BOBBY JINDAL
GOVERNOR

ANGELE DAVIS
COMMISSIONER OF ADMINISTRATION

State of Louisiana

Division of Administration

Office of the Commissioner

June 17, 2009

Ms. Chris Stewart
State Contracts/Grants Reviewer
Department of Economic Development
Post Office Box 94185
Baton Rouge, LA 70804-9185

Dear Ms. Stewart:

Enclosed are approved copies of the following cooperative endeavor agreement received in our office on June 16, 2009. This agreement is being approved under the authority of Executive Order BJ 2008-29, issued August 5, 2008.

Department of Economic Development
OCR# 252-900973 CFMS# 680368 V-Vehicle Company

The OCR and CFMS numbers preceding the contract name have been assigned by this office and are to be used as identification for the contract. Please use these numbers when referring to the agreement in any future correspondence or amendment(s).

We appreciate your continued cooperation.

Sincerely,

Angele Davis
Commissioner of Administration

AD/SGG/cc

Enclosure

09269-MEGA
680368

COOPERATIVE ENDEAVOR AGREEMENT

by and between

STATE OF LOUISIANA, through the
DEPARTMENT OF ECONOMIC DEVELOPMENT

and

PARISH OF OUACHITA

and

CITY OF MONROE

and

CITY OF WEST MONROE

and

OEDC LAND CORPORATION

and

INTERSTATE 20 ECONOMIC DEVELOPMENT CORPORATION

and

GUIDECO PROPERTIES, LLC

and

V-VEHICLE COMPANY

Effective date June 15, 2009

COOPERATIVE ENDEAVOR AGREEMENT

This cooperative endeavor agreement ("Agreement"), effective June 15, 2009 ("Effective Date"), is made between:

The STATE OF LOUISIANA, acting through the Commissioner of Administration and through the DEPARTMENT OF ECONOMIC DEVELOPMENT, an agency of the State of Louisiana, acting through the Secretary of the Department of Economic Development (the "State");

The PARISH OF OUACHITA (the "Parish"), a political subdivision of the State ~~of Louisiana, acting through the President of the Police Jury;~~

The CITY OF MONROE ("Monroe"), a political subdivision of the State of Louisiana, acting through the Mayor;

The CITY OF WEST MONROE ("West Monroe"), a political subdivision of the State of Louisiana, acting through the Mayor;

(The above parties are collectively referred to as the "Governmental Entities")

OEDC LAND CORPORATION ("OEDC"), a Louisiana non-profit corporation, acting through its President;

INTERSTATE 20 ECONOMIC DEVELOPMENT CORPORATION ("I-20 EDC"), a Louisiana non-profit corporation, acting through its President;

(The Governmental Entities, excluding the State, together with OEDC and I-20 EDC are collectively referred to as the "Local Entities")

GUIDECO PROPERTIES, L.L.C. ("Guideco"), a Louisiana limited liability corporation, acting through its managing member;

(All of the above parties are collectively referred to as the "Louisiana Entities")

and

V-VEHICLE COMPANY (the "Company"), a Delaware corporation, authorized to do business in the State of Louisiana.

WHEREAS, the parties hereto are executing this Agreement to provide that in consideration of certain inducements to be provided by the Louisiana Entities, the Company will lease, improve, equip and operate a manufacturing plant, make expenditures, and maintain jobs and payroll as agreed herein (collectively, the "Project");

WHEREAS, the Louisiana Constitution of 1974, Article VII, Section 14(C), provides that for a public purpose the State and its political subdivisions may engage in cooperative endeavors with each other and with any public or private association, corporation or individual; and in Article VI, Section 21 (A) authorizes assistance to local industry;

WHEREAS, LA. R.S. 33:9029.2 authorizes the State to enter into cooperative endeavor agreements with political subdivisions or with a public or private association, corporation, or individual to achieve a public purpose, including but not limited to enhancing or maintaining the economic well-being of the State, upon a showing of reasonable expectations that such obligations of the State will result in economic development or will achieve other economic goals that will equal or exceed the value of the obligations of the State required thereby;

WHEREAS, the economic benefit to the Governmental Entities resulting from this Project is ~~projected to exceed the value of the obligations of the Governmental Entities undertaken herein,~~ this Agreement has a public purpose and is in the public interest of the Governmental Entities and their citizens;

THEREFORE, BE IT AGREED:

ARTICLE I
DEFINITIONS

Section 1.01 Definitions

"Act" means, collectively, Section 14(C) of Article VII and Section 21(A) of Article VI of the Louisiana Constitution of 1974, as amended, and LA. R.S. 33:9029.2.

"Agreement" means this Cooperative Endeavor Agreement, and any amendments or modifications thereto.

"Annual Payroll" means the total amount of Payroll paid in a Project Year.

"Anti-Discrimination Statutes" is defined in Section 12.02.

"Assign" means to transfer or assign this Agreement, transfer or assign any of a party's rights hereunder, or delegate any of a party's duties hereunder.

"ATVM Loan" means a loan to the Company under the Advanced Technology Vehicles Manufacturing loan program administered by the U.S. Department of Energy.

"Board" means the Louisiana Board of Commerce and Industry.

"Capital Investment" means expenditures to acquire, upgrade, or improve the useful life of physical assets such as land, buildings or equipment, which are capitalized expenditures in accordance with the Internal Revenue Code and generally accepted accounting principles.

"Company" is defined in the opening paragraph hereof.

"Confidential Information" means any proprietary information disclosed to the State by the Company in connection with this Agreement, identified as such in writing at the time of disclosure, to the extent such information is not publicly available or otherwise in the public domain, or has not been previously disclosed in response to a request under the Louisiana Public Records Law.

"Contract Monitor" means the person or persons designated by the State charged with the responsibility of reviewing the Company's compliance with this Agreement.

"Diligence Information" is defined in Section 3.03(H).

"Economic Benefit" means the estimated impact on the economy of the State of the Project from the fulfillment of the Company's obligations hereunder.

"EDA Grant" is defined in Section 4.02(B)(3).

"Effective Date" is stated in the opening paragraph hereof.

"Employment Period" means a 15 year period, beginning January 1, 2010.

"Executive Budget" means the budget submitted each year to the Legislature by the Governor, setting forth all proposed State expenditures.

"Facility" means a building owned by Guideco (the former Guide plant), located in Ouachita Parish, Louisiana, including land, buildings, infrastructure, and equipment necessary or beneficial thereto, and any improvements, additions and expansions thereto made in connection with the Project, with approximately 750,000 square feet (after expansion).

"Force Majeure" means: (1) an act of God, an act of war, a natural disaster due to earthquake, landslide, fire, flood, tornado, tropical storm, hurricane, or strikes and lockouts occurring at supplier locations (excluding those In-House Supplier activities co-located at the Facility) which prevents the Company from sustaining production or distribution; (2) which is beyond the reasonable control of a party to this Agreement; and (3) prevents the party from performing its obligations hereunder.

"Goals and Objectives" means generation of an economic benefit to the Governmental Entities through (1) the operation, improvement, equipping and maintaining of the Facility, including the Required Capital Investment, and (2) the creation and maintaining of Required Jobs and Required Payroll, and the making of Required Taxable Purchases.

"Governmental Entities" are defined in the opening paragraph hereof.

"Governor" means the Governor of the State of Louisiana.

"Guideco" is defined in the opening paragraph hereof.

"I-20 EDC" is defined in the opening paragraph hereof.

"In-House Suppliers" means contractors or vendors providing services, materials, parts or products in connection with Operation and co-located at the Facility.

"Jobs" means permanent full-time new direct jobs at the Facility, as now defined under the Louisiana Quality Jobs Program Act (La. R.S.51:2451 et seq.), requiring employees to work an average of 30 or more hours per week, and excluding contract labor and services.

"Legislature" means the Legislature of the State of Louisiana.

"Local Entity Investment" means the investment in the Project by the Local Entities required by Section 4.03(B).

"Local Entity Phase III Performance-based Grants" are defined in Section 4.03(B).

"Local Entities", defined in the opening paragraph hereof, are Ouachita, Monroe, West Monroe, OEDC and I-20 EDC.

"Louisiana Entities" are defined in the opening paragraph hereof.

"Monroe" is defined in the opening paragraph hereof.

"OEDC" is defined in the opening paragraph hereof.

"Operation" means the commercial utilization of the Facility as a manufacturing and assembly plant.

"Parish" is defined in the opening paragraph hereof.

"Payroll" means payment by the Company to its employees based at the Facility, or by In-House Suppliers to their employees based at the Facility, for Jobs at the Facility pertaining to Operation, and now defined as "wages" under La. R.S. 51:2453 (Louisiana Quality Jobs Act).

"Performance Measures" means the fulfillment of the Company's obligations under Sections 4.01(C), 4.02(C) and (D), 4.03(D) and (E), and 4.06, and payment of any reimbursement due under Section 4.07.

"Phase I Performance-based Grant" is defined in Section 4.01(B)(1).

"Phase II Performance-based Grant" is defined in Section 4.02(B)(1).

"Phase III Performance-based Grant" is defined in Section 4.02(C)(2).

"Project" means the purchase, improvement, expansion and Operation of the Facility, including making the Required Capital Investment and Required Taxable Purchases, and creating and maintaining Required Jobs and Required Payroll.

"Project Budget" means the estimate of total Project Costs, spending schedule, and anticipated funding sources for completion of the Project, including any modifications thereof (attached hereto as Exhibit E).

"Project Costs" means actual, direct and substantiated Capital Investment made to acquire, construct, expand, improve, and equip the Facility, including but not limited to, the costs of studies, engineers, consultants, architects, legal services, transaction closing, environmental studies and remediation, permitting and compliance, land acquisition, right of way acquisition, infrastructure, buildings, construction costs, and equipment purchases from the inception of the Project.

"Project Year" means any of 15 consecutive twelve month periods beginning on the first day of the Employment Period.

"Required Capital Investment" means the amount of Capital Investment by the Company in the Facility required by Section 4.03(D)(2).

"Required Jobs" means the average number of Jobs in a Project Year required by Section 4.06(C).

"Required Payroll" means the amount of Payroll in a Project Year required by Section 4.06(C).

"Required Taxable Purchases" means the amount of Taxable Purchases in a Project Year required by Section 4.06(C).

"State" is defined in the opening paragraph hereof.

"State Investment" means the investment in the Project by the State required by Sections 4.01(B)(1), 4.02(B)(1) and (3), and 4.03(C)(1) and (2).

"Taxable Purchases" means the amount of purchases relating to the Project (exclusive of Capital Investment) in Louisiana subject to Louisiana sales and/or use taxes, exclusive of any amounts exempted or rebated or for which tax credits are earned.

"West Monroe" is defined in the opening paragraph hereof.

Section 1.02 Use of Terms

(A) 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 clearly requires otherwise.

(B) Words importing the singular number shall include the plural number and vice versa; and words of the masculine gender shall include correlative words of the feminine and neutral genders.

(C) The words "hereof" and "herein" shall be construed to refer to the entirety of this Agreement and shall not be restricted to the particular Article, Section, subsection or paragraph in which they appear.

(D) Section references refer to Sections of this Agreement, and Exhibit references refer to exhibits attached and made a part hereof.

ARTICLE II
AUTHORITY

Section 2.01 Governmental Entities Authority

The Governmental Entities are granted authority, pursuant to the Act, to enter into cooperative endeavor agreements with public and private associations or corporations for a public purpose, including agreements which may require the use of public funds, personnel or other resources, provided legal guidelines are met and the Economic Benefit is demonstrated to be commensurate with or greater than the State Investment and Local Entity Investment. This Agreement is entered into pursuant to the Act, and with the expectation and belief that the Economic Benefit will exceed the applicable obligations of the Governmental Entities.

Section 2.02 Corporate Authorizing Resolutions

Attached hereto as Exhibits A-1, A-2, A-3 and A-4 are duly executed resolutions or other evidence of authority of the OEDC, I-20 EDC, Guideco and the Company, respectively, to enter into this Agreement and to carry out the commitments made herein, and the authority of the undersigned representatives to execute this Agreement on their behalf, certified by the secretary or other authorized representative of the entity.

Section 2.03 Other Approvals

(A) The parties hereto acknowledge that certain sources of funding of the State Investment and other State obligations may require approval of the Governor, the Joint Legislative Committee on the Budget, or the Legislature, and are conditioned on receipt of such approval.

(B) This Agreement is not effective until signed by the parties hereto and approved by the Director of the State's Office of Contractual Review or the Commissioner of Administration.

ARTICLE III
REPRESENTATIONS

Section 3.01 State Representations

As a material inducement to the Company to enter into this Agreement, without which it would not have entered into this Agreement, the State makes the following representations:

(A) Anticipated funding sources for the Project Costs (Capital Investment) are: State, $67 Million; Local Entities, $15 Million; U.S. Department of Commerce, Economic Development Administration, $5 Million; Company, minimum $161 Million (Capital Investment).

(B) The State has obtained an Economic Impact Analysis of the Project, attached hereto as Exhibit B, indicating that the Project will result in a positive return on the State Investment as measured by projected tax revenues.

(C) The Governmental Entities' obligations under this Agreement are made for the public purpose of generating the Economic Benefit and were part of a bargained for exchange with the Company.

(D) The State and its representatives have had an opportunity to discuss the Company's business, management, financial affairs and the terms and conditions of this Agreement with the Company's management and have had an opportunity to review the Diligence Information. The State understands that such discussions, as well as the Diligence Information, were intended to describe the aspects of the Company's business that the Company believed to be material at the time such information was prepared.

(E) The State has all the requisite power and authority to enter into this Agreement and to carry out the terms hereof.

(F) This Agreement has been duly authorized, executed and delivered by the State and constitutes a legal, valid and binding obligation of the State, enforceable in accordance with its terms.

(G) The State is in full compliance with all of the terms and conditions of this Agreement and no default hereunder has occurred or is continuing, and no event, act or omission has occurred or is continuing which with the lapse of time and/or the giving of notice would constitute such a default.

(H) There is no action, suit, investigation or proceeding pending, or to its best knowledge threatened, against the State before any court, arbitrator, or administrative or governmental body which could reasonably be expected to result in a material adverse change in the State's ability to comply with its obligations hereunder or to participate in the transactions contemplated hereby.

(I) All representations made herein by the State are true and accurate and remain in full force and effect as of the date of this Agreement.

Section 3.02 Local Entity Representations

As a material inducement to the Company to enter into this Agreement, without which it would not have entered into this Agreement, each of the Local Entities severally, not jointly, makes the following representations:

(A) The Local Entity's obligations under this Agreement are made for the public purpose of generating an economic benefit within its respective jurisdiction that is reasonably expected to equal or exceed the Local Entity's obligations hereunder, and are part of a bargained for exchange with the Company.

~~**(B)** The Local Entity has all the requisite power and authority to enter into this Agreement and to~~ carry out the terms hereof.

(C) The Local Entity understands that the discussions between the State and the Company, as well as any other information delivered by the Company to the State, were intended to describe the aspects of the Company's business that the Company believed to be material at the time such information was prepared.

Section 3.03 Company Representations

As a material inducement to the State to enter into this Agreement, without which it would not have entered into this Agreement, the Company makes the following representations:

(A) The Company is a duly and legally organized Delaware corporation, in good standing under the laws of that state, and authorized to do business in the State of Louisiana, with all corporate powers and governmental licenses, authorization, qualifications, consents and approvals required to carry on its business in the State as now conducted, and will acquire and possess all such required authority to carry on the business contemplated in this Agreement, including the lease, operation and maintenance of the Facility.

(B) The Company has all the requisite power and authority to enter into this Agreement and to carry out the terms hereof; and the person signing this Agreement has the authority to execute this Agreement as the authorized representative of the Company, and to bind the Company to all of the terms of this Agreement.

(C) This Agreement has been duly authorized, executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable in accordance with its terms.

(D) The Company has taken or will take all necessary and proper action to authorize the execution, issuance and delivery of this Agreement and any other documents required by this Agreement, and the performance of its obligations under this Agreement.

(E) The execution of this Agreement and any other documents required by this Agreement, and the performance by the Company of its obligations hereunder are within the corporate powers of the Company and will not violate any provisions of any law, regulation, decree or governmental authorization applicable to the Company or any agreements of the Company with any of its creditors.

(F) The Company is in full compliance with all of the terms and conditions of this Agreement and no default hereunder has occurred or is continuing, and no event, act or omission has occurred or is continuing which with the lapse of time or the giving of notice would constitute such a default.

(G) 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 Company before any court, arbitrator, or administrative or governmental body which could reasonably be expected to result in a material adverse change in the Company's financial condition or operations, or in the Company's ability to comply with its obligations hereunder or to participate in the transactions contemplated hereby. Without limiting the foregoing, there is no action, suit, investigation or proceeding pending under any of the Anti-Discrimination Statutes.

(H) The Company and the State have engaged in a due diligence process, and in connection with that process the Company has made available to the State and its representatives through an electronic data room all the information reasonably available to the Company that the State has requested for deciding whether to enter into this Agreement and all information that the Company believes is reasonably necessary to enable the State to make such a decision, including the Company's business plan (collectively, the "Diligence Information"). No representation or warranty of the Company contained in this Agreement or the exhibits attached hereto or the Diligence Information (when read together) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. To the extent the Diligence Information was prepared by management of the Company, the business, financial and other projections contained in the Diligence Information were prepared in good faith; however, the Company does not warrant that it will achieve such projections. All representations made herein by the Company are true and accurate and remain in full force and effect as of the date of this Agreement.

Section 3.04 Capital Contribution

The State agrees that the State Investment is being made as a material inducement to the Company to locate the Project in the State. The State has been informed that the Company intends to characterize the Local Entity Investment and State Investment as a contribution to capital under Section 118(a) of the Internal Revenue Code of 1986, as amended, inasmuch as the Company intends that the Local Entity Investment and State Investment (i) will become a part of the Company's capital structure, (ii) are not compensation to the Company for any goods or services provided to the Local Entities or the State by the Company, (iii) have been bargained for between the Company and the Local Entities and the State, (iv) result in a benefit to the Company, and (v) will contribute to the production of additional income. The State acquiesces in such characterization, but shall incur no liability whatsoever if the State Investment is not so characterized.

ARTICLE IV

OBLIGATIONS

Section 4.01 Phase I – Site Preparation

(A) Commencement. Phase I shall commence upon execution of this Agreement and receipt by the State of written confirmation from the Company's Series A lead equity investor that term sheets representing at least $50 Million have been signed by Series B equity investors.

(B) State Obligations.

(1) Phase I Performance-based Grant. Upon commencement of Phase I, the State shall provide the Company with a performance-based grant of $2 Million for the costs of site preparation activities, including engineering, surveys, permitting, environmental remediation, demolition, and clean-up, as listed in Exhibit C. The grant shall be paid as promptly as possible on an as-needed reimbursement basis, within 20 days of submission of invoices by the Company, approved by the Contract Monitor.

(2) ATVM Loan. At the request of the Company, the State and the Local Entities shall in good faith assist in the Company's efforts to secure the U.S. Department of Energy ATVM Loans as soon as possible and prior to March 31, 2010.

(3) Personalized Plates. The State shall use its best efforts to reserve up to twenty-one Louisiana motor vehicle personalized plates for purchase and use by designated Company personnel.

(C) Company Obligations.

(1) Site Preparation. Upon commencement of Phase I, the Company shall commence, and continue with due diligence, the performance of the site preparation activities listed in Exhibit C.

(2) ATVM Loan. The Company shall pursue in good faith and with due diligence applications to the U.S. Department of Energy for ATVM Loans, making every commercially reasonable effort to secure such loans as soon as possible and prior to March 31, 2010.

Section 4.02 Phase II – Initial Construction

(A) Commencement. Phase II shall commence upon receipt by the State of written confirmation from the Company of the closing of the Company's Series B equity financing with at least $50 Million thereby available to the Company for the Project upon the occurrence of designated milestones agreed upon by the Company and Series B investors.

(B) State Obligations. Upon commencement of Phase II:

(1) Phase II Performance-based Grant. The State shall provide the Company with a performance-based grant of $10 Million for engineering development, and non-automotive specific construction and improvements to the Facility, as listed in Exhibit D. The grant shall be paid as promptly as possible on an as-needed reimbursement basis, with $4 paid for each $1 match provided by the Company for the same expenses, within 20 days of submission of invoices by the Company, approved by the Contract Monitor.

(2) Louisiana FastStart. The State, through its Louisiana FastStart program, shall commence development of a workforce training plan for the Company as more particularly described in Section 4.04(A).

(3) Public Works and Economic Development Facilities Program Grant ("EDA Grant"). The State shall apply for and pursue a grant in the amount of $5 Million from the U.S. Department of Commerce, Economic Development Administration, Public Works and Economic Development Facilities Program for construction of a rail spur to the Facility, paving, guard rails, drainage and grading at the Facility, and any other permissible purpose under EDA regulations, all to be constructed by the Company upon receipt of grant funds. EDA Grant proceeds shall be paid to the Company as promptly as possible on an as-needed reimbursement basis, upon submission of invoices by the Company, approved by the Contract Monitor.

(4) Office Space. The State will provide, without rental charges to the Company, 10,000 square feet of suitable office space in Monroe for the Company's exclusive use from the commencement of Phase II until October 1, 2010. The Company will be responsible for payment of all utility, insurance, security, and any other tenant costs.

(5) ATVM Loan. At the request of the Company, the State and the Local Entities shall in good faith continue to assist in the Company's efforts to secure the U.S. Department of Energy ATVM Loans as soon as possible and prior to March 31, 2010.

(C) Company Obligations. Upon commencement of Phase II:

(1) Initial Construction. The Company shall commence, and continue with due diligence, performance of Phase II non-automotive specific construction of and improvements to the Facility, as listed in Exhibit D, and shall expend $2.5 Million therefor, at the rate of at least $1 for each $4 of State Phase II performance-based grant funds received. Funds expended by the Company since December 1, 2008 for purposes listed on Exhibit D shall be included in the $2.5 Million Company obligation created under this section. The Company will provide historical invoices at the commencement of Phase II to verify the total amount expended to date.

(2) ATVM Loan. The Company shall continue to pursue in good faith and with due diligence applications to the U.S. Department of Energy for ATVM Loans, making every commercially reasonable effort to secure such loans as soon as possible and prior to March 31, 2010.

(D) Failure to Commence Phase II. If Phase II has not commenced by August 1, 2009, grant payments under Section 4.01 shall be suspended until Phase II has commenced. If Phase II has not commenced by September 1, 2009, the parties are relieved of further obligations hereunder, except Guideco's obligations under Section 4.05(B), and the Company's obligations under Sections 4.06(G), 4.07 and this paragraph. In this event, by October 1, 2009 the Company shall reimburse the State Investment received.

Section 4.03 Phase III – Facility Completion

(A) Commencement. Phase III shall commence upon the State and Local Entities receiving written confirmation from the Company's Board of Directors and reasonable evidence verifying the availability of cumulative equity funds and debt financing adequate for production launch and break-even Operation, which shall be a minimum of $350 Million (exclusive of State Investment and Local Entity Investment), or such lower amount as indicated by the Company and agreed by the State (which agreement will not be unreasonably withheld) is sufficient to achieve production launch and break-even Operation. This amount shall include all previous equity raised by the Company.

(B) Local Entity Phase III Performance-based Grants. Upon commencement of Phase III the Local Entities shall begin development of funding means (if not initiated earlier), and promptly notify the State and the Company of any anticipated delay or shortfall. Within 120 days after commencement of Phase III, but not before March 1, 2010, the Local Entities shall provide the Company with performance-based grants totaling $15 Million, for improvements to and expansion of the Facility performed by the Company, as listed in the Project Budget. The grant funds shall be paid to the State, and disbursed by the State to the Company upon the same terms as the State Phase III Performance-based Grant. The obligation of the Local Entities shall not be considered solidary, and each individual Local Entity shall be responsible only for its respective share as follows:

Local Entity	Amount
Ouachita	$3.8 Million
Monroe	$5.95 Million
West Monroe	$2.7 Million
OEDC	$2 Million
I-20 EDC	$0.55 Million

(C) State Obligations. Upon commencement of Phase III:

(1) Phase II Reimbursement. Within 30 days of the commencement of Phase III, the State shall reimburse, up to a maximum of $2.5 Million, the Company's matching contribution to Phase II initial construction costs pursuant to Section 4.02(C)(1).

(2) Phase III Performance-based Grant. The State shall provide the Company with a performance-based grant of $52.5 Million, for improvements to and expansion of the Facility performed by the Company, as listed in the Project Budget. The grant shall be paid as promptly as possible on an as-needed reimbursement basis (in accordance with the

Project Budget), within 20 days of submission of invoices by the Company, approved by the Contract Monitor.

(D) Company Obligations. Upon commencement of Phase III:

(1) Continuation of Phase II Activities. The Company shall continue the activities undertaken as obligations under Sec. 4.02(C).

(2) Required Capital Investment. The Company shall commence or continue its Capital Investment in the Facility, in accordance with the Project Budget, and by February 1, 2011 shall have made a Required Capital Investment in the Facility of $248 Million ~~(including the State Investment and Local Entity Investment).~~

(E) Failure to Commence Phase III. If Phase III has not commenced by October 1, 2009, grant payments under Sections 4.01 and 4.02 shall be suspended until Phase III has commenced. If Phase III has not commenced by March 1, 2010, the parties are relieved of further obligations hereunder, except Guideco's obligations under Section 4.05(B), and the Company's obligations under Sections 4.06(G), 4.07 and this paragraph. In this event, by April 1, 2010 the Company shall reimburse the State Investment.

Section 4.04 Other State Obligations

(A) Louisiana FastStart. The State will provide, at no cost to the Company, customized workforce support to the Company and its In-House Suppliers through the Louisiana FastStart program, including but not limited to (a) project evaluation and consultation on Company operations; (b) development of a workforce training plan and recommend media and classes; (c) development of an instructional system design plan; (d) conducting classes when and as needed to provide the best training; and (e) handling evaluation and feedback to be used for continuous improvement.

(B) Industrial Property Tax Exemption. Based upon representations made by the Company, the Facility should qualify for the Industrial Property Tax Exemption program (La.Const. Art. 7, Sec.21(F)), and the State agrees to support and facilitate the approval by the Board of the Company's application therefor, in accordance with the program rules, for a total ten year term (an initial five year term and a renewal for an additional five year term), beginning upon completion of the Capital Investment.

(C) Permitting Assistance. The State and Local Entities will support and assist the Company in expediting and obtaining all permits required for the Facility.

Section 4.05 Guideco Obligations

(A) Lease. Guideco shall lease the Facility to the Company upon commercially reasonable terms to be negotiated between the Company and Guideco.

(B) Purchase Option. Guideco shall grant the State an option to lease or purchase the Facility (including the land; improvements; personal property; rights, servitudes and privileges pertaining to the land; streets and roads abutting the land (to the center line thereof); and permits, licenses, certificates of occupancy and governmental approvals pertaining to the land or improvements (to the extent assignable) upon commercially reasonable terms and the following conditions:

(1) In the event of any of the following events:

(a) Termination of the Company's lease of the Facility resulting from a material uncured breach by the Company of the terms of its lease agreement with Guideco;
(b) Cessation of Operation or vacating of the Facility by the Company (other than during a period of Force Majeure as provided by Section 4.08);
(c) Delinquency of more than six months in the payment of reimbursement due under Section 4.07;
~~**(d)** Failure to commence Phase III by March 1, 2010;~~

(2) the State at its option may:

(a) assume the Company lease on the same terms;
(b) enter into a new lease on the same terms as the Company lease; or
(c) purchase the Facility at the following price:

Project Year	Purchase Price
Pre-1through 5	Documented Guideco acquisition cost + reasonable capital improvement costs + 5% APR (compounded annually) from Guideco acquisition date
6 through 15	Then-current purchase price of the Company's purchase option

(3) If purchasing, the State shall agree to assume liability for environmental conditions and hazardous substances at the Facility.

(4) If selling, Guideco shall transfer clear and marketable title and transfer the Facility to the State free and clear of all mortgages, liens and security interests.

The Company consents to the grant of this option.

(C) Consent to Security Interest. Guideco consents to the Company's grant to the State of a security interest as provided in Section 4.06 (D), and shall subordinate thereto Guideco's landlord's lien and all other security interests affecting such property.

Section 4.06 Other Company Obligations

(A) Facility Improvements. The Company shall manage and direct the design and construction of the improvements to the Facility, as described in the Project Budget, and shall be responsible for completion thereof, including any cost overruns, and insuring and maintaining all improvements made.

(B) Operation. The Company shall commence Operation by October 1, 2010.

(C) Required Jobs; Payroll, and Taxable Purchases. The Company shall continuously operate the Facility, and create and maintain during the Employment Period the following Required Jobs, Required Payroll, and Required Taxable Purchases:

Project Year	Required Jobs	Required Payroll	Required Taxable Purchases
1	44	$1,700,000	$500,000
2	982	$38,100,000	$12,000,000
3	1400	$55,900,000	$17,000,000
4	1400	$57,300,000	$17,400,000
5	1400	$58,800,000	$17,900,000
6	1400	$60,200,000	$18,300,000
7	1400	$61,700,000	$18,800,000
8	1400	$63,300,000	$19,200,000
9	1400	$64,900,000	$19,700,000
10	1400	$66,500,000	$20,200,000
11	1400	$68,200,000	$20,700,000
12	1400	$69,900,000	$21,200,000
13	1400	$71,600,000	$21,800,000
14	1400	$73,400,000	$22,300,000
15	1400	$75,200,000	$22,900,000

Project Year 1 Payroll shall include Payroll (excluding construction specific Payroll) created between the effective date of this Agreement and the start of Project Year 1. Project Year 1 Taxable Purchases shall include Taxable Purchases (excluding construction specific Taxable Purchases) incurred between the effective date of this Agreement and the start of Project Year 1.

(D) Security. The Company shall grant the State, upon commercially reasonable terms, a first mortgage on the Company's leasehold interest in the Facility (and on the Facility, in the event the Company purchases the Facility), and in Company-owned improvements and equipment located in or pertaining to the Facility, securing the Company's obligations hereunder, including any reimbursements that may be due under Section 4.07.

(E) Ineligibility for Other State Incentives. Prior to and during the Employment Period the Company and its In-House Suppliers will not be eligible for and shall not seek the benefit of any other State economic development incentive or tax exemption, credit, or rebate program related to activities at the Facility. The Company shall provide the State with written waiver of such benefits from each In-House Supplier as a condition of including employees of such supplier within its Annual Payroll. The Company is eligible for economic development incentives, tax exemptions, credits, or rebate programs in relation to activities at other sites within the State, provided the Company is and remains in compliance with all obligations hereunder, including achievement of Required Capital Investment, Required Jobs, Required Payroll, and Required Taxable Purchases. In-House Suppliers remain eligible for economic development incentives, tax exemptions, credits, or rebate programs in relation to activities at other sites within the State, except for sites at which more than 50% of the output is provided to the Company or the Facility (unless invited to participate by the Secretary).

(F) Louisiana Preference. To the extent allowed by law, the Company agrees to use reasonable commercial efforts to give preference to State manufacturers, suppliers, contractors, and subcontractors in connection with (1) the acquisition, improvement and equipping of the Facility and (2) purchasing material and supplies to support the Company's operations at the Facility, provided such manufacturers, suppliers, contractors and subcontractors are competitive in price, quality and delivery; however, the Company retains ultimate discretion over such decisions.

(G) Cessation of Operation; Transfer. If the Company ceases Operation for any reason, the Company shall make a good faith effort to transfer the Facility to a business entity that will continue Operation.

Section 4.07 Reimbursements

(A) Nonperformance Reimbursement.

(1) Required Capital Investment. If the Company fails to make the Required Capital Investment under Section 4.03(D)(2), the Company shall reimburse the State an amount equal to 2.3% of any short-fall.

(2) Required Payroll. If the Company fails to meet Required Payroll in any Project Year (a "short-fall year"), the Company shall reimburse the State an amount equal to 12.4% of the amount by which the Annual Payroll is less than Required Payroll. If the Company exceeds Required Payroll in any Project Year, the Company will receive a credit for Annual Payroll in excess of Required Payroll on a dollar-for-dollar basis, which may be applied toward Required Payroll in any future short-fall year.

(3) Required Taxable Purchases. If the Company fails to make Required Taxable Purchases in any Project Year (a "short-fall year"), the Company shall reimburse the State an amount equal to 3.8% of the amount by which Taxable Purchases are less than Required Taxable Purchases. If the Company exceeds Required Taxable Purchases in any Project Year, the Company will receive a credit for Taxable Purchases in excess of Required Taxable Purchases on a dollar-for-dollar basis, which may be applied toward Required Taxable Purchases in any future short-fall year.

(B) Accelerated Reimbursement. If the Company fails to commence Operation as required by Section 4.06(B), ceases Operation, transfers ownership of the Company or substantially all of its assets or the Facility to an entity that is not approved by the State to assume the Company's obligations hereunder, or this Agreement is terminated for cause, in addition to any nonperformance reimbursement which may be due for the current or a prior Project Year, the Company shall reimburse the State an amount equal to the Grant Reimbursement Amount shown below (based upon the Project Year of the Employment Period in which the terminating event occurs):

Project Year	**Grant Reimbursement Amount**
~~Pre-Employment Period~~	~~State Investment/Local Entity Investment received~~
1	State Investment/Local Entity Investment received
2	$84.0 Million
3	$81.0 Million
4	$76.0 Million
5	$71.0 Million
6	$65.0 Million
7	$59.0 Million
8	$52.0 Million
9	$45.0 Million
10	$37.0 Million
11	$29.0 Million
12	$20.0 Million
13	$10.0 Million
14	$1.0 Million
15	$0.0 Million

(C) Maximum reimbursement. In no event will total reimbursements under this Section exceed an amount equal to the State Investment and Local Entity Investment received by the Company, increased by five percent per year compounded annually.

(D) Reimbursement procedure. Reimbursement shall be due and payable on the 60th day following the end of the shortfall year or the event constituting other grounds for reimbursement. Reimbursements shall be made first by reducing the amount of any payment that may be due by the State or the Local Entities to the Company, and then by cash payment by the Company to the State. If reimbursement is not paid when due, interest at the judicial interest rate shall accrue on the payment from the date due until the reimbursement and interest are fully paid. These reimbursement provisions are not intended by the parties to be a forfeiture or penalty clause, but instead are negotiated by the parties in order to protect the State and its expected economic return on its investment.

(E) Reimbursement of Local Entity Investment. Upon receipt of reimbursement payments (which are calculated to include proportionate reimbursement of the Local Entity Investment), the State shall return to the Local Entities their respective pro rata portions of the reimbursement.

Section 4.08 Force Majeure

Upon occurrence of an event of Force Majeure, the party affected shall have the right, but not the obligation, to declare an event of Force Majeure, by giving written notice of such event and declaration to the other parties hereto within thirty days of such occurrence. Time being of the essence, the affected party shall make every reasonable effort to give such notice as soon as possible, but in any event notice must be given within 30 days of the occurrence. From the date of such notice until the effects of such Force Majeure are removed, remedied or repaired, the affected party's obligations set forth in this Agreement shall be suspended for the period of time performance of such obligations is prevented by such Force Majeure, and the current Project Year and the Employment Period shall be suspended and extended for such time. No single event of Force Majeure shall be deemed to exist for longer than one year from the date of such notice and the aggregate events of Force Majeure during the term of this Agreement shall not exceed two years. The affected party must proceed with due diligence to effect repairs or undertake efforts to remedy or mitigate the effects of a Force Majeure, and within 60 days of the occurrence of the event of Force Majeure shall provide the other parties with a report showing the efforts made and to be made to remedy or mitigate the effects and a timetable to be back at full performance.

ARTICLE V
APPROPRIATIONS

All State obligations 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 agrees to request that the Executive Budget include the funds necessary for the State Funded Investment and to use its best efforts to effect the necessary Legislative appropriations, but makes no representations, warranties or covenants, express or implied, that the Legislature will make such appropriations. A failure by the Legislature to timely appropriate sufficient funds for the State Funded Investment shall not constitute an event of default under this Agreement, and this Agreement shall continue in full force and effect as if the appropriation had been made. However, such failure shall suspend the Company's duty to fulfill its obligations set forth in Sections 4.01, 4.02, 4.03, 4.06, and 4.07 (except any obligation to reimburse the State attributable to a time period during which the State met its funding obligations) until the State is current on its payments.

ARTICLE VI
ASSIGNMENT

The parties hereto shall not Assign this Agreement without the prior written consent of the other parties hereto. Consent shall not be unreasonably withheld or delayed by the State. Furthermore, the Company may Assign this Agreement, without the prior written consent of the State, to a subsidiary or affiliate wholly owned by the Company, provided that no such assignment shall constitute a release of the Company from its obligations hereunder. Prior to any such assignment, the Company shall provide the State with the assignment document, which shall include provisions maintaining the liability of the Company under this Agreement and shall be in a form and substance satisfactory to the State.

ARTICLE VII
DEFAULT REMEDIES; TERMINATION

Section 7.01 Default Events

Subject to the rights to cure in Section 7.02 below, the occurrence of any of the following events shall constitute a default hereunder:

(A) By the Company:

(1) Failing to commence Operation as required by Section 4.06(B);

(2) Ceasing Operations (other than under a suspension due to an event of Force Majeure as provided for in Section 4.08);

(3) Transferring ownership of the Company, substantially all of its assets, or the Facility, to an entity that is not approved by the State to assume the Company's obligations hereunder (which approval will not be unreasonably withheld or delayed);

(4) Failing to satisfy any obligation or breaching of any term under this Agreement for which reimbursement to the State is not timely made.

(B) By the State: failing to satisfy any obligation or breaching of any term under this Agreement.

Section 7.02 Default Remedies

(A) Upon the occurrence of a default by the Company, the State may (1) terminate this Agreement for cause, and the State and any Local Entity may (2) protect and enforce its rights by suit or other appropriate legal or equitable remedy available by law, in either case only after the State provides the Company written notice specifying the Company's default, and, if such default is susceptible to correction, within 30 days of receipt of such notice the Company shall not have either corrected such default or, in a case which cannot feasibly be corrected in 30 days, begun in good faith to correct said failure, and thereafter proceeded diligently to complete such correction.

(B) Upon the occurrence of a default by the State, the Company may protect and enforce its rights by suit or other appropriate legal or equitable remedy available by law, in either case only after the Company provides the State written notice specifying the State's default, and, if such default is susceptible to correction, within 30 days of receipt of such notice the State shall not have either corrected such default or, in a case which cannot feasibly be corrected in 30 days, begun in good faith to correct said failure, and thereafter proceeded diligently to complete such correction.

Section 7.03 Termination

The State may terminate this Agreement for cause based on the Company's failure to comply with any material term or condition of this Agreement. The State shall give the Company written notice specifying the Company's failure. If within 30 days after receipt of such notice, the Company shall not have either corrected such failure or, in a case which cannot feasibly be corrected in 30 days, begun in good faith to correct said failure, and thereafter proceeded diligently to complete such correction, then the State may at its option, place the Company in default and this Agreement shall terminate on the date specified in such notice.

Section 7.04 Exclusive remedies

The remedies available upon default set forth in this Section shall be exclusive and no consequential, punitive, exemplary or indirect damages shall be available to any party from any other party deemed to be in default hereunder.

Section 7.05 Delay or Omission

No delay or omission in the exercise of any right or remedy accruing to the State upon any breach of this Agreement by the Company 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.

ARTICLE VIII
MONITORING; REPORTING; AUDIT

Section 8.01 Contract Monitoring

(A) The Secretary of the Department of Economic Development or his designee will designate and may change from time to time, one or more persons on his staff to act as the State's representative or Contract Monitor for the Project, to act as liaison between the State, the Local Entities, and the Company and to monitor the achievement of the Goals and Objectives and Performance Measures of this Agreement.

(B) The Company agrees to the State's monitoring through the Contract Monitor of: (1) the lease and improvement of the Facility; (2) Required Capital Investment and Project Costs; (3) Required Taxable Purchases; (4) Required Jobs and Required Payroll; (5) the Company's use of Louisiana manufacturers, suppliers, contractors and subcontractors, and (6) the Company's compliance with its obligations under this Agreement. Such monitoring may include review of documents and Facility inspections, and will be documented in writing. Facility inspections must be coordinated in advance and occur during normal business hours on a not-to-interfere basis.

(C) Any approval by the Contract Monitor required by this Agreement may be provided by the Secretary or his designee. The Secretary reserves the right to deny approval or countermand an approval by the Contract Monitor.

Section 8.02 Reporting

(A) Attached hereto as Exhibit E is the Project Budget, provided to the State by the Company. If the estimated Project Costs, spending schedule, or funding sources should materially change at any time, the Company shall immediately submit a revised Project Budget to the State showing such changes. The Company's Required Capital Investment shall not be decreased, and the Local Entity Investment or State Investment shall not be increased, by any such revision.

(B) As a means of substantiating the Company's obligations to improve and equip the Facility, and to make the Required Capital Investment and Required Taxable Purchases, the Company shall submit to the State written quarterly Progress Reports regarding these obligations, ~~beginning at the end of the calendar quarter in which Phase I is commenced, and at the end of~~ each calendar quarter thereafter until these obligations are fully satisfied.

(C) As a means of substantiating attainment of Required Jobs and Required Payroll, on a calendar quarterly basis the Company shall submit copies of the Company's most recent Louisiana Workforce Commission ES-4 Forms ("Quarterly Report of Wages Paid") relating to and clearly identifying the Company's Jobs and Payroll at the Facility.

(D) During the term of this Agreement the Company shall provide to the Contract Monitor any other requested documentation which may be reasonably required to monitor and confirm compliance with, and achievement of the Goals and Objectives of, this Agreement.

(E) The Contract Monitor shall promptly provide the Local Entities copies of the reports made by the Company pursuant to this Section

Section 8.03 Audit

(A) The Company shall arrange for an annual audit by an independent certified public accountant, acceptable to the Company in its sole discretion, of all books and records of the Company related to the purchase and improvement of the Facility with the State Investment and Local Entity Investment, Capital Investment, Jobs, Payroll and Taxable Purchases during the Employment Period, and shall deliver a copy thereof to the Contract Monitor by March 1st following each year of the Employment Period. The Company shall also make such audit, books and records available to the Legislative Auditor of the State of Louisiana during reasonable business hours as required by law. To the extent permitted by applicable law, all information provided pursuant to this Section shall be treated as confidential and privileged information, and if so permitted by applicable law, such information shall not be disclosed to any third parties without the Company's written approval.

(B) As soon as available, and in any event, within one hundred twenty (120) days after the end of the Company's fiscal year, the Company shall provide the State, by delivery to the Contract Monitor or posting on its web site, either (1) a copy of the SEC Form 10-K of the Company for such fiscal year or (2) if the Company does not file a SEC Form 10-K, a copy of The Company's audited financial statements covering the operations of the Company and its consolidated subsidiaries, including a consolidated balance sheet, related consolidated statements of income and retained earnings, and consolidated statement of cash flows of the Company and its consolidated subsidiaries for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with generally accepted accounting principles applied on a consistent basis, which statements will have been certified by a firm of independent public accountants of recognized national standing selected by the Company.

ARTICLE IX
LIABILITY

Section 9.01 No Personal Liability

No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, officer, agent or employee of any party 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 provided by law.

Section 9.02 Indemnification

The Company hereby agrees to protect, defend, indemnify, save and hold harmless the State and Local Entities, and all State and Local Entity departments, agencies, boards and commissions, its officers, agents, servants and employees, including volunteers, from and against any and all claims (even if such claims are groundless, false or fraudulent), 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 act or omission of the Company, its agents, servants, and employees or any and all costs, expenses, and/or attorney fees incurred by the Company as a result of any such claims, demands and/or causes of action, except for those claims, demands, and/or causes of action arising out of the negligence or willful misconduct of the State or Local Entity, or their departments, agencies, boards, commissions, its agents, representatives, or employees.

ARTICLE X
PRIOR AGREEMENTS

Any prior Memorandum of Understanding or other offers or agreements between the parties hereto relating to the Project are superseded by this Agreement and shall cease to be in effect upon the Effective Date hereof.

ARTICLE XI
TERM

The term of this Agreement shall extend from the Effective Date through the last day of the Employment Period. This Agreement shall remain in effect thereafter to the extent necessary to enforce any reimbursements due by the Company to the State hereunder.

ARTICLE XII
MISCELLANEOUS

Section 12.01 Tax Liability

The Company agrees that the responsibility for the payment of any taxes due to the funds received under this Agreement shall be the Company's obligation, identified under its Federal Tax Identification Number: 20-8010753.

Section 12.02 Discrimination Clause

The Company agrees to abide by the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended; and the Americans with Disabilities Act of 1990 (collectively, the "Anti-Discrimination Statutes"). The Company agrees not to discriminate in its employment practices and, to the maximum extent required by law, that it shall render services and ensure that all services under this Agreement will be delivered without discrimination, and without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

Section 12.03 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 12.04 Counterpart

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 12.05 Governing Law

This Agreement shall be construed in accordance with and governed by the laws of the State of Louisiana.

Section 12.06 Jurisdiction and Venue

The 19th Judicial District Court in the Parish of East Baton Rouge, 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; and all parties hereto submit themselves to the jurisdiction of said Court in the event of any legal proceedings in connection with this Agreement.

Section 12.07 Further Assurances

From time to time hereafter the Company 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 the parties' obligations hereunder. If needed, the State shall use its best efforts to promptly secure any alternative funding sources which may be available, so that the Company receives the full support contemplated by this Agreement.

Section 12.08 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 delivered by (1) hand-delivered by courier, with signed receipt; (2) mail through the U.S. Postal Service, postage prepaid, first-class, with return receipt requested; (3) delivered by private, commercial carrier, such as Federal Express, with signature for delivery; or (4) sent by telex, telegram, electronic facsimile transmission or other similar form of rapid transmission confirmed by written notice sent (by one of the first three methods described above) at substantially the same time as such transmission. All such communications shall be delivered to the address set forth below, or to such other address as may be designated by such party in written notice to the other party.

To the State:

Stephen M. Moret, Secretary
Louisiana Department of Economic Development
P. O. Box 94185; Baton Rouge, LA 70804-9185 (mail)
Capitol Annex, Room 229; 1051 North 3rd Street; Baton Rouge, LA 70802 (delivery)
Telephone: (225) 342-3000
Fax: (225) 342-9095

To Ouachita:

Police Jury President
Ouachita Parish Police Jury
300 St. John Street
Monroe, LA 71201
Telephone: (318) 327-1340
Fax: (318) 327-1340

To Monroe:

Hon. James E. "Jamie" Mayor
Mayor, City of Monroe
400 Lea Joyner Memorial Expressway
Monroe, LA 71210-0123
Telephone:________________
Fax:____________________

To West Monroe:

Hon. Dave Norris
Mayor, City of West Monroe
2305 N. 7th Street
West Monroe, LA 71291
Telephone:________________
Fax:______________________

To OEDC:

Benjamin M. Peters
President, OEDC Land Corporation
1900 North 18th Street, Suite 415
Monroe, La 71201
Telephone:_________________
Fax:______________________

To I-20 EDC:

Hon. James E. "Jamie" Mayor
Mayor, City of Monroe
400 Lea Joyner Memorial Expressway
Monroe, LA 71210-0123
Telephone:_________________
Fax:______________________

To Guideco:

James Davison
Guideco Properties, LLC
P.O. Box 607
Ruston, LA 71273
Telephone:______________
Fax:___________________

To the Company:

General Counsel
V-Vehicle Company
961 South 16th Street
San Diego, CA 92113
Telephone: (619) 906-2120
Fax: (619) 923-3638

Mayor, City of Monroe

400 Lea Joyner Memorial Expressway

Monroe, LA 71210-0123

Telephone:________________

Fax:_____________________

To West Monroe:

Hon. Dave Norris

Mayor, City of West Monroe

2305 N. 7th Street

West Monroe, LA 71291

Telephone:________________

Fax:_____________________

To OEDC:

Benjamin M. Peters

~~President,~~ Chairman, OEDC Land Corporation

~~1900 North 18th Street, Suite 415~~ 3209 Armand Street

Monroe, La 71201

Telephone: 318-387-4555

Fax: 318-387-4573

To I-20 EDC:

Hon. James E. "Jamie" Mayor

Section 12.09 Severability

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

Section 12.10 Amendment

This Agreement may be amended only upon the written consent and approval of all parties, and the approval of the Director of the State's Office of Contractual Review or the Commissioner of Administration.

Section 12.11 Confidentiality; Public Announcement; Compelled Disclosure

(A) Confidentiality. Confidential Information shall not be publicly disclosed without the prior written consent of the Company, except when compelled by law. This shall not preclude sharing Confidential Information with employees, contractors, and representatives of the State, to the extent reasonably necessary in connection with achieving the Goals and Objectives, and fulfilling the terms, conditions and obligations of, the Agreement. All such recipients of Confidential Information shall be advised to maintain the confidentiality thereof.

(B) Public Announcement. No party to this Agreement shall make any public announcement of the nature or existence of this Agreement without the prior written consent of the other parties, which consent shall not be unreasonably withheld or delayed; provided, however, that the Company may withhold consent to any such announcement or specific content proposed to be included in such announcement if in the good faith judgment of the Company such disclosure would be adverse to the interests of the Company or to fulfilling the Goals and Objectives. The State and the Company anticipate one or more public announcements and designate Stephen Moret for the State and Joseph Fisher for the Company to negotiate the substance, form and timing of such public announcement(s).

(C) Compelled Disclosure. In the event that the State is required by law, regulation, regulatory authority or other applicable judicial or governmental order to disclose any Confidential Information, the State will give the Company written notice of such request or requirement as promptly as reasonably practicable so that the Company may seek an appropriate protective order or other appropriate remedy (and if the Company seeks such an order, the State will provide such cooperation as the Company shall reasonably request). If, in the absence of a protective order, the State or its representatives are nonetheless legally compelled to disclose such Confidential Information, the State or its representatives, as the case may be, will furnish only that portion of the Confidential Information which the State or its representatives are advised by written opinion of counsel is legally required, in which case the State or its representatives will not be subject to liability hereunder; provided, however, that the State or its Representatives give the Company written notice of the information to be disclosed as far in advance of its disclosure as is reasonably practicable.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Cooperative Endeavor Agreement has been signed in duplicate originals by the undersigned duly authorized representatives, in the presence of the undersigned competent witnesses, on the dates indicated below.

WITNESSES:

(1)____________________
Signature

DAVID HITCHCOCK
12 JUN 09
Printed Name

(2)____________________
Signature

JOHN HARBISON
Printed Name

V-VEHICLE COMPANY

By: ____________________
Frank Varasano, Chief Executive Officer

Date: 12 JUN 09

WITNESSES:

(1)____________________
Signature

____
Printed Name

(2)____________________
Signature

____
Printed Name

PARISH OF OUACHITA

By: ____________________
Shane Smiley, Police Jury President

Date:____________________

IN WITNESS WHEREOF, this Cooperative Endeavor Agreement has been signed in duplicate originals by the undersigned duly authorized representatives, in the presence of the undersigned competent witnesses, on the dates indicated below.

WITNESSES:

V-VEHICLE COMPANY

(1)______________________________

Signature

By: ______________________________________

Frank Varasano, Chief Executive Officer

____

Printed Name

Date:_______________________________________

(2)______________________________

Signature

____

Printed Name

WITNESSES:

PARISH OF OUACHITA

(1) JB Mitchell

Signature

By: Shane Smiley

Shane Smiley, Police Jury President

Jay B. Mitchell Date: June 11, 2009

Printed Name

(2) [signature]

Signature

Bradley N. Cammack

Printed Name

WITNESSES:

(1) Nanci Summersgill
Signature

Nanci Summersgill
Printed Name

(2) L. Todd Perry
Signature

L. Todd Perry
Printed Name

CITY OF MONROE

By: James E. Mayo
James E. "Jamie" Mayo, Mayor

Date: 6-15-09

WITNESSES:

(1)______________________
Signature

____
Printed Name

(2)______________________
Signature

____
Printed Name

CITY OF WEST MONROE

By: ______________________
Dave Norris, Mayor

Date: ______________________

WITNESSES:

(1)______________________
Signature

____
Printed Name

(2)______________________
Signature

____
Printed Name

OEDC LAND CORPORATION

By: ______________________
______________, President

Date: ______________________

WITNESSES:

(1)______________________________
Signature

____
Printed Name

(2)______________________________
Signature

____
Printed Name

CITY OF MONROE

By: ______________________________
James E. "Jamie" Mayo, Mayor

Date: ______________________________

WITNESSES:

(1) Tammy Slocum
Signature

Tammy Slocum
Printed Name

(2) D C Caldwell
Signature

DOUGLAS C. CALDWELL
Printed Name

CITY OF WEST MONROE

By: Dave Norris
Dave Norris, Mayor

Date: June 12, 2009

WITNESSES:

(1)______________________________
Signature

____
Printed Name

(2)______________________________
Signature

____
Printed Name

OEDC LAND CORPORATION

By: ______________________________
____________, President

Date: ______________________________

Printed Name

WITNESSES: OEDC LAND CORPORATION

(1) Debbie Albritton

Signature

Debbie Albritton

Printed Name

By: Benjamin M. Peters

____________, ~~President~~ Chairman

Date: June 12, 2009

(2) ____________________

Signature

John C. Laird

Printed Name

WITNESSES: GUIDECO PROPERTIES, L.L.C.

(1)____________________

Signature

By: ____________________

James E. Davison, Managing Member

WITNESSES:

(1) Brownie Barbo
Signature

Brownie Barbo
Printed Name

(2) Mary Lou Harrison
Signature

Mary Lou Harrison
Printed Name

INTERSTATE 20 ECONOMIC DEVELOPMENT CORPORATION

By: Claude B. Minor
Claude B. Minor, President

Date: 6-15-09

WITNESSES:

(1)________________________
Signature

____
Printed Name

(2)________________________
Signature

____
Printed Name

GUIDECO PROPERTIES, L.L.C.

By: ________________________
James E. Davison, Managing Member

Date:________________________

WITNESSES:

(1) Janet Tomeny
Signature

Janet Tomeny
Printed Name

(2) Sandra Pierce-Moses
Signature

Sandra Pierce-Moses
Printed Name

STATE OF LOUISIANA

By: Angele Davis
Angele Davis,
Commissioner of Administration

Date: 6/17/09

WITNESSES:

(1) [signature]
Signature

Drake Mills
Printed Name

(2) Vonda B Madden
Signature

Vonda B Madden
Printed Name

GUIDECO PROPERTIES, L.L.C.

By: [signature]
James E. Davison, Managing Member

Date: 06/12/09

WITNESSES:

(1)____________________
Signature

____
Printed Name

(2)____________________
Signature

____
Printed Name

STATE OF LOUISIANA

By: ____________________
Angele Davis,
Commissioner of Administration

Date:____________________

WITNESSES:	INTERSTATE 20 ECONOMIC DEVELOPMENT CORPORATION
(1)________________________ Signature	By: ____________________________ ______________, President
________________________ Printed Name	Date:____________________________
(2)________________________ Signature	
________________________ Printed Name	

WITNESSES:	GUIDECO PROPERTIES, L.L.C.
(1)________________________ Signature	By: ____________________________ James E. Davison, Managing Member
________________________ Printed Name	Date:____________________________
(2)________________________ Signature	
________________________ Printed Name	

WITNESSES:	STATE OF LOUISIANA
(1)________________________ Signature	By: ____________________________ Angele Davis, Commissioner of Administration Date:____________________________
________________________ Printed Name	
(2)________________________ Signature	
________________________ Printed Name	

WITNESSES:

(1) Chris Stewart
Signature

Chris Stewart
Printed Name

(2) Kathy Blankenship
Signature

Kathy Blankenship
Printed Name

CONTRACT MONITOR:

Robert E. Fudickar
Signature

Robert E. Fudickar
Printed Name

LOUISIANA DEPARTMENT OF
ECONOMIC DEVELOPMENT

By: Stephen Moret
Stephen Moret, Secretary

Date: 6/15/09

EXHIBIT A-1
OEDC AUTHORIZATION

EXHIBIT A-2
I-20 EDC AUTHORIZATION

EXHIBIT A-3
GUIDECO AUTHORIZATION

EXHIBIT A-4
COMPANY AUTHORIZATION

Resolution of the Directors of
OEDC LAND CORPORATION
(Project Liberty)

Upon motion duly made, seconded and adopted by a majority vote, at a meeting of the Board of Directors of OEDC LAND CORPORATION (the "Corporation") held on June 5, 2009, after proper notice and a quorum in attendance, and in accordance with Article 12, Section 1 of the Articles of Incorporation of the Corporation and *La Rev Stat Ann §§ 12:31 et seq.*, it was,

RESOLVED, that the Corporation agree to contribute $2,000,000.00 of the combined $15,000,000.00 of local entity commitments which include The City of Monroe, The City of West Monroe, The Ouachita Parish Police Jury and Interstate 20 Economic Development Corporation (the "Local Entities") pursuant to a Cooperative Endeavor Agreement ("CEA") between the Corporation, the Local Entities and the State of Louisiana, through the Department of Economic Development, Guideco Properties, LLC and V-Vehicle Company, to provide a portion of the funding required for a project to be defined in such CEA and generally described as Project Liberty.

FURTHER RESOLVED, that Benjamin M. Peters, Chairman, shall and he is hereby authorized and directed to execute the CEA and any additional cooperative endeavor agreement between the Corporation and the Local Entities that may be necessary or proper, in his sole discretion, provided the funding of the Corporation's contribution is to be paid out simultaneously with the initial funding by the other Local Entities, and to take all action necessary to effect the foregoing agreement of the Corporation to provide assistance for Project Liberty.

CERTIFICATE

The undersigned hereby certifies that (i) he is the Secretary of the OEDC Land Corporation (the "Company"), (ii) he has reviewed the records of the Company to have, or otherwise has, knowledge of the facts certified herein, and (iii) the foregoing resolution was properly adopted by at least a majority vote of all the membership of the Company at a special meeting held on June 5, 2009, and has not been subsequently revoked or otherwise modified.

Thus done and signed in Monroe, Louisiana, on this 12 day of June, 2009

V. GERALD DEAN, Secretary

The following Resolution was offered by Mr. Smiley, seconded unanimously:

RESOLUTION NO. 09-50

A RESOLUTION AUTHORIZING A CO-OPERATIVE ENDEAVOR WITH THE CITIES OF MONROE AND WEST MONROE, *ET AL*, TO PROVIDE ECONOMIC DEVELOPMENT AND/OR INDUSTRIAL INDUCEMENT FUNDING IN CONNECTION WITH THE LOCATION OF A MAJOR EMPLOYER IN THE FORMER "GUIDE PLANT" IN OUACHITA PARISH, LOUISIANA; AND FURTHER PROVIDING WITH RESPECT THERETO.

WHEREAS, the State of Louisiana's Department of Economic Development ("Louisiana Economic Development" or "LED") has received an application from a private industrial concern (hereinafter "Company"), for benefits to be awarded under LED program(s) that, in accordance with Louisiana law, provide inducements for businesses to locate their operations in the State of Louisiana and to employ Louisiana residents;

WHEREAS, the inducement benefits requested from LED by the Company will include funds to be used by or for the Company for expenses incurred in connection with remodeling, improving, and equipping the building, formerly known as the Guide Plant, located at or near the intersection of U.S. Interstate 20 and La. Hwy. 594 in Ouachita Parish, Louisiana, where the Company will operate a manufacturing facility.

WHEREAS, the Company's operations will result in the employment of a significant number of local residents in quality jobs with benefits, as well as other positive impacts on the local, regional and state economies.

WHEREAS, the provision of these inducement benefits to the Company by LED will be governed by and subject to an agreement between LED and the Company, *et al*, (hereinafter referred to as the "Inducement Agreement").

WHEREAS, LED has advised the Ouachita Parish Police Jury that the funding of the Inducement Agreement could require a significant financial contribution from local government in the event that LED is not able to complete said funding from other sources available to it.

WHEREAS, LED has also advised the Ouachita Parish Police Jury that in the event it becomes necessary for LED to recover any portion of the funding of the Inducement Agreement through any mortgage, security device, contractual agreement, call-back, or other arrangement securing the funding provided to or for the Company by LED, then the Ouachita Parish Police Jury shall receive a proportionate share of such recovery

WHEREAS, the Ouachita Parish Police Jury finds that it is in the interest of the citizens of Ouachita Parish for their local governments to co-operatively provide an assurance of financial assistance and support to LED by the commitment of financial contributions to the funding of the Inducement Agreement should such contributions become necessary.

NOW, THEREFORE:

BE IT RESOLVED by the Ouachita Parish Police Jury in a called special and legal session that the President be authorized to execute a Co-operative Endeavor Agreement with the cities of Monroe and West Monroe, *et al,* to provide an assurance of financial assistance and support to LED by the commitment of financial contributions to the funding of the Inducement Agreement should such contributions become necessary and to determine the conditions and allocation of such contributions; and,

BE IT FURTHER RESOLVED that in order to carry out the purposes of the above referenced Co-Operative Endeavor Agreement, the President is further authorized to execute the Inducement Agreement referred to above on behalf of the Ouachita Parish Police Jury.

* * *

CERTIFICATION

I hereby certify that the above and foregoing is a true and correct copy of Resolution No. 09-50 adopted at a special called meeting of the Ouachita Parish Police Jury held on the 5th day of June 2009, in which a quorum was present and voting and that the resolution adopted is still in effect and has not been rescinded or revoked.

Signed at Monroe, Louisiana on the 11th day of June 2009.

Deborah H. Sewell
Recording Secretary

STATE OF LOUISIANA

CITY OF WEST MONROE

ORDINANCE NO. 3821

MOTION BY: Mrs. Pearson

SECONDED BY: Mr. Bennett

AN ORDINANCE AUTHORIZING THE MAYOR OF THE CITY OF WEST MONROE, LOUISIANA, TO EXECUTE A COOPERATIVE ENDEAVOR AGREEMENT BETWEEN AND AMONG THE CITY OF MONROE, THE CITY OF WEST MONROE, THE OUACHITA PARISH POLICE JURY, THE I-20 ECONOMIC DEVELOPMENT DISTRICT AND THE OEDC LAND CORPORATION, RELATING TO INDUSTRIAL INDUCEMENT FOR LOCAL ECONOMIC DEVELOPMENT PURPOSES, AND OTHERWISE PROVIDING WITH RESPECT THERETO.

SECTION 1. BE IT ORDAINED by the Mayor and Board of Aldermen of the City of West Monroe, Louisiana, in special and legal session convened, that Dave Norris, Mayor of the City of West Monroe, Louisiana, be and he is hereby authorized to execute on behalf of the City of West Monroe, Louisiana, a Cooperative Endeavor Agreement by and among the City of Monroe, the City of West Monroe, the Ouachita Parish Police Jury, the I-20 Economic Development District and the OEDC Land Corporation, relating to industrial inducement for local economic development purposes, all as more fully set forth in that Cooperative Endeavor Agreement attached hereto as Exhibit "A", including the provisions of the funding commitments as provided in that Cooperative Endeavor Agreement.

SECTION 2. BE IT FURTHER ORDAINED by the Mayor and Board of Aldermen of the City of West Monroe, Louisiana, in special and legal session convened, that Dave Norris, Mayor of the City of West Monroe, Louisiana, be and he is hereby further authorized to execute any and all other documents and take any and all actions he determines necessary or appropriate in order to complete that Cooperative Endeavor Agreement, and to comply with its terms and provisions.

The above Ordinance was read and considered by Sections at a public meeting of the Mayor and Board of Aldermen, in special and legal session convened, voted on by yea or nay vote, this 5th day of June, 2009, the final vote being as follows:

YEA: Yeager, Bennett, Pearson, Brian, Ragland

NAY: None

STATE OF LOUISIANA

PARISH OF OUACHITA

Cooperative Endeavor Agreement

Be It Known, that this agreement has been entered into and is effective as of the ________ day of ______________, **2009**, by and among the following entities (collectively referred to hereinafter as "Local Participants"):

1) **The City of Monroe**, Louisiana, represented herein by its duly authorized Mayor, James E. Mayo ("**Monroe**");

2) **The City of West Monroe**, Louisiana, represented herein by its duly authorized Mayor, Dave N. Norris ("**West Monroe**");

3) **The Ouachita Parish Police Jury**, represented herein by its duly authorized President, Shane Smiley ("**OPPJ**");

4) **I-20 Economic Development Corporation,** represented herein by its duly authorized representative, Claude B. Minor, Jr., M.D. **("I-20"); and,**

5) **OEDC Land Corporation**, represented herein by its duly authorized representative, Benjamin M. Peters ("**OEDLC**");

who, in order to serve the public interest for the purposes hereinafter stated, have entered into this Cooperative Endeavor Agreement ("CEA") under the following terms and conditions.

Introduction

The State of Louisiana's Department of Economic Development ("Louisiana Economic Development" or "LED") has received an application from a private industrial concern (hereinafter "Company"), for benefits to be awarded under LED program(s) that, in accordance with Louisiana law, provide inducements for businesses to locate their operations in the State of Louisiana and to employ Louisiana residents;

The inducement benefits requested from LED by the Company will include funds to be used by or for the Company for expenses incurred in connection with remodeling, improving, and equipping the building, formerly known as the Guide Plant, located at or near the intersection of U.S. Interstate 20 and La. Hwy. 594 in Ouachita Parish, Louisiana, where the Company will operate a manufacturing facility. The Company's operations will result in the employment of a significant number of local residents in quality jobs with benefits, as well as other positive impacts on the local, regional and state economies. The provision of these inducement benefits to the Company by LED will be governed by and subject to an agreement between LED and the Company, *et al*, (hereinafter referred to as the "Inducement Agreement").

A TRUE COPY

RONALD

City of West Monroe

LED has advised the Local Participants that the funding of the Inducement Agreement could require a significant financial contribution from local government in the event that LED is not able to complete said funding from other sources available to it.

LED has also advised the Local Participants that in the event it becomes necessary for LED to recover any portion of the funding of the Inducement Agreement through any mortgage, security device, contractual agreement, call-back, or other arrangement securing the funding provided to or for the Company by LED, then the Local Participants shall receive a proportionate share of such recovery.

Purpose

Considering the above, the purpose of this CEA is for the Local Participants to provide an assurance of financial assistance and support to LED by the commitment of financial contributions to the funding of the Inducement Agreement should such contributions become necessary.

The Local Participants have the authority to make expenditures and transfers of their respective controlled funds, including public funds, for industrial inducement and economic development purposes where there is a reasonable expectation of receiving equivalent value for such expenditures. LED has advised the Local Participants that there exists a demonstrable and reasonable expectation that the economic value or impact of the Company's proposed industrial operation to the Local Participants and the State of Louisiana is more than sufficient to support not only significant expenditures by LED but also the financial contributions that the Local Participants hereby commit themselves to make should such local financial contributions become necessary.

Agreement

Considering the foregoing, the Local Participants do hereby covenant and agree as follows:

1) To jointly contribute to LED, for the partial funding of the Inducement Agreement, up to the total sum of Fifteen Million Dollars ($15,000,000.00) to be allocated and divisible among them as set forth below.

   No portion of the Local Participants' contribution to LED shall be due and payable until such time as other funds allocated to the Inducement Agreement by LED are exhausted, and in no event before the lapse of one year from the execution of the Inducement Agreement. Thereafter, LED shall request payments from the Local Participants, as needed. The Local Participants agree that such payments shall be made by them as follows:

   a) The first $2 million to be paid by the Local Participants shall be due from OEDLC.

   b) The next $2 million to be paid by the Local Participants shall be jointly paid by Monroe, West Monroe and OPPJ in the following divisible proportions: Monroe – 50%; West Monroe – 25%; and, OPPJ – 25%.

A TRUE COPY

RONALD S. OLVEY, Chief Deputy
City Clerk's Office
City of West Monroe

c) The remaining $11 million to be paid by the Local Participants shall be jointly paid by Monroe, West Monroe, OPPJ, and I-20 in the following divisible proportions: Monroe – 45%; OPPJ – 30%; West Monroe – 20%; and, I-20 – 5%.

It is understood and agreed that LEDC is an Obligee of the joint and divisible obligations of the Local Participants set forth above and that each Local Participant is only liable for its respective share.

It is further understood and agreed that the obligations of the Local Participants hereunder are conditioned on them being parties to or third party beneficiaries of the Inducement Agreement and the obligations of the Company to LED thereunder and that there be no material change in the project by the Company, as described in the Introduction and Purpose of this CEA.

Though no portion of the contributions set forth above shall be due and payable before the lapse of one year from the execution of the Inducement Agreement, the Local Participants agree that in the event LED certifies that other funds allocated to the Inducement Agreement by LED are exhausted, then the Local Participants will use their respective reasonable best efforts to make their committed portion of the $5 million set forth in "a" and "b" above available to LED even if the one year has not lapsed from the execution of the Inducement Agreement.

2) To work cooperatively to provide means for the funding of the contributions set forth above through such agreements, vehicles, financial instruments, or other avenues as are authorized by the laws of the State of Louisiana.;

This document may be signed by the various parties in separate counterparts, and it shall be as effective as if all parties had signed the same document.

IN WITNESS WHEREOF, this Agreement has been signed by the undersigned duly authorized representatives of the Local Participants for the uses, purposes, benefits and considerations herein expressed, in the presence of the undersigned competent witnesses, on the date shown below, to be effective as of the date stated above, after a due reading of the whole document.

WITNESSES:	**City of Monroe**
______________________ Witness	By: ______________________ James E. Mayo, Mayor
______________________ Witness	Date: ______________________

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RONALD S. OLVEY, Chief Deputy
City Clerk's Office
City of West Monroe

WITNESSES:	**City of West Monroe**

______________________ Witness	By: ______________________ Dave N. Norris, Mayor
______________________ Witness	Date: ______________________

WITNESSES: **Ouachita Parish Police Jury**

______________________ Witness	By: ______________________ Shane Smiley, President
______________________ Witness	Date: ______________________

WITNESSES: **OEDC Land Corporation**

______________________ Witness	By: ______________________ Benjamin M. Peters, Representative
______________________ Witness	Date: ______________________

WITNESSES: **I-20 Economic Development Corporation**

______________________ Witness	By: ______________________ Claude B. Minor, Jr.M.D., Representative
______________________ Witness	Date: ______________________

A TRUE COPY

RONALD S. OLVEY, Chief Deputy
City Clerk's Office
City of West Monroe

EXHIBIT B

STATE ECONOMIC IMPACT ANALYSIS

The Economic Impact of Project Liberty Operations on Louisiana and Select Parishes

Dek Terrell
Freeport McMoRan Professor and
Director, Division of Economic Development
Louisiana State University

EXECUTIVE SUMMARY

This report summarizes estimates of the economic impact of Project Liberty located in Ouachita Parish. The impact study covers three areas, the state of Louisiana, Ouachita Parish and a 7-parish area. The 7-parish area includes Caldwell, Jackson, Lincoln, Morehouse, Ouachita, Richland, and Union Parishes. The Project Liberty commitment is to spend a specified amount on wages, taxable purchases, and capital expenditures over a fifteen year period (Table 1). The operation will directly employ 1,400 workers when it reaches full capacity.

- By the end of 2012, the Project Liberty commitment will reach $56 million in annual payroll.
- The Project Liberty commitment constitutes an injection of $887 million ($598 million when discounted to 2009$) in Louisiana earnings by the end of 2024 through operations alone.
- Accounting for both direct and indirect economic effects, the Project Liberty construction phase will generate over 1,800 Louisiana jobs. When operations reach full capacity in 2012, Project Liberty will support roughly 3,200 Louisiana jobs.
- Louisiana can expect over $19.6 billion ($13.3 billion when discounted to 2009$) in new output over the fifteen year horizon as a result of the injection created by the Project Liberty agreement.
- When indirect effects are included, the Project Liberty operations should increase Louisiana wages and salaries by over $1.9 billion ($1.3 billion when discounted to 2009$) over the fifteen year horizon.
- The Project Liberty commitment should generate over $131 million ($89 million when discounted to 2009$) in Louisiana state tax revenue over the fifteen year horizon. In addition to this, $32 million ($22 million when discounted to $2009) of these taxes will occur in Ouachita Parish. State taxes exclude corporate income tax and local taxes exclude property tax.
- Ouachita Parish will be the primary beneficiary of this activity. Operations will support 2,700 jobs in Ouachita Parish and 3,100 jobs in the 7-parish area.

This report summarizes our findings on the economic impact of Project Liberty construction and operations on the state of Louisiana, Ouachita Parish and the 7-parish area economy. The 7-parish area includes Caldwell, Jackson, Lincoln, Morehouse, Ouachita, Richland, and Union Parishes.

This report focuses on initial construction expenditures and the operations commitment over a 15 year period. Operations will begin in 2010 and will reach full capacity by 2012. All computations in this report are based on information provided by the Louisiana Department of Economic Development and Implan Input/Output software. Implan was chosen for this application due to its flexibility in estimating the impact of new industries to an area.

The results are organized as follows. Because the largest economic impact will come from operations in the state, this report begins there. We present the job, earnings and output creation from operations over the fifteen year horizon. Earnings and output totals are presented as the net present value in 2009$. We then turn to the estimated impact of Project Liberty on Louisiana state tax revenues. The next section presents 7-parish area impacts for operations and construction; we then turn to the impact on Ouachita Parish.

All calculations are based on the assumption that Project Liberty commitments over the fifteen year period are met. Table 1 summarizes these payroll commitments by year.

Table 1
2011-2025 Payroll, Taxable Purchases, and CAPEX Commitments
($millions; nominal terms)

Year	CAPEX	Annual Payroll	Taxable Purchases
2010	$248.0	$1.7	$0.5
2011	$0.0	$38.1	$12.0
2012	$0.0	$55.9	$17.0
2013	$0.0	$57.3	$17.4
2014	$0.0	$58.8	$17.9
2015	$0.0	$60.2	$18.3
2015	$0.0	$61.7	$18.8
2017	$0.0	$63.3	$19.2
2018	$0.0	$64.9	$19.7
2019	$0.0	$66.5	$20.2
2020	$0.0	$68.2	$20.7
2021	$0.0	$69.9	$21.2
2022	$0.0	$71.6	$21.8
2023	$0.0	$73.4	$22.3
2024	$0.0	$75.2	$22.9
Total	$248.0	$886.7	$269.9

Table 2 contains the net present value of the earnings injection for the construction and fifteen year operational period beginning in January 2010 and ending in December 2025. We use the thirty year treasury rate (4.66% as of June 5, 2009) as the discount rate. Notice that the $597.8 million injection for the fifteen year horizon is substantially less than the $886.7 million in total payroll in Table 1. This reflects discounting.

Table 2
Net Present Value of Earnings Commitment (millions of 2009$)

Horizon	**15 years**
Earnings Injection	$597.8

Economic Impact of the Commitments on the Louisiana Economy

Like a rock dropped into a pond, an injection of new dollars into an economy ripples throughout an economy. Spending by the firm and its employees directly creates new sales in the community. Area businesses that benefit from those expenditures in turn hire additional workers. Spending by those businesses and their employees then creates another round of sales for other businesses and the process continues. Economic impact analysis provides us with the tools to quantify the full impact of these ripples in an economy using jobs, earnings, and output multipliers. Implan Pro allows us to quantify the full impact of the splash from Project Liberty operations in Louisiana's economy. Figure 1 graphs the estimated direct Louisiana employment and total Louisiana employment that can be expected from Project Liberty. The number of jobs created by Project Liberty reaches almost 1,900 jobs during the construction phase. By 2012, the facility reaches normal operations with 1,400 workers employed in the facility and just under 3,200 total Louisiana jobs attributable to the facility.

Figure 1
Total Louisiana Employment
Attributable to the Project Liberty Operations

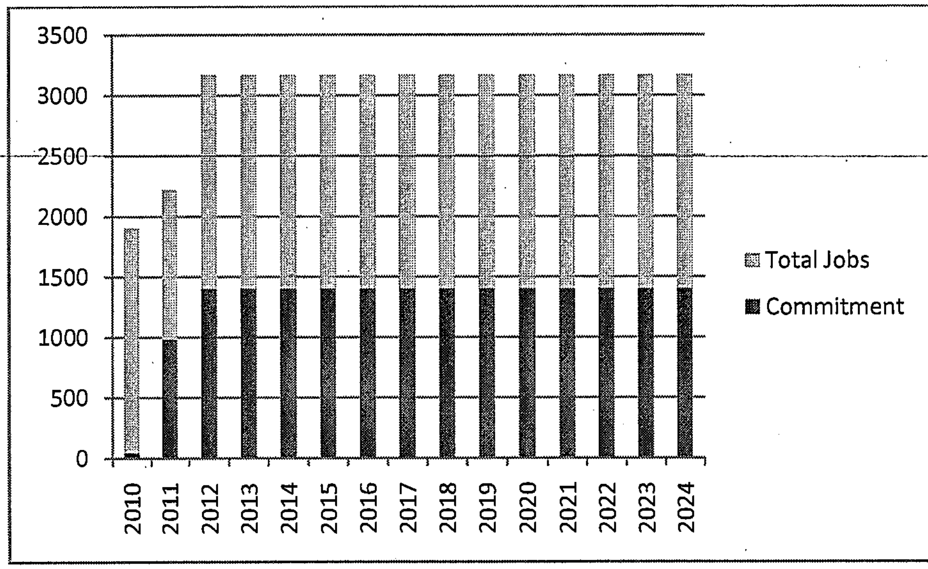

Table 3 contains the estimated impact of Project Liberty operations on the Louisiana economy over the fifteen year period. Accounting for the multiplier effect, Louisiana can expect a total of $13.3 billion (2009$) in additional output over the next fifteen years as a result of Project Liberty operations. Louisiana can expect a net present value of $1.3 billion (2009$) in additional earnings over the next fifteen years.

Table 3
The Impact of the Project Liberty Operations Wages On the Louisiana Economy (millions of 2009$)

Horizon	Output	Earnings
15 years	$13,276.7	$1,284.6

Note: This table provides the net present value of total Louisiana output and earnings that can be expected from Project Liberty. All figures include both the direct and indirect impact of operations.

Our next task consists of estimating the state taxes that Louisiana can expect as a result of Project Liberty. In particular, we seek to quantify the state taxes Louisiana could expect to receive directly and indirectly as a result of Project Liberty. Table 4 contains the estimated nominal and real (discounted to 2009$) state taxes generated for the 15 year horizon. Our methodology estimates state taxes based on the ratio of state tax receipts as percentage of personal income. Note that this calculation implicitly includes state taxes paid by employees of business other than Project Liberty and state sales taxes created by those spending new earnings resulting from the "ripples" in the economy.

Table 4
Nominal and Real Louisiana State Tax Revenues Attributable to Project Liberty Operations ($millions)

Horizon	Nominal Taxes	Real Taxes (NPV $2009)
15 years	$131.0	$89.9

Local Area Economic Impact

Since the location of the Project Liberty is in Ouachita Parish, the 7-parish area (Caldwell, Jackson, Lincoln, Morehouse, Ouachita, Richland, and Union Parishes) will benefit most from their operations. Table 5 summarizes the estimated economic impact of the Project Liberty commitment on the 7-parish area (both discounted to 2009$). Not surprisingly, most of the output occurs within the 7-parish area. Over the fifteen year period, Project Liberty commitment will add over $13.1 billion in output and almost $1.2 billion in earnings to the 7-parish area economy. During normal operations the facility will employ 1,400 workers directly and support roughly 3,100 total local jobs.

Table 5
The Impact of the Project Liberty Operation on the 7-Parish Area Economy (millions 2009$)

Horizon	Output	Earnings
15 years	$13,172.5	$1,185.0

Note: This table provides the net present value of total 7-parish output and earnings that can be expected from Project Liberty. All figures include both the direct and indirect impact of construction and operations.

Table 6 contains the estimated local taxes attributable to Project Liberty.

Table 6
Nominal and Real 7-Parish Area Tax Revenues Attributable to Project Liberty Operations ($millions)

Horizon	Nominal Taxes	Real Taxes (NPV $2009)
15 years	$36.2	$24.8

Note: All figures exclude potential tax revenues associated with property taxes.

Ouachita Parish Economic Impact

Project Liberty will also have a substantial impact on Ouachita Parish itself. Table 7 summarizes the estimated economic impact of the Project Liberty commitment on the Parish (both discounted to 2009$). Over the fifteen year period Project Liberty commitment will add $12.9 billion in output and over $1.1 billion in earnings to the Parish economy. During normal operations the facility will employ over 1,400 workers directly and support over 2,700 total Ouachita Parish jobs.

Table 7
The Impact of the Project Liberty Operation on the Ouachita Parish Economy (millions 2009$)

Horizon	Output	Earnings
15 years	$12,889.6	$1,068.4

Note: This table provides the net present value of total Ouachita parish output and earnings that can be expected from Project Liberty. All figures include both the direct and indirect impact of construction and operations.

Table 8 contains the estimated Ouachita Parish taxes attributable to Project Liberty.

Table 8
Nominal and Real Ouachita Parish Area Tax Revenues Attributable to Project Liberty Operations ($millions)

Horizon	Nominal Taxes	Real Taxes (NPV $2009)
15 years	$32.5	$22.4

Note: All figures exclude potential tax revenues associated with property taxes.

While it is difficult to estimate the distribution of tax revenues among local governments, trends in tax collections and population suggest roughly 48% in NPV taxes for Monroe, 24% for West Monroe, and 28% for Ouachita Parish.

Conclusion

This report analyzes the economic impact of a major agreement for construction and operations (Project Liberty) of an automobile manufacturing facility in Ouachita Parish. Perhaps the easiest way to summarize the impact of this agreement on Louisiana's economy is to focus on the injection of jobs into the state. With direct employment peaking at 1,400 it should come as no surprise that the 7-parish area will benefit substantially from Project Liberty's presence. Once the multiplier effects are considered, our computations indicate over 3,100 7-parish area jobs can be expected from operations. The impact is not limited to the 7-parish area. After the construction phase is complete, total employment across the state will rise by roughly 3,200 as a result of attracting Project Liberty.

EXHIBIT C

PHASE I SITE PREPARATION ACTIVITIES

V-Vehicle Company
Monroe Facility Budget
Phase I

These funds are to be executed by July 31, 2009, with payment due within 30 days to the applicable contractors.

Engineering Services	**$1,273,000**
Facility (Gray Construction)	$893,000
Process (CKGP)	$380,000
Specialty Consultants	**$394,000**
(Survey, Geotechnical Investigation, Air Permit Process, Traffic Study, etc)	
Developer and Contractor Services	**$313,000**
Permit Fees	**$20,000**
Total	**$2,000,000**

EXHIBIT D

PHASE II CONSTRUCTION ACTIVITIES

V-Vehicle Company
Monroe Facility Budget
Phase II

Anticipate execution of these funds by September 30, 2009, with payment due within 30 days to the applicable contractors.

	State Funds	Company Funds
Engineering Services	1,108,000	288,000
Hazardous Material Abatement	1,992,000	
Demolition Work	3,535,000	884,000
Earthwork	1,634,000	497,000
Permit Fees	427,000	47,000
General Conditions	376,000	94,000
Contractor Fees	480,000	120,000
Wetlands Mitigation	448,000	
Developer Fee		70,000
Prior Expenditures (Dec 08- Jun 09)		500,000
Total	**$10,000,000**	**$2,500,000**

EXHIBIT E

PROJECT BUDGET

V-Vehicle Company
Monroe Facility Construction Budget
June 10, 2009

Month	Budget	Phase
July 2009	$2,000,000	I
August 2009	$4,200,000	2
September 2009	$6,100,000	2
October 2009	$3,700,000	3
November 2009	$9,200,000	3
December 2009	$13,000,000	3
January 2010	$17,000,000	3
February 2010	$11,900,000	3
March 2010	$8,000,000	3
April 2010	$6,500,000	3
May 2010	$3,800,000	3
June 2010	$1,600,000	3
Total	**$87,000,000**	