leased grounds referenced in Section 3364 of Title 17 of the Louisiana Revised Statutes, except as may be specified in this Ground Lease.

ARTICLE 5
CONSTRUCTION, RENOVATION, IMPROVEMENT AND EQUIPPING OF THE FACILITIES

Section 5.1 The Corporation's Obligations.

(a) The Corporation will develop, design, construct, renovate and equip the Facilities on the Property at its own cost and expense. The Corporation shall lease the Facilities to the Board pursuant to the Facilities Lease. The Board shall not have any financial obligation or other obligation of any kind under this Ground Lease except to review and approve the Corporation's activities and as specifically set forth herein.

(b) The Corporation shall furnish or cause to be furnished all supervision, tools, implements, machinery, labor, materials and accessories such as are necessary and proper for the construction of the Facilities, shall pay all applicable permit and license fees, and shall construct, build, and complete the Facilities in a good, substantial and workmanlike manner all in accordance with this Ground Lease and in

compliance with the plans and specifications and all documents executed pursuant hereto and thereto. The Corporation and the Board agree to cooperate fully to the end that fee and permit exemptions available with respect to the Facilities under applicable law are obtained by the party or parties entitled thereto.

(c) Subject to the provisions of this Section 5.1 and Section 4.5 of the Cooperative Endeavor Agreement, all decisions regarding design and construction matters shall be made by the Corporation with oversight of FP&C through participation on the Advisory Committees. The respective Advisory Committees will provide input and advice during the planning and construction of the Projects through review of the work of the designers, contractors or design/build team. The Corporation shall select the designers and any Construction Contractor, the members of which shall comply with licensing requirements of Louisiana law. All construction, alterations, or additions to the Facilities undertaken by the Corporation shall be in conformance with all applicable laws, codes, rules and regulations, and amendments thereto, including 1988 Standard Building Code with 1989 and 1990 revisions, ANSIA 1117.1 1986 edition, and NFPA 101 Life Safety Code and all local and state building codes. The Corporation shall have the right to contest any such codes for reasonable grounds by ordinary and proper procedures. The review and acceptance of the Plans and Specifications by FP&C shall include the right to review for compliance with applicable building codes, space standards, where appropriate, and standards ensuring quality of construction. FP&C shall also have the right to conduct periodic inspections during construction.

(d) The Corporation shall have supervision of the construction process of the Facilities, including change orders, if any, with input and advice from the Advisory Committees. The Corporation shall employ a Program Manager for day to day supervision and authority over the design and construction process. The Program Manager will be the Corporation's liaison with the Advisory Committees and with FP&C. The Program Manager will also facilitate the review by the Corporation and the Advisory Committees of all plans and specifications prior to the commencement of construction including coordinating with designers and contractors of any changes as may be required. Program Manager will also coordinate and facilitate any efforts by FP&C to conduct inspections during construction and at completion to obtain acceptance of the completed work by the State.

(e) The parties hereto acknowledge that FP&C shall be advised in advance of all project meetings and given the option to attend. FP&C shall be advised of the project scheduling and progress payments.

(f) Subject to Force Majeure, the Corporation covenants that the Corporation shall proceed with diligence to complete the construction of the Facilities as soon as practically possible.

(g) Prior to the commencement of construction, the Corporation and the Program Manager, shall meet with the Advisory Committees to coordinate the construction activity. Upon commencement of construction, the Corporation shall deliver to the Advisory Committees, (i) a copy of the signed Construction Contract, and (ii) a copy of the labor and materials payment and performance bonds in an amount equal to the cost of construction set forth in the Construction Contract issued by a company qualified, permitted or admitted to doing business in the State of Louisiana and approved by the Board. The Corporation shall take the action specified by La. R.S. 9:4802(C) to be taken by an Owner to protect the premises from any liens related to the design or construction of the Facilities.

(h) The Program Manager shall provide a standard errors and omissions policy in an amount of $2,000,000, with such additional provisions as may be approved by counsel to the Corporation.

(i) Any performance bond, labor and material payment bond, or completion bond provided by a member of the Construction Contractor hired by the Corporation shall be for 100% of the amount of the contract with such contractor, and shall contain a dual obligee rider in favor of the Board; subject, however,

to the reasonable underwriting guidelines of the surety issuing the bond and rules of the governmental authorities regulating the surety.

(j) The Board's Contract Monitor shall monitor the performance of the Cooperative Endeavor Agreement by reviewing the quarterly progress reports required by Section 6.2 thereof and the annual contract compliance audit required by Section 6.1 thereof. The Contract Monitor shall meet with a representative of the Corporation on a quarterly basis to review the quarterly progress reports and inspect the Facilities.

(k) The Corporation shall inspect the Property and arrange for boundary surveys, topographical surveys, soil borings and other site investigations at its expense to the extent these things have not been done by the Board. The Board does not guarantee that the Property is suitable for the Facilities. Subject to the permitted encumbrances shown on Exhibit B attached to this Ground Lease, the Corporation accepts the Property in its present condition. However, the Board represents that to the best of its knowledge and belief there are no Hazardous Materials or other materials on or under the Property that would materially impact the construction of the Facilities.

(l) The cost of construction and renovation of the Facilities shall include all costs necessary for the Construction Contractor or applicable utility company to bring lines for all such utilities to the Facilities so that such utilities will be available when required for construction and operation of the Facilities.

Section 5.2 Provisions of Cooperative Endeavor Agreement Controlling. To the extent that any provisions of this Article 5 are inconsistent with the provisions of the Cooperative Endeavor Agreement, the provisions of the Cooperative Endeavor Agreement shall control.

ARTICLE 6
ENCUMBRANCES

Section 6.1 Mortgage of Ground Leasehold or the Facilities. The Corporation shall not mortgage, lien or grant a security interest in the Corporation's interest in the Property or any other right of the Corporation hereunder without the prior written consent of the Board except pursuant to the Mortgage, the Loan Agreement and the Facilities Lease.

ARTICLE 7
MAINTENANCE AND REPAIR

Section 7.1 Maintenance, Repairs and Renovations. The Board shall maintain and repair the Facilities in accordance with Section 8 of the Facilities Lease.

ARTICLE 8
CERTAIN LIENS PROHIBITED

Section 8.1 No Mechanics' Liens. Except as permitted in Section 8.2 hereof, the Corporation shall not suffer or permit any mechanics' liens or other liens to be enforced against the Board's ownership interest or leasehold interest in the Property nor against the Corporation's leasehold interest in the Property by reason of a failure to pay for any work, labor, services, or materials supplied or claimed to have been supplied to the Corporation or to anyone holding the Property or Facilities or any part thereof through or under the Corporation.

Section 8.2 Release of Recorded Liens. If any such mechanics' liens or materialmen's liens shall be recorded against the Property or Facilities, the Corporation shall cause the same to be released of record or, in the alternative, if the Corporation in good faith desires to contest the same, the Corporation shall be privileged to do so, but in such case the Corporation hereby agrees to indemnify and save the Board harmless from all liability for damages occasioned thereby and shall in the event of a judgment of foreclosure on said mechanics' lien, cause the same to be discharged and released prior to the execution of such judgment. In the event the Board reasonably should consider the Board's interest endangered by any such liens and should so notify the Corporation and the Corporation should fail to provide adequate security for the payment of such liens, in the form of a surety bond, cash deposit or cash equivalent, or indemnity agreement reasonably satisfactory to the Board within thirty (30) days after such notice, then the Board, at the Board's sole discretion, may discharge such liens and recover from the Corporation immediately as Additional Rent under this Ground Lease the amounts paid, with interest thereon from the date paid by the Board until repaid by the Corporation at the rate of ten percent (10%) per annum.

Section 8.3 Memorandum of Recitals. The memorandum of lease to be filed pursuant to Section 18.4 of this Ground Lease shall state that any third party entering into a contract with the Corporation for improvements to be located on the Property, or any other party claiming under said third party, shall be on notice that neither the Board nor the Board's property shall have any liability for satisfaction of any claims of any nature in any way arising out of a contract with the Corporation.

ARTICLE 9
OPERATION AND MANAGEMENT OF FACILITIES

Section 9.1 Management of Facilities. The Board shall operate and manage the Facilities or cause the Facilities to be operated and managed in accordance with Section 8 of the Facilities Lease.

Section 9.2 Reserved.

Section 9.3 Audits. The Board may, at its option and at its own expense, and during customary business hours, conduct internal audits of the books, bank accounts, records and accounts of the Corporation. Audits may be made on either a continuous or a periodic basis or both, and may be conducted by employees of the Board, by the Auditor for the Division of Administration of the State, by the Louisiana Legislative Auditor or by independent auditors retained by the Board desiring to conduct such audit, but any and all such audits shall be conducted without materially or unreasonably or unnecessarily interrupting or interfering with the normal conduct of business affairs by the Corporation.

ARTICLE 10
INDEMNIFICATION

Section 10.1 Indemnification by the Corporation. Excluding the acts or omissions of the Board, its employees, agents or contractors, the Corporation shall and will indemnify and save harmless the Board, its agents, officers, and employees, from and against any and all liability, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions, and causes of action of any and every kind and nature arising or growing out of or in any way connected with the Corporation's construction of the Facilities. This obligation to indemnify shall include reasonable fees of legal counsel and third-party investigation costs and all other reasonable costs, expenses, and liabilities from the first notice that any claim or demand has been made; however, the Corporation and the Board shall use the same counsel if such counsel is approved by the Board, which approval shall not be unreasonably withheld or delayed. If the Board does not approve such counsel then the Board may retain independent counsel at the Board's sole cost and expense. It is expressly understood and agreed that the Corporation is and shall be deemed to be

an independent contractor and operator responsible to all parties for its respective acts or omissions and that the Board shall in no way be responsible therefor.

Section 10.2 Contributory Acts. Whenever in this Ground Lease any party is obligated to pay an amount or perform an act because of its negligence or misconduct (or that of its agents, employees, contractors, guests, or invitees), such obligations shall be mitigated to the extent of any comparative fault or misconduct of the other party (or that of its agents, employees, contractors, guests, or invitees) as determined by a court of law, and in any disputes damages shall be apportioned based on the relative amounts of such negligence or willful misconduct as determined by a court of law.

ARTICLE 11
TERMINATION, DEFAULT AND REMEDIES

Section 11.1 Events Of Default. Any one of the following events shall be deemed to be an "*Event of Default*" by the Corporation under this Ground Lease.

(a) The Corporation shall fail to pay any sum required to be paid to the Board under the terms and provisions of this Ground Lease and such failure shall not be cured within thirty (30) days after the Corporation's receipt of written notice from the Board of such failure.

(b) The taking by execution of the Corporation's leasehold estate for the benefit of any Person, except for any Person exercising remedies due to a default by the Board under the Facilities Lease or a default due to non-payment of the Parity Bonds.

(c) The Corporation shall fail to perform any other covenant or agreement, other than the payment of money, to be performed by the Corporation under the terms and provisions of this Ground Lease and such failure shall not be cured within ninety (90) days after receipt of written notice from the Board of such failure; provided that if during such ninety (90) day period, the Corporation takes action to cure such failure but is unable, by reason of the nature of the work involved, to cure such failure within such period and continues such work thereafter diligently and without unnecessary delays, such failure shall not constitute an Event of Default hereunder until the expiration of a period of time after such ninety (90) day period as may be reasonably necessary to cure such failure.

(d) The Corporation, after Commencement of Construction but prior to the Project Completion Date, abandons (with no intent to continue) construction for a period of forty-five (45) consecutive days.

Section 11.2 The Board's Rights Upon Default. Upon the occurrence and during the continuance of an Event of Default, the Board may at its option seek any and all damages occasioned by the Event of Default or may seek any other remedies available at law or in equity, including specific performance.

Section 11.3 Termination of Right of Occupancy. Notwithstanding any provision of law or of this Ground Lease to the contrary, except as set forth in Section 1.3 hereof, the Board shall not have the right to terminate this Ground Lease prior to the Expiration Date hereof. However, in the event there is an Event of Default by the Corporation hereunder, the Board shall have the right to terminate the Corporation's right to occupancy of the Property, except that the Facilities, at the option of the Board, shall remain thereon. The Board shall have the right to take possession of the Property and to re-let the Property or take possession in its own right for the remaining Term of the Ground Lease upon such terms and conditions as the Board is able to obtain. Upon such re-letting, the Corporation hereby agrees to convey all of its right, title and interest in and to the Facilities and all of its rights under this Ground Lease and the Facilities Lease to the new lessee of the Property or to the Board, if the Board wishes to remain in possession on its own behalf in

consideration for the new lessee (or the Board as applicable) agreeing to assume all of the Corporation's obligations under this Ground Lease, the Facilities Lease and under any debt incurred by the Corporation in connection with the construction of the Facilities.

Section 11.4 Rights of The Board Cumulative. All rights and remedies of the Board provided for and permitted in this Ground Lease shall be construed and held to be cumulative, and no single right or remedy shall be exclusive of any other which is consistent with the former. The Board shall have the right to pursue any or all of the rights or remedies set forth herein, as well as any other consistent remedy or relief which may be available at law or in equity, but which is not set forth herein. No waiver by the Board of a breach of any of the covenants, conditions or restrictions of this Ground Lease shall be construed or held to be a waiver of any succeeding or preceding breach of the same or of any other covenant, condition or restriction herein contained. The failure of the Board to insist in any one or more cases upon the strict performance of any of the covenants of this Ground Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of future breaches of such covenant or option.

ARTICLE 12
TITLE TO THE FACILITIES

Section 12.1 Title to Facilities. Title to the Facilities as they are constructed and upon completion thereof shall be vested in the Board during the Term of this Ground Lease. The Board's right to obtain title to the Facilities unencumbered by the leasehold interest of the Corporation granted hereunder shall be set forth in the Facilities Lease. All furniture, fixtures, equipment and furnishings permanently affixed to the Facilities shall be the property of the Board upon termination of the Ground Lease whether such termination be by expiration of the Term or an earlier termination under any provision of this Ground Lease.

Section 12.2 The Board's Option to Require Demolition. Upon the Expiration Date of the Term or earlier termination hereof, in the event the Facilities are no longer suitable for the Board's purposes, the Board in its sole discretion may require the Corporation to demolish the Facilities and remove the Facilities from the Property, and restore the Property to substantially the same condition as it existed on the date of this Ground Lease, to be accomplished within one hundred eighty (180) days of such Expiration Date or earlier Termination hereof. However, such demolition and removal of the Facilities shall be at the Board's sole cost and expense. In the event of such election upon the expiration of the Term, the Board shall notify the Corporation no later than six (6) months prior to the expiration of the Term. If this Ground Lease is terminated earlier, the Board shall notify the Corporation within thirty (30) days after the termination.

ARTICLE 13
CONDEMNATION

Section 13.1 Condemnation. Upon the permanent Taking of all the Property and the Facilities, this Ground Lease shall terminate and expire as of the date of such Taking, and both the Corporation and the Board shall thereupon be released from any liability thereafter accruing hereunder except for Rent and all other amounts secured by this Ground Lease owed to the Board apportioned as of the date of the Taking or the last date of occupancy, whichever is later. The Corporation shall receive notice of any proceedings relating to a Taking and shall have the right to participate therein.

Section 13.2 Partial Condemnation. Upon a temporary Taking or a Taking of less than all of the Property, the Board, at its election, may terminate this Ground Lease by giving the Corporation notice of its election to terminate at least sixty (60) days prior to the date of such termination if the Board reasonably determines that the Facilities cannot be economically and feasibly used by the Board for its intended purposes under the Facilities Lease. Upon any such termination, the Rent accrued and unpaid hereunder

shall be apportioned to the date of termination. In the event there is a partial condemnation of the Property and the Board decides not to terminate this Ground Lease, the Board and the Corporation shall either amend this Ground Lease or enter into a new lease so as to cover an adjacent portion of property, if necessary to restore or replace any portion of the Property and/or Facilities.

Section 13.3 Facilities Lease. If this Ground Lease is terminated under either Section 13.1 or 13.2 hereof but the Board decides to restore or replace the Facilities in accordance with the Facilities Lease, the Board and the Corporation agree to enter into a new lease of a portion of property necessary to place thereon the Facilities and to enter into a new Facilities Lease covering such replacement Facilities.

Section 13.4 Payment of Awards. Upon the Taking of all or any portion of the Property and the Facilities (a) the proceeds of the Award allocable to the value of the Facilities shall be disbursed in accordance with the provisions of the Facilities Lease, and (b) the Board shall be entitled (free of any claim by the Corporation) to the Award for the value of the Board's Interest (such value to be determined as if this Ground Lease were in effect and continuing to encumber the Board's Interest).

ARTICLE 14
ASSIGNMENT, SUBLETTING, AND TRANSFERS OF THE CORPORATION'S INTEREST

Section 14.1 Assignment of Leasehold Interest. Except as expressly provided for in this Article 14, the Corporation shall not have the right to sell or assign the leasehold estate created by this Ground Lease or the other rights of the Corporation hereunder to any Person without the prior written consent of the Board.

Section 14.2 Subletting. The Corporation is not authorized to sublet the leasehold estate to any entity other than the Board.

Section 14.3 Transfers of the Corporation's Interest. Except as otherwise expressly provided herein, any Person succeeding to the Corporation's interest as a consequence of any permitted conveyance, transfer or assignment shall succeed to all of the obligations of the Corporation hereunder and shall be subject to the terms and provisions of this Ground Lease.

Section 14.4 Assignment to Trustee. The Corporation shall, concurrently with the execution hereof, assign all of its right, title and interest in and to this Ground Lease to the Trustee pursuant to the Indenture and the Loan Agreement (each as defined in the Facilities Lease). The parties hereto further agree to execute any and all documents necessary and proper in connection therewith.

ARTICLE 15
COMPLIANCE CERTIFICATES

Section 15.1 The Corporation's Compliance. The Corporation agrees, at any time and from time to time upon not fewer than thirty (30) days prior written notice by the Board, to execute, acknowledge and deliver to the Board or to such other party as the Board shall request, a statement in writing certifying: (a) that this Ground Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications); (b) to the best of its knowledge, whether or not there are then existing any offsets or defenses against the enforcement of any of the terms, covenants or conditions hereof upon the part of the Corporation to be performed (and if so specifying the same); (c) the dates to which the Rent and other charges have been paid; and (d) the dates of commencement and expiration of the Term, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective purchaser of the Board's Interest or by any other Person.

Section 15.2 The Board's Compliance. The Board agrees, at any time and from time to time, upon not fewer than thirty (30) days prior written notice by the Corporation, to execute, acknowledge and deliver to the Corporation a statement in writing addressed to the Corporation or to such other party as the Corporation shall request, certifying: (a) that this Ground Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications); (b) the dates to which the Rent and other charges have been paid; (c) to the best of its knowledge after due inquiry, whether an Event of Default has occurred and is continuing hereunder (and stating the nature of any such Event of Default); (d) during the construction period, the status of construction of the Facilities and the estimated date of completion thereof; and (e) the dates of commencement and expiration of the Term, it being intended that any such statement delivered pursuant to this Section may be relied upon by any prospective (and permitted) assignee, sublessee or mortgagee of this Ground Lease or by any assignee or prospective assignee of any such permitted mortgage or by any undertenant or prospective undertenant of the whole or any part of the Facilities, or by any other Person, as approved by the Board.

ARTICLE 16
TAXES AND LICENSES

Section 16.1 Payment of Taxes. The Board shall pay, and, upon request by the Corporation, shall provide evidence of payment to the appropriate collecting authorities of, all federal, state and local taxes and fees, which are now or may hereafter be, levied upon the Corporation's interest in the Property or in the Facilities or upon any of the Corporation's property used in connection therewith or upon the Board or the Board's Interest. The Board may pay any of the above items in installments if payment may be so made without penalty other than the payment of interest. The obligations of the Board to pay taxes and fees under this Section 16.1 shall apply only to the extent that the Board or the Corporation are not exempt from paying such taxes and fees and to the extent that such taxes and fees are not otherwise abated. The Board and the Corporation agree to cooperate fully with each other to the end that tax exemptions available with respect to the Property and the Facilities under applicable law are obtained by the party or parties entitled thereto.

Section 16.2 Contested Tax Payments. The Board shall not be required to pay, discharge or remove any such taxes or assessments so long as the Board is contesting the amount or validity thereof by appropriate proceeding which shall operate to prevent or stay the collection of the amount so contested. The Corporation shall cooperate with the Board in completing such contest and the Corporation shall have no right to pay the amount contested during the contest. The Corporation, at the Board's expense, shall join in any such proceeding if any law shall so require.

ARTICLE 17
FORCE MAJEURE

Section 17.1 Discontinuance During Force Majeure. Whenever a period of time is herein prescribed for action to be taken by the Corporation, the Corporation shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to Force Majeure. The Board shall not be obligated to recognize any delay caused by Force Majeure unless the Corporation shall within ten (10) days after the Corporation is aware of the existence of an event of Force Majeure, notify the Board thereof.

ARTICLE 18
MISCELLANEOUS

Section 18.1 Nondiscrimination, Employment and Wages. Any discrimination by the Corporation or its agents or employees on account of race, color, sex, age, religion, national origin or handicap, in employment practices or in the performance of the terms, conditions, covenants and obligations of this Ground Lease, is prohibited.

Section 18.2 Notices.

(a) Notices or communications to the Board or the Corporation required or appropriate under this Ground Lease shall be in writing, sent by (i) personal delivery, or (ii) expedited delivery service with proof of delivery, or (iii) registered or certified United States mail, postage prepaid, or (iv) prepaid telecopy if confirmed by expedited delivery service or by mail in the manner previously described, addressed as follows:

If to the State: (Post Office Address for U. S. Postal Service Delivery)

Division of Administration Attention: Commissioner P. O. Box 94095 Baton Rouge, LA 70804-9095 Telephone: (225) 342-7000 Telecopy: (225) 342-1057	AND	Facility Planning and Control Attention: Director P. O. Box 94095 Baton Rouge, LA 70804-9095 Telephone: (225) 342-0820 Telecopy: (225) 342-7624

(Street Address for Courier or Express Mail Delivery)

Division of Administration Attention: Commissioner 1201 North 3rd Street, Suite 7-230 Baton Rouge, LA 70802	AND	Facility Planning and Control Attention: Director 1201 North 3rd Street, Suite 7-160 Baton Rouge, LA 70802

If to the Board:

Louisiana Community and Technical College System
Attention: System President
Office of the Board of Supervisors
265 S. Foster Drive
Baton Rouge, LA 70806-4104
Telephone: (225) 922-1643
Telecopy: (225) 922-2392

with copies to:

Louisiana Community and Technical College System
Attention: Vice President of Administration
265 S. Foster Drive
Baton Rouge, LA 70806-4104
Telephone: (225) 922-1635
Facsimile: (225) 922-1485

If to the Corporation:

President
LCTCS Facilities Corporation
c/o Sisung Group
3850 North Causeway Blvd., Suite 1930
Metairie, LA 70002
Telephone: (504) 544-7713
Facsimile: (504) 544-7701

with copies to:

LCTCS Facilities Corporation
c/o Eric Landry
Breazeale, Sachse & Wilson, LLP
One American Place
301 Main Street, 23rd Floor
Baton Rouge, LA 70801

or to such other address or to the attention of such other person as hereafter shall be designated in writing by such party. Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of delivery service or mail, as of the date of deposit in the mail in the manner provided herein, or in the case of telecopy, upon receipt.

Section 18.3 Relationship of Parties. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties hereto. It is understood and agreed that no provision contained herein nor any acts of the parties hereto creates a relationship other than the relationship of the Board and the Corporation.

Section 18.4 Memorandum of Ground Lease. Neither the Board nor the Corporation shall file this Ground Lease for record in any public place without the written consent of the other. In lieu thereof the Board and the Corporation agree to execute in recordable form a memorandum of this Ground Lease in the form of Exhibit C attached hereto. Such memorandum shall be filed for record in the Louisiana parishes in which the leased immovable property is located and any public place as may be deemed necessary with respect to the Property.

Section 18.5 Legal Proceedings.

(a) If either party is required to commence legal proceedings relating to this Ground Lease, the prevailing party shall be entitled to receive reimbursement for its reasonable attorneys' fees and costs of suit.

(b) The Corporation waives trial by jury in any action, proceeding, or counterclaim brought by either of the Parties to this Ground Lease against the other on any matters whatsoever arising out of or in any way connected with this Ground Lease, the relationship of the Corporation and the Board, the Board's or the Colleges' use or occupancy of the Facilities, or any other Claims arising hereunder.

Section 18.6 Louisiana Law to Apply. This Ground Lease shall be construed under and in accordance with the laws of the State of Louisiana, and all obligations of the parties created hereunder are

performable in Baton Rouge, Louisiana. The 19th Judicial District Court, East Baton Rouge Parish, State of Louisiana, shall be deemed to be the exclusive court of jurisdiction and venue for any litigation, special proceeding or other proceeding as between the parties that may be brought, or arise out of, in connection with, or by reason of this Ground Lease.

Section 18.7 Warranty of Peaceful Possession. The Board covenants that the Corporation, on paying the Rent and performing and observing all of the covenants and agreements herein contained and provided to be performed by the Corporation, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Property during the Term and may exercise all of its rights hereunder; and the Board agrees to warrant and forever defend the Corporation's right to such occupancy, use, and enjoyment and the title to the Property against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof subject only to the provisions of this Ground Lease and the matters listed on Exhibit B attached hereto.

Section 18.8 Curative Matters. Except for the express representations and warranties of the Board set forth in this Ground Lease, any additional matters necessary or desirable to make the Property usable for the Corporation's purpose shall be undertaken, in the Corporation's sole discretion, at no expense to the Board. The Corporation shall notify the Board in writing of all additional matters (not contemplated by the Plans and Specifications) undertaken by the Corporation to make the Property usable for the Corporation's purpose.

Section 18.9 Non-waiver. No waiver by the Board or the Corporation of a breach of any of the covenants, conditions, or restrictions of this Ground Lease shall constitute a waiver of any subsequent breach of any of the covenants, conditions or restrictions of this Ground Lease. The failure of the Board or the Corporation to insist in any one or more cases upon the strict performance of any of the covenants of the Ground Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant or option. A receipt by the Board or acceptance of payment by the Board of Rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach. No waiver, change, modification or discharge by the Board or the Corporation of any provision of this Ground Lease shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged.

Section 18.10 Terminology. Unless the context of this Ground Lease clearly requires otherwise: (a) pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character; (b) the singular shall include the plural wherever and as often as may be appropriate; (c) the word "includes" or "including" shall mean "including without limitation"; (d) the word "or" shall have the inclusive meaning represented by the phrase "and/or"; (e) the words "hereof", "herein," "hereunder," and similar terms in this Ground Lease shall refer to this Ground Lease as a whole and not to any particular section or article in which such words appear. The section, article and other headings in this Ground Lease and the Table of Contents to this Ground Lease are for reference purposes and shall not control or affect the construction of this Ground Lease or the interpretation hereof in any respect. Article, section and subsection and exhibit references are to this Ground Lease unless otherwise specified. All exhibits attached to this Ground Lease constitute a part of this Ground Lease and are incorporated herein. All references to a specific time of day in this Ground Lease shall be based upon Central Standard Time (or the other standard of measuring time then in effect in Baton Rouge, Louisiana).

Section 18.11 Counterparts. This agreement may be executed in multiple counterparts, each of which shall be declared an original.

Section 18.12 Severability. If any clause or provision of this Ground Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Ground Lease, then and in that

event, it is the intention of the parties hereto that the remainder of Ground Lease shall not be affected thereby.

Section 18.13 Authorization. By execution of this Ground Lease, the Corporation and the Board each represent to the other that they are entities validly existing, duly constituted and in good standing under the laws of the jurisdiction in which they were formed and in which they presently conduct business; that all acts necessary to permit them to enter into and be bound by this Ground Lease have been taken and performed; and that the persons signing this Ground Lease on their behalf have due authorization to do so.

Section 18.14 Ancillary Agreements. In the event it becomes necessary or desirable for the Board to approve in writing any ancillary agreements or documents concerning the Property or concerning the construction, operation or maintenance of the Facilities or to alter or amend any such ancillary agreements between the Board and the Corporation or to give any approval or consent of the Board required under the terms of this Ground Lease, all agreements, documents or approvals shall be forwarded to the Board Representative.

Section 18.15 Amendment. No amendment, modification, or alteration of the terms of this Ground Lease shall be binding unless the same be in writing dated on or subsequent to the date hereof and duly executed by the parties hereto and consented to, to the extent required by Article 8 of the Loan Agreement.

Section 18.16 Successors and Assigns. All of the covenants, agreements, terms and conditions to be observed and performed by the parties hereto shall be applicable to and binding upon their respective successors and assigns including any successor by merger or consolidation of any of the Colleges into another educational institution or the Board into another educational management board.

Section 18.17 Entire Agreement. This Ground Lease, together with the exhibits attached hereto, contains the entire agreement between the parties hereto with respect to the Property and contains all of the terms and conditions agreed upon with respect to the Ground Lease of the Property, and no other agreements, oral or otherwise, regarding the subject matter of this Ground Lease shall be deemed to exist or to bind the parties hereto; it being the intent of the parties that neither shall be bound by any term, condition, or representations not herein written.

Section 18.18 Series 2026 Bond Insurance Provisions. The following provisions shall apply to the Ground Lease and the Facilities Lease:

(i) So long as the Series 2026 Bond Insurance Policy is in effect and BAM is not in default in respect of its payment obligations thereunder, BAM shall be (A) deemed to be the sole and exclusive Owner of the Series 2026 Insured Obligations for purposes of all approvals, consents, waivers, institution of any action, and the direction of all remedies and (B) entitled to direct and control the enforcement of all remedies granted under the Ground Lease and the Facilities Lease.

(ii) Any amendment, modification or supplement to the Facilities Lease shall be subject to the prior written consent of BAM except as provided in Section 7(d)(i) hereof.

(iii) BAM shall be recognized as being a third-party beneficiary under the Facilities Lease and may enforce any right, remedy or claim conferred upon, given or granted thereunder.

(iv) No sublease, release, sale, disposition or substitution of any property (the "*Property*") subject to (A) the Ground Lease or the Facilities Lease or (B) any mortgage, deed of trust or other document evidencing a security interest in, or otherwise pledged, directly or indirectly, to secure the

Series 2026 Insured Obligations, shall occur without the prior written consent of BAM. Without limiting the generality of the foregoing, no portion of the Property may be released following the partial prepayment of lease payments or rentals, the partial redemption of the Series 2026 Insured Obligations, or the exercise of a purchase option or similar right, unless in each case BAM shall have provided its prior written consent to such release.

(v) The Property shall be covered at all times by property and casualty insurance in an amount equal to the greater of the replacement value of the property or the principal amount of the Series 2026 Insured Obligations. Self-insurance and pooled insurance programs shall be subject to the prior written consent of BAM. Any blanket or umbrella insurance policies for property and casualty insurance shall not be permitted unless BAM otherwise consents. The Trustee shall be the beneficiary under such policy.

(vi) [Reserved].

(vii) If insurance or condemnation proceeds with respect to the Property are received, such proceeds shall be applied to replacement or restoration of the affected property or to redemption of Series 2026 Insured Obligations; provided, however, that unless all outstanding Series 2026 Insured Obligations are to be redeemed from such amount, the prior written consent of BAM shall be required for any such redemption.

(viii) Except for the Series 2026 Insured Obligations and except as permitted by Article V of the Indenture, the Authority, the Board and the Corporation shall not issue or incur, directly or indirectly, any additional certificates, notes, bonds or other indebtedness that are (i) payable from or secured by the lease payments or rentals payable under the Facilities Lease or (ii) secured by, or granted a lien on, the Property.

(viv) The security for the Series 2026 Insured Obligations shall include a pledge and assignment of the Ground Lease and Facilities Lease and a default under the Facilities Lease shall constitute an event of default under the Indenture.

(vv) Upon the occurrence of an event of default under the Facilities Lease, the Corporation shall have the right, with or without terminating the Facilities Lease, to re-enter and take possession of the Property, and to sell its interest in the Facilities Lease or sublease or assign the Property or any part thereof.

(vvi) The foregoing insurer provisions shall control and supersede any conflicting or inconsistent provisions in the Facilities Lease.

(vii) Any amendment, modification or supplement to the Ground Lease shall be subject to the prior written consent of BAM except as provided in Section 7(d)(i) hereof.

(viii) The Board represents, warrants and covenants that it has good and indefeasible marketable fee simple to the real property and all building, property and improvements comprising the Property. The Board covenants and agrees to hold and maintain clean and marketable title to all of the Property during the term of the Ground Lease.

(vix) BAM shall be recognized as being a third-party beneficiary under the Ground Lease and may enforce any right, remedy or claim conferred upon, given or granted thereunder.

(vx) No termination, assignment (other than to the Trustee in accordance with the Indenture and Mortgage), transfer, release, disposition or sublease of the Ground Lease, the Property or any portion thereof shall be permitted without the prior written consent of BAM.

(vxi) The foregoing insurer provisions shall control and supersede any conflicting or inconsistent provisions in the Ground Lease.

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IN WITNESS WHEREOF, the undersigned representative has signed this Ground Lease Agreement on behalf of the Board of Supervisors of the Louisiana Community and Technical College System on the _____ day of _____, 2026.

WITNESSES:

BOARD OF SUPERVISORS OF THE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM

_____
Print Name: _____

By: _____
Richard Nelson, President

_____
Print Name: _____

_____
NOTARY PUBLIC
PRINTED NAME: _____
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA
NOTARY ID NUMBER_____

IN WITNESS WHEREOF, the undersigned representative has signed this Ground Lease Agreement on behalf of LCTCS Facilities Corporation, on the ____ day of _____, 2026.

WITNESSES:

LCTCS FACILITIES CORPORATION

_____
Print Name: _____

By: _____
Stephen C. Smith, President

_____
Print Name: _____

_____
NOTARY PUBLIC
PRINTED NAME: _____
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA
NOTARY ID NUMBER_____

EXHIBIT A

PROPERTY DESCRIPTION

[TO COME]

EXHIBIT B

PERMITTED ENCUMBRANCES

Reservation by the Board of its rights to all oil, gas and associated hydrocarbons, and all other minerals, mineral substances, and mineral deposits of any kind or character, whether solid, liquid, or gaseous; provided, however, that the Board hereby has waived all rights to the use of the surface of the Property in connection with the exploration, development, production or transport of said oil, gas and minerals during the term of the Ground Lease.

EXHIBIT C

FORM OF
MEMORANDUM OF GROUND LEASE AGREEMENT

STATE OF LOUISIANA §
§ KNOW ALL MEN BY THESE PRESENTS:
PARISH OF _____ §

MEMORANDUM OF LEASE

This Memorandum of Lease (this "*Memorandum*") is entered into by and between the Board of Supervisors of the Louisiana Community and Technical College System ("*Lessor*") and LCTCS Facilities Corporation ("*Lessee*").

RECITALS

A. Lessor and Lessee have entered into a Ground Lease Agreement dated as of August 1, 2026 (the "*Lease*"), whereby Lessor did lease to Lessee, and Lessee did lease from Lessor, the immovable property more particularly described on Exhibit A attached hereto and incorporated herein (the "*Land*") and the facilities which are and will be located on the Land as more particularly described in the Lease.

B. Lessor and Lessee desire to enter into this Memorandum, which is to be recorded in order that third parties may have notice of the parties' rights under the Lease.

LEASE TERMS

Specific reference is hereby made to the following terms and provisions of the Lease:

1. The term of the Lease commenced on August 1, 2026 and shall continue until midnight on July 31, 2125, unless sooner terminated or extended as provided in the Lease.

2. Pursuant to Section 8.3 of the Lease, any third party entering into a contract with the Corporation for improvements to be located on the Land, or any other party claiming under said third party, is hereby put on notice that neither the Board nor the Board's property shall have any liability for satisfaction of any claims of any nature in any way arising out of a contract with the Corporation.

3. Additional information concerning the provisions of the Lease can be obtained from the parties at the following addresses:

Lessor: Board of Supervisors of the Louisiana
Community and Technical College System
Office of the Board of Supervisors
265 S. Foster Drive
Baton Rouge, Louisiana 70806-4104
Attention: System President

Lessee: LCTCS Facilities Corporation
c/o Sisung Group
3850 North Causeway Blvd., Suite 1930
Metairie, LA 70002
Telephone: (504) 544-7713
Facsimile: (504) 544-7701
Attention: President

This Memorandum is executed for the purpose of recordation in the public records of _____ Parish, Louisiana in order to give notice of all the terms and provisions of the Lease and is not intended and shall not be construed to define, limit, or modify the Lease. All of the terms, conditions, provisions and covenants of the Lease are incorporated into this Memorandum by reference as though fully set forth herein, and both the Lease and this Memorandum shall be deemed to constitute a single instrument or document.

THUS DONE AND PASSED on the ____ day of _____, 2026, in Baton Rouge, Louisiana, in the presence of the undersigned, both competent witnesses, who herewith sign their names with Stephen C. Smith, President of LCTCS Facilities Corporation, Richard Nelson, President of the Louisiana Community and Technical College System and me, Notary.

WITNESSES:

LCTCS FACILITIES CORPORATION

_____
Print Name: _____

_____ By: _____
Print Name: _____ Stephen C. Smith, President

_____
NOTARY PUBLIC
Name: _____
Notary ID/Bar Roll No. _____
My Commission Expires _____

WITNESSES:

STATE OF LOUISIANA THROUGH THE
BOARD OF SUPERVISORS OF THE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM

_____
Print Name: _____

_____ By: _____
Print Name: _____ Richard Nelson, President

_____
NOTARY PUBLIC
Name: _____
Notary ID/Bar Roll No. _____
My Commission Expires _____

FORM OF

AGREEMENT TO LEASE WITH OPTION TO PURCHASE

by and between

LCTCS FACILITIES CORPORATION
(as Lessor)

and

BOARD OF SUPERVISORS OF THE LOUISIANA COMMUNITY
AND TECHNICAL COLLEGE SYSTEM
(as Lessee)

Dated as of August 1, 2026

in connection with:

Louisiana Local Government Environmental Facilities
and Community Development Authority Revenue Bonds
(LCTCS Act 35 Project)

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AGREEMENT TO LEASE WITH OPTION TO PURCHASE

This AGREEMENT TO LEASE WITH OPTION TO PURCHASE (together with any amendments hereto or supplements hereof, this "*Facilities Lease*") dated as of August 1, 2026, is entered into by and between the LCTCS FACILITIES CORPORATION, a Louisiana nonprofit corporation represented herein by its President, Stephen C. Smith (the "*Corporation*") and the BOARD OF SUPERVISORS OF THE LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM, a public constitutional corporation organized and existing under the laws of the State of Louisiana, represented herein by its duly authorized President, Richard Nelson (the "*Board*").

WITNESSETH:

WHEREAS, the Board is a public constitutional corporation organized and existing under the laws of the State of Louisiana and the Colleges (as hereinafter defined) are colleges under its management pursuant to Louisiana Revised Statutes 17:3217.1;

WHEREAS, the Board owns, will own, leases, will lease, or has under its supervision and management, the ground on which the Colleges' existing and proposed additional facilities are to be located;

WHEREAS, the Corporation is a private nonprofit corporation organized and existing under the Louisiana Nonprofit Corporation Law (La. R.S. 12:201 et seq.), whose purpose is to support and benefit the educational, scientific, research and public service missions of the Board;

WHEREAS, pursuant to La. R.S. 17:3361 through 17:3366, the Board is authorized to lease to a private entity, such as the Corporation, any portion of the campus or other immovable property under the supervision and management of the Board, provided that the Corporation is thereby obligated to construct improvements for furthering the educational, scientific, research or public service functions of the Board;

WHEREAS, the Board and the Corporation have agreed to enter into a Ground Lease Agreement dated of even date herewith (the "*Ground Lease*") whereby the Board will lease the Property (as defined therein) to the Corporation;

WHEREAS, in order to further these functions of the Board, the Corporation shall cause the development, acquisition, purchase, construction, renovation, improvement, or expansion of certain public facilities of the Board, as such project is described or authorized under Act 35 of the 2025 Regular Session of the Louisiana Legislature, including all furnishings, fixtures and equipment incidental or necessary in connection therewith (collectively, the "*Facilities*") to be located on immovable property owned by, to be owned by, leased by, to be leased by, or under the supervision and management of the Board, which Facilities shall be owned by the Corporation and leased to the Board; and

WHEREAS, the Corporation and the Board have agreed that the Corporation, for the benefit of the Board, shall develop and construct or cause to be developed and constructed the Facilities in accordance with Construction Contracts (as defined in the Ground Lease), and lease back space in the Facilities to the Board.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of and as used in this Facilities Lease, have the meanings as set forth below. All

other capitalized terms used herein without definition shall have the meanings as set forth in the Indenture (as hereinafter defined). Other terms shall have the meanings assigned to them in other Sections of this Facilities Lease.

"*Additional Bonds*" shall mean parity bonds, if any, issued in one or more series pursuant to Section 27 hereof and Article 5 of the Indenture.

"*Additional Rental*" means the amounts specified as such in Section 7(d) of this Facilities Lease.

"*Administrative Expenses*" means the necessary, reasonable and direct out-of-pocket expenses incurred by the Authority or the Trustee pursuant to the Indenture and the Loan Agreement, the compensation of the Trustee under the Indenture (including, but not limited to any annual administrative fee charged by the Trustee), the compensation of the Authority, and the necessary, reasonable and direct out-of-pocket expenses of the Trustee incurred by the Trustee in the performance of its duties under the Indenture.

"*Appropriated Funds*" means funds appropriated by the State Legislature to the Board pursuant to the Cooperative Endeavor Agreement.

"*Authority*" means the Louisiana Local Government Environmental Facilities and Community Development Authority.

"*Base Rental*" means the amounts referred to as such in Section 7(c) of this Facilities Lease (as such amounts may be adjusted from time to time in accordance with the terms hereof) but does not include Additional Rental.

"*Board*" means the Board of Supervisors of the Louisiana Community and Technical College System or its legal successor as management board of the College, acting herein on behalf of the College and on its own behalf.

"*Board Documents*" means the Cooperative Endeavor Agreement, the Ground Lease and the Facilities Lease.

"*Board Representative*" means any one of the persons designated and authorized in writing from time to time by the Board to represent the Board in exercising the Board's rights and performing the Board's obligations under this Facilities Lease or the Ground Lease; the Board Representative shall be the President of the Louisiana Community and Technical College System, or his or her designee, of whom the Corporation has been notified in writing, or the Senior Vice President for Finance and Administration of the Louisiana Community and Technical College System, or his or her designee, of whom the Corporation has been notified in writing.

"*Bond Documents*" means the Trust Indenture and the Loan Agreement.

"*Budget*" means the Board's and the Colleges' budget as approved by the Board for any Fiscal Year during the Term.

"*Business Day*" means any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York, or Baton Rouge, Louisiana, are authorized or required not to be open for the transaction of regular banking business, or (d) a day on which the New York Stock Exchange is closed.

"*CERCLA*" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§9601 et seq.).

"*Claim*" collectively means any claim, liability, demand, loss, damage, deficiency, litigation, cause of action, penalty, fine, judgment, defense, imposition, fee, lien, bonding cost, settlement, disbursement, penalty, cost or expenses of any and every kind and nature (including without limitation Litigation Expenses), whether known or unknown, incurred or potential, accrued, absolute, direct, indirect, contingent or otherwise and whether imposed by strict liability, negligence, or otherwise, and consequential, punitive and exemplary damage claims.

"*Code*" means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

"*Colleges*" means the various campuses under the supervision of the Board referenced in Exhibit A hereto, each individually, a "*College*".

"*Commencement Date*" means the date on which a series of Parity Bonds are first delivered and payment therefor is received by the Authority.

"*Cooperative Endeavor Agreement*" means the Cooperative Endeavor Agreement by and among the Board, the Corporation and the State dated as of May 1, 2026, providing for the payment of Appropriated Funds by the State to the Board, and including any amendments of and supplements to the Cooperative Endeavor Agreement as permitted thereunder.

"*Corporation*" means LCTCS Facilities Corporation, a nonprofit corporation organized and existing under the laws of the State for the benefit of the Colleges and also includes every successor corporation and transferee of the Corporation until payment or provision for payment of all the Parity Bonds.

"*Date of Opening*" means the first date that any of the Facilities that are financed by the Parity Bonds are occupied.

"*Debt Service Fund*" means the Debt Service Fund created by Section 4.1 of the Indenture.

"*Debt Service Requirements*" means, for any particular Fiscal Year, an amount equal to the sum of (a) all interest payable during such Fiscal Year on all Outstanding Parity Bonds, plus (b) the Principal Installment on Outstanding Parity Bonds falling due during such Fiscal Year, and (c) any other requirements relating to credit enhancement, if any.

"*Default or Delay Rental*" means and shall consist of: (a) all amounts, fees or expenses that the Corporation may be legally obligated to pay to Other Parties by reason of any default of the Board hereunder or any delay in payment of any sums due by the Board hereunder; and (b) all costs, expenses and charges, including reasonable counsel fees, incurred by the Corporation whether by suit or otherwise, in collecting sums payable hereunder or in enforcing any covenant or agreement of the Board contained in this Agreement or incurred in obtaining possession of the Facilities after default by the Board that shall be due not later than thirty (30) days from notification that such Default or Delay Rentals are owed.

"*Encumbrance*" means any lien, mortgage, encumbrance, privilege, charge, option, right of first refusal, conditional sales contract, security interest, mechanic's and materialmen's liens, or any lien or encumbrance securing payment of any Claims, including environmental Claims, or of any charges for labor, materials, supplies, equipment, taxes, or utilities, excluding the Option granted to the Board herein.

"*Environmental Requirements*" means all State, federal, local, municipal, parish, and regional laws, statutes, rules, regulations, ordinances, codes, permits, approvals, plans, authorizations, concessions, investigation results, guidance documents; all legislative, judicial, and administrative judgments, decrees, orders, rules, rulings, and regulations; and all agreements and other restrictions and requirements in effect on or prior to the Commencement Date, of any Governmental Authority, including, without limitation, federal, state, and local authorities, relating to the regulation or protection of human health and safety, natural resources, conservation, the environment, or the storage, treatment, disposal, processing, release, discharge, emission, use, remediation, transportation, handling, or other management of industrial, gaseous, liquid or solid waste, hazardous waste, hazardous or toxic substances or chemicals, or pollutants, and including without limitation the following environmental laws: The Clean Air Act (42 U.S.C.A. §1857); the Federal Water Pollution Control Act (33 U.S.C. §1251); the Resource Conservation and Recovery Act of 1976, (42 U.S.C. §6901); CERCLA, as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub.L. 99-499, l00 Stat. 1613); the Toxic Substances Control Act (15 U.S.C. §2601); the Clean Water Act (33 U.S.C. §1251); the Safe Drinking Water Act (42 U.S.C. §30); the Occupational Safety and Health Act (29 U.S.C. §651); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §135); the Louisiana Environmental Quality Act (La. R.S. 30:2001); and the Louisiana Air Quality Regulations (La. C. 33:III.2595) including any amendments or extensions thereof and any rules, regulations, standards or guidelines issued pursuant to or promulgated under any of the foregoing.

"*Event of Default*" means any default specified in and defined as such by Section 22 hereof.

"*Expiration Date*" means midnight on July 31, 2125 or the date that all amounts owed under the Indenture have been paid.

"*Facilities*" means the facilities described in Exhibit A attached hereto, and to the Loan Agreement, as amended and supplemented in accordance therewith, that are to be designed, constructed, renovated and equipped with the proceeds of the Parity Bonds, including all furnishings, fixtures and equipment incidental or necessary in connection therewith.

"*Facilities Lease*" means this Agreement to Lease with Option to Purchase, including the Exhibits attached hereto, and any amendment or supplement hereto entered into from time to time in accordance with the terms hereof.

"*Fiscal Year*" means the fiscal year of the State, which at the date of this Facilities Lease is the period from July 1 to and including the following June 30.

"*Governmental Authority*" means any federal, state, parish, regional, or local government, political subdivision, any governmental agency, department, authority, instrumentality, bureau, commission, board, official, or officer, any court, judge, examiner, or hearing officer, any legislative, judicial, executive, administrative, or regulatory body or committee or official thereof or private accrediting body.

"*Governmental Regulations*" means any and all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, writs, injunctions, rules, regulations, restrictions, permits, plans, authorizations, concessions, investigation, reports, guidelines, and requirements or accreditation standards of any Governmental Authority having jurisdiction over the Corporation and/or the Board, or affecting the Facilities.

"*Ground Lease*" means that certain Ground Lease Agreement dated as of August 1, 2026 by and between the Board, as lessor, and the Corporation, as lessee, whereby the Property (as defined therein) is leased by the Board to the Corporation, including any amendment or supplement thereto entered into from time to time in accordance with the terms thereof.

"*Indenture*" means the Trust Indenture dated as of August 1, 2026, between the Authority and the Trustee, pursuant to which the Parity Bonds have been issued and are secured, including any amendments and supplements thereof and thereto as permitted thereunder.

"*Interest Payment Date*" or "*interest payment date*", when used with respect to the Parity Bonds, means each April 1, and October 1, commencing April 1, 2027.

"*Legal Expenses*" means the reasonable fees and charges of attorneys and of legal assistants, paralegals, law clerks and other persons and entities used by attorneys and under attorney supervision and all costs incurred or advanced by any of them irrespective of whether incurred in or advanced prior to the initiation of any legal, equitable, arbitration, administrative, bankruptcy, trial or similar proceedings and any appeal from any of same.

"*Litigation Expenses*" means all out-of-pocket costs and expenses incurred as a result of a Default, or in connection with an indemnification obligation, including Legal Expenses, the reasonable fees and charges of experts and/or consultants, and all court costs and expenses.

"*Loan Agreement*" means the Loan and Assignment Agreement dated as of August 1, 2026 between the Corporation and the Authority, including any amendments and supplements thereof and thereto as permitted thereunder.

"*Maintenance Reserve Fund Annual Funding Requirement*" means six-tenths of one percent (0.6%) of the construction costs of each of the Facilities financed by the Bonds and leased by the Corporation to the Board pursuant to this Facilities Lease.

"*Notice*" shall have the meaning set forth in Section 52 hereof.

"*Option to Purchase*" or "*Option*" means the option to purchase the Corporation's interest in the Facilities granted in Section 24 of this Facilities Lease.

"*Other Parties*" means a Person other than the Parties.

"*Outstanding*" or "*outstanding*", when used with reference to Parity Bonds, means all Parity Bonds which have been authenticated and issued under the Indenture except:

(a) Parity Bonds canceled by the Trustee pursuant to the Indenture;

(b) Parity Bonds for the payment of which moneys or Defeasance Obligations shall be held in trust for their payment by the Trustee as provided in the defeasance provisions of the Indenture;

(c) Parity Bonds that have been duly called for redemption and for which the redemption price thereof is held in trust by the Trustee as provided in the Indenture;

(d) Parity Bonds in exchange for which other Parity Bonds shall have been authenticated and delivered by the Trustee as provided in the Indenture; and

(e) for all purposes regarding consents and approvals or directions of Bondholders under the Loan Agreement or the Indenture, Parity Bonds held by or for the Authority, the Corporation or any person controlling, controlled by or under common control with either of them.

"*Parity Bonds*" means collectively, all bonds issued on a parity basis pursuant to the Indenture.

"*Parties*" means, collectively, the Corporation and the Board.

"*Permitted Sublessees*" means Persons who lease, license or otherwise use any portion of the Facilities in connection with their trade or business and as to which the Board has received an opinion of Bond Counsel that such lease, license or other use will not cause interest on the Parity Bonds to be included in the gross income of the owners of the Parity Bonds for federal income tax purposes.

"*Permitted Use*" means the operation of the Facilities for purposes related to the mission of the Colleges.

"*Person*" means all juridical persons, whether corporate or natural, including individuals, firms, trusts, corporations, associations, joint ventures, partnerships, and limited liability companies or partnerships.

"*Program Manager*" means the architecture, engineering, or construction management firm retained by the Corporation for the purpose of providing construction project planning, management, and monitoring.

"*Project Funds*" means all of the project funds created under Section 4.1 of the Indenture, each individually, a Project Fund.

"*Remediation*" means any and all costs incurred due to any investigation of the Facilities or any remediation, response, cleanup, removal, or restoration required by any Governmental Regulation or Governmental Authority or by Environmental Requirements.

"*Rental*" means and includes the Base Rental and Additional Rental.

"*State*" means the State of Louisiana.

"*State Legislature*" means the legislative body of the State in any given year.

"*Term*" means the term of this Facilities Lease, as provided in Section 2 hereof.

"*Trustee*" means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under the Indenture that may be designated (originally or as a successor) as Trustee for the owners of the Parity Bonds issued and secured under the terms of the Indenture, initially Whitney Bank.

Section 2. Agreement to Lease: Term of Facilities Lease.

(a) The Corporation hereby leases the Facilities to the Board and the Board hereby leases the Facilities from the Corporation effective as of the Commencement Date of this Facilities Lease, and the Board agrees upon completion of construction and renovation of the Facilities to accept possession of the Facilities, as constructed and agrees to pay the Base Rental and the Additional Rental as provided herein for the use and occupancy of the Facilities, all on the terms and conditions set forth herein. The Board agrees that it will take immediate possession of the Facilities, as constructed under the terms and provisions of the Ground Lease upon the Date of Opening. The Board understands and agrees that Rental shall accrue from the Commencement Date hereof in consideration of the mutual covenants and agreements entered by the Parties under the Ground Lease and the Loan Agreement, notwithstanding the fact that the Facilities have yet to be constructed or renovated. No delay in the Date of Opening of the Facilities beyond the time set forth in the Ground Lease will extend the Term. The Term of this Facilities Lease begins on the

Commencement Date and ends on the Expiration Date; but this Facilities Lease is automatically renewable for an additional term of up to five (5) years in the event that on the Expiration Date there is outstanding any unpaid principal and premium, if any, or interest on the Parity Bonds, provided, however, this Facilities Lease shall terminate prior to the Expiration Date upon the happening of any of the following events:

(i) repayment of the Parity Bonds in full, including principal, premium, if any, interest and all Administrative Expenses with respect to the Parity Bonds as set forth in the Indenture;

(ii) the exercise by the Board of the Option to Purchase and the purchase of the Corporation's interest in the Facilities pursuant to the Option; or

(iii) the Corporation's exercise of its option to terminate upon the happening of any event described in this Facilities Lease with respect to which the Corporation has such option, including without limitation a Default by the Board, and the failure of the State Legislature to make available Appropriated Funds in an amount necessary to pay the Base Rental, all as set forth in Sections 22 and 30 hereof.

(b) Upon the termination of this Facilities Lease under the circumstances set forth in Section 2(a)(i) above, at the Board's option, all right and interest of the Corporation in and to the Ground Lease and the Facilities Lease in the Facilities shall be transferred to the Board, and the Corporation hereby agrees to execute any documents necessary to effectuate such transfer, or the Board may require the demolition of the Facilities as set forth in Section 12.2 of the Ground Lease.

Section 3. Acknowledgments, Representations and Covenants of the Board. The Board represents and covenants and agrees as follows:

(a) The Board has full power and authority to enter into the Board Documents and the transactions contemplated thereby and agrees to perform all of its obligations under the Board Documents;

(b) The Board has been duly authorized to execute and deliver the Board Documents and further represents and covenants that the Board Documents constitute the valid and binding obligations of the Board and that all requirements have been met and procedures have occurred in order to ensure the enforceability of the Board Documents and the Board has complied with all constitutional and other statutory requirements as may be applicable to the Board in the authorization, execution, delivery and performance of the Board Documents;

(c) The execution and delivery of the Board Documents, and compliance with the provisions thereof, will not conflict with or constitute on the part of the Board a violation of, breach of, or default under any constitutional provision, statute, law, resolution, bond indenture or other financing agreement or any other agreement or instrument to which the Board is a party or by which the Board is bound, or any order, rule or regulation of any court or Governmental Authority or body having jurisdiction over the Board or any of its activities or properties with respect to the Facilities; and all consents, approvals or authorizations required of the Board for the consummation of the transactions contemplated hereby have been obtained or timely will be obtained;

(d) Other than that which was previously disclosed to the Corporation as set forth in Exhibit B hereto, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or threatened against or affecting the Board, wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated hereunder or that in any way would adversely affect the validity or enforceability of the Board Documents;

(e) The Board will not take or permit to be taken any action that would have the effect, directly or indirectly, of causing interest on any of the Parity Bonds to be included in gross income for federal income tax purposes;

(f) The Board agrees to cause the Facilities to be used for the Permitted Use and shall not allow the Facilities to be used for any other use. No more than five percent (5%) of the gross area of the Facilities will be subleased by the Board or by any Permitted Sublessee or assigns of the Board to, or otherwise used by, private business and the Board agrees to take all action, to the extent it is legally authorized and able to do so, necessary to prevent the Parity Bonds from being deemed "private activity bonds" within the meaning of Section 141 of the Code.

(g) The use of the Facilities is essential to the operation of the Colleges by providing modern education facilities for students, faculty and staff of the Colleges. The Board presently intends to make all payments for use of the Facilities. There are no alternative facilities available for use as contemplated for the Facilities.

Section 4. Representations and Covenants of the Corporation. The Corporation makes the following representations and covenants:

(a) The Corporation has been validly created under the Louisiana Nonprofit Corporation Law, is currently in good standing under the laws of the State, has the power to enter into the transactions contemplated by, and to carry out its obligations under the Board Documents and Bond Documents. The Corporation is not in breach of or in default under any of the provisions contained in any contract, instrument or agreement to which it is a party or in any other instrument by which it is bound. By proper action of its Board of Directors, the Corporation has been duly authorized to execute and deliver the Board Documents and the Loan Agreement;

(b) The execution and delivery of the Board Documents, and compliance with the provisions thereof and hereof, will not conflict with or constitute on the part of the Corporation a violation of, breach of, or default under any statute, indenture, mortgage, declaration or deed of trust, agreement or other agreement or instrument to which the Corporation is a party or by which the Corporation is bound or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Corporation or any of its activities or properties; and all consents, approvals and authorizations that are required of the Corporation for the consummation of the transactions contemplated thereby and hereby have been or timely will be obtained;

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or threatened against or affecting the Corporation, wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated hereunder or that in any way would adversely affect the validity or enforceability of the Board Documents, the Loan Agreement or any agreement or instrument to which the Corporation is a party; and

(d) The Corporation will not take or permit to be taken any action which would have the effect, directly or indirectly, of causing interest on any of the Parity Bonds to be included in gross income for federal income tax purposes.

Section 5. Waiver and Disclaimer of Warranties.

(a) The Board acknowledges that the Corporation has not made any representations or warranties as to the suitability or fitness of the Facilities for the needs and purposes of the Board or for any other purpose.

(b) The Board further declares and acknowledges that the Corporation in connection with this Facilities Lease, does not warrant that the Facilities will be upon completion of construction free from redhibitory or latent defects or vices and releases the Corporation of any liability for redhibitory or latent defects or vices under Louisiana Civil Code Articles 2520 through 2548 and Louisiana Civil Code Article 2695. The Board declares and acknowledges that it does hereby waive the warranty of fitness for intended purposes and guarantee against hidden or latent redhibitory defects and vices under Louisiana law, including Louisiana Civil Code Articles 2520 through 2548 and Louisiana Civil Code Article 2695, and the warranty imposed by Louisiana Civil Code Articles 2476 and 2695, and waives all rights in redhibition pursuant to Louisiana Civil Code Articles 2520, et seq. The Board further declares and acknowledges that this waiver has been brought to the attention of the Board and explained in detail and that the Board has voluntarily and knowingly consented to this waiver of warranty of fitness and/or warranty against redhibitory defects and vices for the Facilities.

(c) The Corporation disclaims and the Board waives any warranties and representations with respect to compliance with Governmental Regulations, including Environmental Requirements, or the disposal of, or existence in, on, under, or about the Facilities of any Hazardous Substance. The Board acknowledges that the Corporation reserves in this Facilities Lease all rights to recover from the Board all costs and expenses imposed on the Corporation to bring the Facilities into compliance with any Environmental Requirement, and all costs of Remediation or cleanup of such Hazardous Substance imposed on the Corporation or the Board, which shall be payable by the Board as Additional Rental hereunder to the extent imposed upon the Corporation. The Board affirmatively reserves its rights against all parties except the Corporation in this regard.

Section 6. Reserved.

Section 7. Rental.

(a) The Board, for and in consideration of the Corporation entering into the Ground Lease, constructing the Facilities in accordance with the Ground Lease and subleasing the Facilities to the Board pursuant to the terms hereof, hereby covenants and agrees to pay the Base Rental and Additional Rental in the amounts, at the times and in the manner set forth herein, such amounts constituting in the aggregate the total of the Rental payable under this Facilities Lease.

(b) Payments of Base Rental shall be due on the dates and in the amounts as hereinafter provided:

(i) Semiannually, on each March 15 and September 15 during the term of this Facilities Lease, commencing March 15, 2027 in an amount equal to the sum of the principal of, premium, if any, and interest due and payable on the Parity Bonds on the following April 1 or October 1, as the case may be;

(ii) On the dates required in the Indenture, into any of the funds established in the Indenture, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by the Indenture; and

(iii) Amounts required to pay for initial furnishings and equipment.

(c) In addition to the Base Rental set forth herein, the Board agrees to pay as Additional Rental any and all expenses, of every nature, character, and kind whatsoever, incurred in the management,

operation, ownership, and/or maintenance of the Facilities, including but not limited to the following costs and expenses:

(i) all taxes, assessments and impositions against the Facilities, including without limitation ad valorem taxes attributed to the Corporation on behalf of the Board or to the Board (and any tax levied in whole or in part in lieu of or in addition to ad valorem taxes);

(ii) any costs incurred by the Corporation, if any, in maintaining the Facilities for the Board and making any alterations, restorations and replacements to the Facilities;

(iii) insurance premiums and other charges for insurance obtained with respect to the Facilities including insurance premiums, if any, on all insurance required under the provisions of Section 10 of this Facilities Lease;

(iv) any Default or Delay Rentals;

(v) all costs incurred by the Corporation in connection with its performance of its obligations relating to the Facilities and/or the Property under the Ground Lease and the Cooperative Endeavor Agreement;

(vi) all Administrative Expenses owed to the Authority or the Trustee;

(vii) Litigation Expenses, if any, incurred pursuant to Section 43 hereof;

(viii) any reimbursement amounts payable pursuant to Section 20 hereof or pursuant to any other provision hereof;

(ix) all costs sustained or incurred by the Corporation resulting from any and all Encumbrances, demands or liabilities arising on account of the work;

(x) any and all professional fees and expenses incurred by the Corporation, including legal fees;

(xi) On the dates required by the Indenture, into the Maintenance Reserve Fund an amount sufficient to satisfy the Maintenance Reserve Fund Annual Funding Requirement; and

(xii) any other costs, charges, and expenses commonly regarded as ownership, maintenance, and operating expenses, if any, incurred by the Corporation under this Facilities Lease.

Amounts constituting Additional Rental payable hereunder shall be paid by the Board directly to the person or persons to whom such amounts shall be due. The Board shall pay all such amounts when due or within ninety (90) days after notice in writing from the Trustee to the Board stating the amount of the Additional Rental then due and the purpose thereof.

(d) The Board shall be entitled to a credit against and reduction of each Base Rental payment in an amount equal to any amounts derived from the following sources:

(i) Accrued interest derived from the sale of the Parity Bonds;

(ii) Any capitalization of interest from the proceeds of the Bonds contained in the Capitalized Interest Fund under the Indenture;

(iii) Surplus moneys (including investment earnings) contained in the Funds and Accounts held by the Trustee under the Indenture, including the Debt Service Fund.

(e) Notwithstanding any other provision of the Facilities Lease, the obligation of the Board to make payments under this Facilities Lease, including payments of Base Rental, shall be from Appropriated Funds only. The Board shall include in the Budget for the Colleges those Appropriated Funds sufficient to make the payments of Base Rental described herein. The Board shall request that the State make payment of Base Rental pursuant to the Cooperative Endeavor Agreement directly to the Trustee. The Board also shall include in the Budget for the Colleges sufficient funds to make payment of the Additional Rental described herein. Subject to the foregoing and Section 30 hereof, the obligations of the Board to make payments pursuant to this Facilities Lease, and to perform and observe the other agreements and covenants on its part contained herein, shall be absolute and unconditional and shall not be subject to any diminution, abatement, set-off, or counterclaim. Subject to the foregoing and Section 30 hereof, until such time as the principal of, premium, if any, and interest on the Parity Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with this Facilities Lease, the Board shall not suspend or discontinue payment of Rental or any other payments pursuant to this Facilities Lease for any cause, and shall continue to perform and observe all of its agreements contained in this Facilities Lease. The Corporation and the Board acknowledge and agree that the obligation of the Board to pay Rental shall constitute a current expense of the Board payable by the Board from funds budgeted and appropriated in accordance with law for and in consideration of the right to use the Facilities during the Term and that such obligation shall not in any manner be construed to be a debt of the Board in contravention of any constitutional or statutory limitations or requirements concerning indebtedness of the Board and nothing contained herein shall constitute a pledge, lien or encumbrance upon any specific tax or other revenues of the Board.

(f) The payments of Base Rental and Additional Rental under this Facilities Lease for each Fiscal Year or portion thereof during the Term shall constitute the total Rental for such Fiscal Year or portion thereof and shall be paid by the Board for and in consideration of the undertaking by the Corporation to construct the Facilities and the right to the use and occupancy of the Facilities by the Board for and during such Fiscal Year or portion thereof.

(g) Amounts necessary to pay each Base Rental payment shall be deposited by the Board on the dates set forth in Section 7(b) hereof in lawful money of the United States of America at the office of the Trustee or at such other place or places as may be established by the Corporation and/or Trustee in accordance with the Indenture. Any amount necessary to pay any Base Rental payment or portion thereof which is not so deposited shall remain due and payable until received by the Trustee. Notwithstanding any dispute between the Board and the Corporation hereunder, the Board shall make all Rental payments when due and shall not withhold payment of any Rental pending the final resolution of such dispute or for any other reason whatsoever.

(h) This Facilities Lease is intended to be a triple net lease. The Board agrees that the Rental provided for herein shall be an absolute net return to the Corporation free and clear of any expenses, charges, taxes or set-offs whatsoever of any kind, character or nature; it being understood and agreed by the Board that the Board shall bear responsibility for the payment of all costs and expenses associated with the ownership, operation, and maintenance of the Facilities. Under no circumstances will the Corporation be required to make any payment on the Board's behalf or for the Board's benefit under this Facilities Lease, or assume any monetary obligation of the Board under this Facilities Lease, or with respect to the Facilities.

(i) The obligation of the Board to pay the Base Rental, to make all other payments provided for herein and to perform and observe the other agreements and covenants on its part herein contained shall be absolute and unconditional, subject to the provisions of Section 30 below, irrespective of any rights of

set-off, recoupment or counterclaim it might otherwise have against the Corporation. The Board will not suspend, discontinue, reduce or defer any such payment or fail to perform and observe any of its other agreements and covenants contained herein or (except as expressly authorized herein) terminate this Facilities Lease for any cause, including, without limiting the generality of the foregoing, the failure of the Corporation to complete the acquisition, construction and installation of the Facilities or any other part of the Colleges, any acts or circumstances that may deprive the Board of the use and enjoyment of the Colleges and/or the Facilities, failure of consideration or commercial frustration of purpose, or any damage to or destruction of the Colleges and/or the Facilities, or any change in the tax or other laws, rules and regulations of the United States of America or the State of Louisiana, or any failure of the Corporation to perform and observe any agreement or covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with this Facilities Lease. The parties hereto agree there shall be no claim of confusion with respect to the property leased pursuant to this lease and the property leased pursuant to the Ground Lease by and between the Board and the Corporation.

Section 8. Operation, Alterations, Maintenance, Repair, Replacement and Security Service.

(a) The Board and/or the Colleges shall be responsible for procuring and maintaining or cause to be procured and maintained all services necessary or required in order to adequately operate the Facilities in accordance with the Permitted Use. The Board and/or the Colleges shall continuously operate or cause to be operated the Facilities from the Date of Opening and continuing for the remainder of the Term for the Permitted Use, and in accordance with all Governmental Regulations.

(b) The Board and/or the Colleges shall be responsible for maintaining the Facilities and shall make or contract or cause to be made or contracted with a suitable contractor for the making of all alterations, repairs, restorations, and replacements to the Facilities, including without limitation the heating, ventilating, air conditioning, mechanical, electrical, elevators, plumbing, fire, sprinkler and theft systems, air and water pollution control and waste disposal facilities, structural roof, walls, and foundations, fixtures, equipment, and appurtenances to the Facilities as and when needed to preserve them in good working order, condition and repair (ordinary wear and tear excepted), regardless of whether such repairs, alterations, restorations or replacements are ordinary or extraordinary, foreseeable or unforeseeable, or are at the fault of the Corporation or some Other Party. All alterations, repairs, restorations or replacements shall be of a quality and class equal to or better than the quality and class presently located in the Facilities.

(c) The Board and/or the Colleges shall have the right during the Term to cause the Corporation or some Other Party to make or construct any additions or improvements to the Facilities, alter the Facilities, attach fixtures, structures, or signs to or on the Facilities, and affix personal property to the Facilities without the Corporation's prior written consent to the extent allowed under the terms of any insurance covering the Facilities. All such alterations, improvements, additions, attachments, repairs, restorations, and replacements of all or any portion of the Facilities shall: (i) be at the sole cost and expense of the Board; (ii) not reduce the then fair market value of the Facilities; (iii) be constructed in a good and workmanlike manner; and (iv) be in compliance with all Governmental Regulations.

(d) The Board and/or the Colleges shall provide or cause to be provided all security service, custodial service, janitorial service, trash disposal, maintenance of grounds and all other services necessary for the proper upkeep and maintenance of the Facilities as required herein. The Board acknowledges that the Corporation has made no representation or warranty with respect to systems and/or procedures for the security of the Facilities, any persons occupying, using or entering the Facilities, or any equipment, furnishings, or contents of the Facilities. It is the responsibility of the Board, through the Colleges to cause to be provided or to provide for the security of persons on or entering the Facilities and/or property located at the Facilities, in accordance with reasonable and prudent business practices.

Section 9. Utilities.

(a) All utilities which are used or consumed in or upon or in connection with the Facilities during the Term, including, without limitation water, gas, electricity, sewerage, garbage, or trash removal, light, cable, heat, telephone, power, computer data and other utilities necessary for the operation of the Facilities ("*Utility Service*") shall be the responsibility of the Board and/or the Colleges. Payments for Utility Services provided to the entire Facilities under such contract or contracts therefor as the Board or the Colleges may make shall be made by the Board or the Colleges directly to the respective utility companies furnishing such Utility Services.

(b) The Corporation shall not be in Default under this Facilities Lease or be liable to the Board or any other Person for direct or consequential damage, or otherwise, for any failure in supply of any Utility Service, heat, air conditioning, elevator service, cleaning service, lighting, security, or for surges or interruptions of electricity.

Section 10. Insurance.

(a) The Board shall cause to be secured and maintained at the Board's expense:

(i) A policy or policies covering the Facilities against loss or damage by fire, lightning, earthquake, collapse, vandalism and malicious mischief, flood and storm surge, and against such other perils as are included in so-called "extended coverage" and against such other insurable perils as, under good insurance practice, from time to time are insured for properties of similar character and location, which insurance shall be not less than the greater of the amount of the Parity Bonds Outstanding or one hundred percent (100%) of the replacement costs of the Facilities, without deduction for depreciation. If the Board self-insures the Property, then in the event that the Facilities are not repaired or replaced, insurance proceeds may be no greater than the actual cash value (replacement cost less depreciation) of the Facilities at the time of loss. Otherwise, in no event shall the amount of the insurance be at any time less than the full replacement costs of the Facilities adjusted to comply with any applicable co-insurance provisions of such insurance policy. Full payment of insurance proceeds shall not be contingent on the degree of damage sustained at other facilities leased by the Corporation. The policy or policies covering such loss must explicitly waive any co-insurance penalty.

(ii) A policy of comprehensive public liability insurance with respect to the Facilities and the operations related thereto, whether conducted on or off the Facilities, against liability for personal injury (including bodily injury and death) and property damage, of not less than $5,000,000 in combined single limit liability coverage. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability, water damage legal liability, motor vehicle liability for all owned and non-owned vehicles, including rented or leased vehicles.

(iii) Boiler and machinery insurance coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus, but only if steam boilers, pressure vessels or similar apparatus are installed on the Facilities, in an amount not less than $5,000,000 with deductible provisions not exceeding $100,000 per accident.

(iv) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State, or any act hereafter enacted as an amendment thereto or in lieu thereof, such worker's compensation insurance to cover full liability for compensation under any such act aforesaid.

(v) Cyber insurance with coverage amounts that are customarily obtained by agencies of the State.

(b) The Corporation shall cause to be secured and maintained:

(i) a policy of title insurance insuring the Corporation's leasehold interest under the Ground Lease in an amount equal to the par amount of the Parity Bonds; and

(ii) The Construction Contractor (as defined in the Ground Lease) to secure and maintain:

(1) Comprehensive or Commercial General Liability insurance;

(2) Errors and Omissions insurance;

(3) Automobile Liability insurance;

(4) Worker's Compensation insurance;

(5) An all Risk Builder's Policy upon the construction on the Property;

(6) Boiler and machinery or additional property insurance; and

(7) Cyber insurance in an amount deemed sufficient by the Corporation.

all as required by the terms of the Construction Contract (as defined in the Ground Lease).

(c) The Board may acquire and maintain self-insurance through the State of Louisiana Office of Risk Management ("*ORM*"), provided that: (i) the self-insurance program be maintained on an actuarially sound basis; and (ii) in the event that the self-insurance program is discontinued, the actuarial soundness of any successor insurance program be maintained.

(d) All insurance required in this Section and all renewals of such insurance (excepting self-insurance or commercial insurance, through ORM) shall be issued by commercial insurers authorized to transact business in the State, and rated at least A by Best's Insurance Reports (property/liability) or in the two highest rating categories of S&P and Moody's. All commercial insurance policies provided to the Board shall expressly provide that the policies shall not be canceled or altered without thirty (30) days' prior written notice to the Board; and shall, to the extent obtainable, provide that no act or omission of the Board that would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained.

(e) All policies of liability insurance that the Board is obligated to maintain according to this Facilities Lease (other than any policy of worker's compensation insurance) will name the Corporation, the Trustee and such other Persons or firms as the Board may be required to name from time to time as additional insureds. All public liability, property damage liability, and casualty policies maintained by the Board shall be written as primary policies.

(f) Proceeds of insurance received and/or the amount of any loss that is self-insured with respect to destruction of or damage to any portion of the Facilities by fire, earthquake or other casualty or event shall be paid to the Trustee (or, in the case of ORM insurance, to the Board for delivery in full to the

Trustee) for application in accordance with the provisions of Section 12 of this Facilities Lease and the Indenture.

Section 11. Condemnation, Casualty and Other Damage. The risk of loss or decrease in the enjoyment and beneficial use of the Facilities due to any damage or destruction thereof by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion or otherwise (collectively "*Casualty*") or in consequence of any foreclosures, attachments, levies or executions; or the taking of all or any portion of the Facilities by condemnation, expropriation, or eminent domain proceedings (collectively "*Expropriation*") is expressly assumed by the Board. The Corporation and the Trustee shall in no event be answerable, accountable or liable therefor, nor shall any of the foregoing events entitle the Board to any abatements, set-offs or counter claims with respect to its Base Rental, Additional Rental or any other obligation hereunder.

Section 12. Application of Insurance Proceeds: Condemnation Award.

(a) If during construction, all or any portion of the Facilities is damaged or destroyed by a Casualty, or is taken by Expropriation proceedings, the Board shall instruct the Corporation, as expeditiously as possible, to continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof; provided however, that the Corporation shall in no way be liable for any costs of the repair, restoration or replacement of the Facilities in excess of the proceeds of any insurance or of any Expropriation award received because of such Casualty or Expropriation. Following the completion of construction and acceptance of the Facility by the Board on behalf of the Corporation, the Board shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted, the repair, restoration, or replacement thereof. The proceeds of any insurance, including the proceeds of any self-insurance fund, or of any Expropriation award or payment in lieu of Expropriation, received on account of any damage, destruction or taking of all or any portion of the Facilities shall be delivered to the Trustee (or in the case of self-insurance, to the Board for delivery in full to the Trustee) and held by the Trustee in a special account to be established upon receipt of any such funds and held by the Trustee in trust, and shall be made available for, and to the extent necessary be applied to, such restoration, repair and replacement. Any amounts so held by the Trustee shall be disbursed to pay the costs of restoration, replacement and repair of the Facilities with respect to which they are held, in each case promptly after receipt of a written request of the Corporation stating that the amount to be disbursed pursuant to such request will be used to pay costs of replacing or repairing or restoring the Facilities and that no amount previously has been disbursed by the Trustee for payment of the costs to be so paid. In making such payments, the Trustee may conclusively rely upon such written requests and shall have no liability or responsibility to investigate any matter stated therein, or for any inaccuracy or misstatement therein. In no event shall the Trustee be responsible for the adequacy of the plans and specifications or construction contract relating to the replacement, restoration, or repair of the Facilities, or for the improper use of moneys properly disbursed pursuant to request made under this Section. Any proceeds remaining on deposit with Trustee following completion of the repairs, restoration or replacement of the Facilities shall be paid by Trustee in accordance with the terms of the Indenture.

(b) In the event the proceeds of any insurance, and any additional funds deposited with the Trustee, are insufficient to fully repair, restore or replace the Facilities, the proceeds shall be paid to the Trustee and used to redeem the Outstanding Parity Bonds.

(c) In the event it is necessary to restore or replace the Facilities in a different location because of the Expropriation of all or a portion of the Facilities, the Corporation and the Board agree to amend or enter into a new Facilities Lease and Ground Lease in accordance with Sections 13.2 and 13.3 of the Ground Lease. In the event the Board, pursuant to the Ground Lease, decides not to repair, restore or replace the Facilities for any reason, all insurance proceeds received or payable as a result of such Casualty, or all

proceeds received or payable as a result of Expropriation proceedings (including payments received or payable in lieu of Expropriation) shall be paid to the Trustee and applied to the prepayment of the Parity Bonds in accordance with the terms of the Indenture, and this Facilities Lease and the Ground Lease shall terminate.

Section 13. Encumbrances.

(a) *Payment by the Board*. The Board shall pay or cause to be paid all costs and charges for alterations, improvements, additions, repairs and maintenance ("*Work*") done by the Board or caused to be done by the Board in or to the Facilities, and for all materials furnished for or in connection with such Work. The Corporation reserves all rights to collect for any loss or damage sustained or incurred by the Corporation resulting from any and all Encumbrances, demands or liabilities arising on account of the Work, which shall be payable by the Board as Additional Rental pursuant to Section 7 hereof. In the event the loss or damage sustained by the Corporation resulting from any and all Encumbrances is the responsibility of a contractor or subcontractor, the Corporation shall recover such amounts from said contractor or subcontractor. The Corporation hereby agrees that all contracts and subcontracts related to the Facilities to be constructed shall contain a stipulation that the Board shall have the right to enforce all provisions of the contract on behalf of the Corporation, including but not limited to default, defects and damage claims.

(b) *Failure to Discharge*. If the Board fails to pay any charge for which an Encumbrance has been filed, and the Facilities or any portion thereof is placed in imminent danger of being seized, the Corporation may, but shall not be obligated to, pay such charge and related costs and interest, and the amount so paid, together with reasonable Legal Expenses incurred in connection with such Encumbrance, will be immediately due from the Board to the Corporation as Additional Rental. Nothing contained in this Lease will be deemed the consent or agreement of the Corporation to subject the Corporation's interest in the Facilities to liability under any Encumbrance, or any mechanics', materialman's or other lien law. If the Board receives written notice that an Encumbrance has been or is about to be filed against the Facilities, or that any action affecting title to the Facilities has been commenced on account of Work done by or for the Board or for materials furnished to or for the Board, it shall immediately give the Corporation Notice of such notice.

(c) *Notice of Non-responsibility*. The Corporation will have the right to post notices of Non-responsibility or similar written notices on the Facilities in order to protect the Facilities against any such claimants.

Section 14. Assignment and Sublease.

(a) Neither this Facilities Lease nor any interest of the Board herein shall be mortgaged, pledged, assigned or transferred by the Board by voluntary act or by operation of law, or otherwise; provided, however, the Board may sublease all or any portion of the Facilities, or grant concessions involving the use of all or any portion of the Facilities, whether such concessions purport to convey a leasehold interest or a license to use all or a portion of the Facilities, to any Permitted Sublessee. The Board shall, however, at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Facilities Lease (including, without limitation, the payment of Base Rental and Additional Rental), notwithstanding any subletting or granting of concessions which may be made. Nothing herein contained shall be construed to relieve the Board from its obligations to pay Base Rental and Additional Rental as provided in this Facilities Lease or to relieve the Board from any other obligations contained herein. In no event will the Board sublease or permit the use of all or any part of the Facilities to any Permitted Sublessee without an opinion of Bond Counsel that such will not cause interest on the Parity Bonds to be included in the gross income of the owners of the Parity Bonds for federal income tax purposes.

(b) The Corporation shall, concurrently with the execution hereof, assign all of its right, title and interest in and to this Facilities Lease, including without limitation its right to receive Base Rental payable hereunder, to the Authority pursuant to the Loan Agreement, and the Authority will in turn assign its rights under this Facilities Lease to the Trustee pursuant to the Indenture. The parties hereto further agree to execute any and all documents necessary and proper in connection therewith. Anything required or permitted to be done by the Corporation under this Facilities Lease may be done by the Trustee under the Indenture.

(c) Except as set forth in Section 14(b), the Corporation shall not sell or assign its interest in the Facility or this Facilities Lease without the prior written consent of the Board.

Section 15. Additions and Improvements; Release of Facilities.

(a) At the expiration of the Term or the earlier termination of this Lease, all alterations, fixtures, improvements, and additions made to, in, or on the Facilities by the Board or the Colleges, and all equipment placed upon the Facilities that are incorporated into or made component parts of the Facilities shall remain on the Facilities without compensation to the Corporation.

(b) Title to all property, furniture, equipment, fixtures, and other property installed at or placed upon the Facilities by the Board that is not incorporated into or made a component part of the Facilities shall remain the property of the Board. The Board hereby agrees to replace such property from time to time as such property becomes worn out, obsolete, inadequate, unsuitable or undesirable. The Board may add to or remove such property from time to time, provided that the Board repairs any damage to the Facilities caused by such removal.

(c) Facilities may be released from this Lease from time to time upon the payment in full of the Parity Bonds that financed such Facilities in accordance with Section 24 hereof.

Section 16. Right of Entry. Representatives of the Corporation shall, subject to reasonable security precautions, and upon giving the Board not fewer than twenty-four (24) hours advance Notice, have the right to enter upon the Facilities during reasonable business hours (and in emergencies without Notice and at all times) accompanied by a Board Representative or a Colleges' Representatives (a) to inspect the same, (b) for any purpose connected with the rights or obligations of the Corporation under this Facilities Lease, or (c) for all other lawful purposes.

Section 17. Mortgage Prohibition. Except as set forth in the Indenture and any supplemental indentures executed in connection with the issuance of Parity Bonds, the Corporation shall not be entitled to mortgage or grant a security interest in the Facilities.

Section 18. Sale of Facilities; Attornment; and Conveyance and Transfer of the Corporation's Interest.

(a) If a person other than the Corporation shall succeed to the rights of the Corporation hereunder, upon the declaration of the successor to the Corporation's interest in this Facilities Lease, the Board agrees to fully attorn to and recognize any such successor as the Board's landlord under this Facilities Lease upon the then existing terms of this Facilities Lease, provided that such successor shall agree in writing to accept the Board's attornment and not to disturb the Board's possession so long as the Board shall observe the provisions and all covenants of this Facilities Lease. This attornment provision shall inure to the benefit of any such successor and shall be self-operative upon the election and declaration by such successor, and no further instrument shall be required to give effect to the provisions. However, the Board

agrees to evidence and confirm the foregoing attornment provisions by the execution and delivery of instruments in recordable form satisfactory to such successor.

(b) If the Facilities, or any part thereof, shall be sold or otherwise transferred by sale, assignment, transfer or other contract, or by operation of law or otherwise (with an opinion of Bond Counsel that such action will not cause interest on the Parity Bonds to be included in the gross income of the owners of the Parity Bonds for federal income tax purposes), and if such written consent specifically so provides, the Corporation shall be automatically and entirely released and discharged to the extent of the interest in or the portion of the Facilities sold, assigned or transferred from and after the effective date of such sale, assignment or transfer of all liability for the performance of any of the covenants of this Facilities Lease on the part of the Corporation thereafter to be performed. The purchaser, assignee or other transferee of the Facilities shall be deemed to have agreed to perform such covenants of the Corporation from and after the date of such assignment or sale during such transferee's period of ownership of the Corporation's interest under this Facilities Lease all without further agreement between the Corporation, its successor and the Board, including to operate the Facilities as a campus for the Colleges. The Corporation's transferee shall not be held responsible for the performance of any of the covenants of this Facilities Lease on the part of the Corporation required to be performed prior to such sale and transfer, the Board reserving its rights against the Corporation for any unperformed covenants prior to such sale or transfer.

Section 19. Quiet Enjoyment. The Corporation covenants that the Board, on paying the Rental and performing and observing all of the covenants and agreements herein contained and provided to be performed by the Board or the Colleges, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Facilities during the Term and may exercise all of its rights hereunder; and the Corporation agrees to warrant and forever defend the Board's right to such occupancy, use, and enjoyment of the interest in the Facilities against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof subject only to the provisions of this Lease.

Section 20. Environmental Compliance and Indemnity.

(a) *Environmental Compliance*. The Board or the Colleges shall operate or cause to be operated the Facilities in compliance with all Environmental Requirements continuously during the Term, and for such periods of time prior to the Commencement Date and after the Expiration Date, as long as the Board is in possession of the Facilities, in whole or in part. The Board shall not cause or permit any Hazardous Substance to be brought upon, kept, or used in or about the Facilities, except for such Hazardous Substance as is necessary or useful to the operation of the Facilities.

(b) *The Board's Liability*. If the Board fails to comply with any of the foregoing warranties, representations, and covenants, and removal or Remediation of any Hazardous Substance found on the Facilities is required by Environmental Requirements or Governmental Authority, the Board shall promptly undertake the removal or Remediation of such Hazardous Substance, at the Board's sole cost and expense. In the event the Board fails or refuses to undertake such removal or Remedial actions, the Corporation may cause the removal or Remediation (or other cleanup reasonable acceptable to the Corporation) of any such Hazardous Substance from the Facilities. The reasonable costs of removal, Remediation, or any other cleanup (including transportation and storage costs) will be considered as Additional Rental under this Facilities Lease, whether or not a court has ordered the cleanup, and those costs will become due and payable within ninety (90) days of written demand by the Corporation. In connection therewith, the Board will give the Corporation, its agents, and employees access to the Facilities to remove, remediate, or otherwise clean up any Hazardous Substance. The Corporation, however, has no affirmative obligation to remove, remediate, or otherwise clean up any Hazardous Substance, and this Facilities Lease will not be construed as creating any such obligation. The Board hereby agrees that it shall be fully liable for all costs

and expenses related to the use, storage, and disposal of any Hazardous Substance located in or about the Facilities by the Board.

Section 21. The Corporation's Reservation of Rights.

(a) The Corporation hereby reserves all of its rights to recover from the Board for any and all Claims asserted against the Corporation, including Litigation Expenses arising out of or by reason of:

(i) any injury to or death of any person or damage to property occurring on or about the Facilities occasioned by or growing out of or arising or resulting from any tortuous or negligent act on the part of the Board in connection with the lease, the operation and management of the Facilities; or

(ii) any failure, breach, or default on the part of the Board in the performance of or compliance with any of the obligations of the Board under the terms of this Facilities Lease.

(b) Notwithstanding the fact that it is the intention of the parties that the Corporation shall not incur any pecuniary liability by reason of the terms of this Facilities Lease or the undertakings required of the Corporation hereunder, nevertheless, if the Corporation should incur any such pecuniary liability, then in that event, the Corporation shall be entitled to assert all rights and remedies granted in law or in equity to recover from the Board the amount of any pecuniary liability incurred by the Corporation, plus all Litigation Expenses incurred in defense of such liability to the extent subject to indemnification pursuant to Subsection (a) above.

(c) No recourse shall be had for the enforcement of any obligation, covenant, or agreement of the Corporation contained in this Facilities Lease or any Claim based thereon against the Corporation or of any successor thereto or member thereof, either directly or through the Corporation whether by virtue of any constitutional provision, statute, or rule of law. This Facilities Lease and the obligations of the Corporation thereunder, and any Claim asserted against the Corporation are solely corporate obligations, and the enforcement of any obligation or Claim shall be limited solely to the Corporation's interest in the Facilities. No personal liability shall attach to, or be incurred by, any officer, director, agent, employee or member of the Corporation and the Board acknowledges that all personal liability of any character against every such officer, director, agent, employee or member by the execution of this Facilities Lease, is expressly waived and released, except to the extent that such liability relates to any criminal acts, intentional misconduct, or fraud. The immunity of any officer, director, agent, employee or member of the Corporation under the provisions contained in this Section 21 shall survive any acquisition of the Facilities by the Board and the expiration or other termination of this Facilities Lease.

Section 22. Default by the Board.

(a) If (i) the Board, on behalf of the Colleges, shall fail to deposit with the Trustee any Base Rental payment required to be so deposited pursuant to Section 7 hereof by the close of business on the day such deposit is required pursuant to Section 7 hereof, or (ii) the Board shall fail to pay or discharge any monetary obligation under this Lease (other than the payment of Base Rental) as and when due, or within thirty (30) days after receipt of Notice from the Corporation that such sums are due and owing; or (iii) the Board shall breach any non-monetary terms, covenants or conditions herein, and shall fail to remedy any such breach with all reasonable dispatch within a reasonable period of time (or such longer period as the Trustee may approve) after written Notice thereof from the Corporation and/or the Colleges to the Board, then and in any such event the Board shall be deemed to be in default hereunder, and the Corporation shall have the right, at its option, without any further demand or Notice, to terminate this Facilities Lease on the earliest date permitted by law or on any later date specified in any Notice given to the Board, in which case the Board's right to possession of the Facilities will cease and this Facilities Lease will be terminated,

without, however, waiving the Corporation's right to collect all Rental and other payments due or owing for the period up to the time the Corporation regains possession (and which have been appropriated for payment to the Corporation under this Facilities Lease, but not paid to the Corporation), and to enforce other obligations of the Board which survive termination of this Facilities Lease, and in such event the Corporation may without any further demand or notice re-enter the Facilities and eject all parties in possession thereof. The foregoing remedies of the Corporation are in addition to and not exclusive of any other remedy of the Corporation available at law. Any such re-entry shall be allowed by the Board without hindrance, and the Corporation shall not be liable in damages for any such re-entry or be guilty of trespass. The Corporation understands and agrees that upon its termination of the Board's right to possession of the Facilities or termination of this Facilities Lease, the Corporation upon its re-entry of the Facilities shall only be allowed to use the Facilities for the Permitted Use and shall be subject to all applicable Governmental Regulations heretofore or hereafter enacted by any Governmental Authority relating to the use and operation of the Facilities.

(b) Notwithstanding any other provision of this Facilities Lease in no event shall the Corporation have the right to accelerate the payment of any Base Rental payment hereunder.

(c) Notwithstanding anything contained in this Section 22 to the contrary, a failure by the Board to pay when due any payment required to be made under this Facilities Lease or a failure by the Board to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Facilities Lease, resulting from a failure by the State Legislature to make available to the Board the Appropriated Funds shall not constitute an Event of Default under this Section 22 and the Corporation shall not have any of the remedial rights set forth in this Section 22; provided, however, in such event the Board acknowledges that the Facilities Lease shall terminate and the Board shall immediately vacate the Facilities, and deliver the Facilities to the Corporation.

Section 23. Cumulative Remedies. Each right and remedy provided for in this Facilities Lease is cumulative and is in addition to every other right or remedy provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Corporation of any one or more of the rights or remedies provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by the Corporation of any or all other rights or remedies provided for in this Facilities Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise. All costs incurred by the Corporation in collecting any amounts and damages owing by the Board pursuant to the provisions of this Facilities Lease or to enforce any provision of this Facilities Lease, including reasonable Litigation Expenses from the date any such matter is turned over to an attorney, whether or not one or more actions are commenced by the Corporation, will also be recoverable by the Corporation from the Board. The waiver by the Corporation of any breach by the Board and the waiver by the Board of any breach by the Corporation of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

Section 24. Option to Purchase. For and in consideration of the obligations of the Board under the Facilities Lease, the mutual undertakings of the parties, the receipt and adequacy of which is hereby acknowledged, the Corporation grants to the Board an exclusive and irrevocable option to purchase for the price and on the terms, provisions, stipulations and conditions hereinafter set forth, all but not less than all of the Corporation's interest all of the Facilities financed with any series of the Parity Bonds.

(a) *Effective Date*. The effective date of this Option agreement shall be the Commencement Date.

(b) *Term of Option*. The Option shall expire at midnight Central Standard Time, on the Expiration Date, or upon the termination of this Facilities Lease, whichever occurs first.

(c) *Limitation on Exercise of Option*. The Board may not exercise the Option, and the Option shall be voidable, at the sole election of the Corporation, if a Default by the Board has occurred and is continuing under the Facilities Lease, and the applicable time period in which the Board may cure such default has expired. Notwithstanding any provision of this Option to the contrary, the Board shall be entitled to exercise the Option as long as the Board is legally obligated to make payments of Base Rental under this Facilities Lease.

(d) *Exercise of Option*. The Board may exercise the Option herein granted at any time on or before expiration of the Term of the Option, on any Interest Payment Date or on the date all of the Parity Bonds of a series are defeased pursuant to Article 12 of the Indenture, by Notice to the Corporation of its election to exercise the Option and purchase the Corporation's interest in the Facilities financed with such series of the Parity Bonds given not fewer than sixty (60) days prior to the date on which the Board desires to purchase the Facilities financed with such series of the Parity Bonds and deposit the Purchase Price (as hereinafter defined) with the Trustee.

(e) *Purchase Price*. The purchase price shall be equal to the principal of the series of Parity Bonds then Outstanding that financed such Facilities plus the interest to accrue on such Parity Bonds until the purchase date, plus any prepayment penalties, charges or costs for early prepayment or defeasance of the Parity Bonds and any Administrative Expenses owed prior to the purchase date (collectively, the "*Purchase Price*").

(f) *Effect on Facilities Lease and Ground Lease*. Upon the purchase of the Corporation's interest in any of the Facilities by the Board pursuant to this Option, this Facilities Lease and the Ground Lease shall terminate as to such Facilities and all of the Corporation's interest in the Property related to such Facilities shall terminate.

(g) *Payment of Purchase Price*. The Board, concurrently with the giving of notice of its intention to exercise the Option herein granted, shall deposit an amount equal to the Purchase Price with the Trustee.

(i) *Conveyance*. In the event of and upon the payment of the Purchase Price and any other sums due under this Facilities Lease by the Board, the Corporation will on the purchase date execute and deliver to the Board a written cancellation of the Ground Lease and the Facilities Lease with respect to the Facilities that were purchased.

(ii) *Assignment of Contract Rights and Obligations*. The conveyance of the Corporation's interest in any of the Facilities shall also effect a transfer and assignment of all rights, warranties and liability of the Corporation under then existing contracts of any nature with respect to such Facilities.

(h) *Closing*. In the event that the Board elects to exercise the Option timely, notice of the Board's election to the Corporation shall constitute an irrevocable conversion of the Option into a binding obligation of the Corporation to sell its interest in any of the Facilities and the Board to buy the same under the terms and conditions set forth in this Section 24, and in such event, the Corporation and the Board shall have the right to demand specific performance of this agreement by the other. The Closing shall occur at the offices of the Board or its counsel, or at such other place as agreed upon by the Corporation and the Board.

(i) *Closing Costs*. The Board shall pay all closing costs and charges incident to the conveyance of any of the Facilities.

(j) *No Warranty*. The Corporation shall convey its interest in such Facilities without any warranty whatsoever of any nature. The conveyance shall be without any warranty as to fitness and condition, as set forth in Section 5 of this Facilities Lease. Language substantially similar to the language contained in Section 5 of this Facilities Lease shall be incorporated into and made a part of any act translative of title. In no event shall the Corporation be responsible for any defects in title.

(k) *Default under the Option*:

(i) In the event the Option is exercised, and the Corporation fails to consummate the transactions contemplated herein for any reason, except default by the Board or the failure of the Board to satisfy any of the conditions set forth herein, the Board may, in addition to any other rights and remedies which may otherwise be available to the Board, enforce this agreement by specific performance. The Board's remedies under this Section are expressly subject to the provisions of Section 31 of this Facilities Lease.

(ii) In the event the Option is exercised, and the Board fails to consummate the transactions contemplated herein for any reason, except default by the Corporation or the failure of the Corporation to satisfy any of the conditions set forth herein, the Corporation (a) may enforce this agreement by specific performance and in such action shall have the right to recover damages suffered by reason of the Board's delay, or (b) may bring suit for damages for breach of this agreement.

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

(l) *Attorney's Fees*. Should either party employ an attorney or attorneys to enforce any of the provisions hereof, or to protect its interest in any matter arising under this agreement, or to recover damages for the breach of this agreement, the party prevailing in any final judgment shall have the right to collect from the losing party all Litigation Expenses incurred in enforcing such rights.

(m) *Notices*. Any notices required or permitted hereunder shall be in writing and delivered either in person to the other party, or the other party's authorized agent, or by United States Certified Mail, return receipt requested, postage prepaid, to the address set forth in Section 52 of this Facilities Lease, or to such other address as either party may designate in writing and delivered as herein provided.

(n) *Assignability*. The Option may not be assigned by the Corporation or the Facilities sold to any Person or entity without the Board's prior written consent, which consent may be withheld by the Board in its sole discretion.

(o) *Brokerage Commission*. The Corporation and the Board mutually warrant to one another that neither has incurred the services of a broker, realtor, or other person in the negotiation or confection of this agreement.

(p) *Time of Essence*. Time is of the essence of this Option.

(q) *Binding Effect*. This Option shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, successors and assigns.

Section 25. Severability. If any provisions of this Facilities Lease shall be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable, to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections contained in this Facilities Lease shall not affect the remaining portions of this Facilities Lease, or any part thereof.

Section 26. Redemption of Parity Bonds. The Corporation agrees that it will not exercise its option to redeem any Parity Bonds pursuant to the Loan Agreement unless the Board consents to such redemption or such redemption is to be effected with moneys derived from a source other than payments made by the Board under this Facilities Lease, however, in no event shall the mandatory redemption of any Parity Bonds pursuant to the Indenture require the consent of the Board. The Corporation further agrees that if requested by the Board it will take all actions necessary to redeem all or any portion of the Parity Bonds designated by the Board on the first date that it may do so under the terms of the Indenture so long as the Board agrees to provide funds in an amount, and at the time, required to effect such redemption.

Section 27. Additional Bonds. Upon the request and at the expense of the Board, the Corporation shall take action as may be required to effect the issuance of Additional Bonds in such amount as the Board may request as permitted by and in accordance with the provisions of the Indenture for any purpose permitted thereby.

Section 28. Execution. This Facilities Lease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same Facilities Lease.

Section 29. Law Governing. This Facilities Lease is made in the State under the Constitution and laws of the State and is to be governed by the laws of the State.

Section 30. Nonappropriation of Funds. In the event no Appropriated Funds or insufficient Appropriated Funds are made available in any Fiscal Year to effect the payment of Rental payments due during the next succeeding Fiscal Year, the Board will immediately notify the Corporation of such occurrence. On the last day of the Fiscal Year during which the payment of Rental can be made in full from Appropriated Funds, the Corporation shall have the option, at its discretion, to effect the termination of this Facilities Lease without penalty or expense to the Board of any kind whatsoever, except as to the portions of Base Rental and Additional Rental payments herein agreed upon for Fiscal Years for which Appropriated Funds are available. In the event of such termination, the Board agrees peaceably to surrender possession of the Facilities to the Corporation on the date of such termination in its original condition (normal wear and tear excepted). The Corporation will have all legal and equitable rights and remedies to take possession of the Facilities and re-let or sell the Facilities as the Corporation determines and as granted in this Facilities Lease, provided, however, that any new lessee covenants to assume and perform all obligations of the Corporation herein, including to operate the Facilities as a campus for the Colleges. The Board acknowledges that the Corporation's rights to take possession and to re-sublet the Facilities under this Section 30 may be assigned to the Trustee for the benefit of the owners of the Parity Bonds, and the Board agrees that the Trustee shall be entitled to exercise all of the rights of the Corporation under this Section 30. This provision is operative notwithstanding any provisions of this Facilities Lease to the contrary. The Board shall be considered in default hereunder if Appropriated Funds sufficient for the payment of Rental

required under this Facilities Lease have been appropriated and the Board fails to use such Appropriated Funds for the payment of Rental. In such event, the Corporation shall be entitled to the rights and remedies set forth in Section 22 hereof.

Section 31. Exculpatory Provision.

(a) In the exercise of the powers of the Corporation and its trustees, officers, directors, employees and agents under this Facilities Lease and the Indenture, the Corporation shall not be accountable or liable to the Board (i) for any actions taken or omitted by it or its officers, directors, employees or agents in good faith and believed by it or them to be authorized or within their discretion or rights or powers conferred upon them, or (ii) for any claims based on this Facilities Lease against any officer, director, employee or agent of the Corporation in his or her personal capacity, all such liability, if any, being expressly waived by the Board by the execution of this Facilities Lease, except to the extent that such liability relates to any criminal act, intentional misconduct or fraud. Nothing in this Facilities Lease or the Indenture is intended to require or obligate, nor shall anything herein or therein be interpreted to require or obligate, the Corporation for any purpose or at any time whatsoever, to provide, apply or expend any funds coming into the hands of the Corporation other than the funds derived from the issuance of the Parity Bonds under the Indenture and moneys derived pursuant to the Indenture and this Facilities Lease.

(b) The Board specifically agrees to look solely to the Corporation's interest in the Facilities for the recovery of any judgments from the Corporation. It is agreed that the Corporation will not be personally liable for any such judgments, or incur any pecuniary liability as a result of this Facilities Lease to the Board, or the breach of its obligations hereunder. The Corporation's liability under this Facilities Lease is "*in rem*" as to its interest in the Facilities. The provisions contained in the preceding sentences are not intended to and will not limit any right that the Board might otherwise have to obtain injunctive relief against the Corporation or relief in any suit or action in connection with enforcement or collection of amounts that may become owing or payable under or on account of insurance maintained by the Corporation.

Section 32. Amendments. This Facilities Lease may be amended only as permitted in Article 8 of the Loan Agreement.

Section 33. Recording. The Corporation covenants and agrees that it will promptly record and from time to time re-record a memorandum in recordable form of this Facilities Lease and the Indenture and all supplements thereto and hereto in such manner and in such places as may be required by law in order to fully protect and preserve the security of the holders or owners of the Parity Bonds.

Section 34. No Construction Against Drafting Party. The Corporation and the Board acknowledge that each of them and their counsel have had an opportunity to review this Facilities Lease and that each Party was responsible for the drafting thereof.

Section 35. Time of the Essence. Time is of the essence of each and every provision of this Facilities Lease.

Section 36. No Waiver. The waiver by the Corporation of any agreement, condition, or provision contained in this Facilities Lease will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Facilities Lease, nor will any custom or practice that may arise between the Parties in the administration of the terms of this Facilities Lease be construed to waive or to lessen the right of the Corporation to insist upon the performance by the Board in strict accordance with the terms of this Facilities Lease. The subsequent acceptance of Rental by the Corporation will not be deemed to be a waiver of any preceding breach by the Board of any agreement,

condition, or provision of this Facilities Lease, other than the failure of the Board to pay the particular Rental so accepted, regardless of the Corporation's knowledge of such preceding breach at the time of acceptance of such Rental.

Section 37. Survival. To the extent permitted by law and to the extent such will not constitute the incurrence of debt by the Board, all of the Corporation's remedies and rights of recovery under Sections 20 and 21 of this Facilities Lease shall survive the Term and/or the purchase of the Corporation's interest in the Facilities by the Board under the Option.

Section 38. Estoppel Certificates. At any time and from time to time but within 10 days after prior written request by the Corporation, the Board will execute, acknowledge, and deliver to the Corporation, promptly upon request but only to the extent accurate, a certificate certifying: (a) that this Facilities Lease is unmodified and in full force and effect or, if there have been modifications, that this Facilities Lease is in full force and effect, as modified, and stating the date and nature of each modification; (b) the date, if any, to which Rental and other sums payable under this Facilities Lease have been paid; (c) that no Notice of any default has been delivered to the Corporation which default has not been cured, except as to defaults specified in said certificate; (d) that there is no Event of Default under this Facilities Lease or an event which, with Notice or the passage of time, or both, would result in an Event of Default under this Facilities Lease, except for defaults specified in said certificate; and (e) such other matters as may be reasonably requested by the Corporation. Any such certificate may be relied upon by any prospective purchaser or existing or prospective mortgagee of the Facilities or any part thereof. The Board's failure to notify the Corporation of any inaccuracies in the proposed certificate within the specified time period shall be conclusive evidence that the matters set forth in the certificate are accurate and correct.

Section 39. Waiver of Jury Trial. The Corporation waives trial by jury in any action, proceeding, or counterclaim brought by either of the Parties to this Facilities Lease against the other on any matters whatsoever arising out of or in any way connected with this Facilities Lease, the relationship of the Corporation and the Board, the Board's or the Colleges' use or occupancy of the Facilities, or any other Claims arising hereunder.

Section 40. Written Amendment Required. No amendment, alteration, modification of, or addition to the Facilities Lease will be valid or binding unless expressed in writing and signed by the Corporation and the Board.

Section 41. Entire Agreement. This Facilities Lease and the exhibits and addenda, if any, contain the entire agreement between the Corporation and the Board. No promises or representations, except as contained in this Facilities Lease, have been made to the Board respecting the condition or the manner of operating the Facilities.

Section 42. Signs. The Board or the Colleges may attach any sign on any part of the Facilities, or in the halls, lobbies, windows, or elevator banks of the Facilities, without the Corporation's approval. The Board may name the Facilities and change the name, number, or designation of the Facilities, without the Corporation's prior consent.

Section 43. Litigation Expenses. The Board will pay the Corporation as Additional Rental all reasonable Litigation Expenses and all other reasonable expenses which may be incurred by the Corporation in enforcing any of the obligations of the Board under this Facilities Lease, in exercising its rights to recover against the Board for loss or damage sustained in accordance with the provisions of this Facilities Lease, or in any litigation or negotiation in which the Corporation shall, without its fault, become involved through or because of this Facilities Lease.

Section 44. Brokers. The Corporation and the Board respectively represent and warrant to each other that neither of them has consulted or negotiated with any broker or finder with regard to the Facilities.

Section 45. No Easements for Air or Light. Any diminution or shutting off of light, air, or view by any structure that may be erected on any of the lands constituting the Facilities, or on lands adjacent to the Facilities, will in no way affect this Facilities Lease or impose any liability on the Corporation. This Facilities Lease does not grant any rights to light, view and/or air over the Facilities whatsoever.

Section 46. Binding Effect. The covenants, conditions, and agreements contained in this Facilities Lease will bind and inure to the benefit of the Corporation and the Board and their respective permitted assigns.

Section 47. Rules of Interpretation. The following rules shall apply to the construction of this Facilities Lease unless the context requires otherwise: (a) the singular includes the plural and the plural includes the singular; (b) words importing any gender include the other genders; (c) references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute to which reference is made and all regulations promulgated pursuant to such statutes; (d) references to "writing" include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible form; (e) the words "including", "includes" and "include" shall be deemed to be followed by words "without limitation"; (f) references to the introductory paragraph, preliminary statements, articles, sections (or subdivision of sections), exhibits, appendices, annexes or schedules are to those of this Facilities Lease unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments; (h) references to Persons include their respective successors and assigns to the extent successors or assigns are permitted or not prohibited by the terms of this Facilities Lease; (i) any accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles; (j) "or" is not exclusive; (k) provisions apply to successive events and transactions; (l) references to documents or agreements which have been terminated or released or which have expired shall be of no force and effect after such termination, release, or expiration; (m) references to mail shall be deemed to refer to first-class mail, postage prepaid, unless another type of mail is specified; (n) all references to time shall be to Baton Rouge, Louisiana time; (o) references to specific persons, positions, or officers shall include those who or which succeed to or perform their respective functions, duties, or responsibilities; and (p) the terms "herein," "hereunder," "hereby," "hereof," and any similar terms refer to this Facilities Lease as a whole and not to any particular articles, section or subdivision hereof.

Section 48. Relationship of Parties. The relationship of the Parties shall be one of lessor and lessee only, and shall not be considered a partnership, joint venture, license arrangement or unincorporated association. The Corporation is not controlled by the Board or under the control of any Person also in control of the Board.

Section 49. Law Between the Parties. This Facilities Lease shall constitute the law between the Parties, and if any provision of this Facilities Lease is in conflict with the provisions of "Title IX - Of Lease" of the Louisiana Civil Code, Articles 2669 through 2777, inclusive, the provisions of this Facilities Lease shall control.

Section 50. Essentiality. The Board hereby represents that the Facilities are essential to the operation of the Colleges.

Section 51. Series 2026 Bond Insurance Provisions. The following provisions shall apply to the Ground Lease and the Facilities Lease:

(i) So long as the Series 2026 Bond Insurance Policy is in effect and BAM is not in default in respect of its payment obligations thereunder, BAM shall be (A) deemed to be the sole and exclusive Owner of the Series 2026 Insured Obligations for purposes of all approvals, consents, waivers, institution of any action, and the direction of all remedies and (B) entitled to direct and control the enforcement of all remedies granted under the Ground Lease and the Facilities Lease.

(ii) Any amendment, modification or supplement to the Facilities Lease shall be subject to the prior written consent of BAM except as provided in Section 7(d)(i) hereof.

(iii) BAM shall be recognized as being a third-party beneficiary under the Facilities Lease and may enforce any right, remedy or claim conferred upon, given or granted thereunder.

(iv) No sublease, release, sale, disposition or substitution of any property (the "*Property*") subject to (A) the Ground Lease or the Facilities Lease or (B) any mortgage, deed of trust or other document evidencing a security interest in, or otherwise pledged, directly or indirectly, to secure the Series 2026 Insured Obligations, shall occur without the prior written consent of BAM. Without limiting the generality of the foregoing, no portion of the Property may be released following the partial prepayment of lease payments or rentals, the partial redemption of the Series 2026 Insured Obligations, or the exercise of a purchase option or similar right, unless in each case BAM shall have provided its prior written consent to such release.

(v) The Property shall be covered at all times by property and casualty insurance in an amount equal to the greater of the replacement value of the property or the principal amount of the Series 2026 Insured Obligations. Self-insurance and pooled insurance programs shall be subject to the prior written consent of BAM. Any blanket or umbrella insurance policies for property and casualty insurance shall not be permitted unless BAM otherwise consents. The Trustee shall be the beneficiary under such policy.

(vi) [Reserved].

(vii) If insurance or condemnation proceeds with respect to the Property are received, such proceeds shall be applied to replacement or restoration of the affected property or to redemption of Series 2026 Insured Obligations; provided, however, that unless all outstanding Series 2026 Insured Obligations are to be redeemed from such amount, the prior written consent of BAM shall be required for any such redemption.

(viii) Except for the Series 2026 Insured Obligations and except as permitted by Article V of the Indenture, the Authority, the Board and the Corporation shall not issue or incur, directly or indirectly, any additional certificates, notes, bonds or other indebtedness that are (i) payable from or secured by the lease payments or rentals payable under the Facilities Lease or (ii) secured by, or granted a lien on, the Property.

(viv) The security for the Series 2026 Insured Obligations shall include a pledge and assignment of the Ground Lease and Facilities Lease and a default under the Facilities Lease shall constitute an event of default under the Indenture.

(vv) Upon the occurrence of an event of default under the Facilities Lease, the Corporation shall have the right, with or without terminating the Facilities Lease, to re-enter and take possession of the Property, and to sell its interest in the Facilities Lease or sublease or assign the Property or any part thereof.

(vvi) The foregoing insurer provisions shall control and supersede any conflicting or inconsistent provisions in the Facilities Lease.

(vii) Any amendment, modification or supplement to the Ground Lease shall be subject to the prior written consent of BAM except as provided in Section 7(d)(i) hereof.

(viii) The Board represents, warrants and covenants that it has good and indefeasible marketable fee simple to the real property and all building, property and improvements comprising the Property. The Board covenants and agrees to hold and maintain clean and marketable title to all of the Property during the term of the Ground Lease.

(vix) BAM shall be recognized as being a third-party beneficiary under the Ground Lease and may enforce any right, remedy or claim conferred upon, given or granted thereunder.

(vx) No termination, assignment (other than to the Trustee in accordance with the Indenture and Mortgage), transfer, release, disposition or sublease of the Ground Lease, the Property or any portion thereof shall be permitted without the prior written consent of BAM.

(vxi) The foregoing insurer provisions shall control and supersede any conflicting or inconsistent provisions in the Ground Lease.

Section 52. Notices.

(a) All notices, filings and other communications ("*Notice*") shall be in writing and shall be sufficiently given and served upon the other parties if delivered by hand directly to the persons at the addresses set forth below, or shall be sent by first class mail, postage prepaid, addressed as follows:

If to the State: (Post Office Address for U. S. Postal Service Delivery)

Division of Administration Attention: Commissioner P. O. Box 94095 Baton Rouge, LA 70804-9095 Telephone: (225) 342-7000 Telecopy: (225) 342-1057	AND	Facility Planning and Control Attention: Director P. O. Box 94095 Baton Rouge, LA 70804-9095 Telephone: (225) 342-0820 Telecopy: (225) 342-7624

(Street Address for Courier or Express Mail Delivery)

Division of Administration Attention: Commissioner 1201 North 3rd Street, Suite 7-230 Baton Rouge, LA 70802	AND	Facility Planning and Control Attention: Director 1201 North 3rd Street, Suite 7-160 Baton Rouge, LA 70802

If to the Board:

Louisiana Community and Technical College System
Attention: System President
Office of the Board of Supervisors
265 S. Foster Drive
Baton Rouge, LA 70806-4104
Telephone: (225) 922-1643
Telecopy: (225) 922-2392

with copies to:

Louisiana Community and Technical College System
Attention: Vice President of Administration
265 S. Foster Drive
Baton Rouge, LA 70806-4104
Telephone: (225) 922-1635
Facsimile: (225) 922-1485

If to the Corporation:

President
LCTCS Facilities Corporation
c/o Sisung Group
3850 North Causeway Blvd., Suite 1930
Metairie, LA 70002
Telephone: (504) 544-7713
Facsimile: (504) 544-7701

with copies to:

LCTCS Facilities Corporation
c/o Eric Landry
Breazeale, Sachse & Wilson, LLP
One American Place
301 Main Street, 23rd Floor
Baton Rouge, LA 70801

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IN WITNESS WHEREOF, the undersigned representative has signed this Agreement to Lease with Option to Purchase on behalf of LCTCS Facilities Corporation, on the ____ day of _____, 2026.

WITNESSES:

LCTCS FACILITIES CORPORATION

_____
Print Name: _____

By: _____
Stephen C. Smith, President

_____
Print Name: _____

_____
NOTARY PUBLIC
PRINTED NAME: _____
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA
NOTARY ID NUMBER_____

IN WITNESS WHEREOF, the undersigned representative has signed this Ground Lease Agreement on behalf of the Board of Supervisors of the Louisiana Community and Technical College System on the _____ day of _____, 2026.

WITNESSES:

BOARD OF SUPERVISORS OF THE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM

_____
Print Name: _____

By: _____
Richard Nelson, President

_____
Print Name: _____

_____
NOTARY PUBLIC
PRINTED NAME: _____
PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA
NOTARY ID NUMBER_____

EXHIBIT A

DESCRIPTION OF THE FACILITIES AND THE PROPERTY

THE FACILITIES

The Facilities will include development, acquisition, purchase, construction, renovation, improvement or expansion of certain public facilities of the Louisiana Community and Technical College System including all furnishings, fixtures and facilities incidental or necessary in connection therewith for various community and technical college campuses, which will be located on land owned or to be owned by the Board, all in accordance with Act 35 of the 2025 Regular Session of the Louisiana Legislature, including but not limited to the following:

Description of the Facilities	**Location**
Northshore Technical Community College Hammond Area Campus	New construction on property constituting multiple parcels within 2700 West park Avenue, Hammond, LA 70404 and 2701 Del Mar Blvd, Hammond, LA 70403
Northwest Louisiana Technical College Shreveport Campus	On or adjacent to the existing campus at 2010 N. Market Street, Shreveport, LA 71107
Louisiana Delta Community College Bastrop Campus	New construction on property north of the intersection of Mer Rouge Road and Grabault Road, Bastrop, LA 71220
South Louisiana Community College T.H. Harris Opelousas Campus	On or adjacent to the existing campus at 332 East South St., Opelousas, LA 70570
South Louisiana Community College Morgan City Campus	On or adjacent to the existing campus at 900 Youngs Road, Morgan City, LA 70380
SOWELA Technical Community College Lake Charles Campus	On or adjacent to the existing campus at 3820 Sen. J. Bennett Johnston Ave., Lake Charles, LA 70615

THE PROPERTY

[TO COME]

EXHIBIT B

PENDING OR THREATENED LITIGATION

None.

EXHIBIT C

FORM OF
MEMORANDUM OF FACILITIES LEASE

STATE OF LOUISIANA §
§ KNOW ALL MEN BY THESE PRESENTS:
PARISH OF _____ §

MEMORANDUM OF LEASE

This Memorandum of Lease (this "*Memorandum*") is entered into by and between the LCTCS Facilities Corporation ("*Lessor*") and the Board of Supervisors of the Louisiana Community and Technical College System ("*Lessee*").

RECITALS

A. Lessor and Lessee have entered into an Agreement to Lease with Option to Purchase dated as of August 1, 2026 (the "*Lease*"), whereby Lessor did lease to Lessee, and Lessee did lease from Lessor, the new campus facilities, related facilities and other campus improvements which are and will be located on the land more particularly described on Exhibit A attached hereto and incorporated herein (the "*Facilities*").

B. Lessor and Lessee desire to enter into this Memorandum, which is to be recorded in order that third parties may have notice of the parties' rights under the Lease.

LEASE TERMS

Specific reference is hereby made to the following terms and provisions of the Lease:

1. The term of the Lease commenced on August 1, 2026 and shall continue until midnight on July 31, 2125, unless sooner terminated or extended as provided in the Lease.

2. Lessor has the right under the Lease to purchase Lessee's leasehold interest in the Facilities at any time during the term of the Lease in accordance with the provisions thereof.

3. Additional information concerning the provisions of the Lease can be obtained from the parties at the following addresses:

Lessor: LCTCS Facilities Corporation
c/o Sisung Group
3850 North Causeway Blvd., Suite 1930
Metairie, LA 70002
Telephone: (504) 544-7713
Facsimile: (504) 544-7701
Attention: President

Lessee: Board of Supervisors of the Louisiana
Community and Technical College System
Office of the Board of Supervisors
265 S. Foster Drive
Baton Rouge, Louisiana 70806-4104
Attention: System President

This Memorandum is executed for the purpose of recordation in the public records of _____ Parish, Louisiana in order to give notice of all the terms and provisions of the Lease and is not intended and shall not be construed to define, limit, or modify the Lease. All of the terms, conditions, provisions and covenants of the Lease are incorporated into this Memorandum by reference as though fully set forth herein, and both the Lease and this Memorandum shall be deemed to constitute a single instrument or document.

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THUS DONE AND PASSED on the ____ day of _____, 2026, in Baton Rouge, Louisiana, in the presence of the undersigned, both competent witnesses, who herewith sign their names with Richard Nelson, President of the Board of Supervisors of the Louisiana Community and Technical College System, and me Notary.

WITNESSES:

BOARD OF SUPERVISORS OF THE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM

_____
Print Name: _____

_____
Print Name: _____

_____
Richard Nelson, President

_____
NOTARY PUBLIC
Name: _____
Notary ID/Bar Roll No. _____
My Commission Expires _____

THUS DONE AND PASSED on the ____ day of _____, 2026, in Baton Rouge, Louisiana, in the presence of the undersigned, both competent witnesses, who herewith sign their names with Stephen C. Smith, President of the LCTCS Facilities Corporation, and me Notary.

WITNESSES:

LCTCS FACILITIES CORPORATION

_____
Print Name: _____

_____
Print Name: _____

_____
Stephen C. Smith, President

_____
NOTARY PUBLIC
Name: _____
Notary ID/Bar Roll No. _____
My Commission Expires _____

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APPENDIX C

FORM OF OPINION OF BOND COUNSEL

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FORM OF OPINION OF BOND COUNSEL

August __, 2026

Louisiana Local Government Environmental Facilities
and Community Development Authority
Baton Rouge, Louisiana

$_____
Louisiana Local Government Environmental Facilities
and Community Development Authority Revenue Bonds
(LCTCS Act 35 Project)
Series 2026

We have acted as bond counsel to the Louisiana Local Government Environmental Facilities and Community Development Authority (the "*Issuer*"), a political subdivision of the State of Louisiana (the "*State*"), in connection with the issuance by the Issuer of its $_____ Revenue Bonds (LCTCS Act 35 Project) Series 2026 (the "*Bonds*") pursuant to Chapter 10-D of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:4548.1 through 33:4548.16, inclusive), and other constitutional and statutory authority (the "*Act*").

The Bonds have been issued by the Issuer pursuant to the Act and a Trust Indenture dated as of August 1, 2026 (the "*Indenture*") by and between the Issuer and Hancock Whitney Bank, Baton Rouge, Louisiana, as trustee (the "*Trustee*"). Capitalized terms used herein that are not otherwise defined have the meanings assigned to them in the Indenture.

The Bonds are issuable as fully registered bonds, are dated, bear interest until paid at the rate per annum, mature in the principal amounts and on the dates, and are subject to redemption all as set forth in the Indenture and in the Bonds.

The Bonds are issued under and are secured as to principal and interest by the Indenture, which provides a description of the nature and extent of the security for the Bonds, a statement of the terms and conditions under which the Bonds are issued and secured, the rights, duties and obligations of the Issuer, the rights, duties and immunities of the Trustee and the rights of the owners of the Bonds.

The Bonds are issued in order to provide funds to LCTCS Facilities Corporation, a Louisiana non-profit corporation, for the purpose of: (i) financing of a portion of the costs associated with the development, acquisition, purchase, construction, renovation, improvement, or expansion of certain public facilities of the Board, including all furnishings, fixtures and equipment incidental or necessary in connection therewith (the "*Facilities*") for various community and technical college campuses (the "*Colleges*") in accordance with Act 35 of the 2025 Regular Session of the Louisiana Legislature, as the same may be amended from time to time ("*Act 35*"), (ii) paying capitalized interest on the Bonds and (iii) paying cost of issuance on the Bonds, including the premium for a bond insurance policy.

The Board of Supervisors of the Louisiana Community and Technical College System (the "*Board*") has leased the property upon which the Facilities will be located to the Corporation pursuant to a Ground Lease Agreement dated as of August 1, 2026 between the Board and the Corporation (the "*Ground Lease*"). The Board will lease the completed Facilities from the Corporation pursuant to an Agreement to Lease with Option to Purchase dated as of August 1, 2026 between the Corporation and the Board (the "*Facilities Lease*").

The Issuer and the Corporation have entered into a Loan Agreement dated as of August 1, 2026 (the "*Loan Agreement*"), pursuant to which the Issuer will loan the proceeds from the sale of the Bonds to the Corporation for the foregoing purposes. Pursuant to the Loan Agreement, the Corporation has agreed to make loan payments (the "*Payments*") solely from the Base Rental (as hereinafter defined) in an amount sufficient to pay the principal of and interest on the Bonds. The rights of the Issuer under the Loan Agreement (except for the rights of the Issuer relating to exculpation, indemnification and payment of fees and expenses thereunder) have been pledged and assigned by the Issuer to the Trustee as security for the Bonds.

Base Rental is defined in the Facilities Lease to be the amounts received by the Corporation from the Board to pay the principal of and interest due on the Bonds as such become due; amounts required to make up any deficiencies in prior payments required to be made into any of the funds established in the Indenture or to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund pursuant to the Indenture; and amounts required to pay for initial furnishings and equipment.

The Bonds are also entitled to the benefits of the Act of Leasehold Mortgage, Assignment of Leases and Security Agreement dated and effective August 1, 2026 (the "*Mortgage*") executed by the Corporation in favor of the Trustee, pursuant to which the Corporation has mortgaged its leasehold interest in and to the Property (as defined in the Mortgage).

We have examined: (i) the constitution and statutes of the State, including the Act; (ii) evidence that the requirements of Act 35 have been satisfied with respect to the Bonds, (iii) a certified transcript of the proceedings of the Issuer authorizing the issuance of the Bonds; (iv) the Indenture, the Loan Agreement, the Tax Regulatory Agreement and Arbitrage Certificate dated the date of delivery and payment for the Bonds among the Issuer, the Corporation, the Board and the Trustee (the "*Tax Agreement*"); and (v) such other documents, instruments, proofs and matters of law as we have deemed relevant to the issuance of the Bonds and necessary for the purpose of this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer, the Board and the Corporation contained in the Indenture, the Loan Agreement and the Tax Agreement, the certified proceedings and other certifications of public officials and others furnished to us, including certifications furnished to us by or on behalf of the Issuer, the Corporation and the Board, without undertaking to verify the same by independent investigation.

On the basis of the foregoing examinations, we are of the opinion, as of the date hereof and under existing law, that:

1. The Issuer is a validly existing political subdivision of the State and has the power and authority to enter into the Loan Agreement and the Indenture and to issue and sell the Bonds.

2. The Bonds are valid and binding special and limited obligations of the Issuer secured by and entitled to the benefits of the Indenture and are payable solely from the revenues and other amounts pledged and assigned under the Indenture.

3. The Loan Agreement and the Indenture have been duly authorized, executed and delivered by the Issuer and constitute valid and binding obligations of the Issuer, enforceable upon the Issuer in accordance with their terms, and all rights of the Issuer under the Loan Agreement have been validly assigned to the Trustee under the Indenture, with the exception of certain rights of the Issuer relating to notice, exculpation, indemnification and payment of expenses.

4. The Bonds and interest thereon do not constitute an indebtedness or pledge of the general credit of the Issuer within the meaning of any State constitutional or statutory provision and will not constitute a general obligation or a charge against any other revenues of the Issuer.

5. Interest on the Bonds (including the amount of original issue discount properly allocable to the owner thereof) excluded from gross income of the owners thereof for federal income tax purposes within the meaning of the Internal Revenue Code of 1986, as amended (the "*Code*") and is not an item of tax preference for purposes of the federal alternative minimum tax; such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternate minimum tax imposed on corporations under the Code.

6. Under the Act, the Bonds, together with the interest thereof, income therefrom, and gain upon the sale thereof are exempt from all State and local taxes.

In rendering the opinions expressed in paragraph 5 above, we have relied upon the opinion of even date herewith of Breazeale, Sachse & Wilson, L.L.P., counsel to the Corporation that the Corporation is an organization that is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "*Code*") as an organization described in Section 501(c)(3) of the Code. We have also relied upon such opinion with respect to (i) the due organization of the Corporation, (ii) the good standing of the Corporation in the State; (iii) the corporate power of the Corporation to enter into, and the due authorization, execution and delivery by the Corporation of, the Loan Agreement, the Ground Lease and the Facilities Lease, and the valid and binding effect thereof on the Corporation, and (iv) matters which might be disclosed as a result of an examination of the indentures, mortgages, deeds of trust, certifications of incorporation, by-laws, and other agreements or instruments to which the Corporation is a party or by which it or its properties are bound.

We have also relied on representations of the Issuer, the Board and the Corporation with respect to matters solely within the knowledge of the Issuer, the Board and the Corporation, which we have not independently verified, and have assumed continuing compliance with the covenants in the Indenture, the Loan Agreement and the Tax Agreement pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. In the event that such representations are determined to be inaccurate or incomplete or the Issuer, the Board or the Corporation fails to comply with the foregoing covenants, interest on the Bonds could be includable in gross income for federal income tax purposes from the date of their original delivery, regardless of the date on which the event causing such inclusion occurs.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of certain recipients. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences and investors should consult their tax advisors regarding the tax consequences of purchasing or holding the Bonds.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture, the Loan Agreement and the other documents enumerated above may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and that their enforcement may also be subject to the exercise of the sovereign police powers of the State or its governmental bodies and the exercise of judicial discretion in appropriate cases.

For purposes of this opinion, our services as bond counsel have not extended beyond the examinations and expressions of the conclusions referred to above. This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur. Except as stated above, no opinion is expressed as to any federal or state tax consequences resulting from the ownership of, receipt of interest on, or disposition of, the Bonds.

Respectfully submitted,

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE
OF THE STATE OF LOUISIANA

WITH RESPECT TO

$_____
LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL
FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY
REVENUE BONDS
(LCTCS ACT 35 PROJECT)
SERIES 2026

This Continuing Disclosure Certificate (the "*Disclosure Certificate*") is executed and delivered by the Division of Administration (the "*Division*"), on behalf of the State of Louisiana (the "*State*"), in connection with the issuance by the Louisiana Local Government Environmental Facilities and Community Development Authority (the "*Issuer*") of its $_____ Revenue Bonds (LCTCS Act 35 Project) Series 2026 (the "*Bonds*"). The Division covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate.

(a) This Disclosure Certificate is being executed and delivered by the Division, acting on behalf of the State, for the benefit of the Bondholders and the Beneficial Owners and in order to assist the Participating Underwriters in complying with subsection (b)(5) of the Rule.

(b) In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same or shall own beneficial ownership interests therein from time to time, this Disclosure Certificate shall be deemed to be and shall constitute a contract between the Division, acting on behalf of the State, and the Bondholders and Beneficial Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the State shall be for the benefit of the Bondholders and Beneficial Owners of any and all of the Bonds.

SECTION 2. Definitions. The following capitalized terms shall have the following meanings in this Disclosure Certificate:

"*Annual Report*" shall mean any Annual Report provided by the State pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Audited Financial Report*" shall mean the State's Annual Comprehensive Financial Report.

"*Beneficial Owner*" shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"*Bondholders*" when used with reference to a Bond or Bonds, shall mean the registered owner of any outstanding Bond or Bonds.

"*Division*" shall mean the Division of Administration of the State.

"*Dissemination Agent*" shall mean the Division, or any successor Dissemination Agent appointed in writing by the State and that has filed with the State a written acceptance of such appointment.

"*EMMA*" shall mean the Electronic Municipal Market Access system of the MSRB. As of the date of this Disclosure Certificate, the EMMA Internet Web site address is http://www.emma.msrb.org.

"*GAAP*" shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Government Accounting Standards Board and in effect from time to time.

"*Indenture*" shall mean that certain Trust Indenture dated as of August 1, 2026, by and between the Issuer and Hancock Whitney Bank, as trustee, as the same may be supplemented or amended from time to time.

"*Listed Events*" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the single centralized repository for the collection and availability of continuing disclosure documents for purposes of the Rule. The continuing disclosure documents must be provided to the MSRB in searchable portable document format (PDF) to the following:

Municipal Securities Rulemaking Board
Electronic Municipal Market Access Center
www.emma.msrb.org

"*Official Statement*" shall mean the final Official Statement for the Bonds dated August __, 2026.

"*Participating Underwriter*" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the primary offering of the Bonds.

"*Rule*" shall mean Rule 15c2-12 promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidances or other official interpretations or explanations thereof that are promulgated by the SEC.

"*SEC*" shall mean the Securities and Exchange Commission.

"*Securities Counsel*" shall mean legal counsel expert in federal securities law.

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

"*1934 Act*" shall mean the Securities Exchange Act of 1934, as amended.

SECTION 3. Provision of Annual Reports.

(a) On or before January 26th of each year, commencing January 26, 2027, the Division shall provide, or shall cause the Dissemination Agent to provide, to the MSRB an Annual Report for the preceding fiscal year that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Division shall provide the Annual Report to the Dissemination Agent (if other than the Division). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may include by specific reference other information as provided in Section 4 of this Disclosure Certificate;

(b) If the Division is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Division shall send a notice, in a timely manner, to the MSRB, in substantially the form attached as Exhibit A.

(c) If the State's fiscal year changes, the Division shall send written notice of such change to the MSRB, in substantially the form attached as Exhibit B.

(d) The Dissemination Agent shall, if the Dissemination Agent is other than the Division, file a report with the Division certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was provided.

(e) In connection with providing the Annual Report, the Dissemination Agent (if other than the Division) is not obligated or responsible under this Disclosure Certificate to determine the sufficiency of the content of the Annual Report for purposes of the Rule or any other state or federal securities law, rule, regulation, or administrative order.

SECTION 4. Content of Annual Reports. The State's Annual Report shall contain or include by reference the following:

(a) The Audited Financial Statements of the State for its fiscal year immediately preceding the due date of the Annual Report. The audited financial statements of the State shall not include any supplemental financial statements of the State. Any supplemental financial statements of the State shall be filed by the Division, on behalf of the State, pursuant to Section 10 hereof, upon receipt by the Division of such supplemental financial statements of the State, if any.

(b) Any change in the basis of accounting used by the State in reporting its financial statements. The State follows GAAP principles and mandated Louisiana statutory accounting requirements as in effect from time to time. In the event of any material change in such requirements the impact of such changes will be described in the Annual Report of the year such change occurs.

(c) The operating and financial information set forth in the Official Statement, including PART I and PART II thereto.

The State's financial statements shall be audited and prepared in accordance with GAAP with such changes as may be required from time to time in accordance with State law.

The Division reserves the right to cross-reference any or all such annual financial information and operating data to other documents to be provided to the MSRB.

The Division reserves the right to modify, from time to time, the specific types of information provided or the format of the presentations of such information, to the extent necessary or appropriate in the judgment of the Division; provided however, that the Division agrees that any modifications will be made consistent with Section 9.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Division, on behalf of the State, or related public entities, which have been submitted to the MSRB. If the document incorporated by reference is a deemed final official statement, it shall be available from the MSRB. The Division shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events.

(a) The Division covenants to provide, or cause to be provided, to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, in a timely manner not in excess of ten (10) business days after the occurrence of the event. Each notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves, if any, reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) modifications to rights of Bondholders, if material;

(8) bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property, if any, securing repayment of the Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership, or similar event of the State;[(1)]

(13) the consummation of a merger, consolidation, or acquisition involving the State or the sale of all or substantially all of the assets of the State, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

[(1)] For the purposes of this event, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the State in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the State, or if such jurisdiction has been assumed by leaving the existing government body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction of substantially all of the assets or business of the State.

(15) Incurrence of a financial obligation[(2)] of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the State, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation[(2)] of the obligated person, any of which reflect financial difficulties.

(b) In connection with providing a notice of the occurrence of a Listed Event, the Dissemination Agent (if other than the Division), solely in its capacity as such, is not obligated or responsible under this Disclosure Certificate to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation, or administrative order.

(c) The Division acknowledges that the "rating changes" referred to above in Section 5(a)(11) of this Disclosure Certificate may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Division is liable.

(d) The Division acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the State does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

(e) As of the date of this Disclosure Certificate, the Listed Events described in subsections (a)(3), (5), and (10) are not applicable to the Bonds.

SECTION 6. Mandatory Electronic Filing with EMMA.

All filings with the MSRB under this Disclosure Certificate shall be made by electronically transmitting such filings through the EMMA Dataport at http://www.emma.msrb.org, as provided by the amendments to the Rule adopted by the SEC in Securities Exchange Release No. 59062 on December 5, 2008.

SECTION 7. Termination of Reporting Obligation.

(a) The Division's obligations under this Disclosure Certificate shall terminate upon the legal defeasance of the Bonds pursuant to the Indenture or the prior redemption or payment in full of all of the Bonds.

(b) This Disclosure Certificate, or any provision hereof, shall be null and void in the event that the State (i) receives an opinion of Securities Counsel, addressed to the State, to the effect that those portions of the Rule that require such provisions of this Disclosure Certificate, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended, or modified,

[(2)] For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term "financial obligation" is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. Numerous other terms contained in these subsections and/or in the definition of "financial obligation" are not defined in the Rule; SEC Release No. 34-83885 contains a discussion of the current SEC interpretation of those terms. For example, in the Release, the SEC provides guidance that the term "debt obligation" generally should be considered to include only lease arrangements that operate as vehicles to borrow money.

or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion and (ii) files notice to such effect with the MSRB.

SECTION 8. Dissemination Agent. The State, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Division. Except as otherwise provided in this Disclosure Certificate, the Dissemination Agent (if other than the Division) shall not be responsible in any manner for the content of any notice or report prepared by the Division pursuant to this Disclosure Certificate.

SECTION 9. Amendment; Waiver.

(a) Notwithstanding any other provision of this Disclosure Certificate, this Disclosure Certificate may be amended, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(1) if the amendment or waiver relates to the provisions of Section 3(a), (b), (c), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature, or status of the State or the type of business conducted by the State;

(2) this Disclosure Certificate, as so amended or taking into account such waiver, would, in the opinion of Securities Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) the amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners.

(b) In the event of any amendment to, or waiver of a provision of, this Disclosure Certificate, the State shall describe such amendment or waiver in the next Annual Report and shall include an explanation of the reason for such amendment or waiver. In particular, if the amendment results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Disclosure Certificate, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

(c) If the amendment results in a change to the accounting principles to be followed in preparing financial statements as set forth in Section 4 of this Disclosure Certificate, the Annual Report for the year in which the change is made shall include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in accounting principles shall be filed by the Division or the Dissemination Agent (if other than the Division) at the written direction of the State, with the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Division from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the State chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Division shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Failure to Comply. In the event of a failure of the Division or the Dissemination Agent (if other than the Division) to comply with any provision of this Disclosure Certificate, any Bondholder or Beneficial Owner may bring an action to obtain specific performance of the obligations of the Division or the Dissemination Agent (if other than the Division) under this Disclosure Certificate, but no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and any failure to comply with the obligations under this Disclosure Certificate shall not constitute a default with respect to the Bonds or under the Indenture authorizing the issuance of the Bonds.

SECTION 12. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the State, the Division, the Dissemination Agent (if other than the Division), the Participating Underwriters, the Bondholders, and the Beneficial Owners, and shall create no rights in any other person or entity.

SECTION 14. Transmission of Information and Notices. Unless otherwise required by law or this Disclosure Certificate and, in the sole determination of the Division or the Dissemination Agent (if other than the Division), as applicable, subject to technical and economic feasibility, the Division or the Dissemination Agent (if other than the Division), as applicable, shall employ such methods of information and notice transmission as shall be requested or recommended by the herein designated recipients of such information and notices.

SECTION 15. Additional Disclosure Obligations. The Division acknowledges and understands that other State and federal laws, including, without limitation, the Securities Act of 1933, as amended, and Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act, may apply to the State, and that under some circumstances, compliance with this Disclosure Certificate, without additional disclosures or other action, may not fully discharge all duties and obligations of the Division under such laws.

SECTION 16. Governing Law. This Disclosure Certificate shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Disclosure Certificate shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Disclosure Certificate addresses matters of federal securities laws, including the Rule, this Disclosure Certificate shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

DIVISION OF ADMINISTRATION, ACTING
ON BEHALF OF THE STATE OF LOUISIANA

BY: _____
Commissioner of Administration

Dated: _____

EXHIBIT A
to Continuing Disclosure Certificate

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Person:	State of Louisiana
Name of Issuer:	Louisiana Local Government Environmental Facilities and Community Development Authority
Name of Bond Issue:	Revenue Bonds (LCTCS Act 35 Project) Series 2026
Date of Bonds:	August __, 2026

NOTICE IS HEREBY GIVEN that the State of Louisiana has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of its Continuing Disclosure Certificate with respect to the Bonds. The State of Louisiana anticipates that the Annual Report will be filed by _____ _____.

DIVISION OF ADMINISTRATION, ACTING
ON BEHALF OF THE STATE OF LOUISIANA

BY: _____
Commissioner of Administration

Dated: _____

EXHIBIT B
to Continuing Disclosure Certificate

NOTICE OF CHANGE IN STATE'S FISCAL YEAR

Name of Obligated Person: State of Louisiana

Name of Issuer: _____

Name of Bond Issue: _____

Date of Bonds: _____

NOTICE IS HEREBY GIVEN that the fiscal year of the State of Louisiana changed. Previously, the State's fiscal year ended on _____. It now ends on _____.

DIVISION OF ADMINISTRATION, ACTING
ON BEHALF OF THE STATE OF LOUISIANA

BY: _____
Commissioner of Administration

Dated: _____

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APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $_____ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _____

Risk Premium: $_____
Member Surplus Contribution: $_____
Total Insurance Payment: $_____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

SPECIMEN

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
28 Liberty Street, 59th Floor
New York, New York 10005
Telecopy:
212-962-1524 (attention: Claims)

SPECIMEN

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APPENDIX F

DEBT SERVICE SCHEDULE

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DEBT SERVICE SCHEDULE*

Fiscal Year (June 30)	Series 2012 Bossier	Series 2020 BRCC	Series 2017 Delta	Series 2012 South LA	Series 2017 Act 391	Series 2017 Act 360	Series 2018 Act 360	Series 2021 Act 360	Series 2026 Act 35 *	Total Debt Service	Other Requirements †*	TOTAL REQUIREMENT *
2027	4,068,800	4,469,506	2,860,875	1,201,241	10,259,000	581,250	3,341,500	5,208,642	3,666,697	35,657,510	8,191,214	43,848,724
2028	4,075,225	4,504,226	2,859,750	1,199,175	13,433,375	2,938,875	3,341,500	5,209,941	2,399,138	39,961,205	3,928,489	43,889,694
2029	-	4,503,026	-	-	13,463,375	2,147,375	12,199,375	5,211,293	2,134,138	39,658,581	4,238,500	43,897,081
2030	-	4,501,407	-	-	-	-	15,381,875	5,213,645	6,168,275	31,265,202	3,026,568	34,291,770
2031	-	4,504,921	-	-	-	-	15,374,875	5,213,472	6,168,275	31,261,544	3,026,568	34,288,112
2032	-	4,497,936	-	-	-	-	12,434,750	8,162,007	6,168,275	31,262,967	3,026,568	34,289,536
2033	-	4,498,874	-	-	-	-	2,746,875	17,849,501	6,168,275	31,263,525	3,023,068	34,286,593
2034	-	-	-	-	-	-	3,140,750	17,850,246	6,168,275	27,159,271	2,373,068	29,532,339
2035	-	-	-	-	-	-	3,139,375	17,853,566	6,168,275	27,161,216	2,373,068	29,534,285
2036	-	-	-	-	-	-	3,137,125	17,853,276	6,168,275	27,158,676	2,373,068	29,531,744
2037	-	-	-	-	-	-	3,138,625	17,853,117	6,168,275	27,160,017	2,373,068	29,533,085
2038	-	-	-	-	-	-	3,143,375	17,851,704	6,168,275	27,163,354	2,373,068	29,536,422
2039	-	-	-	-	-	-	3,141,125	17,847,575	6,168,275	27,156,975	2,373,068	29,530,043
2040	-	-	-	-	-	-	3,141,625	17,851,697	6,168,275	27,161,597	2,373,068	29,534,666
2041	-	-	-	-	-	-	-	-	13,544,150	13,544,150	798,068	14,342,218
2042	-	-	-	-	-	-	-	-	13,546,150	13,546,150	798,068	14,344,218
2043	-	-	-	-	-	-	-	-	13,548,150	13,548,150	798,068	14,346,218
2044	-	-	-	-	-	-	-	-	13,544,275	13,544,275	798,068	14,342,343
2045	-	-	-	-	-	-	-	-	13,543,525	13,543,525	798,068	14,341,593
2046	-	-	-	-	-	-	-	-	13,544,650	13,544,650	798,068	14,342,718
2047	-	-	-	-	-	-	-	-	13,546,400	13,546,400	798,068	14,344,468
2048	-	-	-	-	-	-	-	-	13,547,525	13,547,525	798,068	14,345,593
2049	-	-	-	-	-	-	-	-	13,546,775	13,546,775	798,068	14,344,843
2050	-	-	-	-	-	-	-	-	13,547,544	13,547,544	798,068	14,345,612
2051	-	-	-	-	-	-	-	-	13,546,781	13,546,781	798,068	14,344,850
2052	-	-	-	-	-	-	-	-	13,546,500	13,546,500	798,068	14,344,568
TOTAL	**$ 8,144,025**	**$ 31,479,896**	**$ 5,720,625**	**$ 2,400,416**	**$ 37,155,750**	**$ 5,667,500**	**$ 86,802,750**	**$ 177,029,682**	**$ 238,603,422**	**$ 593,004,065**	**$ 54,649,275**	**$ 647,653,340**

Notes: Amounts rounded to the nearest dollar. Totals may not add due to rounding.

Total maximum appropriation may not exceed $43,900,000 per year pursuant to Act 35.

Debt service is net of defeased amounts and capitalized interest.

† Other Requirements include deposits to Maintenance Reserve Fund and Administrative Costs.

* Preliminary, subject to change.

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LOUISIANA LOCAL GOVERNMENT ENVIRONMENTAL FACILITIES AND COMMUNITY DEVELOPMENT AUTHORITY

REVENUE BONDS (LCTCS ACT 35 PROJECT) SERIES 2026

LCDA

Louisiana Community Development Authority

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

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